
# 2018 Interim Results

20 August 2018

Focused, Efficient and Delivering Growth

A member of:

ICMM International Council on Mining & Metals

MINING WITH PRINCIPLES

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This presentation should be read in conjunction with MMG Limited's interim results announcement for the six months ended 30 June 2018 issued to the Hong Kong Stock Exchange and the Australian Securities Exchange on 20 August 2018.

# Overview

| | |
|---|---|
| **Geoffrey Gao, CEO** | 2018 first half highlights |
| **Ross Carroll, CFO** | Financial results |
| **Geoffrey Gao, CEO** | Strategy and outlook |
| **Questions and Answers** | |

# 2018 first half in review

Geoffrey Gao

*Chief Executive Officer*

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# 2018 Interim Review

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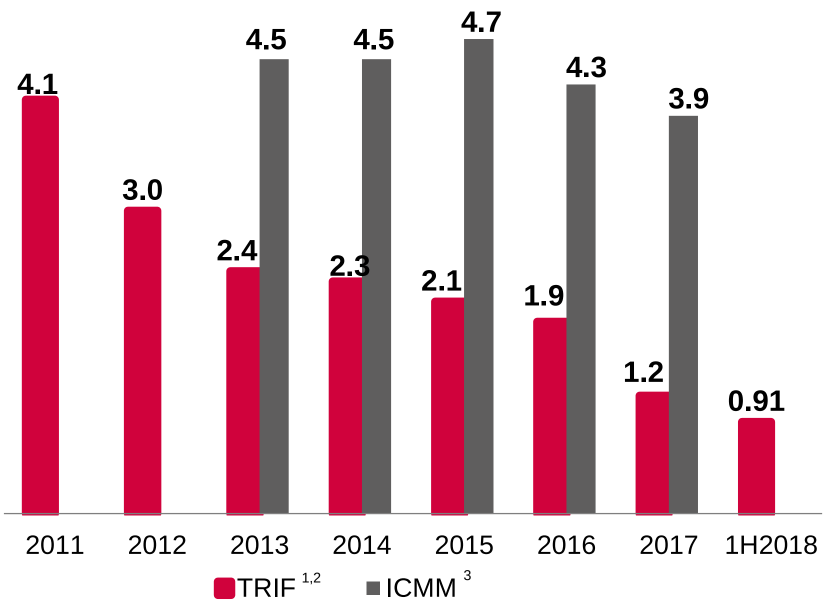
| | |
|---|---|
| Safety | × Continued injury reduction, however fatal incident at our Sepon mine in May |
| Profit Growth | ✓ NPAT attributable to equity holders* of US$124.2m, an increase of US$117.2m on H1 2017 |
| Stronger Balance Sheet | ✓ Net debt reduced by US$643m. Stronger balance sheet provides flexibility |
| Production Growth | ✓ Copper equivalent production growth of 3%. Dugald River commercial production ahead of schedule |
| Shareholder Returns | ✓ TSR over the past 12 months: 13% compared to EMI Global Base Metals index of -12% |

COPPER ZINC

* From continuing operations

# Safety, Environment and Social Performance

## Safety performance




- Safety – our first value
- Fatality at our Sepon mine. We continue to strive towards an injury and incident free workplace
- In 2017, MMG's TRIF was the lowest of all International Council on Mining and Metals (ICMM) members globally
- Committed to ICMM's 10 principles of Sustainable Development
- We mine for progress. Contributing to the development of our host countries and communities


1. Total recordable injury frequency per million hours worked
2. Las Bambas safety data incorporated into MMG from January 2015
3. ICMM average TRIF of 23 companies

# Strategy and objectives

MMG's objective is to be valued as one of the world's top mid-tier miners by 2020 and, in the longer term, as one of the world's top miners.

To achieve this objective, we deliver value through four strategic drivers:

| | |
|---|---|
| **Growth** | ✓ **We acquire, discover and develop mining assets that transform our business;** |
| **Business Improvement** | ✓ **We develop effective plans to deliver innovative growth opportunities and improve productivity;** |
| **People and Organisation** | ✓ **We provide a safe, healthy and secure workplace and a culture that values collaboration, accountability and respect; and** |
| **Reputation and Sustainability** | ✓ **We are valued for our commitment to progress, long-term partnerships and international management.** |

# Financial results

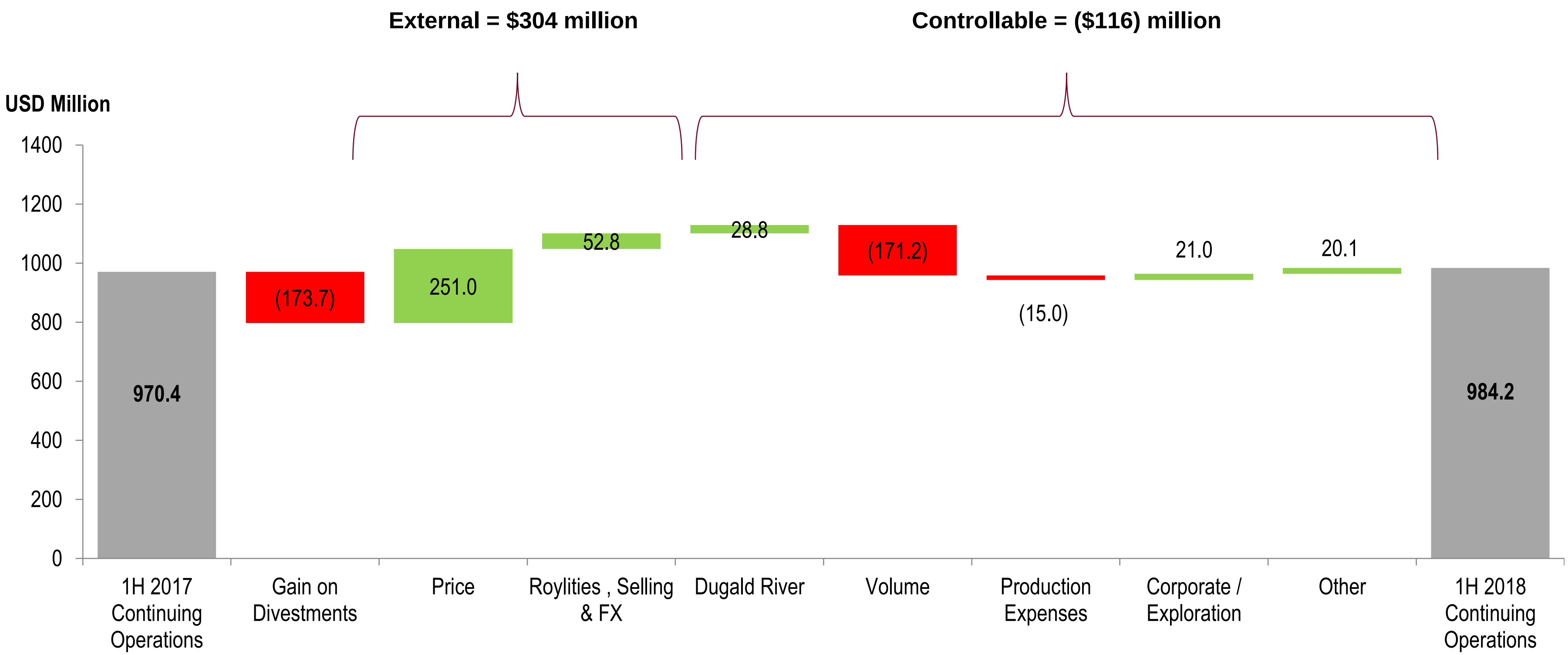
Ross Carroll

*Chief Financial Officer*

# Strong growth in profit to equity holders

| Key Financial Metrics (US$ million) | 1H2018 | 1H2017 | 2018 v 2017 |
|---|---|---|---|
| **<u>Income Statement</u>** | | | |
| Revenue | 1,898.8 | 1,749.8 | *9%* |
| Underlying EBITDA (excl 1H17 gain on divestments) | 984.2 | 796.7 | *24%* |
| Profit After Tax (continuing ops) | 188.8 | 102.4 | *84%* |
| *Attributable to:* | | | |
| Equity holders | 124.2 | 7.0 | *1,674%* |
| Non-controlling interests | 64.6 | 95.4 | *(32%)* |
| Basic earnings per share | US 1.55 cents | US 0.09 cents | *1,622%* |

# Underlying earnings growth driven by higher prices, costs controlled



# Underlying profit to MMG equity holders

| NPAT attributable to equity holders (US$m) | 1H18 | 1H17 | *2018 v 2017* |
|---|---|---|---|
| Profit After Tax – Las Bambas 62.5% interest | 107.4 | 158.9 | *(32%)* |
| Profit After Tax – Other operations | 90.0 | 28.8 | *212%* |
| Exploration | (14.2) | (17.0) | *16%* |
| Administration Expenses | (22.8) | (40.6) | *44%* |
| Other[1] | 46.7 | (33.8) | *238%* |
| Net finance costs (excl. Las Bambas facilities) | (78.4) | (78.5) | - |
| Profit attributable to equity holders | 128.7 | 17.8 | ***623%*** |
| *Less discontinued operations* | *4.5* | *10.8* | *(58%)* |
| Profit attributable to equity holders from continuing operations | 124.2 | 7.0 | ***1,674%*** |

- MMG remains focused on driving increased returns to shareholders via:
  - ✓ Accretive growth
  - ✓ Capital discipline
  - ✓ Reducing debt and interest costs
  - ✓ Business improvement and cost reductions

1. Other: 1H18 incudes FX gains of US$11.0m, gain on redemption of CRPS of US$12.6m, and other intercompany eliminations. 1H17 includes FX losses of US$44.7m, hedging losses of US$24.3 million and other intercompany eliminations.

# Earnings sensitivity

- High earnings and cash flow leverage to copper and increasing leverage to zinc

## Estimated impact on FY18 underlying EBIT from changes in commodity prices and currency

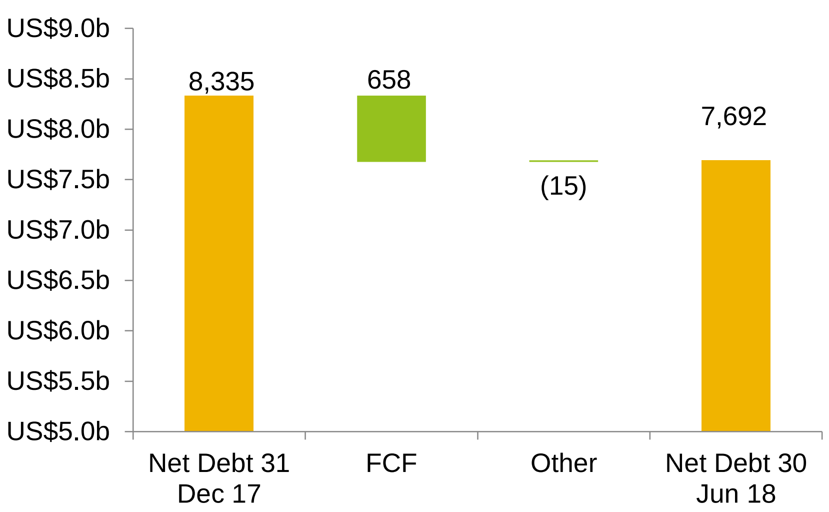
| | | Sensitivity | EBIT Impact (US$m) |
|---|---|---|---|
| Copper | US$/lb | $0.10/lb / ($0.10/lb) | 118/(118) |
| Zinc | US$/lb | $0.10/lb / ($0.10/lb) | 35/(35) [1] |
| Lead | US$/lb | $0.10/lb / ($0.10/lb) | 10/(10) |
| Gold | US$/oz | $100/oz / ($100/oz) | 15/(15) |
| Silver | US$/oz | $1.00/oz / ($1.00/oz) | 9/(9) |
| **AUD:USD[2]** | **AUD** | **(10%) / 10%** | **44/(44)** |
| **PEN:USD[3]** | **PEN** | **(10%) / 10%** | **25/(25)** |

1. 1H18 Zinc sensitivity only factors in Dugald River from expected date of commercial production. FY18 zinc production guidance is 190-220kt, including 120-140kt from Dugald River (both pre and post commercial production). Dugald River is expected to produce 170ktpa at steady state
2. AUD:USD FX exposure relates to FX gain/loss on production expenditure at Rosebery and Dugald River and administration expenses at Group Office
3. PEN:USD FX exposure predominantly relates to translation of Las Bambas tax receivables balance and production expenditure

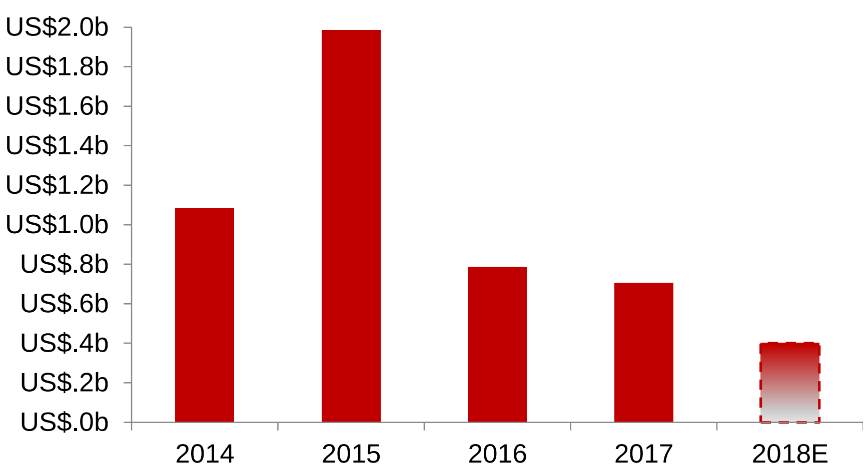
# Net debt reduced by US$643 million in 1H18

- MMG has developed and commissioned the largest greenfield copper and zinc projects globally over the past 2 years
- Growth has been largely debt funded
- Operating mines are highly cash generative enabling rapid debt reduction
- Net debt reduced by US$2.1b over the past 18 months
- Sustaining Capex to average ~US$400m
- Interest payment of ~US$365m due in 2H18 relating to deferred interest on US$2,262m shareholder loan (deferred since 2014). This will be funded via proceeds from Sepon sale (US$275m) and surplus cash.

## Movements in Net Debt




## Capital Expenditure

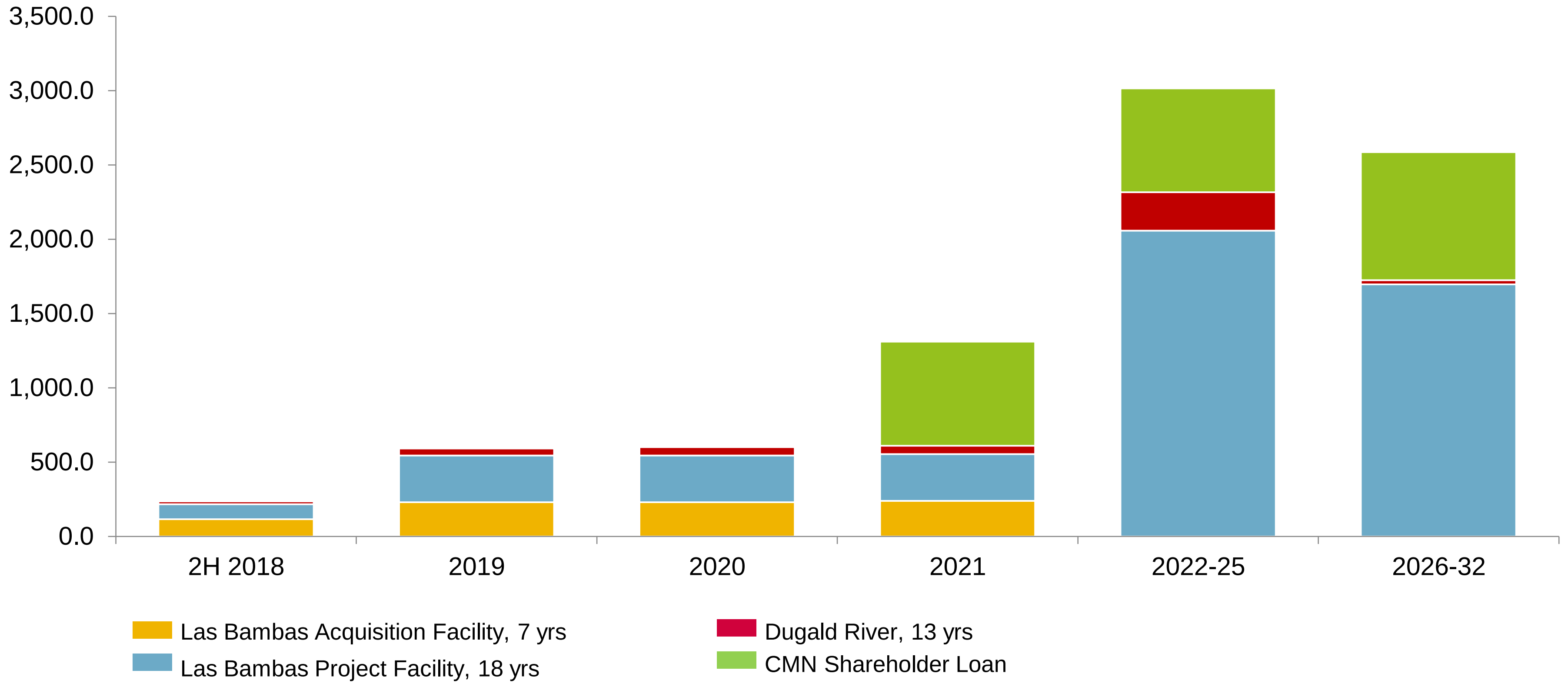



* FY18 capex guidance ~US$400m

# Well managed debt maturity profile

- Gross debt reduced by >US$900m in H1 2018
- Average outstanding maturity profile now ~6.5 years

## Debt repayment schedule[1] (US$m)




1. Principal and interest payments including Joint Venture partner liabilities. Also excludes all revolving facilities.

# Business improvement

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## Right sizing the base

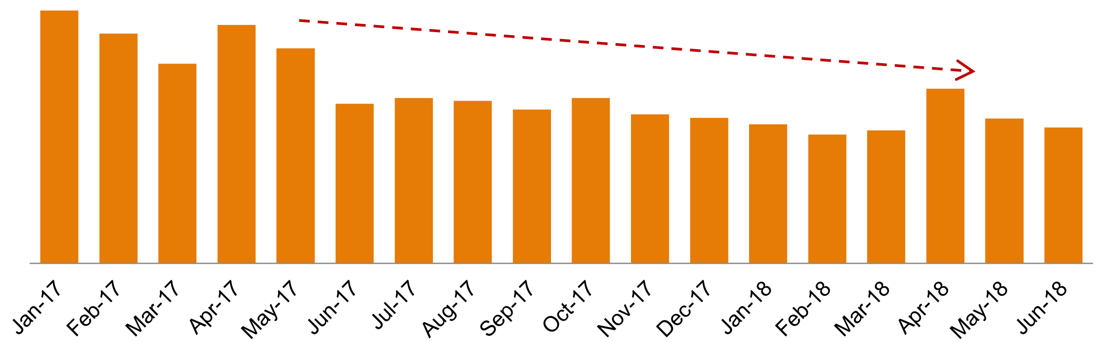
**US$30m reduction in overhead costs**

- Business improvement is a group wide focus and one of our strategic drivers for value creation
- Delivering the right platform to support value creation at existing asset base and retain flexibility to grow
- Portfolio optimisation: divestment of four non-core assets

## From ramp-up to optimisation

**Las Bambas on track for ~US$90m savings in Cash Production Expenses across 2017/18**

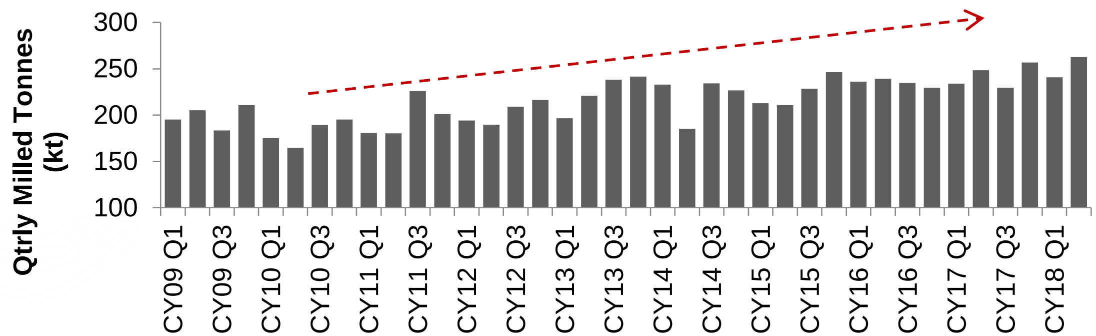
## 35% reduction in Las Bambas contractor headcount




## Operational excellence

**Track record of continuous improvement to offset grade declines , higher material movement and costs at mature operations**

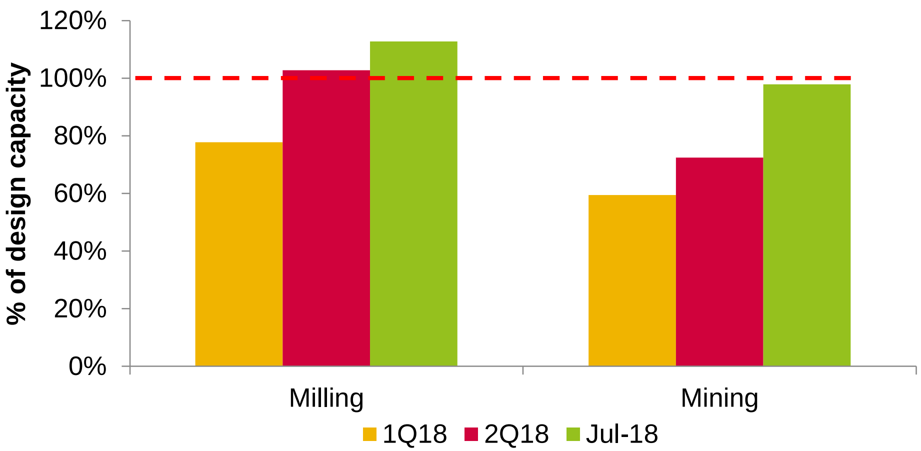
## Record mill throughput at Rosebery in 82nd year



# Dugald River – ramp up ahead of schedule

- Commercial Production 1 May 2018.
- Total development capital ~US$550m[1]
- Early commissioning has resulted in lower net capital expenditure in 2018
- Mining and milling rates progressing strongly
- 2018 production guidance 120-140kt[2]
- Steady state production guidance 170kt pa and C1 cost of US$0.68-0.78/lb

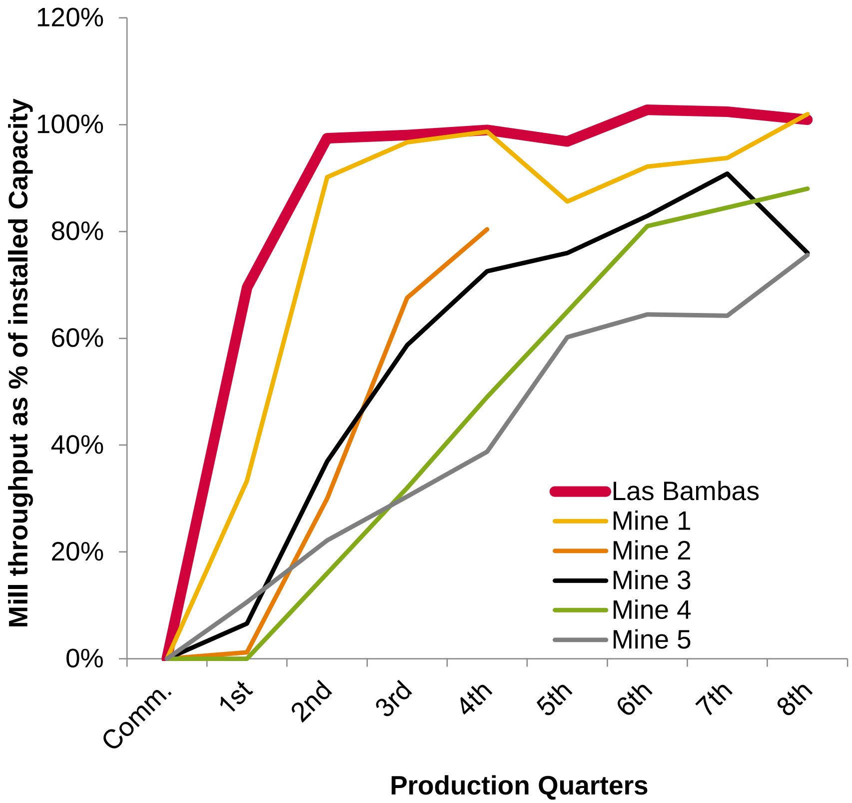
## Dugald River ramp up progress



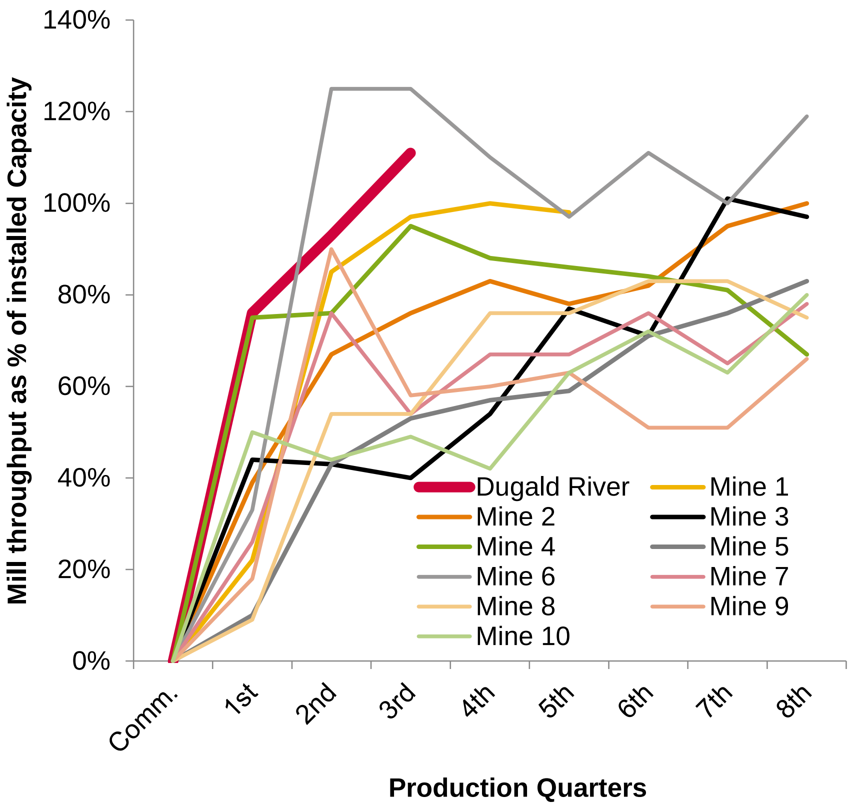

1. Since 1 July 2015
2. Including 39,717 tonnes pre-commercial production.

# Excellence in project delivery and ramp up

## Ramp up profiles of greenfield copper concentrators[1]




## Ramp up profiles of greenfield zinc concentrators[1]



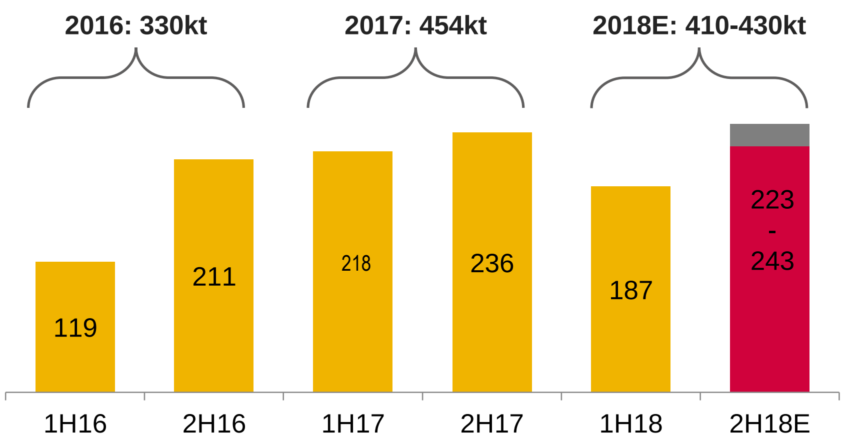

[1] Includes copper and zinc concentrator projects, publicly available data

# Las Bambas outlook

- Las Bambas has been established as one of the lowest cost copper operations of this scale in the world. 20+ year mine life based on current reserves with significant geological potential to support mine life extension/expansion.
- 1H18 production (187kt) was 15% below pcp, impacted by:
  - localised geotechnical instability in one of the pit walls, causing ore intended to be mined in this period to be deferred to future periods;
  - Major scheduled plant maintenance shutdown in April 2018.
- 2H18 production improvement expected due to:
  - Higher grades and increased milling volumes compared to the first half;
  - Continued higher recoveries as seen in the first half.

- 2018 production guidance: 410-430kt with pressure towards lower end of range
- C1 guidance US$1.00-1.10/lb
- Las Bambas to produce >2mt over first 5yrs

## Production profile



# DRC Contribution - MMG Kinsevere

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## INVESTMENTS

**$1.2bn**
Purchase of Anvil Mining in 2012

**$250m**
Additional capital invested for mine development to 2017

## Mining Code

**2018**

Revised Mining Code enacted March 2018

Increased royalties, fees, duties, State's rights and super profits tax.

Reduced rights and no respect for 2002 Code 'stability' protections.

Industry 'sliding scale' royalty proposal offers 'win-win' solution

## WORKFORCE

**750**
employees

**1,800**
contractors

**>96%**
of the workforce are Congolese nationals

## STAKEHOLDER BENEFITS

**~$70m p/a**
Government income from Kinsevere

**~$305m p/a**
DRC goods and services expenditure / wages

**~$3m+ p/a**
Social/agricultural investment

## PRODUCTION

**80kt**
Cu cathode in 2017

Third year in succession at this production rate.

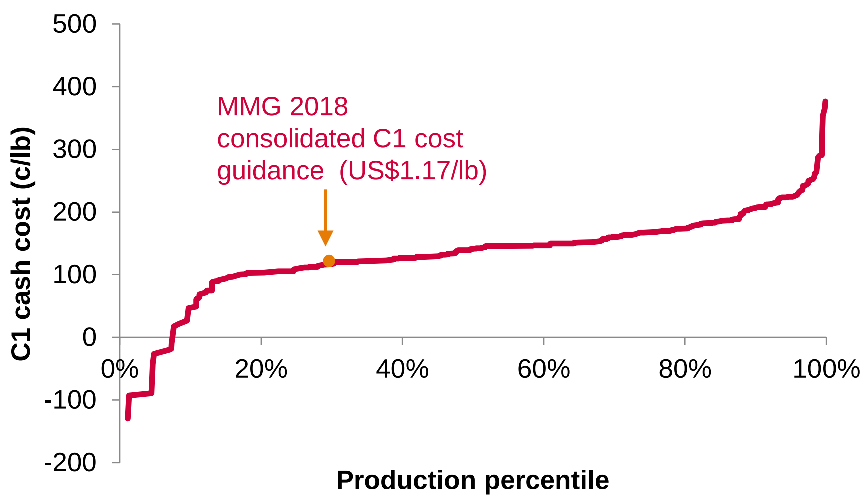
# MMG:
# Focused, Efficient and Delivering Growth

Geoffrey Gao
*Chief Executive Officer*

# World-class asset base delivering value

- World class asset base with geographic diversity and track record of delivering operational commitments
- Top 10 miner of copper and zinc
- Low cost position – well placed to deal with commodity market volatility
- Free Cash Generation of US$2.1b over the past 18 months has been used for debt reduction and has created significant value for our shareholders
- Delivered 15% pa growth in Cu equivalent production over 5 past years.  Recent asset sales and efficiency initiatives have created a strong platform for growth

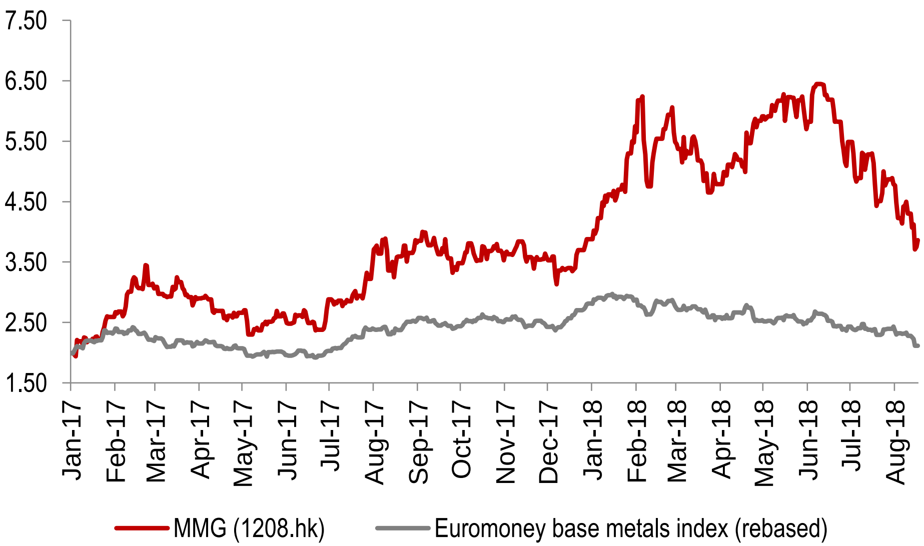
**C1 copper cost curve (2018)[1]**




Source: Wood Mackenzie, Q2 2018

**Share price performance**

Rebased to MMG (HK$)




1. Wood Mackenzie Q2 2018 Composite C1 Cash Cost Curve.  MMG consolidated C1 based on Las Bambas and Kinsevere guidance.

# Positive outlook for copper and zinc despite recent volatility

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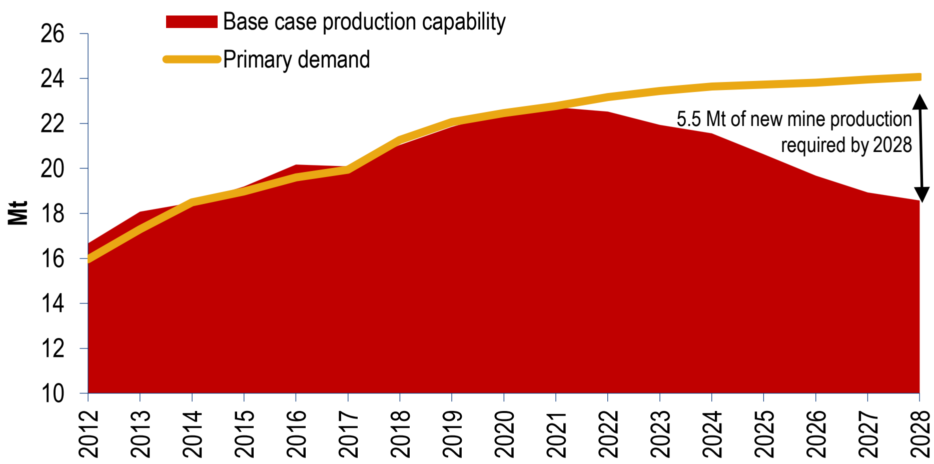
## Attractive fundamentals and insights from major shareholder support commodity outlook

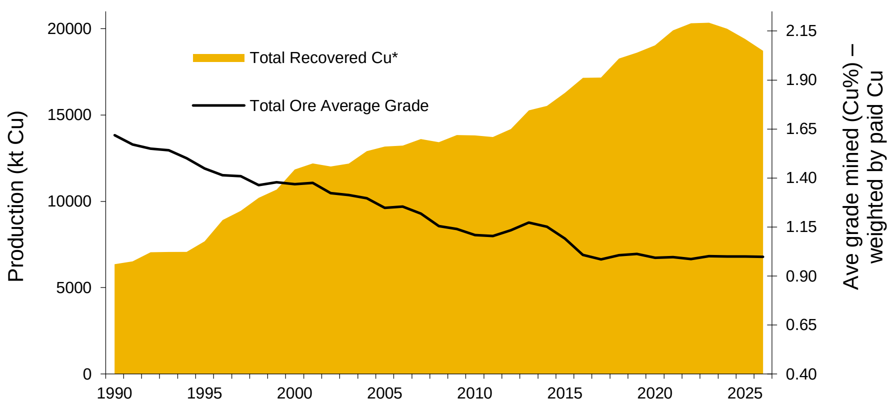
- Supply risks growing – social, political, grade and under-investment
- Demand growth – US/Euro recovery, EV demand, urbanisation, One belt one road
- Understanding China fundamentals a competitive advantage

### Mined copper supply gap and requirement for new capacity



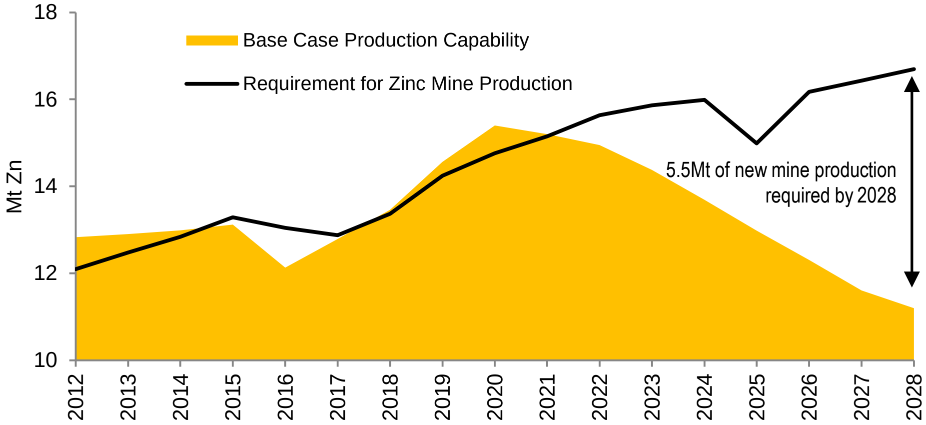

Source: Wood Mackenzie Copper Markets Service, Q2 2018

### Copper head grade and production




Source: Wood Mackenzie Copper Costs Service Q2 2018

### Mined zinc supply gap and requirement for new capacity




Source: Wood Mackenzie, Q2 2018

# Focused, Efficient and Delivering Growth

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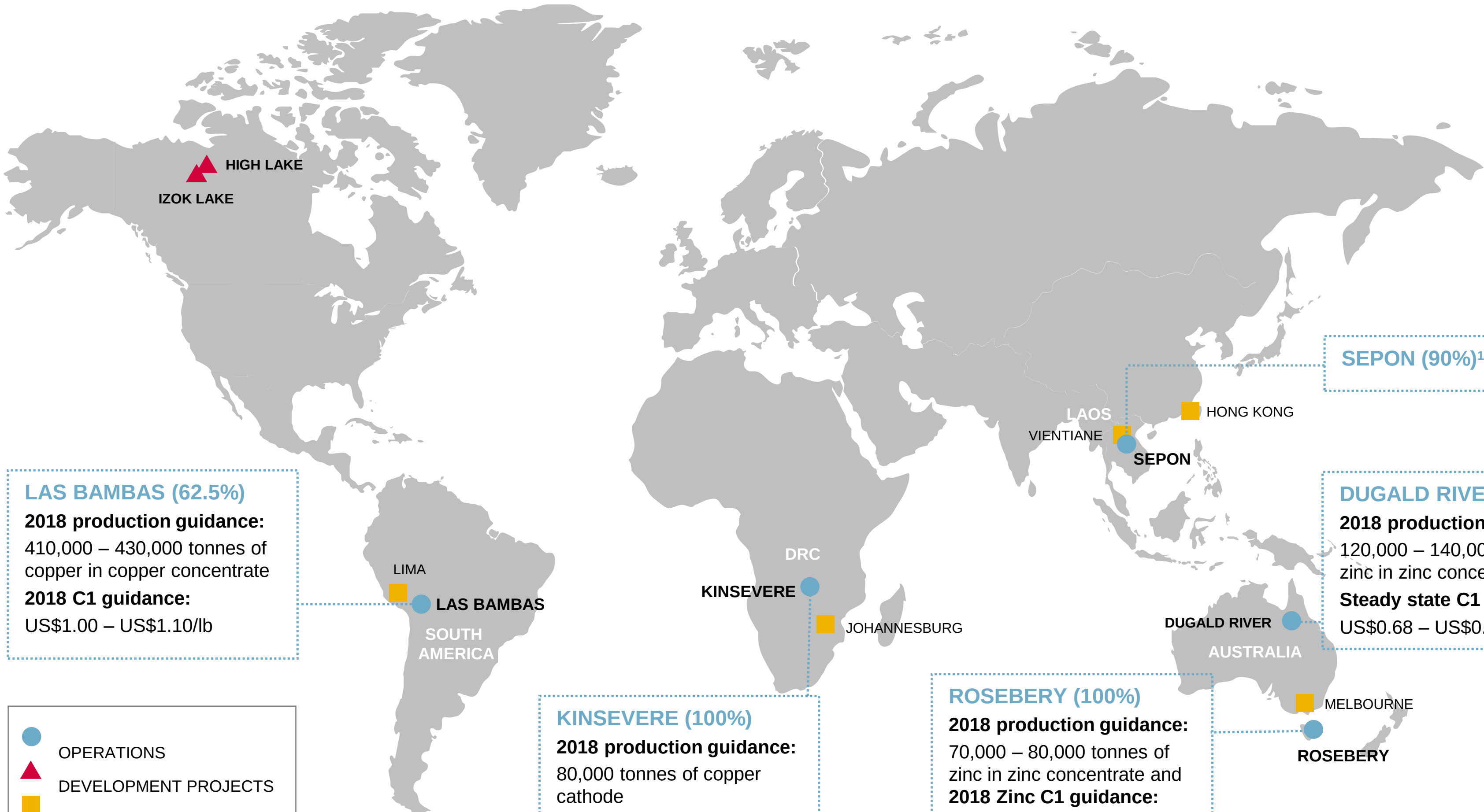
| | |
|---|---|
| **Growth** | ✓ **Las Bambas then Dugald River - Top 10 producer of copper and zinc** |
| **Operational Excellence** | ✓ **Track record of continuous improvement** |
| **Shareholder value** | ✓ **12 month total shareholder return of 13% compared to -12% for EMIX Global base metals index. Strong cash generation and near term focus on debt reduction** |

# Appendix

# MMG asset base

We have a globally diversified portfolio of base metals operations and development projects




**SEPON (90%)[1]**

**LAS BAMBAS (62.5%)**

**2018 production guidance:**

410,000 – 430,000 tonnes of copper in copper concentrate

**2018 C1 guidance:**

US$1.00 – US$1.10/lb

**KINSEVERE (100%)**

**2018 production guidance:**

80,000 tonnes of copper cathode

**2018 C1 guidance:**

US$1.57 – US$1.67/lb

**ROSEBERY (100%)**

**2018 production guidance:**

70,000 – 80,000 tonnes of zinc in zinc concentrate and

**2018 Zinc C1 guidance:**

US$0.00 – US$0.15/lb

**DUGALD RIVER (100%)**

**2018 production guidance:**

120,000 – 140,000 tonnes of zinc in zinc concentrate[2] pa

**Steady state C1 guidance:**

US$0.68 – US$0.78/lb

- OPERATIONS
- DEVELOPMENT PROJECTS
- OFFICES

1. Sale of Sepon expected to be completed in 2H18
2. Production volumes include Including 39,717 tonnes pre-commercial production. At steady state, Dugald River is expected to produce ~170kt of zinc in zinc concentrate per annum at a C1 cost of US$0.68 – 0.78/lb.

# Guidance for 2018

| Las Bambas | |
|---|---|
| Copper – production | 410,000 – 430,000 tonnes |
| Copper – C1 costs | US$1.00 – 1.10 / lb |

| Rosebery | |
|---|---|
| Zinc – production | 70,000 – 80,000 tonnes |
| Zinc – C1 costs | US$0.00 – 0.15 / lb |

| Kinsevere | |
|---|---|
| Copper – production | 80,000 tonnes |
| Copper – C1 costs | US$1.57 – 1.67 / lb |

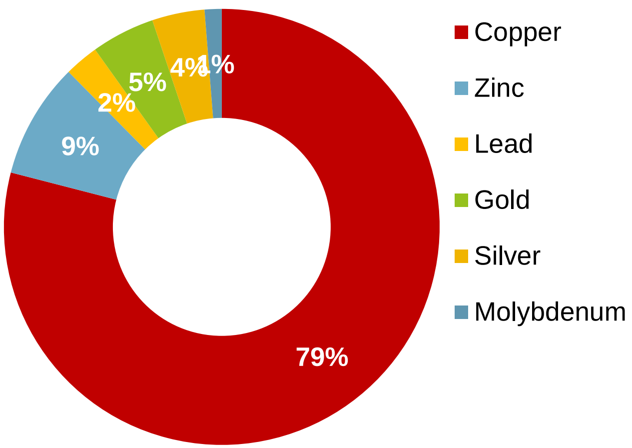
| Dugald River | |
|---|---|
| Zinc – production [1] | 120,000 – 140,000 tonnes |
| Zinc – C1 costs | US$0.68 – 0.78 / lb |

- **2018 Capex guidance**: ~US$400 million
- **2018 effective tax rate guidance:** ~40%

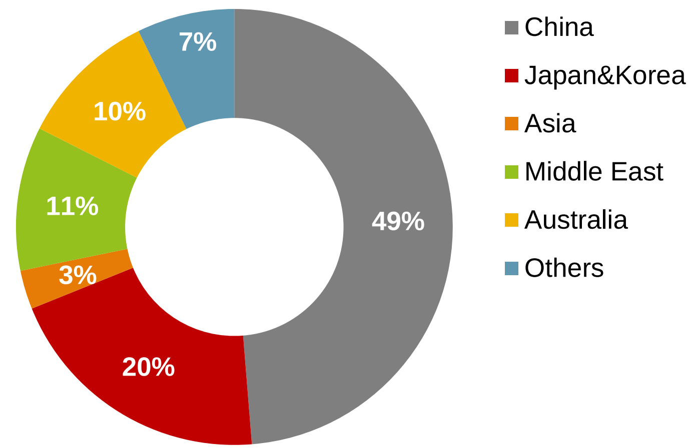
1. Production volumes include Including 39,717 tonnes pre-commercial production. At steady state, Dugald River is expected to produce ~170kt of zinc in zinc concentrate per annum at a C1 cost of US$0.68 – 0.78/lb.

# Financial dashboard

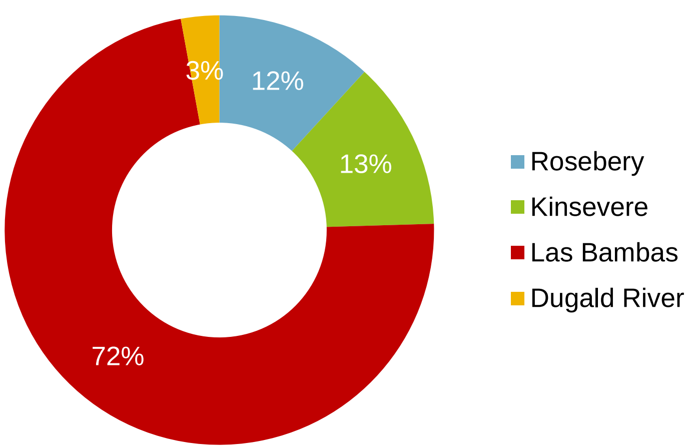
## Revenue by commodity



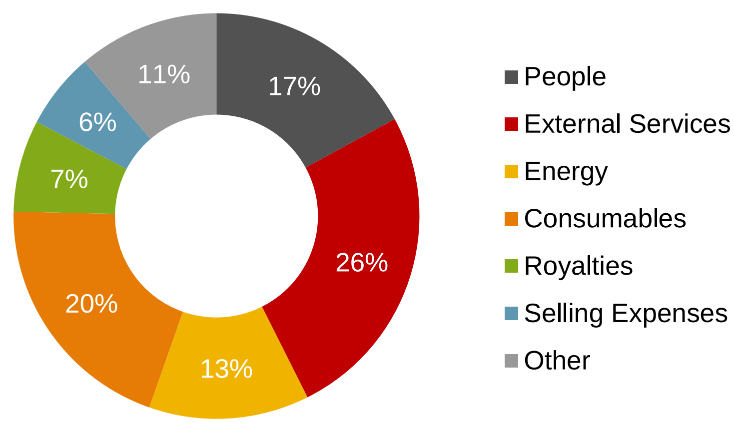

## Revenue by customer location




## EBITDA by operating segment




## Operating expenses (sites)




Source: MMG data

# Las Bambas 1H18 performance

**Key highlights:**

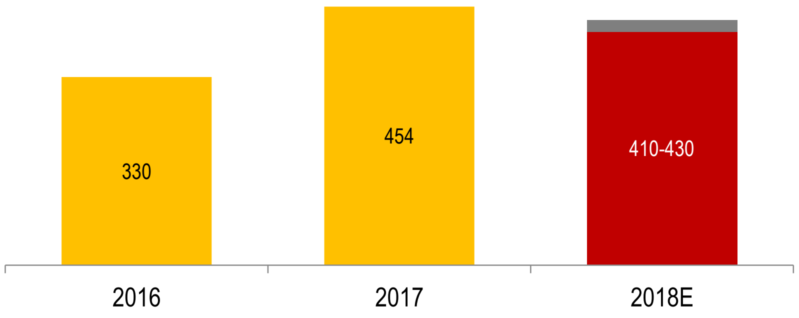
- Revenue of US$1,349.4 million 1% lower due to higher copper prices offsetting lower sales volumes
- Payable copper in product sold was 16% below pcp, reflecting lower opening stocks and lower production due to lower grades as we continue to develop the mine.
- Production also impacted by a localised geotechnical instability, which impacted mine sequencing in 1Q18, and a major planned maintenance shutdown in April.
- Copper ore grades were 0.9%, compared to 1.0% in the pcp. Partially offsetting this was higher recovery of 87.3% compared to 85.4%, due to a series of improvement initiatives as well as lower oxide content in the ore.
- Operating expenses were higher by 2% due to higher Mining and Processing maintenance costs (US$23.0 million and US$15.8 million higher respectively). Partially offsetting this was a series of efficiency projects, lower tonnes milled and lower power costs due to a renegotiated electricity contract.
- C1 was US$1.19/lb compared to US$1.02/lb in the pcp. The higher C1 is largely due to lower production volumes.
- 2018 production guidance remains at 410-430kt, with downwards pressure towards the lower end of the range.
- Expected second half improvement the result of both higher grades and increased milling volumes as well as continued higher recoveries.

## Financials

| US$ million | 1H18 | 1H17 | % |
|---|---|---|---|
| Revenue | **1,349.4** | 1,361.7 | (1%) |
| EBITDA | **726.0** | 756.4 | (4%) |
| EBIT | **443.8** | 476.8 | (7%) |
| EBITDA margin (%) | **54%** | 56% | (3%) |
| Production | **186,637** | 218,440 | (15%) |
| C1 costs – copper (US$ / lb) | **1.19** | 1.02 | |

## Copper in copper concentrate production

kt



# Kinsevere 1H18 performance

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**Key highlights**

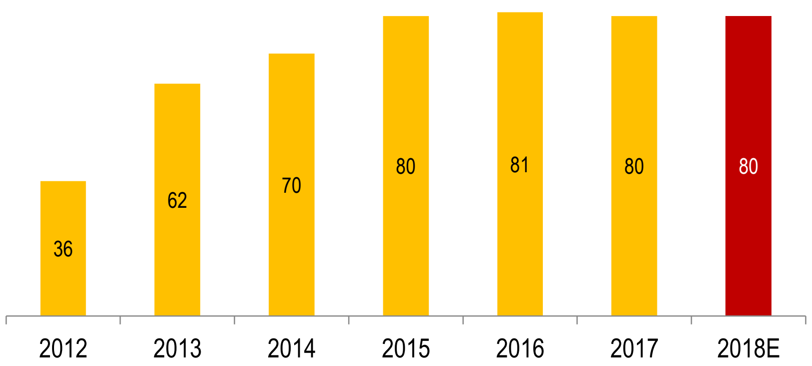
- Record first half production of 40,556 tonnes of copper cathode due to 10% higher mill throughput and improved recoveries to offset grade declines.
- Revenue increased by US$52.6m (23%) and EBITDA increased by US$61.3m (93%), mainly due to higher average realised copper prices.
- Operating expenses increased by US$11.3m (8%) due to additional estimated direct and indirect costs associated with the new DRC mining code (US$7.9m). Processing expenses were also impacted by higher acid consuming ore feed whilst Mining expenses were lower due to higher capitalisation of deferred mining costs.
- Production is expected to be around 80,000 tonnes of copper cathode and C1 costs are expected to be US$1.57-US$1.67 in 2018.

## Financials

| US$ million | 1H18 | 1H17 | % |
|---|---|---|---|
| Revenue | **279.4** | 226.8 | 23% |
| EBITDA | **127.2** | 65.9 | 93% |
| EBIT | **52.6** | (1.7) | 3,229% |
| EBITDA margin (%) | **46%** | 29% | 57% |
| Production | **40,556** | 39,026 | 3% |
| C1 costs – copper (US$ / lb) | **1.58** | 1.30 | |

## Copper cathode production

kt



# Rosebery 1H18 performance

### Key highlights

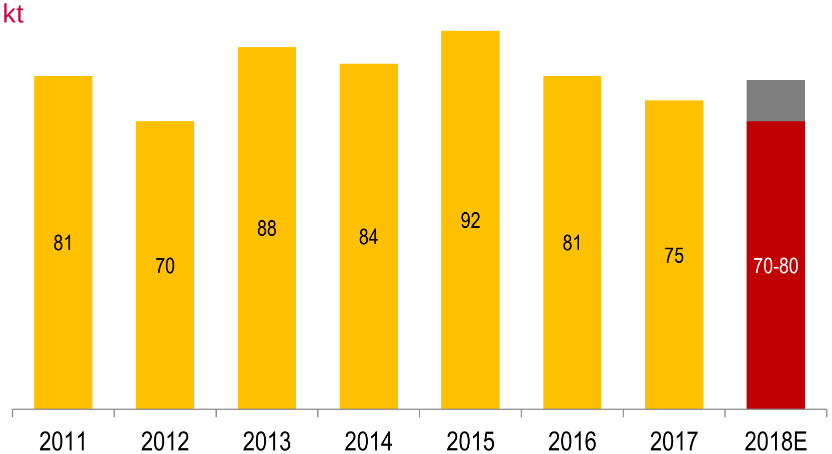
- Revenue increased by 48% to US$203.8 million due to higher prices and higher sales volumes across all commodities.
- Total production expenses were US$1.9 million (3%) lower due to a series of initiatives including lower contractor spend due to the insourcing of mining and development work. This is despite an increase in ore mined and record throughput in the mill in the first half.
- EBITDA of US$118.2 million was 77% higher than the first half of 2017 due to higher revenue and good cost control.
- Zinc C1 costs were negative US$0.21/lb in the first half, compared to positive US$0.20/lb due to increase in sales volumes of lead, copper, gold and silver, which are treated as by-product credits in the calculation of C1.
- The new 2/5 Tailings Dam was completed and commissioned during the half (total capital cost of A$52 million), which is an important investment to extend the life of the operation. This has been complemented by an investment in a new mobile fleet and the move to insource previously contracted development and mining activities, demonstrating confidence in the potential to extend the current five years of remaining mine life.
- MMG expects to produce 70,000 to 80,000 tonnes of zinc in zinc concentrate at Rosebery. C1 costs for zinc are expected to be in the range of US$0.00 – US$0.15/lb due to the significant by-product contribution.

### Financials

| US$ million | 1H18 | 1H17 | % |
|---|---|---|---|
| Revenue | **203.8** | 138.1 | 48% |
| EBITDA | **118.2** | 66.8 | 77% |
| EBIT | **82.7** | 32.9 | 152% |
| EBITDA margin (%) | **58%** | 48% | 21% |
| Production | | | |
| Zinc (tonnes) | **38,059** | 37,519 | 1% |
| Lead (tonnes) | **16,312** | 12,420 | 31% |
| Copper (tonnes) | **765** | 659 | 16% |
| C1 costs – Rosebery zinc (US$/lb) | **(0.21)** | 0.20 | |

### Zinc in zinc concentrate production

kt



# Dugald River 1H18 performance

**Key highlights**

- Achieved commercial production on 1 May 2018, with results taking into consideration sales revenue, operating expenses and depreciation and amortisation from this date.
- Ramp up activities continued to progress, with mill throughput of 790,178 tonnes for the first six months, representing 80% and 103% of notional nameplate capacity in the first and second quarters respectively. This highlights the success of the ramp up to date, and demonstrates a proven capability to operate the mill above design levels.
- A significant focus for the remainder of 2018 is on continuing to ramp up mining rates to design capacity and to ensure that steady annual production of 170,000 tonnes of zinc in zinc concentrate is not constrained.
- Consistent with previous guidance, MMG expects to produce 120,000 to 140,000 tonnes of zinc in zinc concentrate in 2018. This includes 39,717 tonnes pre-commercial production. The total capital cost from 1 August 2015 to project completion is still expected to be around US$550 million with minor completion works ongoing.
- Dugald River is positioned to be within the world's top 10 zinc mines, with annual production of around 170,000 tonnes of zinc in zinc concentrate, plus by-products. The mine will operate over an estimated 25 years. MMG expects to achieve C1 costs of US$0.68-0.78/lb post commercial production.

## Financials

| **US$ million** | **1H18** | 1H17 | % |
|---|---|---|---|
| Revenue | **69.2** | - | - |
| EBITDA | **28.8** | - | - |
| EBIT | **19.0** | - | - |
| EBITDA margin (%) | **42%** | - | - |
| Production | | | |
| Zinc (tonnes) | **67,266** | - | - |
| Lead (tonnes) | **5,898** | - | - |
| C1 costs – zinc (US$/lb) | **-** | - | - |

# Consolidated financial performance: Statement of financial performance

| 6 months ended 30 June 2018 | 2018 US$ million | 2017 US$ million |
|---|---|---|
| **Revenue** | **1,898.8** | **1,749.8** |
| Operating expenses | (901.2) | (829.5) |
| Exploration expenses | (14.2) | (17.0) |
| Administration expenses | (22.8) | (40.6) |
| Other income / (expenses) | 23.6 | (66.0) |
| Gains on disposal of subsidiaries | - | 173.7 |
| **EBITDA** | **984.2** | **970.4** |
| Depreciation and amortisation expenses | (406.8) | (386.0) |
| **EBIT** | **577.4** | **584.4** |
| Net finance costs | (250.0) | (258.5) |
| **Profit before income tax** | **327.4** | **325.9** |
| Income tax expense | (138.6) | (223.5) |
| **Profit after income tax from continuing operations** | **188.8** | **102.4** |
| Profit after income tax from discontinued operations | 4.6 | 11.3 |
| **Profit for the Period** | **193.4** | **113.7** |
| **Attributable to:** | | |
| **Equity holders of the Company** | **128.7** | **17.8** |
| - From continuing operations | 124.2 | 7.0 |
| - From discontinued operations | 4.5 | 10.8 |
| **Non-controlling interests** | **64.7** | **95.9** |
| - From continuing operations | 64.6 | 95.4 |
| - From discontinued operations | 0.1 | 0.5 |
| | **193.4** | **113.7** |

# Condensed consolidated balance sheet

| US$ million | 30 Jun 2018 | 31 Dec 2017 |
|---|---|---|
| Non-current assets | 12,170.4 | 13,093.5 |
| Current assets – cash and cash equivalents | 647.4 | 936.1 |
| Current assets – other | 648.4 | 760.0 |
| Assets of disposal group classified as held for sale | 583.3 | - |
| **Total assets** | **14,049.5** | **14,789.6** |
| **Total equity** | **3,005.6** | **2,971.8** |
| Non-current liabilities – other | 1,645.7 | 1,817.1 |
| Non-current liabilities – borrowings | 7,743.6 | 8,498.2 |
| Current liabilities – other | 851.4 | 808.2 |
| Current liabilities – borrowings | 520.6 | 694.3 |
| **Total liabilities** | **11,043.9** | **11,817.8** |
| **Total equity and liabilities** | **14,049.5** | **14,789.6** |
| **Net current assets** | **224.5** | **193.6** |
| **Total assets less current liabilities** | **12,677.5** | **13,287.1** |

# Consolidated financial performance: Cash flow statement

| Six months ended 30 June<br>US$ million | 1H2018 | 1H2017 |
|---|---|---|
| Receipts from customers | 2,216.8 | 2,426.5 |
| Payments to suppliers and employees | (1,262.6) | (1,263.1) |
| Payments for exploration expenditure | (15.2) | (17.6) |
| Income tax refunded / (paid) | 2.5 | (29.8) |
| **Net cash generated from operating activities** | **941.5** | **1,116.0** |
| Purchase of property, plant and equipment | (101.8) | (347.8) |
| Other investing activities | 116.9 | 303.0 |
| **Net cash generated from / (used in) investing activities** | **15.1** | **(44.8)** |
| Proceeds from borrowings | 150.0 | 80.0 |
| Repayments of borrowings | (872.8) | (588.2) |
| Payments on redemption of convertible redeemable preference shares | (338.0) | - |
| Proceeds from shares issued upon exercise of employee share options | 11.2 | 4.1 |
| Interest and financing costs paid | (187.2) | (210.0) |
| Interest received | 5.4 | 4.5 |
| **Net cash used in financing activities** | **(1,231.4)** | **(709.6)** |
| **Net (decrease) / increase in cash and cash equivalents** | **(274.8)** | **(361.6)** |
| Cash and cash equivalents at 1 January | 936.1 | 552.7 |
| **Cash and cash equivalents at 30 June[1]** | **661.3** | **914.3** |

1. Included in the cash balance as at 30 June 2018 is US$ 13.9 million cash as Sepon which is classified as Assets Held for Sale in the condensed consolidated interim statement of financial position.

# MMG overview

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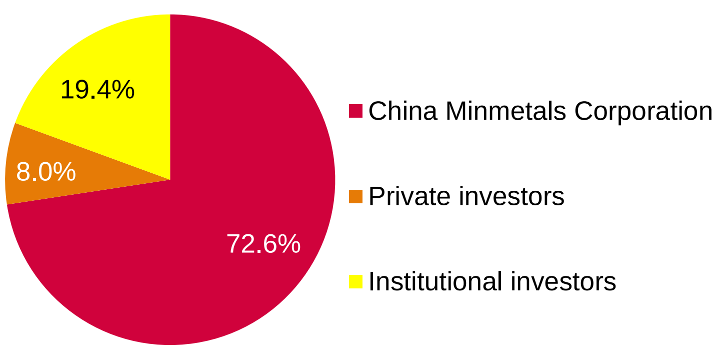
## Overview

- Founded in 2009, MMG is a diversified base metals company with five operating mines located across four continents
- Headquartered in Melbourne (Australia), with a primary listing on the HKEx (1208 HK) and a secondary listing on the ASX (MMG ASX)
- Primary exposure to copper and zinc, with smaller exposures to gold, silver, lead and molybdenum
- MMG's flagship asset, Las Bambas, produced 454kt of copper in 2017. Dugald River reached commercial production in May 2018 and will produce ~170kt of zinc per annum at steady state.

## Shareholder base




## Broker Coverage

| Broker | Name |
|---|---|
| Argonaut | Helen Lau |
| BOCI | Lawrence Lau |
| CCBI Securities | Felix Lam/Angel Yu |
| CICC | Yan Chen/Yubo Dong |
| Citi | Ada Gao |
| CITIC Securities | AO Chong |
| Credit Suisse | Yang Luo/Peter Li |
| Deutsche Bank | Sharon Ding/Shuhang Jiang |
| Goldman Sachs | Trina Chen/Joy Zhang |
| Jefferies | Chris LaFemina/Tim Ward |
| Macquarie | Ben Crowley |
| Sealand Securities | Dai Pengju |

**Objective: To be valued as one of the world's top mid-tier miners by 2020**

# Mineral Resources

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Copper and zinc Mineral Resources of 14.4Mt and 11.8Mt respectively

## Mineral Resources – Contained Metal (100% asset basis)

As at 30 June 2017

| Project | Copper | Zinc | Lead | Silver | Gold | Molybdenum |
|---|---|---|---|---|---|---|
| | *kt* | *kt* | *kt* | *moz* | *moz* | *kt* |
| Las Bambas | 11,625 | | | 182 | 2.7 | 341 |
| Kinsevere | 1,431 | | | | | |
| Sepon | 531 | | | | 1.3 | |
| Dugald River | 79 | 7,883 | 1,401 | 65 | 0.03 | |
| Rosebery | 51 | 1,526 | 537 | 64 | 0.8 | |
| High Lake | 347 | 536 | 50 | 37 | 0.6 | |
| Izok Lake | 342 | 1,910 | 209 | 34 | 0.1 | |
| **Total** | **14,406** | **11,805** | **2,197** | **383** | **5.5** | **341** |

The information referred to in this presentation has been extracted from the report titled Mineral Resources and Ore Reserves Statement as at 30 June 2017 published on 18 October 2017 and is available to view on www.mmg.com. MMG 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. MMG 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

# Ore Reserves

Copper and zinc Ore Reserves of 8.2Mt and 4.3Mt respectively

**Ore Reserves – Contained Metal (100% asset basis)**
As at 30 June 2017

| Project | Copper | Zinc | Lead | Silver | Gold | Molybdenum |
|---|---|---|---|---|---|---|
| | *kt* | *kt* | *kt* | *moz* | *moz* | *kt* |
| Las Bambas | 7,493 | | | 118 | 1.8 | 207 |
| Kinsevere | 486 | | | | | |
| Sepon | 247 | | | | | |
| Dugald River | | 3,903 | 722 | 46 | | |
| Rosebery | 13 | 482 | 185 | 22 | 0.2 | |
| **Total** | **8,239** | **4,385** | **907** | **186** | **2.0** | **207** |

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# Executive team – global experience

**Chief Executive Officer**
**Geoffrey Gao**

- Appointed as CEO of the Company in August 2018
- 7+ years served as a Non-executive Director of the Company from April
- Master's degree in Business Management from The Renmin University of China in the PRC

**Chief Financial Officer**
**Ross Carroll**

- 25+ years' experience in the Natural Resources sectors
- CEO and MD Macmahon Holdings
- CFO Woodside Petroleum
- Senior financial roles BHP Billiton

**EGM Business Support**
**Greg Travers**

- Executive General Manager Services and Strategic Planning Myer Limited
- 7+ years BHP Billiton
- 6+ years Pratt Group
- 11+ years WMC Resources

**EGM Marketing & Risk**
**Xu Jiqing**

- 25+ years' experience in finance, strategy, investment
- Director of CMNH and Jiangxi Tungsten
- Director Copper Partners Investment and HNG
- Vice President and CFO of China Minmetals Non-Ferrous

**EGM Stakeholder Relations**
**Troy Hey**

- 20+ years' government, media, community and investor relations
- General Manager Media and Reputation Foster's Group.
- Group Manager Public Affairs WMC Resources

**EGM Operations – Africa, Australia and Asia**
**Mark Davis**

- 20+ years' mining and metals experience in operations and business management
- General Manager Aluminium South Africa for BHP Billiton Limited

**EGM Operations – Americas**
**Suresh Vadnagra**

- 20 years' experience in the Mining and Industrial Sectors.
- Group General Manager Operations South America & President of Minera Las Bambas.
- General Manager of the Sepon mine and General Manager Operational Excellence.
- Senior roles in Iluka Resources and BHP Billiton Limited.

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