

## **MEDIA RELEASE:**

# **Dugald River project financing completed**

**27 June 2013**

MMG Limited (MMG) is pleased to announce that it has entered into a facility agreement for an amount up to US\$1 billion to finance the development and construction of the Dugald River project located in north-west Queensland, Australia.

Under this agreement, China Development Bank Corporation (CDB) and Bank of China Limited, Sydney (BOC, Sydney) will provide a debt facility of up to US\$1 billion for a term of 13 years.

This completes the financing arrangements for the Dugald River project and the Board of MMG will now make a final investment decision following endorsement that occurred in December 2012.

Chief Executive Officer of MMG, Mr Andrew Michelmore said that the completion of financing arrangements for Dugald River marked a key milestone for the project.

"We are pleased to take the next step in the development of the Dugald River project, with financing arrangements negotiated at very competitive terms. The project is now ready for final approval by the Board."

The Dugald River project supports MMG's positive long-term view of zinc, supported by major mine closures that are expected to occur in the next five years. This includes MMG's Century mine, also located in Queensland, Australia.

"Dugald River is well timed to meet the expected supply gap created by future mine closures combined with low investment in zinc development and exploration projects in recent years. On the demand side, the continuing industrialisation and urbanisation of developing economies will drive demand growth over the long term," said Mr Michelmore.

The Dugald River facility will be available for draw down until 27 June 2016 with final repayment to occur on 26 June 2026. Repayment of the facility will commence three years after the drawdown date with interest only payable until this time.

MMG has negotiated competitive interest terms in the vicinity of 6 months US dollar LIBOR plus 3.5% to 3.9% inclusive of aggregate upfront costs relating to entering into the facility of approximately 1.3% of the total loan amount.

MMG has solely funded total capital expenditure to date for the project totalling A\$390 million. The Board has approved funding for Dugald River to September 2013, and will draw US\$250 million under the Dugald River facility for the remainder of 2013.

"Site development is progressing well with total underground development now over 8,000 metres and significant underground drilling and geotechnical work underway to enable detailed mine planning," said Mr Michelmore.

"Construction of the permanent mine access road is about to start and a 100,000 tonne sample of Dugald River ore is being prepared for trucking to Century in July and August to conduct a production scale process test using the Century plant," he said.

## **About Dugald River**

The Dugald River Project, located approximately 65km north-west of Cloncurry in Queensland, Australia, is considered to be one of the world's largest known, high grade undeveloped zinc-lead-silver deposits.

The project will create approximately 600 temporary jobs during the construction phase and employ approximately 500 employees and contractors once in operation.

## **About MMG Limited**

MMG Limited is a global resources company which explores, develops and mines base metal projects around the world. It is headquartered in Melbourne, Australia and listed on the Stock Exchange of Hong Kong (Stock Code: 1208).

The Company owns and operates the Century, Golden Grove and Rosebery mines in Australia, the Kinsevere mine in the Democratic Republic of Congo and the LXML Sepon mine in Laos.

Its major development projects include Dugald River and the Izok Corridor base metals project in Nunavut, north-west Canada. The Company also has significant exploration projects and partnerships in Australia, Africa and the Americas. It is one of the world's largest producers of zinc and also produces significant amounts of copper, lead, gold and silver.

For further information visit [www.mmg.com](http://www.mmg.com).

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