

# 2022 ANNUAL RESULTS

8 MARCH 2023



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 annual results announcement for the year ended 31 December 2021 issued to the Hong Kong Stock Exchange on 7 March 2023.

# OVERVIEW



**2022 In Review**



**Financial Results**



**Strategy and Outlook**



**Question and Answers**

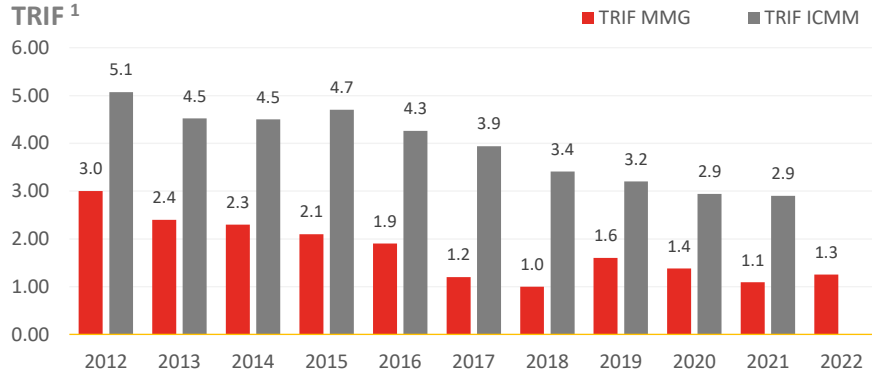
# 2022 IN REVIEW



**Li Liangang**  
Interim Chief Executive Officer

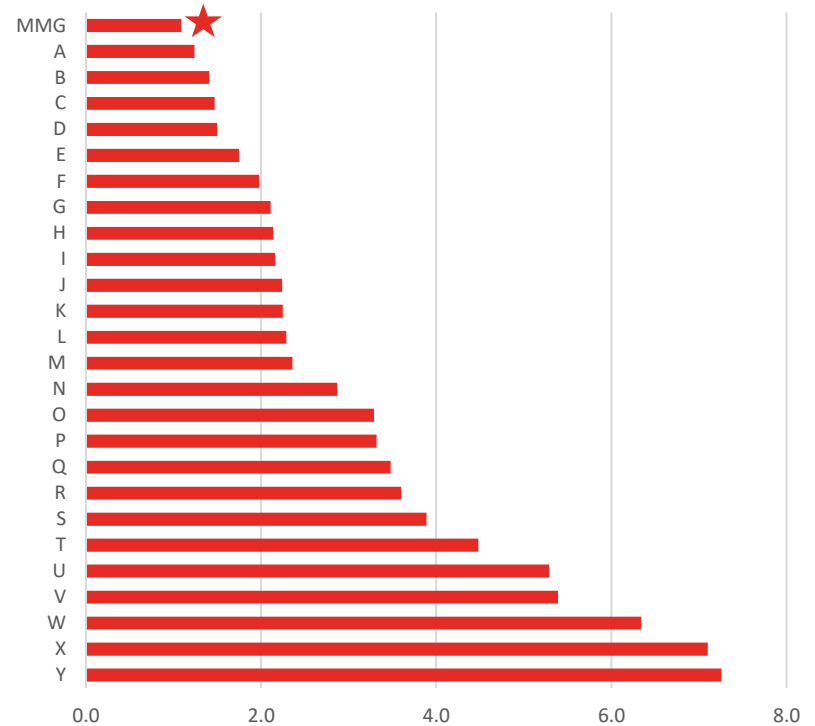


# SAFETY OUR FIRST VALUE



- **We think safety first** with MMG's safety performance consistently amongst the lowest TRIF of ICMM<sup>2</sup> members.
- **MMG's safety performance** in 2022 was 15% unfavourable compared to the 2021 TRIF but a 16% improvement in H2 2022 compared to H1 2022.
- While we have made significant progress in reducing our TRIF, tragically in February 2023 two Barmingo contractors lost their lives in a safety incident at our Dugald River operation. This incident along with all safety incidents serve as a reminder that we must continue to **value safety above all other priorities**.

MMG TRIF benchmarks best in 2021



1. Total Recordable Injury Frequency per million hours worked  
 2. International Council on Mining and Metals



# 2022 HIGHLIGHTS

## Profitability in challenging external conditions

### US\$172m NPAT

- 74% below record profit in 2021
- Profitability despite over 50 days of forced shutdown at Las Bambas and an inflationary environment
- COVID-19 impacts on workforce availability in early 2022 affected production at both Dugald River and Rosebery
- Unit costs impacted by cost inflation experienced across the mining industry

### US\$500m pre-payment of Las Bambas Project Facility in June 2022

- Result in gross interest cost saving of ~US\$180m

### Transparent community dialogues at Las Bambas

- Committed to establishing a long-term community program with reciprocity at its core
- Progress made in dialogue processes across the six communities involved in the 2022 site protests



## Value Optimisation focus

### Delivered in 2022

- Las Bambas commissioned the 3<sup>rd</sup> ball mill in Q4
- Kinsevere Expansion Project started construction in 2022
- Dugald River delivered a record high annual zinc recovery rate

### Goals for 2023

- Continue focus on lead safety indicators to reduce significant incidents
- Focus on cost reduction and productivity improvements across all sites
- At Dugald River, supply of renewable energy under a long term solar offtake agreement will provide immediate cost savings and reduce our carbon footprint
- At Las Bambas, improve community relationships and development of the Chalcobamba deposit targeted for H2 2023
- At Kinsevere, first cobalt production expected in 2023
- At Rosebery, an accelerated two year exploration drilling program has commenced



# PERU POLITICAL, COMMUNITY & SOCIAL UPDATE

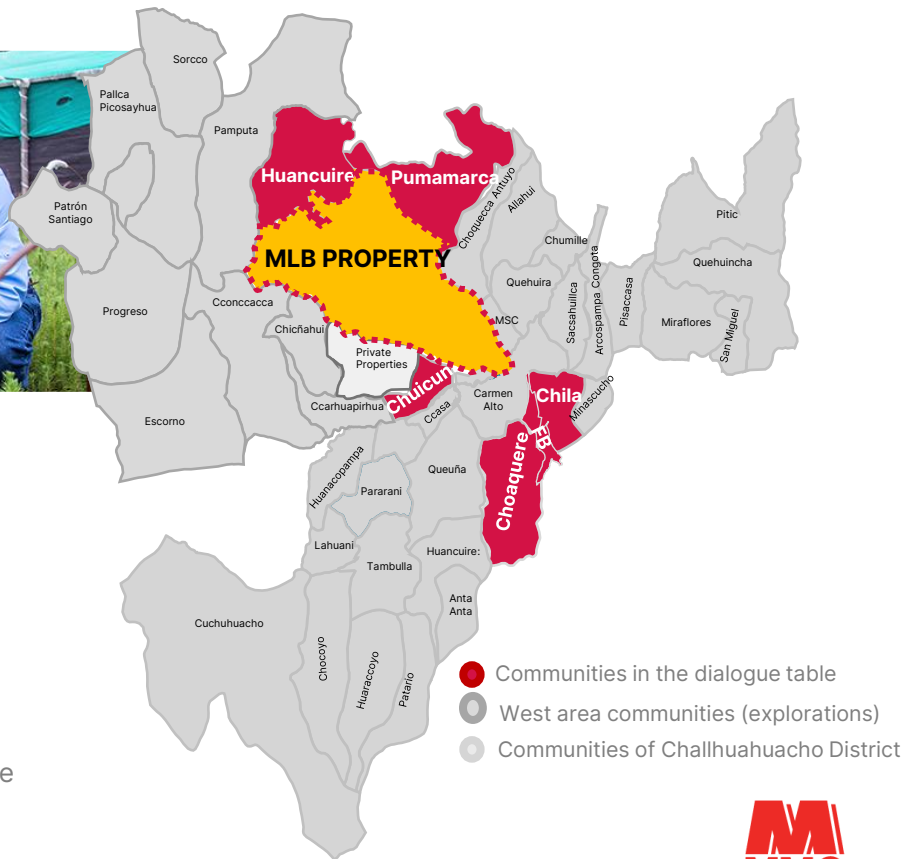


Progress made in dialogue processes and implementation of agreements across four of the six communities involved in the 2022 site protests. Ongoing discussions with other communities along the heavy haul road logistics corridor continue.

Political instability and widespread social unrest following the impeachment of Pedro Castillo in early December 2022.

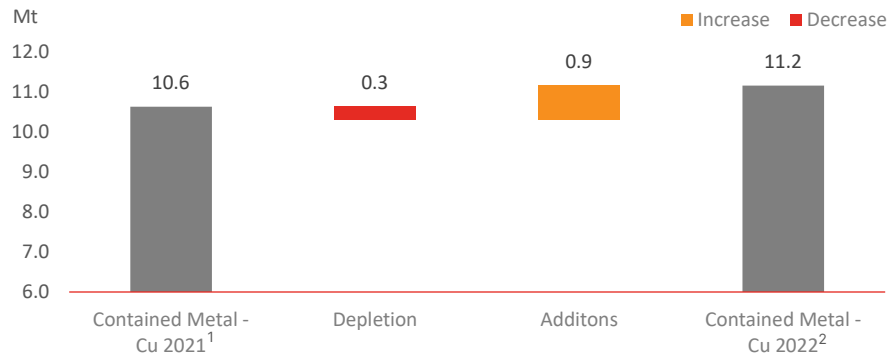
Protests have caused disruptions affecting the broader mining industry with disruptions all along the Southern Road Corridor.

State of emergency declared in affected regions with Peru National Police and the Army having the mandate to protect National Critical Assets which includes the Southern Road Corridor.

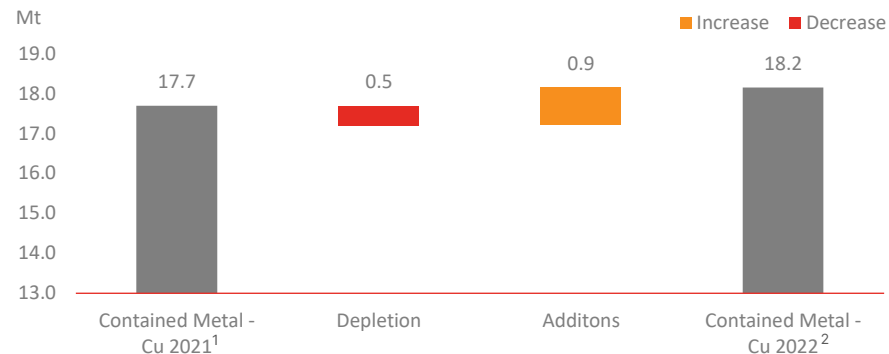


# MINERAL RESOURCES INCREASE

## Mineral Resources (contained metal) - Copper



## Mineral Resources (contained metal) - Copper Equivalent<sup>3</sup>



- Mineral Resources (contained metal) as at 30 June 2022 have increased year on year due to:
  - Increase in long term view of commodity prices, particularly copper
  - Increase in cobalt at Kinsevere, Sokoroshe II, Nambulwa and Mwepu
  - Improvements in orebody knowledge specifically at Las Bambas and Rosebery
  - Prior years drilling at Rosebery has targeted the lower and middle mine. Resource growth has been achieved in the Z lens
- Exploration activity continues at all sites and more information will be shared once assays are completed on recent results including:
  - Dugald River exploration focused on follow up of Copper targets
  - Las Bambas exploration focused on Ferrobamba Deeps

1. Mineral Resources as at 30 June 2021.

2. Mineral Resources as at 30 June 2022.

3. Using Mineral Resources price assumptions as released in MMG's 2022 Mineral Resources and Ore Reserves Statement.



# FINANCIAL RESULTS



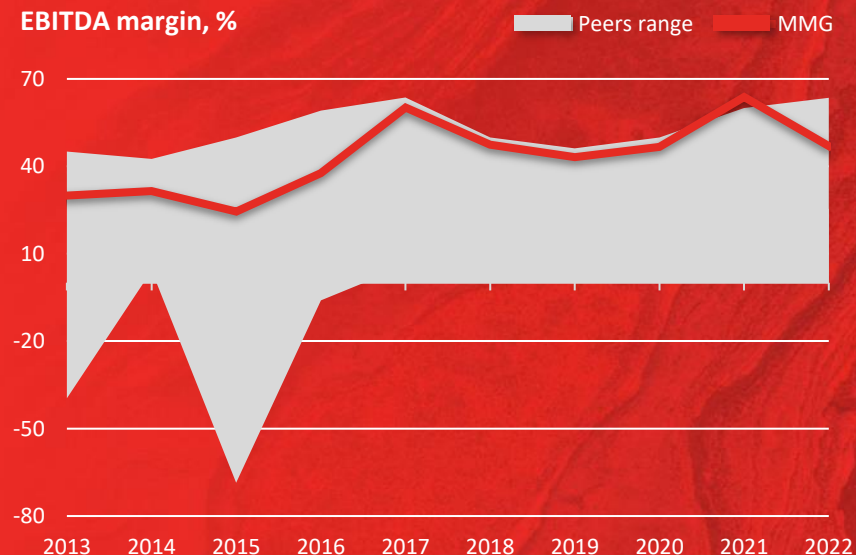
**Ross Carroll**  
Chief Financial Officer



# FINANCIAL PERFORMANCE

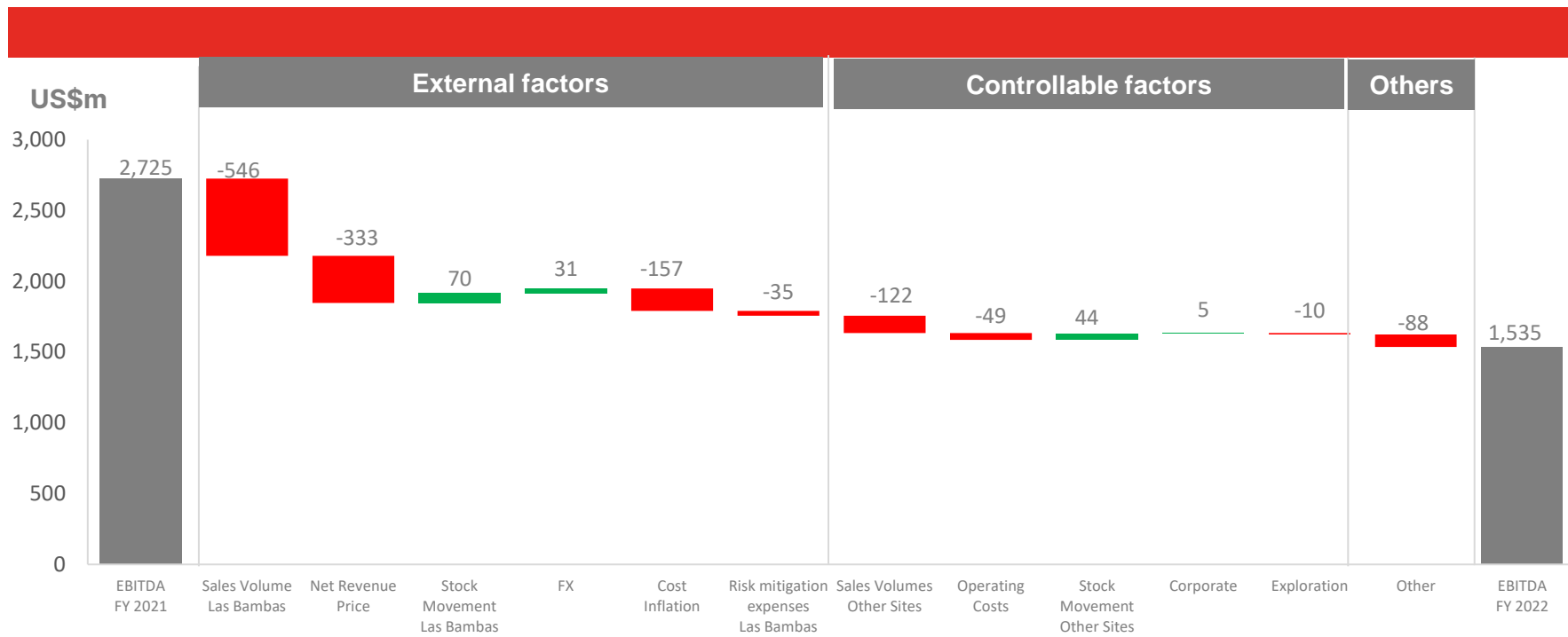
| Summary Income Statement                     | 2022 (US\$ million) | 2022 Vs 2021 |
|--|---------------------|--------------|
| Revenue                                      | 3,254.2             | (24%)        |
| EBITDA                                       | 1,535.4             | (44%)        |
| <b>Profit for the year before income tax</b> | <b>460.5</b>        | <b>(69%)</b> |
| EBITDA margin                                | 47%                 | (27%)        |
| Net cash generated from operating activities | 832.1               | (67%)        |
| Basic profit per share                       | US\$ 2.00 cents     | (75%)        |

# STRONG EBITDA MARGINS



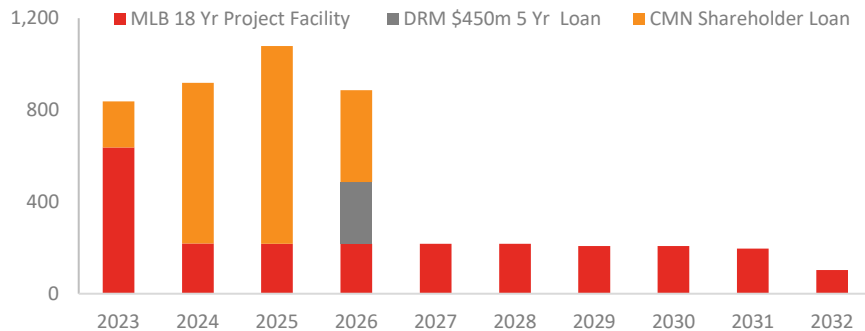
Data source: Bloomberg, MMG data

# EBITDA WATERFALL

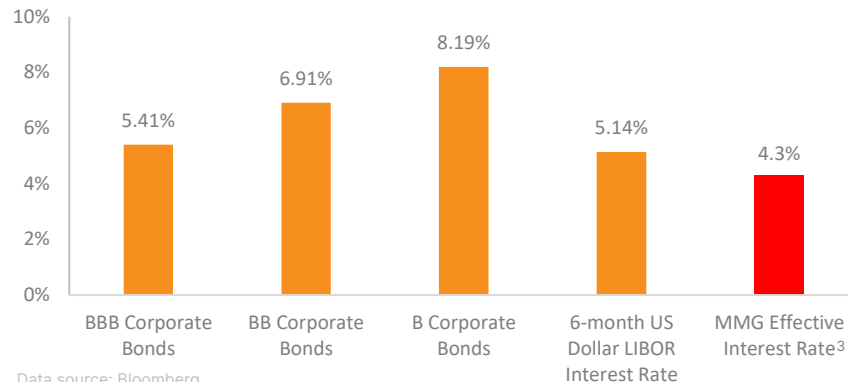


# MMG DEBT REPAYMENT SCHEDULE<sup>1</sup>

(US\$m)



MMG effective interest rate<sup>3</sup> lower than Corporate Bonds and LIBOR rate<sup>4</sup>



- Pre-payment of US\$500m Las Bambas Project Facility in June 2022 will result in gross interest cost saving of ~US\$180m over the life of the facility.
- MMG's effective interest rate was 4.3% at 31 December 2022. Increasing LIBOR rate has limited impact on MMG.
  - ~60% of MLB project facility has been hedged from floating 6-month LIBOR base rate to a fixed base rate of 0.5425%.
  - Fixed interest rate for CMN shareholder loan.
- CMN Shareholder loan repayments can be reviewed with our major shareholder if required.
- MMG's borrowings decreased by ~ \$890m in 2022.
- MMG's Net debt decreased by \$8m to US\$5,085m in 2022.
- This excludes the cash flow impact of ~85 kt of copper that was stockpiled at site on 31 December 2022, worth<sup>2</sup> approximately US\$760m.

1. Principal payments including Joint Venture partner liabilities, but excluding interest. Also excludes all revolving and stand-by credit facilities and equipment leasing arrangements.

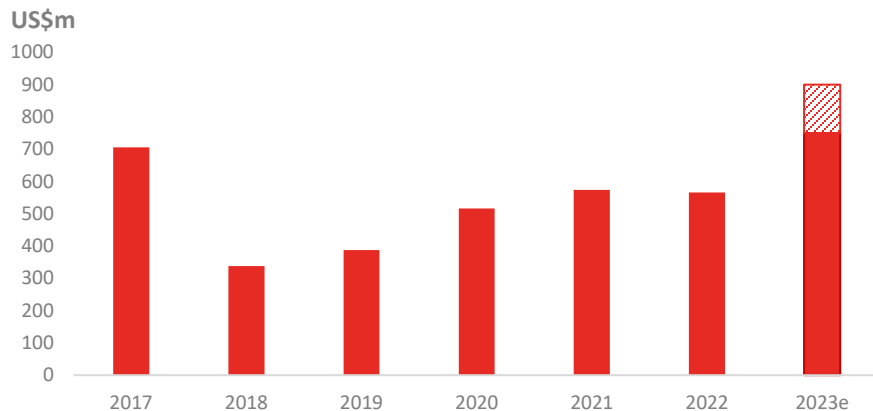
2. Gross Revenue value calculated based on 2023 average LME Official Settlement price of US\$4.07/lb up to 3 March 2023.

3. MMG effective interest rate of borrowings during the year ended 31 December 2022.

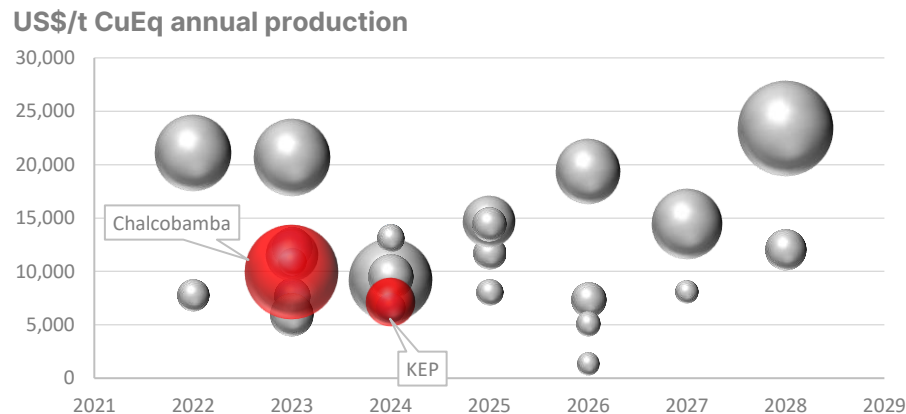
4. 6-month US Dollar LIBOR Interest Rate on 31 December 2022.

# CAPTIAL EXPENDITURE OUTLOOK

## Capital Expenditure



## Capital Intensity of Copper Developments<sup>1</sup>



- 2022 capital expenditure below guidance (US\$700m – US\$800m) mainly due to delays at Chalcobamba.
- 2023 capital expenditure guidance (US\$700m – US\$850m) includes:
  - US\$400m - US\$450m at Las Bambas, subject to receiving timely access to Chalcobamba project.
  - US\$200m - US\$250m for the Kinsevere Expansion Project (KEP).
- MMG's brownfield projects underpin an uplift in CuEq production of >150kt pa, with a capital efficiency <US\$10,000/t.

1. Source: Woodmac data (base case projects and probable projects), MMG estimates

# 2023 EARNINGS SENSITIVITY TO COMMODITY PRICE & FX

High earnings and cash flow leverage to copper and zinc prices

|                            |            | Sensitivity             | EBIT Impact (US\$m) <sup>3</sup> |
|----------------------------|------------|-------------------------|----------------------------------|
| Copper                     | US\$/lb    | \$0.10/lb / (\$0.10/lb) | 82/(82)                          |
| Zinc                       | US\$/lb    | \$0.10/lb / (\$0.10/lb) | 43/(43)                          |
| Lead                       | US\$/lb    | \$0.10/lb / (\$0.10/lb) | 9/(9)                            |
| Gold                       | US\$/oz    | \$100/oz / (\$100/oz)   | 10/(10)                          |
| Silver                     | US\$/oz    | \$1.00/oz / (\$1.00/oz) | 8/(8)                            |
| <b>AUD:USD<sup>1</sup></b> | <b>AUD</b> | <b>(10%) / 10%</b>      | <b>38/(38)</b>                   |
| <b>PEN:USD<sup>2</sup></b> | <b>PEN</b> | <b>(10%) / 10%</b>      | <b>29/(29)</b>                   |

1. AUD:USD FX exposure relates to FX gain/loss on production expenditure at Rosebery and Dugald River, administration expenses at Group Office.

2. PEN:USD FX exposure predominantly relates to translation of Las Bambas production expenditure.

3. This analysis is based on the mid-point of MMC's production guidance.

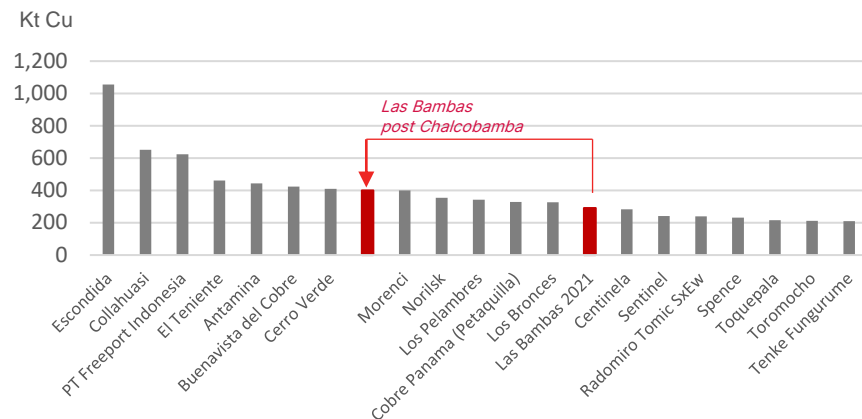
# LAS BAMBAS

Las Bambas - one of the world's largest copper mines, with near term organic growth optionality.



# LAS BAMBAS

## Global Top 20 Copper Mines in 2022



Data source: Wood Mackenzie annual estimates for 2022.

- Production and sales were disrupted by continued community protests and widespread social unrest including an operational shut of more than 50 days in 2Q22
- Lower ore milled grades were mainly due to processing of lower grade rehandled ores in 4Q22 when mining was impacted by community protests
- Third ball mill was commissioned in 4Q22, supporting the highest quarterly milling throughput since 2020
- Development of the Chalcobamba deposit is targeted to commence in H2 2023, subject to resolution of social unrest and reaching a comprehensive agreement with the Huancuire community
  - Once ramped up, average copper production will increase to 380-400ktpa.
- In January 2023, MLB received assessment notices from SUNAT in connection with the 2016 income tax audit totaling ~ \$160 million
  - MMG strongly disagree with SUNAT's interpretations and has appealed the assessment to SUNAT and if unsuccessful intends to appeal to the Tax Court
- 2023 Guidance: copper production 265,000 – 305,000 tonnes, C1 costs US\$1.70 – US\$1.90/lb

|                                  | 2022          | 2021          | CHANGE %<br>FAV/(UNFAV) |
|----------------------------------|---------------|---------------|-------------------------|
| <b>Production metrics</b>        |               |               |                         |
| Ore mined                        | 43,179 kt     | 59,879 kt     | (28%)                   |
| Ore milled                       | 44,043 kt     | 48,477 kt     | (9%)                    |
| Ore milled grade - Cu            | 0.67%         | 0.69%         | (3%)                    |
| Recovery rate - Cu               | 85.3%         | 86.9%         | (2%)                    |
| Contained Copper in concentrate  | 255 kt        | 290 kt        | (12%)                   |
| C1 cost                          | US\$1.53 / lb | US\$1.02 / lb | 50%                     |
| <b>Financial metrics (US\$m)</b> |               |               |                         |
| Revenue                          | 2,086.8       | 2,965.2       | (30%)                   |
| Operating expenses               | (948.3)       | (875.7)       | (8%)                    |
| EBITDA                           | 1,121.9       | 2,047.3       | (45%)                   |
| EBITDA margin                    | 54%           | 69%           | (22%)                   |



# KINSEVERE

Kinsevere Expansion Project  
progress - Cobalt Plant.



# KINSEVERE

|                                  | 2022          | 2021          | CHANGE %<br>FAV/(UNFAV) |
|----------------------------------|---------------|---------------|-------------------------|
| <b>Production metrics</b>        |               |               |                         |
| Ore mined                        | 3,100kt       | 20kt          | 15,343%                 |
| Ore milled                       | 2,349 kt      | 2,449 kt      | (4%)                    |
| Ore milled grade                 | 2.18%         | 2.00%         | 9%                      |
| Recovery rate                    | 96.6%         | 96.6%         | 0%                      |
| Copper cathode                   | 49 kt         | 48 kt         | 2%                      |
| C1 cost                          | US\$2.55 / lb | US\$1.95 / lb | 31%                     |
| <b>Financial metrics (US\$m)</b> |               |               |                         |
| Revenue                          | 421.5         | 437.3         | (4%)                    |
| Operating expenses               | (294.3)       | (272.3)       | (8%)                    |
| EBITDA                           | 131.7         | 137.6         | (4%)                    |
| EBITDA margin                    | 31%           | 31%           | 0%                      |



- Higher production was due to higher plant feed grade attributable to the resumption of mining activity in April 2022 and increased supply of higher-grade third-party ores
- The Kinsevere Expansion Project (KEP), approved by the Company's Board in March 2022, will extend the life of the operation for at least 13 years
  - Construction of KEP commenced in 2022 with first cobalt production expected in 2023 and first copper cathode production from the sulphide plant in 2024
  - Once fully ramped up, will result in total annual production of copper cathode of 80,000 tonnes and 4,000-6,000 tonnes of cobalt in cobalt hydroxide until 2035
- Exploration activities continued to focus on the resource development of satellite copper and cobalt deposits
- 2023 Guidance: copper cathode production 40,000 – 48,000 tonnes, C1 costs US\$2.50 – US\$2.80/lb.

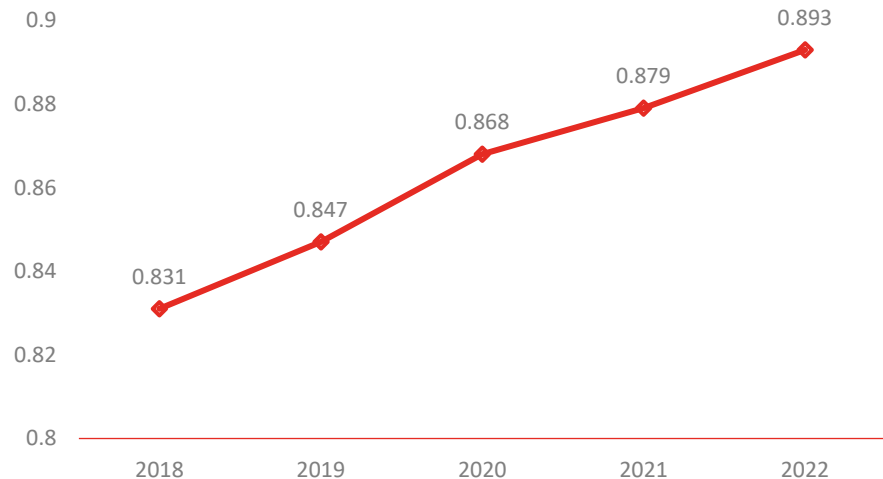
# DUGALD RIVER

A world top 10 producing Zn mine  
with a >20yr mine life.



# DUGALD RIVER

## Dugald River Zinc Recovery Rate



- Slightly lower production is primarily due to COVID-19 impacts on workforce availability early in the year, alongside lower ore feed grade
- Record high annual zinc recovery rates
- Transitioning to an owner miner model for production activities
- The long-term solar offtake agreement with APA will reduce the mine's carbon footprint and provide immediate energy cost savings once operational in March 2023
- 2023 Guidance: zinc production 170,000 – 185,000 tonnes, C1 costs US\$0.90 – US\$1.05/lb.

|                                  | 2022          | 2021          | CHANGE %<br>FAV/(UNFAV) |
|----------------------------------|---------------|---------------|-------------------------|
| <b>Production metrics</b>        |               |               |                         |
| Ore mined                        | 1,873 kt      | 1,863 kt      | 1%                      |
| Ore milled                       | 1,844 kt      | 1,892 kt      | (3%)                    |
| Ore milled grade                 | 10.5%         | 10.8%         | (3%)                    |
| Recovery rate                    | 89.3%         | 87.9%         | 2%                      |
| Contained zinc in concentrate    | 173 kt        | 180 kt        | (4%)                    |
| C1 cost                          | US\$0.84 / lb | US\$0.67 / lb | 25%                     |
| <b>Financial metrics (US\$m)</b> |               |               |                         |
| Revenue                          | 484.3         | 482.9         | 0%                      |
| Operating expenses               | (277.5)       | (271.6)       | (2%)                    |
| EBITDA                           | 210.2         | 212.7         | (1%)                    |
| EBITDA margin                    | 43%           | 44%           | (2%)                    |

# ROSEBERY

Rosebery continues to deliver after almost 90 years of operations



# ROSEBERY



|                                  | 2022          | 2021            | CHANGE %<br>FAV/(UNFAV) |
|----------------------------------|---------------|-----------------|-------------------------|
| <b>Production metrics</b>        |               |                 |                         |
| Ore mined                        | 886 kt        | 1,004 kt        | (12%)                   |
| Ore milled                       | 897 kt        | 1,022 kt        | (12%)                   |
| Ore milled grade                 | 6.7%          | 8.0%            | (16%)                   |
| Recovery rate                    | 85.6%         | 85.0%           | 1%                      |
| Contained zinc in concentrate    | 51 kt         | 69 kt           | (26%)                   |
| C1 cost                          | US\$0.26 / lb | US\$(0.34) / lb | na                      |
| <b>Financial metrics (US\$m)</b> |               |                 |                         |
| Revenue                          | 259.9         | 365.2           | (29%)                   |
| Operating expenses               | (161.3)       | (161.9)         | 0%                      |
| EBITDA                           | 98.6          | 203.3           | (52%)                   |
| EBITDA margin                    | 38%           | 56%             | (32%)                   |

- Drop in production is mainly a reflection of COVID-19 impact on workforce availability early in the year, declining ore feed grades and resequencing of mining activities in the second and third quarters
- Higher C1 as a result of the lower production rates and lower by-product credits
- Rosebery mine life extension will be supported by an accelerated exploration program over the next two years
- 2023 Guidance: zinc production 55,000 – 65,000 tonnes, C1 costs US\$0.35 – US\$0.50/lb.

# 2023 STRATEGY AND OUTLOOK

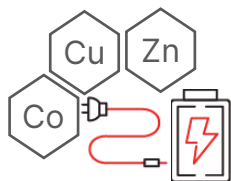


**Li Liangang**  
Interim Chief Executive Officer



# MMG NEW VISION

## Create a leading international mining company for a low carbon future



Producer of copper, zinc and cobalt, products essential to a low carbon economy.








Our commitment to international standards and maintaining strong relationships with stakeholders are critical to enabling our growth ambitions.



Support from major shareholder China Minmetals Corporation (CMC) is critical to our success and positioning as China's premier international growth platform.

|                   |  |                |                     |                     |
|-------------------|--|----------------|---------------------|---------------------|
| PURPOSE           | We mine for progress   |                |                     |                     |
| VISION *          | to create a leading international mining company for a low carbon future                                 |                |                     |                     |
| MISSION           | We mine to create wealth for our people, host communities and shareholders                               |                |                     |                     |
| AMBITION *        | Grow and diversify our resource, production and value, by leveraging chinese and international expertise |                |                     |                     |
| STRATEGIC DRIVERS | China Champion   | Business Miner | Delivering Progress | 'Federation of MMG' |

| OUR VALUES   |  |   |  |   |
|--|--|---|--|---|
| We Think Safety First<br> | We Respect Each Other<br> | We Work Together<br> | We Do What We Say<br> | We want To Be Better<br> |

\* UPDATE





# APPROACH TO ESG

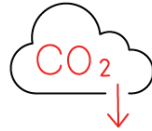
Our approach to sustainability is aligned to ICMM's 10 Mining Principles and the United Nations' SDGs<sup>1</sup>



Group-wide **Sustainability Metrics** have been developed to drive sustainability performance through the business plan and individual incentives

1. Sustainable Development Goals

## Towards zero emissions



### Commitment

Commitment to a goal of net zero carbon emissions by 2050



### Scope 1 & scope 2

2030 target of reducing greenhouse gas (GHG) emissions by 40%, from a 2020 baseline



### Scope 3

Further identify and drive emissions reductions in our supply chain. Report on this by end of 2023

## Delivering on commitments and partnering with our communities

### Helping in these focus areas:



No Poverty



Zero Hunger



Quality Education



Good Health and Wellbeing



Gender Equality






Clean Water & Sanitation

# PORTFOLIO OF CRITICAL MINERALS

We are uniquely positioned with a portfolio of base metals assets that are critical to a low carbon future.

## 2050 Estimated Increase From 2020 (annual demand)

| MMG Portfolio   | New Electric Vehicles |       | Solar / Wind Power |       | Power devices & energy storage |        | Grid Enhancement |     | AET <sup>1</sup> 1.5-degree scenario growth |
|---|-----------------------|-------|--------------------|-------|--------------------------------|--------|------------------|-----|---|
|  | 6.4Mt                 | >300% | 0.8Mt              | ~80%  | ~                              | ~      | 6.9Mt            | 85% | >2x   |
|  | ~                     | ~     | 0.9Mt              | ~180% | 0.1Mt                          | >1000% | ~                | ~   | ~2x   |
|  | 49kt                  | >80%  | ~                  | ~     | 72kt                           | ~120%  | ~                | ~   | ~1.5x                                       |

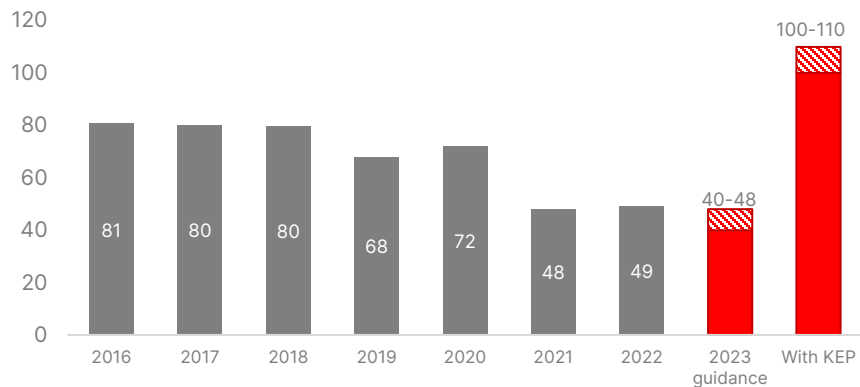
1. Accelerated Energy Transition  
Data source: Wood Mackenzie reports and MMG estimates

# KEP & CHALCOBAMBA DEVELOPMENT

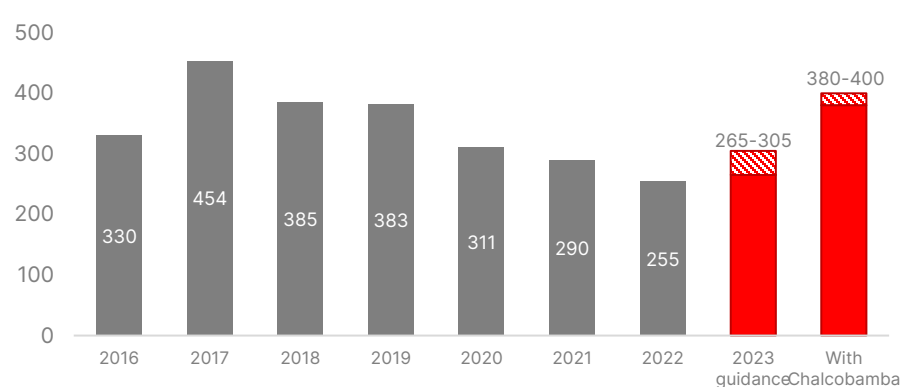
ADD >150KT CuEq GROWTH BY 2025



**Kinsevere Annual CuEq Production (kt)**



**Las Bambas Annual Cu Production (kt)**



# 2022 ANNUAL RESULTS Q&A



# APPENDIX



# MMG ASSETS BASE & 2023 GUIDANCE

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



# 2023 ILLUSTRATIVE 'SPOT' EBITDA & FCF

## Based on Mid-Point of 2023 Guidance

| Copper                                       | Las Bambas     | Kinsevere     | Total Copper   |
|--|----------------|---------------|----------------|
| Total Copper Sales (t) <sup>3</sup>          | 350,000        | 44,000        |                |
| Payable % <sup>2</sup>                       | 96.60%         | 100%          |                |
| <b>Total Copper Payable (t)</b>              | <b>338,100</b> | <b>44,000</b> |                |
| Spot Price <sup>1</sup> (\$/lb)              | 4.07           | 4.08          |                |
| Cost Guidance <sup>3</sup> (\$/lb)           | (1.80)         | (2.65)        |                |
| <b>Margin (\$/lb)</b>                        | <b>2.27</b>    | <b>1.43</b>   |                |
| Margin (\$/t)                                | 5,004          | 3,151         |                |
| <b>Copper Annualised EBITDA (US\$M)</b>      | <b>2.0</b>     | <b>138.6</b>  |                |
| Royalty, Other <sup>4</sup>                  | (527.6)        | (27.5)        |                |
| <b>Copper Annualised Adj. EBITDA (US\$M)</b> | <b>1,164.6</b> | <b>111.2</b>  | <b>1,275.8</b> |

| Zinc                                       | Rosebery      | Dugald River   | Total Zinc   |
|--|---------------|----------------|--------------|
| Total Zinc Sales (t) <sup>3</sup>          | 60,000        | 177,500        |              |
| Payable % <sup>2</sup>                     | 85.00%        | 84.00%         |              |
| <b>Total Zinc Payable (t)</b>              | <b>51,000</b> | <b>149,100</b> |              |
| Spot Price <sup>1</sup> (\$/lb)            | 1.46          | 1.46           |              |
| Cost Guidance <sup>3</sup> (\$/lb)         | (0.43)        | (0.98)         |              |
| <b>Margin (\$/lb)</b>                      | <b>1.04</b>   | <b>0.49</b>    |              |
| Margin (\$/t)                              | 2,282         | 1,069          |              |
| <b>Zinc Annualised EBITDA (US\$M)</b>      | <b>116.4</b>  | <b>159.4</b>   |              |
| Royalty                                    | (6.7)         | (22.4)         |              |
| <b>Zinc Annualised Adj. EBITDA (US\$M)</b> | <b>109.7</b>  | <b>137.2</b>   | <b>246.9</b> |

## Illustrative Free Cash Flow

| Group   | Guidance US\$M |
|---|----------------|
| Copper EBITDA                                       | 1,275.8        |
| Zinc EBITDA   | 245.9          |
| Other EBITDA <sup>5</sup>                           | (51.2)         |
| <b>Group EBITDA</b>                                 | <b>1,471.5</b> |
| Capex <sup>8</sup>                                  | (775.0)        |
| Cash Taxes, Interest + Other <sup>7</sup>           | (249.4)        |
| <b>Illustrative Spot Free Cash Flow<sup>6</sup></b> | <b>447.1</b>   |

- 2023 average LME Official Settlement price up to 3 Mar 2023
- Typical industry terms used
- Mid-point of 2023 guidance, Las Bambas also includes a reduction on the 2022 closing copper concentrate on hand
- Other includes other operating expenses and stock movement.
- Corporate and Exploration costs
- Excludes working capital movement
- Illustrative guidance - this number may vary depending on timing of certain tax payments, movements in LIBOR and other variations in cash flow.  
Reversal of Las Bambas stock movement adjustment included as it is a non-cash item.
- Mid-point of 2023 guidance

# PROFIT TO MMG EQUITY HOLDERS

| NPAT attributable to equity holders (US\$m)           | 2022         | 2021         | 2022 v 2021  |
|---|--------------|--------------|--------------|
| Profit after tax - Las Bambas 62.5% interest          | 118.4        | 422.3        | (72%)        |
| Profit/(loss) after tax – Other continuing operations | 154.6        | 232.4        | (33%)        |
| Exploration expenses                                  | (30.8)       | (21.3)       | (45%)        |
| Administration Expenses                               | (16.0)       | (20.8)       | 23%          |
| Net finance costs (excluding Las Bambas)              | (81.7)       | (94.7)       | 14%          |
| Other <sup>1</sup>                                    | 27.9         | 149.2        | (81%)        |
| <b>Profit/(loss) attributable to equity holders</b>   | <b>172.4</b> | <b>667.1</b> | <b>(74%)</b> |

1. Includes FX gains/losses, intercompany eliminations and copper hedging.

- **MMG remains focused on improving financial and operational performance.**
- **MMG will drive returns to shareholders and is positioned to benefit as the current commodity price cycle continues to peak:**
  - ✓ Positioned to benefit from improved commodity prices.
  - ✓ Strong mid-term production expectations.
  - ✓ Reduced debt and interest costs.
  - ✓ Capital and cost discipline.



# KINSEVERE EXPANSION PROJECT

## New Administrative Office



## Cobalt Plant



The Kinsevere Expansion Project (KEP) includes the mining and processing of the sulphide ore body at Kinsevere as well as the addition of a cobalt recovery circuit. This involves a major plant modification including the installation of a roaster and acid plant and cobalt circuit.

**Production:** KEP delivers an additional 751kt of copper and 48kt of cobalt during the life of mine (2035). Once fully ramped up, annual CuEq production will exceed 100ktpa, including ~80kt of Cu and 4-6kt of Co.

**Schedule:** First cobalt expected in 2023, first copper cathode from sulphides by 2024 and full ramp up from 2025.

**Capex:** US\$550-600m, funded by available cash reserves and debt facilities.

**Costs:** The higher production and cobalt by-product credits expected to result in C1 costs of US\$1.30–1.40/lb when at a steady state of operation, placing Kinsevere into the bottom half of the global cost curve.

**Upside:** Three main focuses to continue to enhance value at Kinsevere including targeting near mine satellite oxide and sulphide deposits, on-lease sulphide extension potential and positioning Kinsevere as a regional processing hub as nearby mines transition to sulphide but lack scale, capital or access to power for roasting.

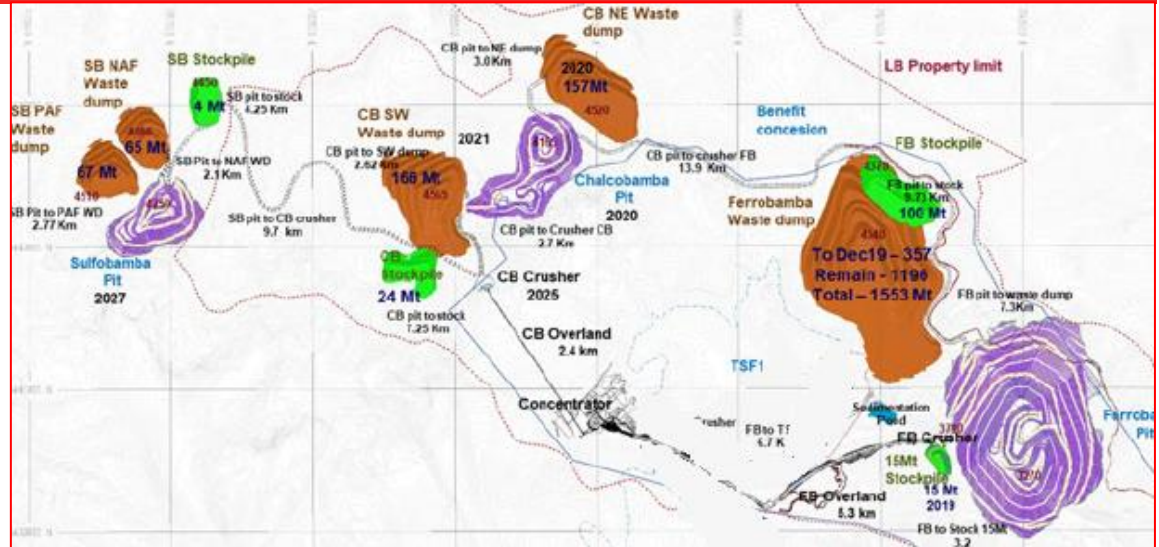
# LAS BAMBAS DEVELOPMENT

The current Las Bambas development plan includes Ferrobamba (stages 5, 6, 7 & 8), Chalcobamba and Sulfobamba deposits.

## Major development initiatives:

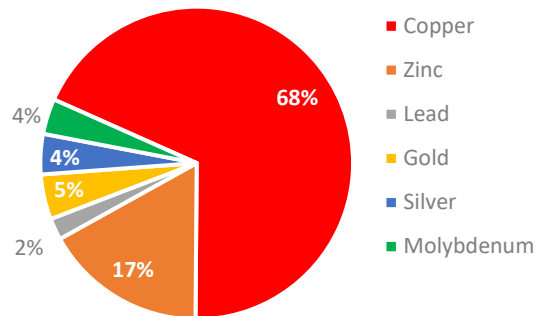
- Construction of **third ball mill** (completed);
- Construction of **a new maintenance facility**;
- Construction of **water management canals and systems** (underway);
- Construction of a new **main camp**

The current development plan supports a mine life to ~2040.

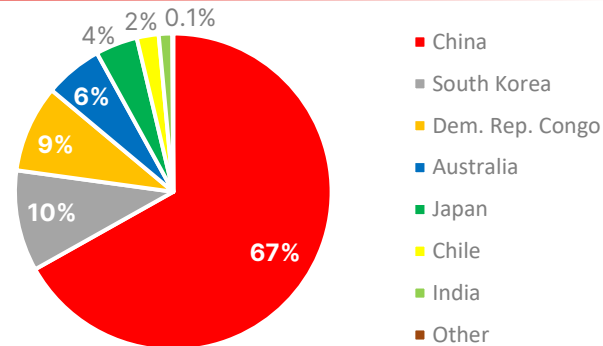


# FINANCIAL DASHBOARD

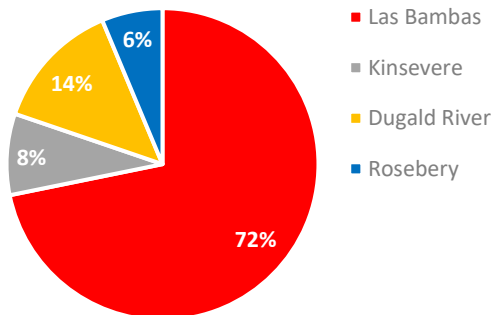
## Revenue by Commodity



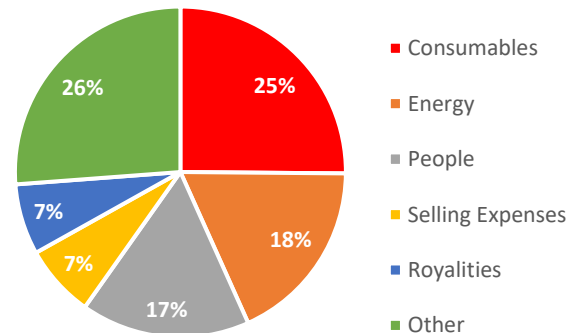
## Revenue by Customer Discharge Port



## EBITDA by Operating Segment



## Operating Expenses (by Nature)



Source: MMG data

1. Other operating expenses mainly represent stock movement, external services, operating lease rental expense and other production expense.

# LAS BAMBAS 2022 PERFORMANCE

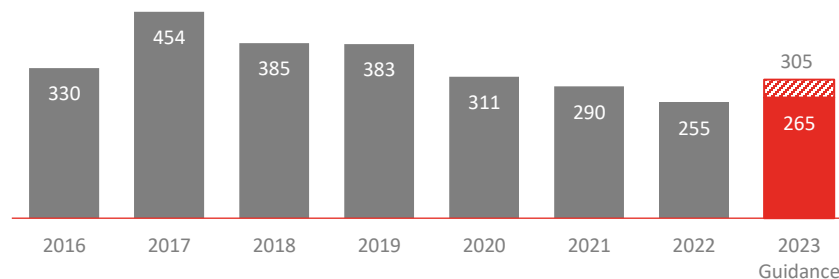
## Key Highlights

- 2022 Production: 254,836 tonnes of copper, 12% below 2021**  
 Continued community protests including an operational shut of more than 50 days in the second quarter.
- Roadblocks: 173 days in 2022 (106 days in 2021)**
- Third ball mill successfully commissioned during the fourth quarter**  
 Supported by the third ball mill, the mine achieved the highest quarter milling throughput since 2020, which was also the second highest quarter throughput in the mine's history.
- 2022 Revenue: US\$2,086.8 million, 30% lower than 2021**  
 Lower copper (US\$482.7 million) and molybdenum sales volumes (US\$61.7 million). Lower realised commodity prices (US\$346.0 million).
- 2022 Production expenses of US\$1,066.2 million, 19% above 2021**  
 Higher unit costs of diesel (\$65.0 million), explosives (\$36.9 million) and reagents and grinding media (\$27.3 million).
- C1 costs: US\$1.53/lb in 2022 vs. US\$1.02/lb in 2021**  
 Increased prices for energy and consumables. Lower production.
- Full year production for 2023: 265-305kt of contained copper in copper concentrate**
- Expected average copper production around 380-400kt per annum over the medium term**

## Financials

| US\$ million                                  | 2022    | 2021     | %     |
|---|---------|----------|-------|
| Revenue                                       | 2,086.8 | 2,965.20 | (30%) |
| EBITDA  | 1,121.9 | 2,047.30 | (45%) |
| EBIT  | 456.2   | 1,314.5  | (65%) |
| EBITDA margin (%)                             | 54%     | 69%      | (22%) |
| Production – Copper in copper concentrate (t) | 254,836 | 290,097  | (12%) |
| C1 costs – copper (US\$ / lb)                 | 1.53    | 1.02     |       |

## Copper in Copper Concentrate Production (kt)



# KINSEVERE 2022 PERFORMANCE

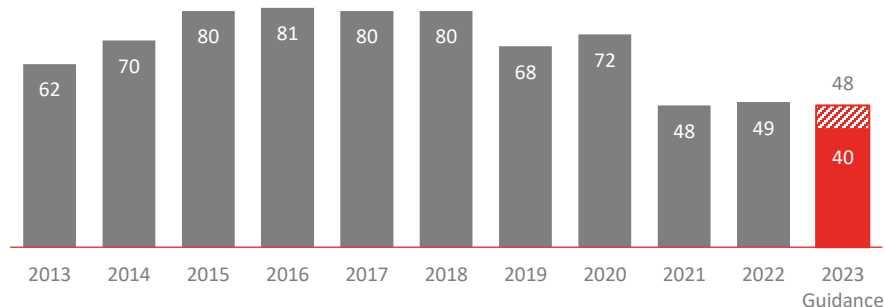
## Key Highlights

- 2022 Production: 49,070 tonnes of copper cathode, 2% higher than 2021**  
 Higher average plant feed grade in 2022 (2.18% vs. 2.00%) attributable to the resumption of mining activity in April 2022.  
 Increased supply of higher-grade third-party ores.
- 2022 Revenue: US\$421.5 million, 4% lower than 2021**  
 Lower realised copper prices (US\$24.4 million).  
 Higher copper sales volumes in line with higher production (US\$8.6 million).
- 2022 Production expenses increased by 39% from 2021:**  
 Higher mining costs (US\$42.4 million) due to the resumption of mining activities.  
 Higher processing costs (US\$33.0 million) due to higher unit prices for sulphuric acid and energy.  
 Higher cost of third-party ores driven by increased consumption and price.
- C1 costs: US\$2.55/lb in 2022, higher than US\$1.95/lb in 2021**  
 Higher cash production expenses due to the resumption of mining activities.
- Full year production for 2023: 40-48kt of copper cathode**  
 Declining oxide ore tonnes with the transition from the mining of oxide ores to the mining sulphide ores.
- Kinsevere Expansion Project:**  
 First cobalt production from the Kinsevere Expansion Project (KEP) planned in 2023  
 Enable production of sulphide copper and cobalt reserves.

## Financials

| US\$ million                    | 2022   | 2021   | %    |
|---------------------------------|--------|--------|------|
| Revenue                         | 421.5  | 437.3  | (4%) |
| EBITDA                          | 131.7  | 137.6  | (4%) |
| EBIT                            | 103.9  | 108.5  | (4%) |
| EBITDA margin (%)               | 31%    | 31%    | 0%   |
| Production – Copper Cathode (t) | 49,070 | 48,017 | 2%   |
| C1 costs – copper (US\$ / lb)   | 2.55   | 1.95   |      |

## Copper Cathode Production (kt)



# DUGALD RIVER 2022 PERFORMANCE

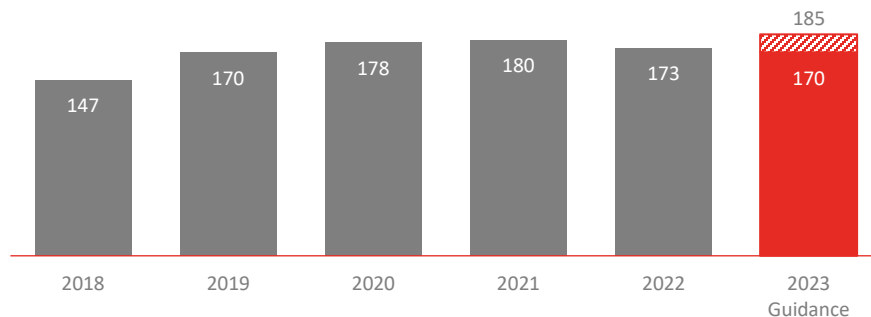
## Key Highlights

- 2022 Production: 173,395 tonnes**  
 COVID-19 impacted workforce availability early in the year.  
 Lower ore feed grade compared to 2021 (10.5% vs. 10.8%).
- Record high annual zinc recovery rates of 89.3%**
- Highest mining rates of the past two years in Q4 2022**
- 2022 Revenue: US\$484.3 million, increased by US\$1.4 million**  
 Higher realised zinc prices (US\$38.8 million).  
 Lower realised silver (US\$5.0 million) and lead prices (US\$1.6 million).  
 Higher by-products sales volumes (US\$4.2 million).  
 8% drop in zinc concentrate sales volumes (US\$35.0 million).
- 2022 Production expenses increased by US\$14 million from 2021**  
 Higher contractor mining expenses (US\$20.6 million).  
 Higher unit prices for gas (US\$3.8 million), diesel (US\$1.5 million) and other processing consumables (US\$3.5 million).  
 Favourable exchange rates with the weakening of the Australian dollar (US\$20.9 million).  
 Increased freight costs (US\$5.3 million) due to revised sea freight rates in 2022.
- C1 costs: US\$0.84/lb in 2022, higher than US\$0.67/lb in 2021**  
 Lower production volumes and higher treatment charges.
- Full year production for 2023: 170-185kt of contained zinc in zinc concentrate**
- Transitioning to an owner miner model for production activities will partially mitigate cost escalation**
- Renewable energy supply to be in commercial operations in March 2023**

## Financials

| US\$ million                 | 2022    | 2021    | %    |
|------------------------------|---------|---------|------|
| Revenue                      | 484.3   | 482.9   | 0%   |
| EBITDA                       | 210.2   | 212.7   | (1%) |
| EBIT                         | 152.5   | 152.9   | 0%   |
| EBITDA margin (%)            | 43%     | 44%     | (2%) |
| Production                   |         |         |      |
| Zinc in Zinc Concentrate (t) | 173,395 | 180,313 | (4%) |
| Lead in Lead Concentrate (t) | 20,869  | 20,361  | 2%   |
| C1 costs – Zinc (US\$ / lb)  | 0.84    | 0.67    |      |

## Zinc in Zinc Concentrate Production (kt)



# ROSEBERY 2022 PERFORMANCE

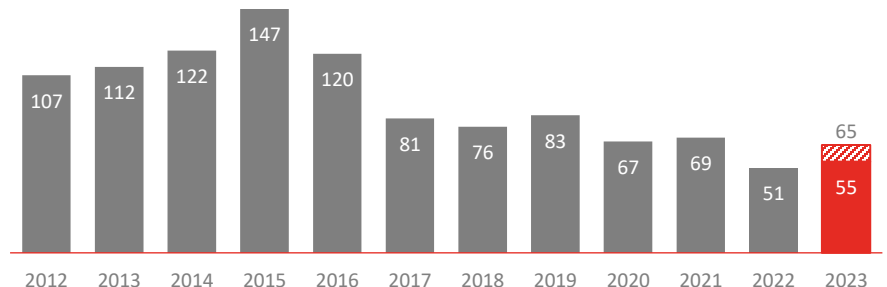
## Key Highlights

- 2022 Production: 51,156 tonnes of zinc (-26%) and 18,077 tonnes of lead (-28%)**  
 COVID-19 impacted workforce availability early in the year.  
 Declining ore feed grades and resequencing of mining activities in the Q2 and Q3.
- 2022 Revenue: US\$259.9 million, decreased by 29%**  
 Lower sales volumes for zinc (US\$40.5 million), lead (US\$15.0 million) and other by-products (US\$44.2 million).  
 Lower realised silver prices (US\$11.5 million) but higher realised zinc prices (US\$8.1 million).
- 2022 Production expenses decreased by US\$8.4 million (6%) than 2021**  
 Favourable exchange rates with the weakening of the Australian dollar in 2022 (US\$10.3 million) partly offset by higher diesel prices (US\$2.3 million).
- C1 costs: US\$0.26/lb in 2022 vs. - US\$0.34/lb in 2021**  
 Lower production rates and lower by-product prices.
- Full year production for 2023: 55-65kt of contained zinc in zinc concentrate**  
 Higher ore grades.  
 Higher ore mined tonnes due to improved workforce availability.
- Rosebery mine life extension will be supported by an accelerated exploration program over the next two years.**

## Financials

| US\$ million                              | 2022   | 2021   | %     |
|---|--------|--------|-------|
| Revenue                                   | 259.9  | 365.2  | (29%) |
| EBITDA                                    | 98.6   | 203.3  | (52%) |
| EBIT                                      | 51.7   | 123.6  | (58%) |
| EBITDA margin (%)                         | 38%    | 56%    | (32%) |
| Production                                |        |        |       |
| Zinc in Zinc Concentrate (t)              | 51,156 | 69,454 | (26%) |
| Lead in Lead Concentrate (t)              | 18,077 | 25,053 | (28%) |
| Copper in Precious Metals Concentrate (t) | 1,147  | 1,567  | (27%) |
| C1 costs – Rosebery Zinc (US\$ / lb)      | 0.26   | (0.34) |       |

## Zinc in Zinc Concentrate Production (kt)



Guidance



# PROFIT & LOSS STATEMENT

| Year Ended 31 December                      | 2022 US\$ Million | 2021 US\$ Million | Change % Fav/(Unfav) |
|---|-------------------|-------------------|----------------------|
| <b>Revenue</b>                              | <b>3,254.2</b>    | <b>4,255.0</b>    | <b>(24%)</b>         |
| Operating expenses                          | (1,682.6)         | (1,587.3)         | (6%)                 |
| Exploration expenses                        | (30.8)            | (21.3)            | (45%)                |
| Administration expenses                     | (16.0)            | (20.8)            | 23%                  |
| Net other income                            | 10.6              | 99.8              | (89%)                |
| <b>EBITDA</b>                               | <b>1,535.4</b>    | <b>2,725.4</b>    | <b>(44%)</b>         |
| Depreciation and amortisation expenses      | (790.1)           | (898.0)           | 12%                  |
| <b>EBIT</b>                                 | <b>745.3</b>      | <b>1,827.4</b>    | <b>(59%)</b>         |
| Net finance costs                           | (284.8)           | (323.6)           | 12%                  |
| <b>Profit before income tax</b>             | <b>460.5</b>      | <b>1,503.8</b>    | <b>(69%)</b>         |
| Income tax expense                          | (217.0)           | (583.3)           | 63%                  |
| <b>Profit after income tax for the year</b> | <b>243.5</b>      | <b>920.5</b>      | <b>(74%)</b>         |
| <b>Attributable to:</b>                     |                   |                   |                      |
| Equity holders of the Company               | 172.4             | 667.1             | (74%)                |
| Non-controlling interests                   | 71.1              | 253.4             | (72%)                |



# BALANCE SHEET

| US\$ Million                             | 2022            | 2021            |
|--|-----------------|-----------------|
| Non-current assets                       | 10,875.6        | 10,864.7        |
| Current assets                           | 1,659.9         | 2,159.4         |
| <b>Total assets</b>                      | <b>12,535.5</b> | <b>13,024.1</b> |
| <b>Total equity</b>                      | <b>4,228.5</b>  | <b>3,928.0</b>  |
| Non-current liabilities – other          | 2,142.1         | 1,828.9         |
| Non-current liabilities – borrowings     | 4,209.6         | 5,639.0         |
| Current liabilities – other              | 752.3           | 969.1           |
| Current liabilities – borrowings         | 1,203.0         | 659.1           |
| <b>Total liabilities</b>                 | <b>8,307.0</b>  | <b>9,096.1</b>  |
| <b>Total equity and liabilities</b>      | <b>12,535.5</b> | <b>13,024.1</b> |
| <b>Net current asset / (liabilities)</b> | <b>(295.4)</b>  | <b>531.2</b>    |

# STATEMENT OF CASH FLOW

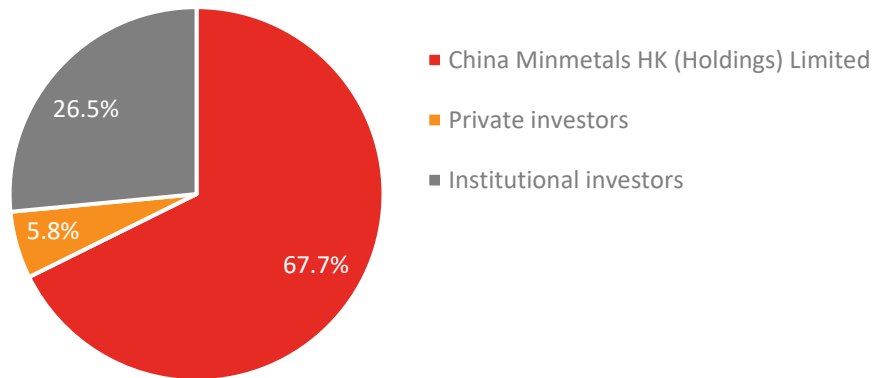
| Year Ended 31 December  | 2022 US\$ Million | 2021 US\$ Million |
|---|-------------------|-------------------|
| Receipts from customers   | 3,402.1           | 4,689.1           |
| Payments to suppliers and employees                                 | (2,319.9)         | (2,029.0)         |
| Payments for exploration expenditure                                | (30.8)            | (21.3)            |
| Income tax paid   | (268.0)           | (41.1)            |
| Net settlement of commodity hedges                                  | 48.7              | (46.2)            |
| <b>Net cash generated from operating activities</b>                 | <b>832.1</b>      | <b>2,551.5</b>    |
| <b>Cash flows from investing activities</b>                         |                   |                   |
| Purchase of property, plant and equipment                           | (564.5)           | (569.7)           |
| Purchase of intangible assets                                       | (1.7)             | (4.1)             |
| Proceeds from disposal of subsidiary                                | 27.5              | -                 |
| Proceeds from disposal of property, plant and equipment             | -                 | 0.1               |
| <b>Net cash used in investing activities</b>                        | <b>(538.7)</b>    | <b>(573.7)</b>    |
| <b>Cash flows from financing activities</b>                         |                   |                   |
| Proceeds from issue of shares                                       | -                 | 302.1             |
| Payment of issue costs  | -                 | (3.1)             |
| Proceeds from external borrowings                                   | 500.0             | -                 |
| Repayments of external borrowings                                   | (1,491.4)         | (930.3)           |
| Proceeds from related party borrowing                               | 200.0             | 270.0             |
| Repayments of related party borrowing                               | (100.0)           | (230.0)           |
| Net settlement of interest rate swap                                | 17.9              | (6.8)             |
| Proceeds from shares issued upon exercise of employee share options | 0.1               | 2.1               |
| Repayment of lease liabilities                                      | (31.2)            | (33.4)            |
| Interest and financing costs paid on external borrowings            | (182.2)           | (179.1)           |
| Interest and financing costs paid on related party borrowings       | (95.6)            | (99.9)            |
| Withholding taxes paid in respect of financing arrangements         | (9.1)             | (9.5)             |
| Interest received   | 15.0              | 2.7               |
| <b>Net cash used in financing activities</b>                        | <b>(1,176.5)</b>  | <b>(915.2)</b>    |
| <b>Net (decrease)/increase in cash and cash equivalents</b>         | <b>(883.1)</b>    | <b>1,062.6</b>    |
| Cash and cash equivalents at 1 January                              | 1,255.3           | 192.7             |
| <b>Cash and cash equivalents at 31 December</b>                     | <b>372.2</b>      | <b>1,255.3</b>    |

# MMG OVERVIEW

## Overview

- Founded in 2009, MMG is a diversified base metals company with four operating mines located across three continents
- Headquartered in Melbourne (Australia) and Beijing, with a primary listing on the HKEx (1208 HK).
- Primary exposure to copper, zinc and cobalt, with smaller exposures to gold, silver, lead and molybdenum.
- MMG's flagship asset, Las Bambas is a tier-1 copper mine, while our Dugald River mine

## Shareholder Base



Note: Institutional Investors includes buying from China Securities Depository and Clearing (6.66% as of January 2023)

## Broker Coverage

| Broker                         | Name                 |
|--------------------------------|----------------------|
| BOCI Research                  | Lawrence Lau         |
| Citi                           | Jack Shang           |
| DBS Bank                       | Lee Eun Young        |
| Goldman Sachs                  | Joy Zhang            |
| Global Mining Research Pty Ltd | David Radclyffe      |
| Jefferies                      | Christopher LaFemina |
| Morgan Stanley                 | Hannah Yang          |
| Credit Suisse                  | Peter Li             |
| J.P. Morgan Securities         | Po Wei               |
| Argonaut Research              | Helen Lau            |
| Huatai Research                | Bruce Wang           |
| Haitong Securities             | Xiaohang Chen        |
| CICC                           | Qi Ding              |
| Citic Securities               | Li Chao              |

# MINERAL RESOURCES

## Copper and Zinc Mineral Resources of 11.2Mt and 11.0Mt Respectively

**Mineral Resources** Contained Metal (100% Asset Basis) as at 30 June 2022

| Project      | Copper (kt)   | Zinc (kt)     | Lead (kt)    | Silver (moz) | Gold (moz) | Molybdenum (kt) | Cobalt (kt) |
|--------------|---------------|---------------|--------------|--------------|------------|-----------------|-------------|
| Las Bambas   | 9,000         |               |              | 140          | 2          | 240             |             |
| Kinsevere    | 1,204         |               |              |              |            |                 | 52          |
| Dugald River | 68            | 7,200         | 660          | 45           | 0.02       |                 |             |
| Rosebery     | 38            | 1,400         | 450          | 58           | 0.71       |                 |             |
| High Lake    | 347           | 536           | 50           | 37           | 0.6        |                 |             |
| Izok Lake    | 342           | 1,910         | 209          | 34           | 0.1        |                 |             |
| DRC Regional | 156           |               |              |              |            |                 | 27          |
| <b>Total</b> | <b>11,155</b> | <b>11,046</b> | <b>1,369</b> | <b>314</b>   | <b>3</b>   | <b>240</b>      | <b>79</b>   |

The information referred to in this presentation has been extracted from the report titled Mineral Resources and Ore Reserves Statement as at 25 October 2022 and is available to view on [www.mmgs.com](http://www.mmgs.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 6.2Mt and 2.7Mt Respectively

**Ore Reserves** Contained Metal (100% Asset Basis) as at 30 June 2022

| Project      | Copper (kt)  | Zinc (kt)    | Lead (kt)  | Silver (moz) | Gold (moz) | Molybdenum (kt) | Cobalt (kt) |
|--------------|--------------|--------------|------------|--------------|------------|-----------------|-------------|
| Las Bambas   | 5,500        |              |            | 81           | 1.2        | 130             |             |
| Kinsevere    | 800          |              |            |              |            |                 | 29          |
| Dugald River |              | 2,292        | 314        | 27           |            |                 |             |
| Rosebery     | 11           | 370          | 140        | 20           | 0.21       |                 |             |
| <b>Total</b> | <b>6,311</b> | <b>2,662</b> | <b>454</b> | <b>128</b>   | <b>1</b>   | <b>130</b>      | <b>29</b>   |

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THANK YOU

