

# Chief Executive Officer's Report

Dear Shareholders,

I am pleased to share our 2024 Interim Report.

## Safety performance

MMG's first value is safety and we are committed to ensuring all employees and contractors across our organisation go home safely every day.

For the first half of 2024 a Total Recordable Injury Frequency (TRIF) of 2.44 per million hours worked was recorded, an increase compared to the full year 2023 TRIF of 1.97. Notably, based on our most recent data, the TRIF for the month of July was 1.70, the lowest this year. MMG has not recorded any high-potential injuries in the past two months and the year-to-date TRIF, at 2.32 to the end of July, is trending down. While TRIF is only one indicator of performance, reducing injuries remains a critical focus at our sites. Our teams continue to focus their efforts on reducing the number of Significant Events with Energy Exchange through the implementation of critical controls around vehicle and mobile equipment and improvement of contractor management.

## Financial performance

MMG has recorded a net profit after tax of US\$79.5 million, including a profit of US\$21.1 million attributable to equity holders of the Company. This is compared to a net loss after tax of US\$24.9 million in the first half of 2023, including a loss of US\$58.8 million attributable to equity holders.

MMG achieved an increase in net cash flow from operations, totalling US\$515.3 million, representing a growth of 21% compared to the first half of 2023. This performance is mainly driven by higher commodity prices, partly offset by higher tax payments in Peru.

The Company's total EBITDA of US\$779.0 million was 23% higher than in the first half of 2023. This increase can be attributed to higher revenue at Dugald River and Rosebery, driven by increased sales associated with improved production.

Kinsevere's EBITDA also had a positive impact, owing to a favourable change in inventory movement costs. Our newly acquired Khoemacau asset added US\$33.5 million to the EBITDA, whilst Las Bambas achieved EBITDA of US\$590.3 million. The Las Bambas result is 8% lower than the same period in 2023, due to lower sales volumes although this was partly offset by higher prices for copper, gold and silver.

## Operational performance

I am pleased to report that our production results continue to stabilise for the Group, during a period of major project delivery. Las Bambas produced 126,198 tonnes of copper in the first half of 2024, which was 13,396 tonnes (10%) lower than the same period in 2023. The decrease is primarily attributed to a lower ore milled grade, due to mining of low-grade sectors at the Ferrobamba pit. This was partly offset by ores from the Chalcobamba pit, which commenced supply to the processing plant in the second quarter.

Kinsevere produced 21,278 tonnes copper cathode, representing a 2% decrease compared to the first half 2023. This was primarily due to lower grade milled ore as a result of mining sequences at Sokoroshe II and Kinsevere pits, and a reduced reliance on expensive, high-grade third-party ores. This negative impact on production was partly offset by improved ore milled throughput.

Our newest asset, Khoemacau, produced 9,982 tonnes of copper in copper concentrate from 23 March to the end of June 2024.

Dugald River produced 79,284 tonnes of zinc in zinc concentrate and 10,799 tonnes of lead in lead concentrate. This represents an increase of 38% for zinc and 65% for lead, respectively, compared to the prior corresponding period in 2023, when operations were suspended for 34 days.

Rosebery produced 30,263 tonnes of zinc in zinc concentrate and 10,970 tonnes of lead in lead concentrate.



**CAO Liang**  
Chief Executive Officer

This represented a 31% increase in zinc production and a 27% increase in lead production, respectively, compared to the prior comparable period.

## Outlook

Operational and cost performance will be key as we look to drive growth across the portfolio. Overall, our sites are tracking well with performance in line with or exceeding our updated 2024 guidance.

More detail by asset is available in this report.

I am pleased that our growth projects in Las Bambas and Kinsevere are progressing nicely. MMG has signed significant commercial agreements with Huancuire community companies to accelerate development works and remains in active discussions. Constructive dialogue also continues with local government and communities along the Southern Road Corridor, with strong national government support. The construction of the Kinsevere Expansion Project continues to progress well and remains on track for mechanical completion expected by end of 2024. And MMG is committed to the ramp-up of Khoemacau to annual copper production of 60,000 tonnes by 2026, facilitated by ongoing mining development efforts to increase mining fronts, operational flexibility and mined grades.

## In closing

At MMG we remain committed to debt reduction and prudent balance sheet management. In line with this, we undertook a Rights Issue that was oversubscribed by 2.8 times. The gross proceeds from the Rights Issue amounted to US\$1,152.2 million, net of transaction costs. The funds raised will be used to repay existing debt and complete our funding plan for the Khoemacau acquisition. The joint venture with CNIC Corporation Limited for the asset further complements this approach.

And finally, I believe that our people are the foundation of MMG's success. Many thanks to our talented team for their hard work and commitment over the last six months. I look forward to working alongside them in my new role, to improve our safety and deliver our growth plans.

**CAO Liang**  
Chief Executive Officer