Management Discussion and Analysis

Results for the six months ended 30 June 2024

For the purpose of the management discussion and analysis, the Group's results for the six months ended 30 June 2024 are compared with results for the six months 30 June 2023.

Six months ended 30 June	2024 US$ million	2023 US$ million	Change % Fav/(Unfav)
Revenue	1,918.2	1,896.2	1%
Operating expenses	(1,063.2)	(1,257.1)	15%
Exploration expenses	(27.2)	(25.0)	(9%)
Administration expenses	(16.2)	(3.3)	(391%)
Khoemacau acquisition and integration expenses	(20.2)	-	n/a
Net other (expenses)/income	(12.4)	25.0	(150%)
EBITDA	**779.0**	**635.8**	**23%**
Depreciation and amortisation expenses	(467.9)	(445.9)	(5%)
EBIT	**311.1**	**189.9**	**64%**
Net finance costs	(168.0)	(180.3)	7%
Profit before income tax	**143.1**	**9.6**	**1,391%**
Income tax expense	(63.6)	(34.5)	(84%)
Profit/(loss) after income tax for the period	**79.5**	**(24.9)**	**419%**
Attributable to:			
Equity holders of the Company	21.1	(58.8)	136%
Non-controlling interests	58.4	33.9	72%
	79.5	**(24.9)**	**419%**

Profit attributable to equity holders of the Company

MMG's profit of US$79.5 million for the six months ended 30 June 2024 includes profit attributable to equity holders of US$21.1 million and profit attributable to non-controlling interests of US$58.4 million. This compares to a loss attributable to equity holders of US$58.8 million and profit attributable to non-controlling interests of US$33.9 million for the six months ended 30 June 2023. Amounts attributable to non-controlling interests related to the 37.5% interest in Las Bambas and the 45.0% interest in Khoemacau not owned by the Company.

The following table provides a reconciliation of reported profit after tax attributable to equity holders.

Six months ended 30 June	2024 US$ million	2023 US$ million	Change % Fav/(Unfav)
Profit after tax – Las Bambas 62.5% interest	100.3	56.1	79%
Loss after tax – Khoemacau 55.0% interest	(7.8)	-	n/a
Profit/(Loss) after tax – other continuing operations	35.6	(63.5)	156%
Administration expenses	(16.2)	(3.3)	(391%)
Khoemacau acquisition and integration expenses	(20.2)	-	n/a
Net finance costs (excluding Las Bambas and Khoemacau)	(70.9)	(39.5)	(79%)
Other	0.3	(8.6)	104%
Profit/(loss) for the period attributable to equity holders	**21.1**	**(58.8)**	**136%**

Management Discussion and Analysis
Continued

Overview of operating results

The Group's continuing operations comprise Las Bambas, Kinsevere, Khoemacau, Dugald River and Rosebery. Exploration, corporate activities and other subsidiaries are classified as 'Other'.

	Revenue			EBITDA		
Six months ended 30 June	2024 US$ million	2023 US$ million	Change % Fav/(Unfav)	2024 US$ million	2023 US$ million	Change % Fav/(Unfav)
Las Bambas	1,256.0	1,480.4	(15%)	590.3	643.0	(8%)
Kinsevere	188.3	178.4	6%	41.4	(13.8)	400%
Khoemacau	90.2	-	n/a	33.5	-	n/a
Dugald River	226.1	132.7	70%	80.2	(26.4)	404%
Rosebery	152.7	103.2	48%	68.3	35.6	92%
Other	4.9	1.5	227%	(34.7)	(2.6)	(1,235%)
Total	**1,918.2**	**1,896.2**	**1%**	**779.0**	**635.8**	**23%**

The following discussion and analysis of the financial information and results should be read in conjunction with the financial statements.

Revenue increased by US$22.0 million (1%) to US$1,918.2 million compared to 2023 due to higher commodity prices (US$185.0 million), partly offset by lower sales volumes (US$163.0 million).

Favourable commodity price variances of US$185.0 million were driven by higher net realised prices for copper (US$130.6 million), zinc (US$35.9 million, largely attributed to $25.8 million lower treatment charges), silver (US$15.5 million), gold (US$12.2 million) and lead (US$4.2 million). This was partly offset by lower prices for molybdenum (US$13.4 million). Price variances include mark-to-market adjustments on open sales contracts and the impacts of commodity hedging.

Sales volumes decreased by US$163.0 million compared to 2023 primarily due to lower sales of copper concentrate (US$320.0 million) and molybdenum concentrate (US$20.3 million) at Las Bambas. This decline was attributed to a substantial drawdown and reduction in finished goods inventory during the first half of 2023. This decrease was partly offset by the inclusion of copper concentrate sales at Khoemacau (US$90.2 million). Dugald River sales volumes were higher for zinc concentrate sales (US$30.1 million) and lead concentrate sales (US$24.4 million) due to continuous operations, in contrast with a suspension for 34 days in the first half of 2023. Rosebery zinc and lead concentrate sales volumes were also higher (US$31.8 million), driven by increased production.

Revenue by commodity six months ended 30 June	2024 US$ million	2023 US$ million	Change % Fav/(Unfav)
Copper	1,373.0	1,432.0	(4%)
Zinc	224.2	145.0	55%
Lead	50.0	25.2	98%
Gold	89.0	104.3	(15%)
Silver	112.2	87.5	28%
Molybdenum	68.5	102.2	(33%)
Cobalt	1.3	-	-
Total	**1,918.2**	**1,896.2**	**1%**

Management Discussion and Analysis Continued

Price

Average LME base metals prices for copper, gold and silver were higher in the six months ended 30 June 2024 compared to the prior corresponding period. The averages for zinc, molybdenum and cobalt were lower.

Average LME cash price[1] Six months ended 30 June	2024	2023	Change % Fav/(Unfav)
Copper (US$/tonne)	9,097	8,704	5%
Zinc (US$/tonne)	2,641	2,835	(7%)
Lead (US$/tonne)	2,121	2,129	(0%)
Gold (US$/ounce)	2,205	1,933	14%
Silver (US$/ounce)	26.11	23.37	12%
Molybdenum (US$/tonne)	45,994	59,730	(23%)
Cobalt (US$/tonne)	27,174	36,033	(25%)

1 Sources: zinc, lead, cobalt and copper: LME cash settlement price; Molybdenum: Platts; gold and silver: LBMA.
LME (London Metal Exchange) data is used in this report under licence from LME; LME is not involved and accepts no responsibility to any third party in connection with the data; and onward distribution of the data by third parties is not permitted.

Sales volumes

Payable metal In products sold Six months ended 30 June	2024	2023	Change % Fav/(Unfav)
Copper (tonnes)	157,503	182,831	(14%)
Zinc (tonnes)	92,464	71,680	29%
Lead (tonnes)	23,961	13,201	82%
Gold (ounces)	39,311	53,793	(27%)
Silver (ounces)	4,245,706	3,852,971	10%
Molybdenum (tonnes)	1,635	2,039	(20%)
Cobalt (tonnes)	92	-	-

Payable metal in products sold Six months ended 30 June 2024	Copper Tonnes	Zinc Tonnes	Lead Tonnes	Gold Ounces	Silver Ounces	Molyb-denum Tonnes	Cobalt Tonnes
Las Bambas	125,668	-	-	24,389	1,586,385	1,635	-
Kinsevere	21,465	-	-	-	-	-	92
Khoemacau	9,717	-	-	-	301,929	-	-
Dugald River	-	69,353	12,785	-	1,086,005	-	-
Rosebery	653	23,111	11,176	14,922	1,271,387	-	-
Total	**157,503**	**92,464**	**23,961**	**39,311**	**4,245,706**	**1,635**	**92**

Management Discussion and Analysis Continued

Payable metal in products sold Six months ended 30 June 2023	Copper Tonnes	Zinc Tonnes	Lead Tonnes	Gold Ounces	Silver Ounces	Molyb-denum Tonnes	Cobalt Tonnes
Las Bambas	160,764	-	-	41,312	2,256,611	2,039	-
Kinsevere	21,507	-	-	-	-	-	-
Khoemacau	-	-	-	-	-	-	-
Dugald River	-	54,101	6,965	-	529,595	-	-
Rosebery	560	17,579	6,236	12,481	1,066,765	-	-
Total	**182,831**	**71,680**	**13,201**	**53,793**	**3,852,971**	**2,039**	**-**

Operating expenses include expenses of operating sites, excluding depreciation and amortisation. Site expenses include mining and processing expenses, changes in inventories, royalty expenses, selling expenses and other operating expenses.

Total operating expenses decreased by US$193.9 million, or 15%, to US$1,063.2 million. This reduction was largely due to changes in inventories at Las Bambas (US$164.1 million), which reflects a reduced drawdown on finished goods inventory compared to 2023. Inventory changes were also favourable at Kinsevere (US$40.2 million) due to a build-up in ore stocks driven by higher mining volumes, and Dugald River (US$18.3 million) due to lower net drawdowns of concentrate stocks driven by higher production. These favourable inventory variances were partly offset by higher production costs (US$61.1 million), primarily due to the inclusion of expenses from the newly acquired Khoemacau asset starting from March 2024.

Further detail is set out below in the mine analysis section.

Administrative expenses increased by US$12.9 million (391%) to US$16.2 million in 2024 mainly due higher employee benefits expenses driven by increases to short-term incentives (US$3.2 million) and long-term incentives (US$2.5 million), and redundancy costs relating to an internal restructure (US$4.0 million).

Net other (expense)/income decreased by US$37.4 million (150%) to a $12.4 million loss, mainly attributable to the revaluation of monetary assets at Las Bambas (US$36.2 million) driven by the depreciation of the Peruvian Sol compared to the US dollar.

Depreciation and amortisation expenses increased by US$22.0 million (5%) to US$467.9 million primarily attributable to increased mining volumes at Kinsevere (US$26.6 million).

Net finance costs decreased by US$12.3 million (7%) to US$168.0 million mainly due to lower debt balances (US$16.7 million) and interest receivable from SUNAT in relation to the 2009 Income Tax matter (US$23.0 million) following a favourable Judiciary outcome. This was partly offset by interest on Khoemacau acquisition loans (US$37.7 million).

Income tax expense increased by US$29.1 million, reflecting the increase in the Group's underlying profit before income tax from the prior comparative period.

Mine Analysis: Las Bambas

Mines analysis

Las Bambas

Six months ended 30 June	2024	2023	Change % Fav/(Unfav)
Production			
Ore mined (tonnes)	24,792,754	21,374,317	16%
Ore milled (tonnes)	25,685,454	25,871,975	(1%)
Waste movement (tonnes)	63,369,020	51,636,637	23%
Copper in copper concentrate (tonnes)	126,198	139,594	(10%)
Payable metal in product sold			
Copper (tonnes)	125,668	160,764	(22%)
Gold (ounces)	24,389	41,312	(41%)
Silver (ounces)	1,586,385	2,256,611	(30%)
Molybdenum (tonnes)	1,635	2,039	(20%)

Six months ended 30 June	2024 US$ million	2023 US$ million	Change % Fav/(Unfav)
Revenue	**1,256.0**	**1,480.4**	**(15%)**
Operating expenses			
Production expenses			
Mining	(221.2)	(239.7)	8%
Processing	(160.9)	(151.2)	(6%)
Other	(192.9)	(200.9)	4%
Total production expenses	**(575.0)**	**(591.8)**	**3%**
Freight	(35.7)	(47.9)	25%
Royalties	(38.4)	(48.9)	21%
Other[1]	4.1	(165.9)	102%
Total operating expenses	**(645.0)**	**(854.5)**	**25%**
Other expenses	(20.7)	17.1	(221%)
EBITDA	**590.3**	**643.0**	**(8%)**
Depreciation and amortisation expenses	(353.9)	(390.8)	9%
EBIT	**236.4**	**252.2**	**(6%)**
EBITDA margin	**47%**	**43%**	**-**

1 Other operating expenses include changes in inventories, corporate recharges and other costs of operations.

Mine Analysis: Las Bambas
Continued

Las Bambas produced 126,198 tonnes of copper in the first half of 2024, which was 13,396 tonnes (10%) lower than comparison period in 2023. The decrease is primarily attributed to a lower ore milled grade (0.57% vs. 0.64%), as a result of mining of low-grade sectors at the Ferrobamba pit. This was partly offset by ores from the Chalcobamba pit, which began being supplied to the processing plant in the second quarter and are expected to continue to improve in the second half of the year.

Revenue of US$1,256.0 million was US$224.4 million (15%) lower than 2023 due to lower copper (US$272.4 million), gold (US$32.5 million), silver (US$15.1 million) and molybdenum sales volumes (US$20.3 million) and lower molybdenum prices (US$13.4 million). This was partly offset by higher prices for copper (US$116.7 million), gold (US$8.1 million) and silver (US$4.5 million).

Total production expenses of US$575.0 million were US$16.8 million or 3% lower than 2023. This was mainly driven by higher deferred mine capitalisation costs (US$57.5 million) due to Chalcobamba pre-stripping activities in 2024, and a reduction in expenses for risk mitigation of social conflicts (US$22.5 million). This was partly offset by increased maintenance works (US$48.0 million) and increased execution of social programs and other services (US$10.0 million) owing to uninterrupted operations in 2024.

Changes in inventories favourably impacted other operating expenses by US$164.1 million due to a lower drawdown of copper concentrate inventory (US$123.9 million). Low-grade ore inventory increased by US$51.8 million, due to lower consumption and higher valuation driven by rising copper prices.

Royalty expenses were also lower by US$10.5 million reflecting lower copper sales revenue.

Depreciation and amortisation expenses were lower than 2023 by US$36.9 million (9%) due to accelerated amortisation of Ferrobamba Phase 3 capitalised mining asset in 2023 (US$15.0 million) and the favourable impact of the change in the estimated useful life of TSF assets (US$12.0 million).

The C1 costs of US$1.81/lb for the first half of 2024 were higher than the 2023 C1 costs of US$1.60/lb due to lower copper production and lower by-product credits.

2024 Outlook

Las Bambas annual production in 2024 is expected to be towards the higher end of the previously set guidance range of 280,000 to 320,000 tonnes of copper, thanks to uninterrupted production and good progress on the development of the Chalcobamba pit. C1 cost guidance for 2024 is now improved to US$1.55 – US$1.75/lb, down from the previous guidance of US$1.60 – US$1.80/lb, driven by operational efficiencies and by-product credit.

Mine Analysis: Kinsevere

Kinsevere

Six months ended 30 June	2024	2023	Change % Fav/(Unfav)
Production			
Ore mined (tonnes)	1,599,920	1,272,760	26%
Ore milled (tonnes)	1,051,925	1,003,743	5%
Waste movement (tonnes)	11,450,129	8,930,752	28%
Copper cathode (tonnes)	21,278	21,641	(2%)
Cobalt (tonnes)	1,390	-	n/a
Payable metal in product sold			
Copper (tonnes)[1]	21,465	21,507	(0%)
Cobalt (tonnes)	92	-	n/a

Six months ended 30 June	2024 US$ million	2023 US$ million	Change % Fav/(Unfav)
Revenue	**188.3**	**178.4**	**6%**
Operating expenses			
Production expenses			
Mining	(23.5)	(9.6)	(145%)
Processing	(85.6)	(111.2)	23%
Other	(43.9)	(34.1)	(29%)
Total production expenses	**(153.0)**	**(154.9)**	**1%**
Freight	(4.4)	(3.6)	(22%)
Royalties	(12.5)	(8.0)	(56%)
Other[2]	32.0	(10.2)	414%
Total operating expenses	**(137.9)**	**(176.7)**	**22%**
Other (expenses)/income	(9.0)	(15.5)	42%
EBITDA	**41.4**	**(13.8)**	**400%**
Depreciation and amortisation expenses	(35.2)	(8.3)	(324%)
EBIT	**6.2**	**(22.1)**	**128%**
EBITDA margin	**22%**	**(8%)**	**-**

1 Kinsevere sold copper includes copper cathode and copper scrap.

2 Other operating expenses include changes in inventories, corporate recharges and other costs of operations.

Mine Analysis: Kinsevere
Continued

Kinsevere produced 21,278 tonnes copper cathode during the first half of 2024, representing a 2% lower compared to the prior corresponding period. This reduction was primarily due to a lower grade of the milled ore, which fell from 2.22% to 2.03%, due to 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 (1,051,925 tonnes vs. 1,003,743 tonnes), benefiting from enhanced power stability, and the increased ore supply from mining at the Sokoroshe II pit.

Kinsevere revenue increased by US$9.8 million (6%) to US$188.3 million compared to 2023 due to higher copper prices (US$8.8 million) and additional cobalt sales volumes (US$1.3 million). This was partly offset by lower copper sales volumes in line with lower production (US$0.3 million).

Total production expenses decreased by US$1.9 million or 1% compared to 2023. This was mainly driven by lower consumption of third-party ores (US$48.5 million), which was partly offset by the newly added cost for cobalt production (US$15.2 million), increased mining cost due to higher ore mined (US$13.9 million), higher power cost (US$5.3 million) and G&A (US$5 million).

Other operating expenses were $42.2 million favourable compared to 2023 driven by favourable changes in inventories ($40.2 million) due to an increase in ore stocks driven by higher mining volumes.

Depreciation and amortisation expenses were higher than 2023 by US$26.9 million (324%) driven by increased mining volumes due to the accelerated operations at the Sokoroshe II pit.

C1 costs in the first half of 2024 were US$3.14/lb, lower than the US$3.53/lb in 2023 driven by lower consumption of third-party ores, which was partly offset by higher mining volumes.

2024 Outlook

In line with prior guidance, copper cathode production for 2024 is expected to be in the range of 39,000 to 44,000 tonnes.

C1 costs in 2024 are now expected to be in the range of US$3.00 - US$3.35/lb, reflecting an increase from the previous guidance of US$2.80 - US$3.15/lb. This adjustment is attributed to three factors:

- Lower-than-expected by-product credit from cobalt sales, largely driven by decline in price;
- Increased mining costs due to accelerated mining activities at the Sokoroshe II pit; and
- A change in the mining sequence at the Kinsevere pit to align with the Sulphide plant commissioning and ramp-up plans.

These adjustments in mining operations at the Sokoroshe II and the Kinsevere pit will result in larger than expected ore stockpiles. The costs associated with the mining of these additional ores have been incorporated into the revised 2024 C1 costs guidance. However, these ore stockpiles will be processed in the future, which is expected to positively impact future C1 costs.

Mine Analysis: Khoemacau

Khoemacau

Six months ended 30 June	2024	2023	Change % Fav/(Unfav)
Production			
Ore mined (tonnes)	756,169	-	-
Ore milled (tonnes)	744,699	-	-
Copper (tonnes)	9,982	-	-
Silver (oz)[1]	338,681	-	-
Payable metal in product sold			
Copper (tonnes)	9,717	-	-
Silver (oz)	301,929	-	-

1 The silver production is subject to a silver stream of the Khoemacau Mine currently in favour of Royal Gold Inc. which covers 100% of the payable silver produced until the delivery of 40.0 million silver ounces, and 50% thereafter. Royal Gold Inc. pays a cash price equal to 20% of spot silver price for each ounce delivered. The stream covers Zone 5 and Mango North-East deposits, with remaining deposits unencumbered.

Six months ended 30 June	2024 US$ million	2023 US$ million	Change %Fav/ (Unfav)
Revenue	**90.2**	**-**	**-**
Operating expenses		**-**	**-**
Production expenses			
Mining	(34.8)	-	-
Processing	(10.1)	-	-
Other	(9.3)	-	-
Total production expenses	**(54.2)**	**-**	**-**
Freight	(0.1)	-	-
Royalties	(2.9)	-	-
Other[2]	0.6	-	-
Total operating expenses	**(56.6)**	**-**	**-**
Other (expenses)/income	(0.1)	-	-
EBITDA	**33.5**	**-**	**-**
Depreciation and amortisation expenses	(10.4)	-	-
EBIT	**23.1**	**-**	**-**
EBITDA margin	**37%**	**-**	**-**

2 Other operating expenses include changes in inventories, corporate recharges and other costs of operations.

Mine Analysis: Khoemacau
Continued

MMG completed the acquisition of Khoemacau on 22 March 2024. The production data for the first half of 2024 in this report accounts for figures for the period starting 23 March 2024, during which 9,982 tonnes of copper in copper concentrate were produced.

The 2024 interim results take into account sales revenue, operating expenses and depreciation and amortisation from 23 March 2024.

Calculated on a post by-product and pre silver stream basis, Khoemacau's C1 costs of first half of 2024 were US$2.65/lb.

2024 Outlook

In line with prior guidance, Khoemacau copper production for the period starting from 23 March in 2024 is expected to be between 30,500 and 40,500 tonnes (40,000 and 50,000 tonnes for the full year 2024). On a post by-product and pre silver stream basis, Khoemacau C1 costs in 2024 are expected to be within the range of US$2.30 – US$2.65/lb.

Mine Analysis: Dugald River

Dugald River

Six months ended 30 June	2024	2023	Change % Fav/(Unfav)
Production			
Ore mined (tonnes)	908,512	614,004	48%
Ore milled (tonnes)	884,546	652,840	35%
Zinc in zinc concentrate (tonnes)	79,284	57,374	38%
Lead in lead concentrate (tonnes)	10,799	6,540	65%
Payable metal in product sold			
Zinc (tonnes)	69,353	54,101	28%
Lead (tonnes)	12,785	6,965	84%
Silver (ounces)	1,086,005	529,595	105%

Six months ended 30 June	2024 US$ million	2023 US$ million	Change % Fav/(Unfav)
Revenue	**226.1**	**132.7**	**70%**
Operating expenses			
Production expenses			
Mining	(56.8)	(60.6)	6%
Processing	(33.8)	(33.5)	(1%)
Other	(36.4)	(33.7)	(8%)
Total production expenses	**(127.0)**	**(127.8)**	**1%**
Freight	(9.9)	(7.2)	(38%)
Royalties	(10.0)	(6.9)	(45%)
Other[1]	0.5	(17.7)	103%
Total operating expenses	**(146.4)**	**(159.6)**	**8%**
Other income	0.5	0.5	-
EBITDA	**80.2**	**(26.4)**	**404%**
Depreciation and amortisation expenses	(26.4)	(23.6)	(12%)
EBIT	**53.8**	**(50.0)**	**208%**
EBITDA margin	**35%**	**(20%)**	**-**

1 Other operating expenses include changes in inventories, corporate recharges and other costs of operations.

Mine Analysis: Dugald River Continued

Dugald River produced 79,284 tonnes of zinc in zinc concentrate and 10,799 tonnes of lead in lead concentrate during the first half of 2024. 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.

Revenue increased by US$93.4 million (70%) to US$226.1 million driven by higher zinc concentrate sales volumes (US$30.1 million), higher lead concentrate sales volumes (US$24.4 million), lower treatment charges (US$22.7 million), and higher realised zinc prices (US$10.6 million).

Total production expenses were lower by US$0.8 million (1%) compared to the first half of 2023 due to lower mining costs (US$3.8 million) reflecting of the one-off costs incurred in 2023 to transition to a new mining contractor. Processing costs were in line with the comparison period with higher consumable usage due to higher production being offset by lower gas prices. Other production expenses included higher outbound logistics costs in line with higher production (US$1.7 million).

Other operating expenses included a favourable stock movement of US$18.2 million due to a lower drawdown of finished goods (US$14.4 million) and a net build-up of ore stockpiles (US$4.2 million).

Dugald River's zinc C1 costs were US$0.67/lb compared to US$1.30/lb in 2023. The lower C1 cost was largely attributable to higher zinc production volumes and higher by-product credits.

2024 Outlook

Dugald River plant operations resumed in late July from the unplanned maintenance shutdown due to an issue with bearing pads. Additional maintenance works are scheduled for late August to ensure operational integrity of the SAG mill. The Dugald River team is working closely with both internal and external specialist resources for these works. The focus will be to recover any deferred production in 2024. Dugald River zinc production for 2024 is expected to be towards the lower end of the previously issued guidance of 175,000 to 190,000 tonnes of zinc in zinc concentrate. C1 costs are expected to be in the range of US$0.70 – US$0.85/lb.

Mine Analysis: Rosebery

Rosebery

Six months ended 30 June	2024	2023	Change % Fav/(Unfav)
Production			
Ore mined (tonnes)	518,611	442,297	17%
Ore milled (tonnes)	518,234	440,892	18%
Zinc in zinc concentrate (tonnes)	30,263	23,102	31%
Lead in lead concentrate (tonnes)	10,970	8,637	27%
Copper in precious metals concentrate (tonnes)	643	566	14%
Gold (ounces)	16,646	12,547	33%
Silver (ounces)	1,297,618	1,355,370	(4%)
Payable metal in product sold			
Copper (tonnes)	653	560	17%
Zinc (tonnes)	23,111	17,579	31%
Lead (tonnes)	11,176	6,236	79%
Gold (ounces)	14,922	12,481	20%
Silver (ounces)	1,271,387	1,066,765	19%

Six months ended 30 June	2024 US$ Million	2023 US$ Million	Change % Fav/(Unfav)
Revenue	**152.7**	**103.2**	**48%**
Operating expenses			
Production expenses			
Mining	(45.3)	(38.5)	(18%)
Processing	(17.7)	(15.7)	(13%)
Other	(15.8)	(13.4)	(18%)
Total production expenses	**(78.8)**	**(67.6)**	**(17%)**
Freight	(4.3)	(3.3)	(30%)
Royalties	(6.5)	(0.7)	(829%)
Other[1]	5.1	6.3	(19%)
Total operating expenses	**(84.5)**	**(65.3)**	**(29%)**
Other expenses	0.1	(2.3)	104%
EBITDA	**68.3**	**35.6**	**92%**
Depreciation and amortisation expenses	(38.1)	(26.7)	(43%)
EBIT	**30.2**	**8.9**	**239%**
EBITDA margin	**45%**	**34%**	**-**

1 Other operating expenses include changes in inventories, corporate recharges and other costs of operations.

Mine Analysis: Rosebery Continued

In the first half of 2024, Rosebery produced 30,263 tonnes of zinc in zinc concentrate and 10,970 tonnes of lead in lead concentrate. This represented a 31% in zinc production and a 27% increase in lead production, respectively, compared to the prior comparable period. These increases were contributed by workforce stability, development focus to increase the number of available mining fronts. In addition, continuous operational improvement initiatives supported strong plant performance, achieving a notably high zinc recovery rate.

Revenue increased by US$49.5 million (48%) to US$152.7 million due to higher prices for silver (US$7.2 million), gold (US$4.2 million), zinc (US$2.9 million), lead (US$1.7 million), and copper (US$1.6 million), as well as higher sales volumes for zinc (US$12.5 million) and lead (US$9.1 million).

Total production expenses increased by US$11.2 million (17%) compared to the first half of 2023 mainly due to higher mining costs (US$6.8 million) driven by increased ore mined and higher backfill volumes. Processing costs were also higher by US$2.0 million driven by higher ore milled volumes.

Depreciation and amortisation expenses were higher than 2023 by US$11.4 million (43%) driven by increased mining and milling volumes.

Rosebery's zinc C1 costs were negative (US$0.42/lb) in the first half of 2024 compared to US$0.18/lb in the first half of 2023 reflecting the higher precious metal by-products credits and higher zinc production.

2024 Outlook

In line with prior guidance, Rosebery zinc production for 2024 is expected to be in the range of 50,000 to 60,000 tonnes of zinc in zinc concentrate. Including the contribution of by-product metals, zinc equivalent production for 2024 is expected to be in the range of 115,000 to 130,000 tonnes.

C1 is now expected to be in the range of US$0.05 – US$0.20/lb with the improvement mainly driven by strong by-product credits and lower zinc concentrate treatment charges.

Management Discussion and Analysis
Continued

Cash flow analysis

Net cash flow

Six months ended 30 June	2024 US$ million	2023 US$ million	Change % Fav/ (Unfav)
Net operating cash flows	515.3	425.6	21%
Net investing cash flows	(2,464.9)	(302.1)	(716%)
Net financing cash flows	2,123.6	28.0	7,484%
Net cash inflows	**174.0**	**151.5**	**15%**

Net operating cash inflows increased by US$89.7 million (21%) to US$515.3 million mainly driven by higher EBITDA (US$143.2 million) largely attributable to higher commodity prices (US$185.0 million). This was partly offset by higher tax payments in Peru (US$60.2 million).

Net investing cash outflows increased by US$2,162.8 million (716%) to US$2,464.9 million. This was driven by $2,042.8 million (net of cash acquired) paid for the 100% share capital acquisition of Khoemacau Copper Mine in Botswana in March 2024. Additionally, capital expenditure was higher at Las Bambas (US$103.7 million) attributable to higher capitalised mining costs, and Khoemacau capital expenditure of $30.3 million was included for the first time.

Net financing cash flows were favourable by US$2,095.6 million (7,484%) compared to 2023. This was due to drawdown of the US$1,050 million CDB loan, US$611 million Shareholder loan and non-controlling interest equity contribution (US$482.9 million) attributable to Khoemacau acquisition and a lower net drawdown on working capital facilities (US$75.0 million). This was partly offset by higher net finance costs paid (US$101.4 million).

Financial resources and liquidity

	30 June 2024 US$ Million	31 December 2023 US$ Million	Change US$ Million
Total assets	15,290.3	11,900.8	3,389.5
Total liabilities	(10,440.1)	(7,588.8)	(2,851.3)
Total equity	**4,850.2**	**4,312.0**	**538.2**

Total equity increased by US$538.2 million to US$4,850.2 million as at 30 June 2024.

Management Discussion and Analysis Continued

The gearing ratio for the Group is defined as net debt (total borrowings excluding finance charge prepayments, less cash, and cash equivalents) divided by the aggregate of net debt and total equity as set out in the following table:

MMG Group	30 June 2024 US$ million	31 December 2023 US$ million
Total borrowings (excluding prepaid finance charges)[1]	6,637.9	4,748.1
Less: cash and cash equivalents	(621.0)	(447.0)
Net debt	**6,016.9**	**4,301.1**
Total equity	4,850.2	4,312.0
Net debt + Total equity	**10,867.1**	**8,613.1**
Gearing ratio	**0.55**	**0.50**

1 Borrowings at an MMG Group level reflect 100 per cent of the borrowings of the Las Bambas and Khoemacau Joint Venture Groups. Las Bambas Joint Venture Group borrowings as at 30 June 2024 were US$1,798.4 million (31 December 2023: US$2,016.8 million) and Las Bambas Joint Venture Group cash and cash equivalents as at 30 June 2024 were US$484.3 million (31 December 2023: US$399.2 million). Khoemacau Joint Venture Group borrowings as at 30 June 2024 were US$1,062.1 million and Khoemacau Joint Venture Group cash and cash equivalents as at 30 June 2024 were US$71.8 million. For the purpose of calculating the gearing ratio, Las Bambas and Khoemacau Joint Venture Groups' borrowings have not been reduced to reflect the MMG Group's 62.5% and 55.0% equity interest, respectively. This is consistent with the basis of the preparation of MMG's financial statements.

Available debt facilities

As at the date of this announcement, the Group had available in its undrawn debt facilities an amount of US$2,785 million (2023: US$4,325 million).

The Group's certain available external debt facilities are subject to covenant compliance requirements. The Group was not in breach of covenant requirements in respect of the Group's borrowings at 30 June 2024. Certain financial covenants are measured with reference to the financial performance of the Group or its subsidiaries and may be influenced by future operational performance.

Material acquisitions and disposals

Completion of the Acquisition of the Khoemacau Mine

On 25 March 2024, MMG announced that the Completion of the Acquisition of the Khoemacau Mine, through the entire issued share capital of Cuprous Capital Ltd occurred effective as at 22 March 2024 (after trading hours).

In accordance with the Share Purchase Agreement, at Completion the Company paid to the Sellers the Aggregate Consideration of approximately US$1,734,657,000, which amount is subject to possible adjustments post-Completion.

In addition to the payment of the Aggregate Consideration, in accordance with the Share Purchase Agreement, the Purchaser advanced an aggregate amount of approximately US$348,580,000, being the Aggregate Debt Settlement Amount, to settle certain debt balances of the Target Group.

Khoemacau Joint Venture

On 30 May 2024, MMG, MMG Africa Holdings Company Limited (a wholly owned subsidiary of MMG), CNIC Corporation Limited and Comor Holdings Corporation Limited (a wholly owned subsidiary of CNIC) and MMG Africa Resources Company Limited (the Joint Venture Company) entered into the SSA (Subscription and Shareholders' Agreement). Under the SSA, the parties conditionally agreed to subscribe for subscription shares at

Management Discussion and Analysis Continued

the agreed price and form a Joint Venture to manage the Khoemacau Mine. With effect from 6 June 2024, MMG's interest is 55% (up to US$611.1 million) and Comor Holdings' interest is 45% (up to US$500.0 million). The SSA outlines the governance of the Joint Venture Company's management and affairs.

The equity interest in the Joint Venture Company indirectly held by MMG was diluted from 100% to 55% upon completion. The results of operations and financial position of the Joint Venture Group have been included in this report.

Rights Issue

On 4 June 2024, the Company announced a Rights Issue of 3,465,432,486 rights shares at HK$2.62 per rights share on the basis of 2 rights shares for every 5 existing shares held by Shareholders. The subscription price of the rights share represents a discount of approximately 31.41% to the closing price of HK3.82 per Share on 31 May 2024, being the last trading day before the subscription price of the rights share is fixed. The rights shares are ranked pari passu in all respects with the then existing shares which have no nominal value.

The results of the Rights Issue were disclosed by way of the announcement dated 12 July 2024 and 3,465,432,486 ordinary shares were allotted and issued on 15 July 2024. The Rights Issue was oversubscribed by 2.8 times and the gross proceeds from the Rights Issue amounted to US$1,152.2 million, net of transaction costs.

Details of the Rights Issue are set out in the Prospectus of the Company dated 20 June 2024. The Company intended to apply the proceeds for the following purposes:

- up to US$611 million (approximately HK$4,766 million) to be used for repayment of amounts outstanding under the US$611 million shareholder loan facility between Top Create Resources Limited and MMG Africa Holdings Company Limited, which will mature in March 2031. This loan was used to fund the Company's equity contribution into the Joint Venture for the purpose of funding the Acquisition of the Khoemacau Mine in Botswana;
- up to US$200 million (approximately HK$1,560 million) to be used for the partial repayment of amounts still outstanding under the US$2,262.0 million term shareholder loan facility between Top Create Resources Limited and MMG South America Company Limited, of which US$700 million will mature in July 2024; and
- the remaining proceeds will be used for repayment of outstanding revolving credit facilities to various banks.

As at the date of this report, the Group has utilised the net proceeds from the Rights Issue as follows:

Items	Intended use of the net proceeds (US$ in million)	Unutilised proceeds up to 30 June 2024	Actual use of the net proceeds up to date of this report (US$ in million)	Unutilised proceeds up to date of this report (US$ in million)
Repayment of short term Khoemacau acquisition funding	Up to 611	N/A*	611	0
Partial repayment of MMG South America Company Limited shareholder loan Tranche A	Up to 200	N/A*	175**	0
Repayment of outstanding Revolving Credit Facilities	Remaining proceeds	N/A*	345	0

*As of 30 June 2024, the Rights Issue has not completed and therefore no proceeds have been utilised.

**The repayment deadline for the remaining MMG South America Company Limited shareholder loan of Tranche A has been extended.

Management Discussion and Analysis
Continued

As at the date of this report, the Company has completed the intended utilisation of the proceeds, with the remaining balance being used to repay interest expenses incurred from the short term Khoemacau acquisition funding and for the payment of transaction costs.

The repayment of these debt facilities will provide greater flexibility for the Company to fund the general corporate and working capital purposes of the Company and ongoing development of the Company's mines including but not limited to essential infrastructure and equipment.

Development projects

The **Chalcobamba project**, as part of the next phase of development at Las Bambas, is located around three kilometres from the current processing plant. In March 2022, the Peru Ministry of Energy and Mines granted regulatory approval for the development of the Chalcobamba pit and associated infrastructure. MMG remains committed to working closely with the Government of Peru, local governments, and community members to ensure transparent and constructive dialogue. Extensive and constructive dialogue between Las Bambas, the Huancuire Community and the Government of Peru continues to progress. On 5 July, Las Bambas completed a number of agreements with the Huancuire community covering education, local business and, most recently, local employment. This has further strengthened local relationships and created a commitment to mutual success. The dialogue will continue to cover other topics from the negotiation agenda.

The Chalcobamba pit is ramping up production with the six Huancuire community companies working alongside the Las Bambas team on development activities. The project is significant for the economy of Peru and will support additional social contributions and financial and business opportunities for local and regional communities. It will underpin an annual production increase to a range of 350,000 to 400,000 tonnes over the medium term.

Kinsevere Expansion Project, which includes the transition to the mining and processing of sulphide ore and the commencement of cobalt production, remains on track. The cobalt plant, commissioned in the fourth quarter of 2023, produced 1,390 tonnes of contained cobalt in cobalt hydroxide during the ramp-up process in the first half of 2024. By the end of June 2024, the construction of the sulphide circuit in the concentrator was completed, and commissioning has commenced. The mechanical construction of all major equipment for the RGA (Roaster-Gas-Acid) plant has been completed, with commissioning planned for the third quarter of 2024. This next phase of Kinsevere development will extend Kinsevere's mine life to at least 2035 and, once fully ramped up, will result in total annual production of approximately 80,000 tonnes of copper cathode and 4,000-6,000 tonnes of cobalt in cobalt hydroxide. The first production of copper cathode from sulphides is expected in the second half of 2024, and a full ramp-up is expected in 2025.

Khoemacau Expansion Project - Following the completion of the acquisition on 22 March 2024, MMG is committed to supporting the ramp up of Khoemacau to achieve an annual production of 60,000 tonnes of copper by 2026. This will be facilitated by ongoing mining development efforts to increase mining fronts, operational flexibility and mined grades. These efforts will be further enhanced by the completion of the Primary Vent Fans and paste fill project. C1 costs are expected to improve as the operation scales up to 60,000 tonnes annually. In addition, the company is dedicated to completing the construction of an expansion project by 2028, which aims to increase production capacity to 130,000 tonnes of copper. It is expected to reach full capacity by 2029, further contributing to the reduction of C1 costs.

Rosebery mine life extension is being supported by an accelerated exploration program. Project Legacy, initiated in 2023, is designed with the objective of extending the mine life through an accelerated diamond drilling program. This drilling program, which includes both underground and surface drilling, has already resulted in several intersections. The current orebody knowledge demonstrates that extensions to the Rosebery orebody are possible with new targets emerging in the field. Several targets show significant intercepts and growth potential.

Management Discussion and Analysis
Continued

Project Legacy is set to continue the accelerated drilling strategy in 2024, with a primary focus on exploring key targets.

The Rosebery mine continues to engage with the Minister and the Department of Climate Change, Energy, the Environment and Water (DCCEEW) and provide all required information and documentation while awaiting the Minister's decision on the proposed preliminary works at South Marionoak. Concurrently the mine is continuing to investigate potential options for safe and viable short-term capacity increases at existing tailings storage facilities. Finding a sustainable tailings storage solution that supports the Rosebery mine life extension remains a key priority for our operation and we will continue to proactively explore all feasible options.

There were no other major development projects noted during the six months ended 30 June 2024.

Contracts and commitments

During the six months ended 30 June 2024, a total of 344 contracts were established, either through market engagements or in-contract renegotiations. The approximate annual operational or capital values addressed by these activities come to US$608.8 million.

Las Bambas

New and revised agreements were finalised to optimise production and development options for Las Bambas, including specific contracting for Chalcobamba Operation with strong emphasis on local communities' participation and development as suppliers. These agreements cover a range of services, including contracting for a consolidated head contractor for studies and engineering services, projects construction, mining services (such as blasting and drilling services), fuel supply, equipment maintenance, catering and camp services, personal transportation, health and medical services, road maintenance, customs and freight forwarding, plant shutdown services, grinding media, major component repair, as well as components, spares and other consumables. In addition, new agreements by works for taxes program were established. Significant efforts have also been made to reinforce the safety and continuity of supply increasing stock capacity and availability on site to support continued operations. A study contract for sections 4, 5, and 6 of the Velille road has been awarded under the works for taxes program.

Kinsevere

Several new and extended agreements were finalised for contracts, including, but not limited to environmental water quality monitoring services, the supply of explosives goods and associated services, the supply of sulphuric acid with related transportation services, and the procurement of concentrator reagents. These agreements support the steady and continuously improving operation of Kinsevere while fulfilling its social responsibilities.

For the Kinsevere Expansion Project, the procurement of equipment and materials required for the concentrator and the RGA (Roaster, Gas Cleaning, and Acid) plant remains in progress. The completion of these two packages is anticipated in the fourth quarter of 2024, followed by the commencement of ramp-up activities.

Khoemacau

Khoemacau Supply Improvement Program (SIP), aimed at fundamentally transform the supply chain to world-class standards, was completed in July 2024. Major highlights of the program include the Warehouse Improvement Project, aimed at reducing working capital and active line items by 42%, and the implementing of an intelligent stock cataloguing system. Training courses for supply chain personnel were developed and attended, resulting in significant contract savings and aligned Key Performance Indicators.

The integration of supply chain standards into MMG began in the second quarter 2024 and is expected to be completed by the end of 2024.

Management Discussion and Analysis
Continued

An agreement was reached during July 2024 to continue the mining development and production agreement. The long lead items for the Backfill project have been ordered, and the remaining procurement packages is expected to be finalised and awarded in the coming months.

Dugald River

In the first half of 2024, the Dugald River Mine Outbound logistics (OBL) contracts have been finalised. This completed the support requirements to manage Dugald River Mine's supply chain. These contracts will be regularly reviewed and optimised throughout the year to ensure high performance. Ongoing activity includes reviewing long-term energy options to increase renewable energy adoption, developing cost reduction programs through category reviews, and identifying inventory optimisation initiatives.

Rosebery

New and revised agreements were finalised for significant goods and services across the operation. These agreements including surface and underground drilling contracts, engineering agreements, and copper concentrate container shipping services. Early this year, Rosebery successfully mobilised its first diesel-electric loaders to the site.

Group

New and revised agreements were finalised regarding various goods and services, including IT-related goods and services and professional consultancy services across SHEC (Safety, Health, Environment, and Community), Legal, HR (Human Resources), Corporate Affairs, Marketing, Assurance Risk & Audit, and Sustainability.

People

As at 30 June 2024, the Group employed a total of 5,092 full-time equivalent employees (2023: 4,550) in its continuing operations (excluding contractors and casual employees) with the majority of employees based in Australia, Peru, the DRC, Botswana, China and Laos.

The total employee benefits expenses for the Group's operations for the six months ended 30 June 2024, including Directors' emoluments, totalled US$190.4 million (2023: US$172.1 million). The increase was mainly due to Khoemacau's acquisition and the update of MMG Long-Term Incentive Plans valuation based on performance measures estimation.

The Group has remuneration policies that align with market practice and remunerates its employees based on the accountabilities of their role, their performance, market practice, legislative requirements and the performance of the Group. Employee benefits include market-competitive fixed remuneration, performance-related incentives, a limited company equity scheme and, in specific cases, insurance and medical support. A range of targeted training and development programs are provided to employees across the Group that are designed to improve individual capability and enhance employee and Group performance.

Exploration activities

Las Bambas

Extensive drilling activities were performed at various locations within the Ferrobamba pit. Specifically, drilling at Ferrobamba Deeps continued, situated directly beneath the current Ferrobamba Ore Reserve pit.

Ongoing studies and further drilling activities are planned for 2024 to evaluate the mineralisation and determine potential mining methods including expansion of the open pit and / or an underground development at Ferrobamba Deeps.

Management Discussion and Analysis
Continued

Additional drilling activities were carried out at Ferrobamba South, Ferrobamba East, and West Plant targets, focusing primarily on near-surface skarn and porphyry copper mineralisation. At Ferrobamba South, drilling specifically targeted the extension of mineralisation along the southern edge of the Ferrobamba pit and the depth extension of Ferrobamba Deeps. Similarly, at Ferrobamba East, the objective was to explore the extension of mineralisation east of the current open pit. At the West Plant project, drilling activities concentrated on identifying polymetallic intermediate sulfidation veins located west of the processing plant.

Kinsevere

During the first half year of 2024, exploration activities focused on resource testing drilling for the northwest extension target of the Mashi pit and resource delineation drilling at the Saddle area between Central pit and Mashi pit. A total of 3,720 meters were completed, accounting for 74% of the planned 5,000 meters of DD (Diamond Drilling) drilling meters. All DD holes intersected moderate copper (cobalt) mineralisation. The Extension mineralisation at Mashi pit shows potential for strike continuity of the known mineralization of the Mashi Pit at depth.

The preliminary resource estimation for the Mashi Extension target will only be conducted once all the core samples' assay results are reported and geological model is updated. The updated Mineral Resource and Ore Reserve (MROR) for Kinsevere will be conducted after the assay results are available.

Khoemacau

Regional exploration in the first half of 2024 focused on the Banana Zone corridor and the Zone 5 corridor. At Banana zone, the drilling tested the southwest fold hinge (Chalcocite deposit), targeting three areas higher up stratigraphy that have been delineated from airborne electro magnetic data. These targets are located within the favourable siltstone unit that is higher up stratigraphy away from redox contact, near prominent structural features, and in gaps in conductive units. In the Zone 5 corridor, infill drilling was conducted between existing drill holes for growth (exploration) purpose at the Zone 9 prospect. The drilling focussed on the 1.5km long central portion of the prospect to confirm width and grades of this high-grade area.

Dugald River

Surface exploration drilling at Dugald River focused on the Wallaroo Copper prospect and the two magnetic targets, M1 and M2. The drilling at Wallaroo tested the southern extent of alteration and disseminated mineralisation. The drilling at M1 and M2 targeted the southern extents of each magnetic anomalies. Geological information gathered from these programs will improve the geological interpretation of each target area. In particular, the results from Wallaroo Copper provide enhanced geological data for interpreting the controls of mineralisation. Target development planning continued over the period for future EDR Zn-Pb-Ag drill program.

Rosebery

During the first half of 2024, underground drilling focused on resource delineation around the K North, H Lens, Z Lens, P Hangingwall, with growth drilling at Y Lens, U Downdip, U South, T Lens and Z Lens. The key focus for the in-mine drilling for the remainder of 2024 will be on resource testing of the X North, V North, U, T and upper Z Lenses.

Surface drilling primarily focused on prospect testing of Jupiter, Snake Gully, North Hercules, Bastyan and Oak prospects. Surface drilling has also commenced at the South Hercules deposit, located 9,000 meters south of Rosebery, with significant results being returned. In the following months, follow-up drilling is expected to focus on the Snake Gully and Jupiter prospects, with Hercules and South Hercules remaining as key targets for 2024 and into 2025.

Management Discussion and Analysis
Continued

Project	Hole type	Meterage (metres)	Number of holes	Average length (metres)
Americas				
Las Bambas	Diamond (Ferrobamba Deeps)	24,476	38	644
	Diamond (Ferrobamba South)	7,853	8	982
	Diamond (Ferrobamba East)	707	2	354
Africa				
Kinsevere	Diamond (Mashi Extension)	2,529	7	361
Khoemacau	Diamond (Banana SW Hinge)	1,188	3	396
	Diamond (Zone 9)	1,189	3	331
Australia				
Dugald River	Diamond (Wallaroo Cu)	2,950	4	738
	Diamond (M1 and M2)	2,624	3	875
Rosebery	Diamond – surface exploration	16,443	50	329
	Diamond – underground exploration	11,534	40	288
Total		**71,493**	**158**	**452**

Events after the reporting date

Other than those disclosed elsewhere in the condensed consolidated interim financial statements and the matters outlined below, there have been no matters that have occurred subsequent to the reporting date, which have significantly affected, or may significantly affect, the Group's operations, results or state of affairs in future years.

- On 15 July 2024, a total of 3,465,432,486 new shares were issued as a result of the completion of the Rights Issue at the subscription price of HK$2.62 price per rights share on the basis of 2 rights shares for every 5 shares held on the record date. The proceeds from the Rights Issue were US$1,152.2 million net of approximately US$10.7 million for transaction costs.

  The Company has repaid Top Create borrowings of US$786.1 million using the proceeds from the Rights Issue. The remaining proceeds have been used to repay external borrowings.
- On 5 July 2024, Las Bambas made an early payment on the project facility of US$800.0 million.

Financial and other risk management

Financial risk factors

The condensed consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2023.

There have been no changes in the risk management policies since 31 December 2023.

(a) Commodity price risk

The prices of copper, zinc, lead, gold, silver, molybdenum and cobalt are affected by numerous factors and events that are beyond the control of the Group. These metal prices change on daily basis and can vary significantly up and down over time. The factors impacting metal prices include both broader macro-economic developments and micro-economic considerations relating more specifically to the particular metal concerned.

Management Discussion and Analysis
Continued

During the six months ended 30 June 2024, the Group entered into various commodity trades to hedge the sales prices for copper and zinc. Unsettled commodity trades as of 30 June 2024 included:

- Zero/low-cost collar hedges:
  - 37,100 tons of copper at put strike price ranging from US$9,250/ton to US$10,385/ton and call strike price ranging from US$9,725/ton to US$10,700/ton;
  - 6,700 tons of zinc at put strike price ranging from US$2,850/ton to US$2,900/ton and call strike price ranging from US$3,270/ton to US$3,430/ton;
- Fixed price swap:
  - 83,900 tons of copper with fixed price ranging from US$8,852/ton to US $10,235/ton;
  - 51,600 tons of zinc with fixed price ranging from US$2,650/ton to US $2,960/ton.
- These commodity trades' settlement periods ranging from July 2024 to January 2025.

A change in commodity prices during the reporting period can result in favourable or unfavourable financial impact for the Group.

The following table contains details of the hedging instruments used in the Group's hedging strategy:

	Term	Carrying amount of hedging instrument US$ million	Favourable/(Unfavourable) changes in fair value used for measuring ineffectiveness: Hedging instrument US$ million	Favourable/(Unfavourable) changes in fair value used for measuring ineffectiveness: Hedged item US$ million	Settled portion of hedging instrument realised gains US$ million	Hedging gain recognised in cash flow hedge reserve[1] US$ million	Cost of hedging reserve US$ million
Cash flow hedges:							
At 30 June 2024 and for six months ended 30 June 2024							
Derivative financial assets	**March 2024 to December 2024**	14.8	12.8	(12.8)	(0.1)	10.1	1.5
Derivative financial liabilities	**March 2024 to December 2024**	(30.7)	(29.3)	29.3	(9.3)	(20.0)	(1.0)
At 30 June 2023 and for six months ended 30 June 2023							
Derivative financial assets	**March 2023 to December 2023**	15.0	14.3	(14.3)	2.6	9.7	0.5

1 The hedging gain recognised in cash flow hedge reserve is the amount after tax.

Management Discussion and Analysis
Continued

At the reporting date, if the commodity prices increased/(decreased) by 10% and all other variables were held constant, the Group's post-tax profit/(loss) and OCI would have changed as set out below:

	For six months ended 30 June					
	2024			2023		
Commodity	Commodity price movement	Increase in profit US$ million	Decrease in OCI US$ million	Commodity price movement	Increase in profit US$ million	Decrease in OCI US$ million
Copper	+10%	12.5	(72.6)	+10%	65.4	(9.4)
Zinc	+10%	(1.0)	(9.8)	+10%	3.3	-
Total		**11.5**	**(82.4)**		**68.7**	**(9.4)**

Commodity	Commodity price movement	Decrease in profit US$ million	Increase in OCI US$ million	Commodity price movement	Decrease in profit US$ million	Increase in OCI US$ million
Copper	-10%	(12.5)	73.0	-10%	(65.4)	10.3
Zinc	-10%	1.0	9.9	-10%	(3.3)	-
Total		**(11.5)**	**82.9**		**(68.7)**	**10.3**

(b) Interest rate risk

The Group is exposed to interest rate risk primarily through interest bearing borrowings and investment of surplus cash holdings. Deposits and borrowings at variable rates expose the Group to cash flow interest rate risk. Deposits and borrowings at fixed rates expose the Group to fair value interest rate risk.

The Group regularly monitors its interest rate risk to ensure there are no undue exposures to significant interest rate movements. Any decision to hedge interest rate risk is assessed periodically in light of the overall Group's exposure, the prevailing interest rate market and any funding counterparty requirements. Regular reporting of the Group's debt and interest rates is provided to the MMG Executive Committee.

The Group is exposed to the risk-free rate of SOFR. The exposures arise on derivative and non-derivative financial assets and liabilities. The current exposures mainly arise on non-derivative financial assets and liabilities.

Management Discussion and Analysis
Continued

Interest rate sensitivity analysis

If the interest rate had increased/(decreased) by 100 basis points, with all other variables held constant, post-tax profit/(loss) would have changed as follows:

	For six months ended 30 June			
	2024		2023	
	+100 basis points	-100 basis points	+100 basis points	-100 basis points
US$ million	Increase/ (decrease) in profit after tax	Increase/ (decrease) in profit after tax	Increase/ (decrease) in loss after tax	Increase/ (decrease) in loss after tax
Financial assets				
Cash and cash equivalents				
- variable interest rate	4.2	(4.2)	3.6	(3.6)
Financial liabilities				
Borrowings				
- variable interest rate	(30.4)	30.4	(23.5)	23.5
Total	**(26.2)**	**26.2**	**(19.9)**	**19.9**

(c) Liquidity risk

Compared to 31 December 2023, there was no material change in the contractual undiscounted cash outflows for financial liabilities.

The Group has sufficient debt facilities to manage liquidity. The Group's available external debt facilities are subject to covenant compliance requirements. The Group was not in breach of covenant requirements in respect of the Group's borrowings at 30 June 2024. Certain financial covenants are measured with reference to the financial performance of the Group or its subsidiaries and may be influenced by future operational performance.

In addition, for six months ended 30 June 2024, the Las Bambas Joint Venture Group had an agreement with CMN and CITIC which was renewed for another year to 30 June 2025, each as direct or indirect off-takers of Las Bambas production, for early payment on cargoes already shipped and invoiced as well as pre-payments for inventory held at both port and site. Early payment and pre-payments are permitted up to an aggregate amount of US$280.0 million, allocated to each party in their respective off-take proportions. There was no early payment from CMN and CITIC under this agreement as at 30 June 2024.

Country and community risks

The Group conducts all of its operations outside of Hong Kong and, as such, it is exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties vary from country to country. Material risks include, but are not limited to, regime or policy change, fluctuation in currency exchange rates, changes to licensing regimes and amendments to concessions, licences, permits and contracts, changing political conditions and governmental regulations and community disruptions. Changes in any aspects above and in the country where the Group operates may adversely affect the Group's operations and profitability. The decline in growth and macroeconomic activity in many developing nations has resulted in governments seeking alternative means of increasing their income, including increases to corporate tax, VAT and royalty rates, coupled with increased audit and compliance activity.

Management Discussion and Analysis
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The DRC Government during 2018 made changes to the 2002 Mining Code and Mining Regulations. These changes were enacted (2018 Mining Code) and continue to result in an increased tax burden on mining companies; In Peru, over the past decade, Las Bambas has experienced heightened political instability with succession of regimes with differing political policies. As the community disruptions and political situation are expected to evolve in the near future, the Group will continue to work closely with the relevant authorities and community groups to minimise the potential risk of social instability and disruptions to the Las Bambas operations.

Some of the countries in which the Group operates carry higher levels of sovereign risk. Political and administrative changes and reforms in law, regulations or taxation may impact sovereign risk. Political and administrative systems can be slow or uncertain and may result in risks to the Group including the ability to obtain tax refunds in a timely manner. The Group has processes in place to monitor any impact on the Group and implement responses to such changes.

Contingent Liabilities

Bank guarantees

Certain bank guarantees have been provided in connection with the operations of certain subsidiaries of the Company primarily associated with the terms of mining leases, mining concessions, exploration licences or key contracting arrangements. At the end of the reporting period, no material claims have been made under these guarantees. The amount of these guarantees may vary from time to time depending upon the requirements of the relevant regulatory authorities.

At 30 June 2024, these guarantees amounted to US$334.1 million (31 December 2023: US$310.5 million).

Contingent liabilities - tax related contingencies

The Group has operations in multiple countries, each with its own taxation regime. The nature of the Group's activities requires it to comply with various taxation obligations including corporation tax, royalties, withholding taxes, transfer pricing arrangements with related parties, resource and production-based taxes, environmental taxes and employment related taxes. Application of tax laws and interpretation of tax laws may require judgement to assess risk and estimate outcomes, particularly in relation to the application of income taxes and withholding tax to the Group's cross-border operations and transactions. The evaluation of tax risks considers both assessments received and potential sources of challenge from tax authorities. Additionally, the Group is currently subject to a range of audits and reviews by taxation authorities in Australia, Peru, Zambia, Laos and the DRC. Except for the financial impacts disclosed for the Peruvian tax matters in subsequent paragraphs, no disclosure of an estimate of financial effect of the subject matter has been made in the condensed consolidated interim financial statements as, in the opinion of the management of the Group, such disclosure may seriously prejudice the position of the Group in dealing with those matters.

Tax matters with uncertain outcomes arise in the normal course of business and occur due to changes in tax law, changes in interpretation of tax law, periodic challenges and disagreements with tax authorities, and legal proceedings. The status of proceedings for such uncertain tax matters will impact the ability to determine the potential exposure, and in some cases, it may not be possible to determine a range of possible outcomes, including timing of resolution or determining a reliable estimate of the potential exposure.

Peru – Withholding Taxes (2014, 2015, 2016 and 2017)

Included within such uncertain tax matters are audits of the 2014, 2015, 2016 and 2017 tax periods for MLB in relation to withholding taxes on interest and fees paid under certain loans, which were provided to MLB pursuant to facility agreements entered into among MLB and a consortium of Chinese banks in connection with the acquisition of the Las Bambas mine in 2014. MLB received assessment notices from the Peruvian tax authority (National Superintendence of Tax Administration of Peru or "SUNAT"), which advised that, in its opinion, MLB and

Management Discussion and Analysis
Continued

the Chinese banks are related parties and thus a 30% withholding tax rate ought to be imposed rather than the 4.99% applied.

In June and July 2024, MLB has received favourable decisions of the Tax Court in Peru determining that MLB is not liable to penalty withholding tax at a 30% rate. The Tax Court decision relates to the 2014, 2015, 2016 and 2017 tax periods. The Tax Court stated that the purpose of the related-party provisions in the Income Tax law is to prevent tax avoidance practices and according to the Court, the nature of the relationship between MLB, MMG and the Chinese lender banks (the Lenders) is not for tax avoidance purposes. Therefore, the Court concluded that the interpretation of SUNAT was against the law and dismissed it and revoked the appealed Assessments in relation to the 2014 to 2017 tax periods in the amount of US$557.0 million. It is not clear at this point whether SUNAT intend to appeal these decisions. The assessments for omitted taxes, along with the corresponding penalties and interest, have been revoked, and the outstanding debt is currently recorded as zero in SUNAT's system.

Having received the above Tax Court decisions, external legal and tax advice, the Group has the continued point of view that the Company and its controlled entities are not related parties to Chinese banks under Peruvian tax law. Additionally, the Peruvian tax law was amended (with effect from October 2017) to provide expressly that parties are not related by being under state ownership for the purposes of withholding taxes.

Peru – Income Taxes (2016, 2017 and 2018)

Las Bambas received assessment notices from SUNAT in connection with the 2016, 2017 and 2018 income tax audit during 2023 and 2024. SUNAT assessments and interpretations include:

- Denying the deductions for all interest on borrowings expensed during the 2016 tax year. This included the loans from Chinese banks where SUNAT denied the interest deductions on the basis that the borrowings were from related parties and that the alleged related party debt should be included in calculating Las Bambas' related party 'debt to equity' ratio (the 'thin capitalisation' threshold) which would then be breached;
- Alleging that interest payable on the shareholder loan from MMG Swiss Finance A.G. is non-deductible due to the application of the "Causality Principle" (i.e., the loan has no relevance to the income-producing activities of Las Bambas);
- Alleging that the accounting treatment of the merger of Peruvian entities (subsequent to the acquisition of Las Bambas in 2014) should have resulted in a negative equity adjustment which would result in Las Bambas having no equity for the purposes of calculating its thin capitalisation allowance; and
- Denying recognition of previous years' tax losses, including 2014, 2015 and 2016 development costs.

The Assessment issued by SUNAT for tax, interest and penalties for the tax periods above totalled PEN 7,474.0 million (approximately US$1,992.0 million) as at 30 June 2024.

Regarding the above SUNAT interpretations, management strongly disagrees and is of the view that SUNAT has disregarded all available evidence and independent opinions on the accounting treatment, submitted by Las Bambas for consideration during the above tax assessment processes. The risk remains that this treatment will also be applied for future income tax years.

Las Bambas has notified the Peru Government of a dispute pursuant to the Peru-Netherlands Bilateral Investment Treaty (Treaty) and the Peru Government has confirmed its inability to resolve the dispute by way of commercial negotiation. Las Bambas is currently evaluating its legal options to seek damages from the Government of Peru for a number of breaches of the Treaty.

Considering Las Bambas' proposed appeals and advice from the Las Bambas' tax and legal advisers, the Group did not recognise a liability in its condensed consolidated interim financial statements for any assessed amount. If Las Bambas is unsuccessful in its challenge on the SUNAT assessments, this could result in significant liabilities being recognised.

Management Discussion and Analysis
Continued

Charges on assets

As at 30 June 2024, approximately US$1,798.4 million (31 December 2023: US$2,016.8 million) from China Development Bank, Industrial and Commercial Bank of China Limited, BOC Sydney and The Export-Import Bank of China was secured by share security over the entire share capital of MMG South America Management Company Limited and each of its subsidiaries including MLB, a debenture over the assets of MMG South America Management Company Limited, an assets pledge agreement and production unit mortgage in respect of all of the assets of MLB, assignments of shareholder loans between MMG South America Management Company Limited and its subsidiaries and security agreements over bank accounts of MLB.

Future prospects

MMG's vision is to create a leading international mining company for a low-carbon future. We mine to create wealth for our people, host communities and shareholders with an ambition to grow and diversify our resources, production and value, by leveraging Chinese and international expertise. Our strong relationship with China draws upon the strength of the world's largest commodities consumer and provides a deep understanding of markets and access to its sources of funding.

The Company is focused on maximising the value of our existing assets by increasing our safety performance, improving competitiveness, containing costs, continually improving productivity, building successful relationships with our host communities and governments and growing our resource base. We are actively pursuing our next phase of disciplined growth.

Las Bambas copper production in 2024 is expected to be towards the higher end of the range of 280,000 to 320,000 tonnes. Kinsevere is expected to produce between 39,000 and 44,000 tonnes of copper cathode. Following the completion of its acquisition on 23 March 2024, Khoemacau is expected to contribute between 30,500 and 40,500 tonnes of copper production to the Company. For zinc, the Company's Dugald River and Rosebery operations are expected to produce a total of between 225,000 and 250,000 tonnes of zinc in 2024.

Las Bambas

Las Bambas annual production is expected to reach 350,000-400,000 tonnes in the medium term with the extended contribution from the Chalcobamba project. Since the beginning of February, MMG machinery and personnel have been working alongside the community companies to continue the ramp-up of the Chalcobamba pit, and ores from the Chalcobamba pit have begun being supplied to the Las Bambas processing plant. The Las Bambas team is working toward enduring agreements for the development of the Chalcobamba deposit with the Huancuire community. The continued development of Las Bambas is significant for the economy of Peru and will support additional social contributions and financial and business opportunities for local and regional communities.

Kinsevere

In the DRC, MMG continues to progress the next phase of Kinsevere Expansion Project, namely the transition to the mining and processing of sulphide ores. This next phase of Kinsevere development will extend Kinsevere's mine life to at least 2035 and, once fully ramped up, will result in total annual production of approximately 80,000 tonnes of copper cathode and between 4,000-6,000 tonnes of cobalt in cobalt hydroxide. The first copper cathode from sulphides is expected in the second half of 2024, and a full ramp-up is expected in 2025. MMG will continue to invest in regional exploration programs focusing on proving up discoveries within an operating radius of the Kinsevere mine.

Management Discussion and Analysis Continued

Khoemacau

The Khoemacau Mine is a rare, high-grade copper producing asset with a planned expansion that will leverage existing skills and infrastructure at a low capital intensity and in the bottom half of the global cost curve. The mine's 4,040 km^2 tenement package hosts the 10th largest African copper Mineral Resource by total contained copper metal and is one of the largest copper sedimentary systems in the world outside of the Central African Copperbelt.

Following the completion of acquisition on 22 March 2024, MMG is committed to supporting the ramp-up of Khoemacau to achieve an annual production of 60,000 tonnes of copper by 2026, facilitated by ongoing mining development efforts to increase mining fronts, operational flexibility and mined grades. These efforts will be further enhanced by the completion of the Primary Vent Fans as well as paste fill project. C1 costs are expected to improve as the operation scales up to 60,000 tonnes annually.

In addition, the company is dedicated to completing the construction of an expansion project by 2028, which aims to increase production capacity to 130,000 tonnes of copper. It is expected to reach full capacity by 2029, further contributing to the reduction of C1 costs.

Dugald River

Dugald River remains committed to safe, greener and sustainable production to deliver annual ore mined throughput of 2,000,000 tonnes in the future years. This will pave the way for targeted zinc equivalent production to remain at around 200,000 tonnes annually. MMG will build on the already operational long-term solar offtake agreement to pursue more green, reliable and cost-effective energy solutions, including supporting CopperString 2032, which aims to connect Queensland's North West Minerals Province to the National Electricity Grid.

Rosebery

At Rosebery, an accelerated resource extension and near mine exploration drilling program is currently in progress to support a mine life extension. MMG remains committed to extending the operating life of this important asset, proactively investigating all feasible options to secure a sustainable tailings storage solution.

Capital expenditure plan in 2024

Total capital expenditure in 2024 is now expected to be between US$850 million and US$950 million. We maintain capital expenditure for Las Bambas between US$400 million and US$450 million, which includes the expansion of the Las Bambas tailings dam facility, Ferrobamba pit infrastructure and Chalcobamba execution. At Kinsevere, due to reduced capitalised mining costs, capital expenditure is expected to reduce by US$50 million from the previous guidance to the range of US$200-250 million. At Khoemacau, capital costs (from 23 March 2024) are now expected to be in the range of US$100 million - US$150 million, including capitalised underground mine development, continued expansion studies, paste-fill plant design and construction, and installation of primary ventilation fans.

MMG will continue to focus on the next phase of growth. Currently, the company has no future plans for material investments or capital assets sanctioned by the Board, other than those detailed in this report or announced to the market.