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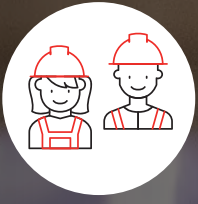


# We mine for progress

MMG Limited  
Interim Report 2024

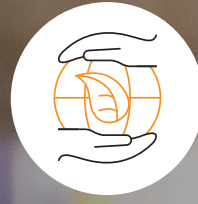
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We mine to **build wealth** through the development of our people, partnering with local communities to drive economic growth and the value we deliver to our shareholders.

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Our vision is to create a **leading international mining company** for a low carbon future.

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We work in **complex jurisdictions and across numerous cultures and communities**, who have vastly differing experiences with resource development.

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A **long-term outlook**, our pride in mining, our commitment to international standards and our respect for people, land and culture underpin our success.

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We mine for  
**progress**



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Cover image: Mine Technical Geologist at Kinsevere Mine in the Democratic Republic of the Congo.  
This page: Geology Technician at Dugald River Mine in Queensland, Australia.



# Chairman's Letter

Dear Shareholders,

On behalf of the MMG Board of Directors, I am pleased to present the Group's 2024 interim results.

## Safety at our core

At MMG, safety is our first value, and as a Company we continue to place significant emphasis on improving our safety performance as we work towards an injury-free workplace. Our focus remains on learning from incidents and continuing to take a proactive approach to risk management. Contractor management remains another core area of improvement for our teams.

## Executive team changes

The MMG Board announced that Mr Li Liangang resigned as the Interim CEO and Executive Director, with effect from 24 April 2024. On behalf of the MMG Board, I extend our sincere thanks to Mr Li for his leadership, dedication and commitment to MMG over many years.

I also welcome Mr Cao Liang who was appointed as the CEO and an Executive Director of the Company, with effect from 24 April 2024.

And in May 2024, the MMG Board announced that the Company received notice of the resignation of Mr Wei Jianxian as Executive General Manager Americas and as a member of the Executive Committee effective 31 May 2024. I am pleased to announce that Mr Zhao Jing (Ivo) has been appointed as Executive General Manager America, with effect from 1 September 2024. This follows three months in the role in an interim capacity.

On behalf of the Board, I look forward to working with Mr Cao, and the new members of the MMG Executive Committee, as we work together to grow and build a strong future for the Company.

## Performance

It's pleasing to see our production results continuing to stabilise. Across the entire MMG portfolio we have focused on growth drilling and progressing key development projects including the important acquisition of Khoemacau and the ongoing work at Chalcobamba in Las Bambas. Our Kinsevere Expansion Project also remains on track, and our Australian operations continue to make a strong contribution including some recent production milestones.

Our commitment to safety, prudent capital management, operational efficiency, and the ongoing support of our major shareholder China Minmetals Corporation, means we are well positioned for the future. For the remainder of 2024, the Board's focus is to support MMG to generate more value from our operations and activities, as we work to deliver progress on key strategic projects across our operations.





**XU Jiqing**  
Chairman

## Partnering with local communities

MMG's mission is to create wealth for our people, shareholders and host communities. With the support of local government and representatives, and also the Government of Peru, we continue to engage in transparent and constructive dialogue with our Las Bambas stakeholders. Discussions with local communities have progressed and MMG has signed commercial agreements with several community companies, allowing works to commence at Chalcobamba. Dialogue also continues with local government and communities along the Southern Road Corridor, with strong national government support.

I also had the pleasure of participating in Khoemaçau's Completion Ceremony earlier in the year and met with dignitaries from the Government and members of the community. The team has since participated in Kgotlas (a traditional Botswana community council) and a range of stakeholder meetings, to enhance understanding of Khoemaçau community needs and opportunities. Kinsevere's social development program is progressing well and was expanded to support communities in Sokoroshe II, with seven social projects. And our Rosebery and Dugald River teams continue to maintain strong relationships with Rosebery and Cloncurry residents and support local sponsorships.

## Future outlook

Our portfolio of future-focused metals is essential to creating a more sustainable world. The Board remains confident in the medium to long-term outlook for copper, zinc and cobalt and the role MMG can play in the global shift towards renewable energy sources. Global trends such as urbanisation, decarbonisation and electrification, along with the rapid expansion of clean technologies such as solar, wind, energy storage, electric vehicles and artificial intelligence, will help ensure that demand for our metals remains strong.

China is deeply committed to a strong decarbonisation agenda domestically and is actively advancing clean energy technologies, which are very supportive of the mining sector. The need for minerals that are critical to the energy transition will continue to grow and evolve and will require many sources of investment, technology and manufacturing capability - with China to remain a key partner.

MMG, with its commitment to the highest operating standards, and as an active member of the International Council on Mining and Metals, is an important international growth platform for our major shareholder, China Minmetals Corporation.

Our undertaking to increase diversity, particularly in our senior ranks, is progressing. I am delighted to announce that Ms Chen Ying has been appointed as an Independent Non-executive Director of the MMG Board, as well as a member of the Audit and Risk Management Committee and a member of the Governance, Remuneration, Nomination and Sustainability Committee with effect from 29 July 2024.

On behalf of the Board, I extend my gratitude to our people for their contribution, and thank our shareholders, partners and communities for their ongoing support.

**XU Jiqing**  
Chairman



# 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

# 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)
<b>Revenue</b>	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%)
<b>EBITDA</b>	<b>779.0</b>	<b>635.8</b>	<b>23%</b>
Depreciation and amortisation expenses	(467.9)	(445.9)	(5%)
<b>EBIT</b>	<b>311.1</b>	<b>189.9</b>	<b>64%</b>
Net finance costs	(168.0)	(180.3)	7%
<b>Profit before income tax</b>	<b>143.1</b>	<b>9.6</b>	<b>1,391%</b>
Income tax expense	(63.6)	(34.5)	(84%)
<b>Profit/(loss) after income tax for the period</b>	<b>79.5</b>	<b>(24.9)</b>	<b>419%</b>
<b>Attributable to:</b>			
Equity holders of the Company	21.1	(58.8)	136%
Non-controlling interests	58.4	33.9	72%
	<b>79.5</b>	<b>(24.9)</b>	<b>419%</b>

## 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%
<b>Profit/(loss) for the period attributable to equity holders</b>	<b>21.1</b>	<b>(58.8)</b>	<b>136%</b>



# Management Discussion and Analysis Continued

## Overview of operating results

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

Six months ended 30 June	Revenue			EBITDA		
	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%
Khoemaçau	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%)
<b>Total</b>	<b>1,918.2</b>	<b>1,896.2</b>	<b>1%</b>	<b>779.0</b>	<b>635.8</b>	<b>23%</b>

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 Khoemaçau (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	-	-
<b>Total</b>	<b>1,918.2</b>	<b>1,896.2</b>	<b>1%</b>



# 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 <sup>1</sup> 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	-	-
<b>Total</b>	<b>157,503</b>	<b>92,464</b>	<b>23,961</b>	<b>39,311</b>	<b>4,245,706</b>	<b>1,635</b>	<b>92</b>



# 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	Molybdenum 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	-	-
<b>Total</b>	<b>182,831</b>	<b>71,680</b>	<b>13,201</b>	<b>53,793</b>	<b>3,852,971</b>	<b>2,039</b>	<b>-</b>

**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)
<b>Production</b>			
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%)
<b>Payable metal in product sold</b>			
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)
<b>Revenue</b>	<b>1,256.0</b>	<b>1,480.4</b>	<b>(15%)</b>
<b>Operating expenses</b>			
<b>Production expenses</b>			
Mining	(221.2)	(239.7)	8%
Processing	(160.9)	(151.2)	(6%)
Other	(192.9)	(200.9)	4%
<b>Total production expenses</b>	<b>(575.0)</b>	<b>(591.8)</b>	<b>3%</b>
Freight	(35.7)	(47.9)	25%
Royalties	(38.4)	(48.9)	21%
Other <sup>1</sup>	4.1	(165.9)	102%
<b>Total operating expenses</b>	<b>(645.0)</b>	<b>(854.5)</b>	<b>25%</b>
Other expenses	(20.7)	17.1	(221%)
<b>EBITDA</b>	<b>590.3</b>	<b>643.0</b>	<b>(8%)</b>
Depreciation and amortisation expenses	(353.9)	(390.8)	9%
<b>EBIT</b>	<b>236.4</b>	<b>252.2</b>	<b>(6%)</b>
<b>EBITDA margin</b>	<b>47%</b>	<b>43%</b>	<b>-</b>

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)
<b>Production</b>			
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
<b>Payable metal in product sold</b>			
Copper (tonnes) <sup>1</sup>	21,465	21,507	(0%)
Cobalt (tonnes)	92	-	n/a

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

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)
<b>Production</b>			
Ore mined (tonnes)	756,169	-	-
Ore milled (tonnes)	744,699	-	-
Copper (tonnes)	9,982	-	-
Silver (oz) <sup>1</sup>	338,681	-	-
<b>Payable metal in product sold</b>			
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)
<b>Revenue</b>	<b>90.2</b>	-	-
<b>Operating expenses</b>		-	-
<b>Production expenses</b>			
Mining	(34.8)	-	-
Processing	(10.1)	-	-
Other	(9.3)	-	-
<b>Total production expenses</b>	<b>(54.2)</b>	-	-
Freight	(0.1)	-	-
Royalties	(2.9)	-	-
Other <sup>2</sup>	0.6	-	-
<b>Total operating expenses</b>	<b>(56.6)</b>	-	-
Other (expenses)/income	(0.1)	-	-
<b>EBITDA</b>	<b>33.5</b>	-	-
Depreciation and amortisation expenses	(10.4)	-	-
<b>EBIT</b>	<b>23.1</b>	-	-
<b>EBITDA margin</b>	<b>37%</b>	-	-

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)
<b>Production</b>			
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%
<b>Payable metal in product sold</b>			
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)
<b>Revenue</b>	<b>226.1</b>	<b>132.7</b>	<b>70%</b>
<b>Operating expenses</b>			
<b>Production expenses</b>			
Mining	(56.8)	(60.6)	6%
Processing	(33.8)	(33.5)	(1%)
Other	(36.4)	(33.7)	(8%)
<b>Total production expenses</b>	<b>(127.0)</b>	<b>(127.8)</b>	<b>1%</b>
Freight	(9.9)	(7.2)	(38%)
Royalties	(10.0)	(6.9)	(45%)
Other <sup>1</sup>	0.5	(17.7)	103%
<b>Total operating expenses</b>	<b>(146.4)</b>	<b>(159.6)</b>	<b>8%</b>
Other income	0.5	0.5	-
<b>EBITDA</b>	<b>80.2</b>	<b>(26.4)</b>	<b>404%</b>
Depreciation and amortisation expenses	(26.4)	(23.6)	(12%)
<b>EBIT</b>	<b>53.8</b>	<b>(50.0)</b>	<b>208%</b>
<b>EBITDA margin</b>	<b>35%</b>	<b>(20%)</b>	-

<sup>1</sup> 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)
<b>Production</b>			
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%)
<b>Payable metal in product sold</b>			
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)
<b>Revenue</b>	<b>152.7</b>	<b>103.2</b>	<b>48%</b>
<b>Operating expenses</b>			
<b>Production expenses</b>			
Mining	(45.3)	(38.5)	(18%)
Processing	(17.7)	(15.7)	(13%)
Other	(15.8)	(13.4)	(18%)
<b>Total production expenses</b>	<b>(78.8)</b>	<b>(67.6)</b>	<b>(17%)</b>
Freight	(4.3)	(3.3)	(30%)
Royalties	(6.5)	(0.7)	(829%)
Other <sup>1</sup>	5.1	6.3	(19%)
<b>Total operating expenses</b>	<b>(84.5)</b>	<b>(65.3)</b>	<b>(29%)</b>
Other expenses	0.1	(2.3)	104%
<b>EBITDA</b>	<b>68.3</b>	<b>35.6</b>	<b>92%</b>
Depreciation and amortisation expenses	(38.1)	(26.7)	(43%)
<b>EBIT</b>	<b>30.2</b>	<b>8.9</b>	<b>239%</b>
<b>EBITDA margin</b>	<b>45%</b>	<b>34%</b>	<b>-</b>

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% increase 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%
<b>Net cash inflows</b>	<b>174.0</b>	<b>151.5</b>	<b>15%</b>

**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)
<b>Total equity</b>	<b>4,850.2</b>	<b>4,312.0</b>	<b>538.2</b>

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) <sup>1</sup>	6,637.9	4,748.1
Less: cash and cash equivalents	(621.0)	(447.0)
<b>Net debt</b>	<b>6,016.9</b>	<b>4,301.1</b>
Total equity	4,850.2	4,312.0
<b>Net debt + Total equity</b>	<b>10,867.1</b>	<b>8,613.1</b>
<b>Gearing ratio</b>	<b>0.55</b>	<b>0.50</b>

<sup>1</sup> 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 (DCCEE) and provide all required information and documentation while awaiting the Minister's decision on the proposed preliminary works at South Marion Oak. 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.

### Khoemaçau

Khoemaçau 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 Mashī pit and resource delineation drilling at the Saddle area between Central pit and Mashī 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 Mashī pit shows potential for strike continuity of the known mineralization of the Mashī Pit at depth.

The preliminary resource estimation for the Mashī 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)
<b>Americas</b>				
Las Bambas	Diamond (Ferrobamba Deeps)	24,476	38	644
	Diamond (Ferrobamba South)	7,853	8	982
	Diamond (Ferrobamba East)	707	2	354
<b>Africa</b>				
Kinsevere	Diamond (Mashi Extension)	2,529	7	361
Khoemacau	Diamond (Banana SW Hinge)	1,188	3	396
	Diamond (Zone 9)	1,189	3	331
<b>Australia</b>				
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
<b>Total</b>		<b>71,493</b>	<b>158</b>	<b>452</b>

## 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		Settled portion of hedging instrument realised gains US\$ million	Hedging gain recognised in cash flow hedge reserve <sup>1</sup> US\$ million	Cost of hedging reserve US\$ million
			Hedging instrument US\$ million	Hedged item US\$ million			
<i>Cash flow hedges:</i>							
<b>At 30 June 2024 and for six months ended 30 June 2024</b>							
Derivative financial assets	<b>March 2024 to December 2024</b>	14.8	12.8	(12.8)	(0.1)	10.1	1.5
Derivative financial liabilities	<b>March 2024 to December 2024</b>	(30.7)	(29.3)	29.3	(9.3)	(20.0)	(1.0)
<b>At 30 June 2023 and for six months ended 30 June 2023</b>							
Derivative financial assets	<b>March 2023 to December 2023</b>	15.0	14.3	(14.3)	2.6	9.7	0.5

<sup>1</sup> 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:

Commodity	For six months ended 30 June					
	2024			2023		
	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	-
<b>Total</b>		<b>11.5</b>	<b>(82.4)</b>		<b>68.7</b>	<b>(9.4)</b>

Commodity	For six months ended 30 June					
	2024			2023		
	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)	-
<b>Total</b>		<b>(11.5)</b>	<b>82.9</b>		<b>(68.7)</b>	<b>10.3</b>

## (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:

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

## (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 Continued

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, Khoemaçau 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<sup>2</sup> 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.

# Other Information

## Directors' interests and short positions in shares, underlying shares and debentures

As at 30 June 2024, the interests and short positions of the Directors and the CEO of the Company or any of their associates in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (SFO)), which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register required to be kept pursuant to Section 352 of the SFO or which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules (Model Code) were as follows:

### Long position in the shares and the underlying shares of the company as at 30 June 2024

Name of Directors	Nature of Interest	Number of Underlying Shares Held			Approximate Percentage of Total Number of Issued Shares (%) <sup>3</sup>
		Number of Shares Held	Options	Performance Awards	
LI Liangang <sup>1</sup>	Personal	764,962	-	-	0.01
XU Jiqing <sup>2</sup>	Personal	940,050	-	-	0.01

Notes:

- The interests of Mr Li Liangang in the 764,962 shares were from the vested performance awards granted to him under 2020 Performance Awards which were subject to meeting performance conditions and vested on 1 June 2023. The 760,615 performance awards which were granted on 21 June 2021 under 2021 Performance Awards; and the 1,249,244 performance awards which were granted under 2022 Performance Awards on 21 April 2022, were lapsed on 24 April 2024 following resignation of Mr Li Liangang as Interim CEO and executive director of the Company with effect from 24 April 2024. The details of interests in the 2,009,859 performance awards of which are set out under the section headed 'Performance Awards' on pages 41 to 43 of this Interim Report.
- The 940,050 shares held by Mr Xu Jiqing were the balance of the vested performance awards granted to him under 2015 Performance Awards in 2015 and 2016 which were subject to holding locks for various periods of up to three years after vesting in 2018.
- The calculation is based on the number of shares and/or underlying shares as a percentage of the total number of issued shares of the Company (that is, 8,663,581,216 shares) as at 30 June 2024.

Save as disclosed above, as at 30 June 2024, none of the Directors or the CEO of the Company or any of their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions, which they are taken or deemed to have under such provisions of the SFO), or which were required to be entered in the register required to be kept pursuant to Section 352 of the SFO or which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code. In addition, none of the Directors or the CEO of the Company or any of their associates had been granted or had exercised any rights to subscribe for any equity or debt securities of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) during the six months ended 30 June 2024.

# Other Information

## Continued

### Substantial shareholders' interests and short positions in the shares and underlying shares of the company

So far as is known to the Directors and the CEO of the Company, as at 30 June 2024, the following persons had interests or short positions in the shares or underlying shares of the Company that were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or that were recorded in the register required to be kept by the Company under Section 336 of the SFO:

#### Long position in the shares of the company as at 30 June 2024

Name of Substantial Shareholder	Capacity	Number of Shares Held <sup>1</sup>	Approximate Percentage of Total Number of Issued Shares (%) <sup>2</sup>
China Minmetals Corporation (CMC)	Interest of controlled corporations	5,847,166,374	67.49
China Minmetals Corporation Limited (CMCL)	Interest of controlled corporations	5,847,166,374	67.49
China Minmetals Non-ferrous Metals Holding Co., Ltd (CMNH)	Interest of controlled corporations	5,847,166,374	67.49
China Minmetals Non-ferrous Metals Co., Ltd (CMN)	Interest of controlled corporations	5,847,166,374	67.49
Album Enterprises Limited (Album Enterprises)	Interest of controlled corporations	5,847,166,374	67.49
China Minmetals H.K. (Holdings) Limited (Minmetals HK)	Beneficial owner	5,847,166,374	67.49

Notes:

- 1 Minmetals HK is owned as to approximately 39.04 %, 38.95 % and 22.01 % by CMCL, Album Enterprises and Top Create respectively. Album Enterprises and Top Create are wholly owned by CMN that, in turn, is owned as to approximately 99.999 % and 0.001 % by CMNH and CMCL respectively. CMNH is a wholly owned subsidiary of CMCL. CMCL is owned as to approximately 87.5 % by CMC and approximately 0.8 % by China National Metal Products Co. Ltd. that, in turn, is a wholly owned subsidiary of CMC. Accordingly, each of CMC, CMCL, CMNH, CMN and Album Enterprises was deemed as interested in the 8,663,581,216 shares of the Company held by Minmetals HK.
- 2 The calculation is based on the number of shares that each person is interested in (whether directly/indirectly interested or deemed to be interested) as a percentage of the total number of issued shares (that is, 8,663,581,216 shares) of the Company as at 30 June 2024.

Save as disclosed above, as at 30 June 2024, there was no other person who was recorded in the register of the Company, as having an interest or short positions in the shares or underlying shares of the Company who was required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was recorded in the register required to be kept by the Company under Section 336 of the SFO.

### Borrowings

Particulars of borrowings of the Group, as at 30 June 2024, are set out in Note 16 to the Condensed Consolidated Financial Statements.

During 2024, the Company and its subsidiaries continued to maintain loan agreements that included conditions imposing specific performance obligations on a controlling Shareholder. A breach of such an obligation would cause a default in respect of loans that are significant to the operations of the issuer, the details of which are set out below.

# Other Information Continued

## Loan agreements with covenants relating to specific performance of the controlling shareholder

In accordance with the continuing disclosure requirements under Rule 13.21 of the Listing Rules, following are the details of the Group's facility agreements that contain covenants requiring specific performance obligations of the controlling Shareholders.

### 1. Facility granted by Industrial and Commercial Bank of China Limited to MMG Finance Limited

On 21 December 2020, MMG Finance Limited (MMG Finance) entered into a facility agreement (ICBC Facility) pursuant to which ICBC agreed to provide MMG Finance with a US\$300.0 million revolving credit facility for a term of three years for general corporate purposes. The outstanding amount of US\$300.0 million was repaid in full in December 2023.

On 15 December 2023, the ICBC Facility was renewed for a further three years until 15 December 2026. (Extended ICBC Facility). As at 30 June 2024, the drawn amount of the Extended ICBC Facility was US\$255.0 million.

Under the Extended ICBC Facility, an event of default will occur in the event that the Company ceases to be a subsidiary of China Minmetals Non-ferrous Metals Co., Ltd (CMN) or MMG Finance ceases to be a wholly owned subsidiary of the Company, and ICBC is entitled to declare all outstanding loans under the facilities immediately due and payable.

### 2. Facility granted by Bank of China Limited, Sydney Branch to MLB

On 26 April 2023, MLB entered into a US\$275.0 million three-year revolving loan facility for its general funding requirements with Bank of China Limited, Sydney Branch (2023 BOC Facility). The 2023 BOC Facility replaced the US\$175.0 million working capital facility that BOC Sydney granted to MLB from August 2019 to August 2022. As at 30 June 2024, the 2023 BOC Facility was undrawn.

Under the 2023 BOC Facility, upon the occurrence of the following events, BOC Sydney may, by not less than 5 days' notice to MLB, declare all outstanding loans under the facility agreement due and payable:

- (a) CMC ceases to beneficially hold more than 50% of the issued share capital of the Company; or
- (b) CMC ceases to have the power, directly or indirectly, to:
  - (i) cast, or control the casting of, more than 50% of the maximum number of votes that might be cast at a general meeting of the Company;
  - (ii) appoint or remove all, or the majority, of the directors or other equivalent officers of the Company; or
  - (iii) directions with respect to the operating and financial policies of the Company with which the directors or other equivalent officers of the Company are obliged to comply.

The same control requirements are imposed on the Company in relation to its interest in, and control of MLB, failing which the Lenders may also declare all outstanding loans under the Facility Agreement immediately due and payable.



# Other Information

## Continued

### 3. Facility granted by Industrial and Commercial Bank of China Limited, Panama Branch to MLB

On 18 June 2023, MLB entered into a US\$150.0 million revolving credit facility for working capital funding with ICBC Panama (June 2023 ICBC Facility). The June 2023 ICBC Facility is comprised of three tranches of US\$50.0 million available for a term of three years and to be drawn pursuant to the facility agreements with ICBC Panama. The June 2023 ICBC Facility replaced the US\$175.0 million working capital facility that ICBC Luxembourg granted to MLB from August 2019 to August 2022. As at 30 June 2024, the June 2023 ICBC Facility was undrawn.

Under the June 2023 ICBC Facility, upon the occurrence of the following events, ICBC Panama may, by not less than 3 days' notice to MLB., declare all outstanding loans under the facility agreements immediately due and payable:

- (a) CMC ceases to beneficially hold more than 50% of the issued share capital of the Company; or
- (b) CMC ceases to have the power, directly or indirectly, to:
  - (i) cast, or control the casting of, more than 50% of the maximum number of votes that might be cast at a general meeting of the Company;
  - (ii) appoint or remove all, or the majority, of the directors or other equivalent officers of the Company; or
  - (iii) give directions with respect to the operating and financial policies of the Company with which the directors or other equivalent officers of the Company are obliged to comply.

The same control requirements are imposed on the Company in relation to its interest in and control of MLB, failing which the lenders may also declare all outstanding loans under the facility agreements immediately due and payable.

### 4. Facility granted by China Construction Bank (Asia) Corporation Limited to MMG Finance Limited

On 2 January 2024, MMG Finance entered into revolving credit facility agreement with China Construction Bank (Asia) Corporation Limited (CCB) (CCB Facility) pursuant to which CCB agreed to provide MMG Finance the amount of US\$200.0 million for a term of three years for the purpose of satisfying general corporate funding requirements. As at 30 June 2024, the CCB Facility was undrawn.

Pursuant to the terms of the CCB Facility, upon the occurrence of the following events, CCB may, by not less than 3 days' notice to MMG Finance, declare all outstanding loans under the CCB Facility immediately due and payable:

- (a) CMC ceases to beneficially hold more than 50% of the issued share capital of the Company; or
- (b) CMC ceases to have the power, directly or indirectly, to:
  - (i) cast, or control the casting of, more than 50% of the maximum number of votes that might be cast at a general meeting of the Company;
  - (ii) appoint or remove all, or the majority, of the directors or other equivalent officers of the Company; or
  - (iii) give directions with respect to the operating and financial policies of the Company with which the directors or other equivalent officers of the Company are obliged to comply.

The same control requirements are imposed on the Company in relation to its interest in and control of MMG Finance, failing which CCB may also declare all outstanding loans under the CCB Facility immediately due and payable.

# Other Information Continued

## 5. Facility granted by China Construction Bank (Asia) Corporation Limited to MLB

On 20 February 2024, MLB entered into a US\$100.0 million revolving credit facility for general corporate purposes with CCB (February 2024 CCB Facility) for a term of three years. As at 30 June 2024, the February 2024 CCB Facility was undrawn.

Under the February 2024 CCB Facility, upon the occurrence of the following events, CCB may, by not less than 3 days' notice to MLB., declare all outstanding loans under the facility agreements immediately due and payable:

CMC does not at any time directly or indirectly:

- (a) have the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:
  - (i) cast, or control the casting of, more than 50% of the maximum number of votes that might be cast at a general meeting of the Company;
  - (ii) appoint or remove all, or the majority, of the directors or other equivalent officers of the Company; or
  - (iii) give directions with respect to the operating and financial policies of the Company with which the directors or other equivalent officers of the Company are obliged to comply; or
- (b) hold beneficially more than 50% of the issued share capital of the Company (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital).

## 6. Facility granted by China Development Bank to MMG Africa Resources Company Limited

On 15 March 2024, MMG Africa Resources Company Limited (as the borrower) entered into a facility agreement with China Development Bank (CDB) pursuant to which CDB agreed to provide a US\$1,050.0 million term loan facility (CDB Facility) for a term of seven years. As at 30 June 2024, the CDB Facility has an outstanding balance of US\$1,045 million.

Under the terms of the CDB Facility, CDB may, by not less than 20 business days' prior notice to the Borrower, cancel the CDB Facility and declare all outstanding loans under the CDB Facility (Loan) immediately due and payable if, among other things, CMC does not at any time directly or indirectly:

- (a) have the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:
  - (i) cast, or control the casting of, more than one-half of the maximum number of votes that might be cast at a general meeting of the borrower;
  - (ii) appoint or remove all, or the majority, of the directors or other equivalent officers of the borrower; or
  - (iii) give directions with respect to the operating and financial policies of the borrower with which the directors or other equivalent officers of the borrower are obliged to comply; or
- (b) hold beneficially more than 51% of the issued share capital of the borrower (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital).

Under the terms of the CDB Facility, on and at any time after the occurrence of an event of default which is continuing, CDB may by notice to the borrower:

- (a) without prejudice to any loans then outstanding: (i) cancel the commitments (and reduce them to zero), whereupon they shall immediately be cancelled (and reduced to zero); or (ii) cancel any part of any commitment (and reduce such commitment accordingly), whereupon the relevant part shall immediately

## Other Information Continued

be cancelled (and the relevant commitment shall be immediately reduced accordingly);

- (b) declare that all or part of the loans, together with accrued interest, and all other amounts accrued or outstanding under the finance documents be immediately due and payable, whereupon they shall become immediately due and payable;
- (c) declare that all or part of the loans be payable on demand, whereupon they shall immediately become payable on demand by the lender; and/or
- (d) exercise any or all of its rights, remedies, powers or discretions under the finance documents.

### **7. Facility granted by China Development Bank, The Export-Import Bank of China, China Construction Bank (Asia) Corporation Limited and Bank of Communications Co., Ltd. to MLB**

On 22 March 2024, MLB entered into a facility agreement with China Development Bank, The Export-Import Bank of China, China Construction Bank (Asia) Corporation Limited and Bank of Communications Co., Ltd. (the Lenders) pursuant to which the Lenders agreed to grant a revolving credit facility in the amount of US\$700.0 million for a term of three years (March Syndicated Facility). As at 30 June 2024, the March Syndicated Facility was undrawn.

Pursuant to the terms of the March Syndicated Facility, upon the occurrence of the following events, the Lenders may, by not less than 20 days' notice to MLB, declare all outstanding loans under the March Syndicated Facility immediately due and payable:

CMC at any time does not directly or indirectly:

- (a) have the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:
  - (i) cast, or control the casting of, more than 50% of the maximum number of votes that might be cast at a general meeting of the Company;
  - (ii) appoint or remove all, or the majority, of the directors or other equivalent officers of the Company; or
  - (iii) give directions with respect to the operating and financial policies of the Company with which the directors or other equivalent officers of the Company are obliged to comply; or
- (b) hold beneficially more than 50% of the issued share capital of the Company (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital).

The same control requirements are imposed on the Company in relation to its interest in and control of MLB, failing which the Lenders may also declare all outstanding loans under the March Syndicated Facility immediately due and payable.

# Other Information Continued

## 8. Facility granted by China Construction Bank (Asia) Corporation Limited to MMG Finance Limited

On 22 April 2024, MMG Finance Limited, entered into a facility agreement with CCB agreed to provide a US\$100.0 million revolving credit facility (April 2024 CCB Facility) for a term of three years. As at 30 June 2024, the drawn amount of April 2024 CCB Facility is US\$70.0 million.

Pursuant to the terms of the April 2024 CCB Facility, upon the occurrence of the following events, CCB may, by not less than 3 days' notice to MMG Finance, declare all outstanding loans under the CCB Facility immediately due and payable:

- (a) CMC ceases to beneficially hold more than 50% of the issued share capital of the Company; or
- (b) CMC ceases to have the power, directly or indirectly, to:
  - (i) cast, or control the casting of, more than 50% of the maximum number of votes that might be cast at a general meeting of the Company;
  - (ii) appoint or remove all, or the majority, of the directors or other equivalent officers of the Company; or
  - (iii) give directions with respect to the operating and financial policies of the Company with which the directors or other equivalent officers of the Company are obliged to comply.

The same control requirements are imposed on the Company in relation to its interest in and control of MMG Finance, failing which CCB may also declare all outstanding loans under the CCB Facility immediately due and payable.

## Share Scheme

### Performance Awards

The purpose of the performance awards is to assist in the retention and incentivisation of selected employees of Members of the Group and align their interests with the development and growth of the Group.

The Company may grant performance awards to anyone who is an employee of the Group or any other company that is associated with the Company and is so designated by Directors.

The Governance, Nomination, Remuneration and Sustainability Committee has reviewed the following plans for approval by the Board from 1 January 2024 to 30 June 2024:

- Structure of the 2024 Long-Term Incentive (LTI) Plan; and Implement cash plan in place of the LTI Equity Plan if approval for the new 10-year LTI Umbrella Plan cannot be obtained by 31 March 2024; and
- Vesting of 64.93% of Performance Share Awards under the 2021 Long-Term Incentive Plan.

Pursuant to the performance awards granted under the Long-Term Incentive Equity Plan, performance awards were granted to eligible participants under the 2021 Performance Awards and 2022 Performance Awards. As at 30 June 2024, there were a total of 7,534,028 performance awards under 2021 Performance Awards vested in June 2024; and there were a total of 22,990,096 performance awards granted under the 2022 Performance Awards, which represented approximately 0.27% of the total number of issued shares of the Company as at that date.



# Other Information

## Continued

### 2021 Performance Awards

On 21 June 2021, the Company granted performance awards to the eligible participants pursuant to the Long-term Incentive Equity Plan (2021 Performance Awards). There were no performance awards outstanding as at 30 June 2024 due to vesting has been completed in June 2024.

During the six months ended 30 June 2024, the movements of the 2021 Performance Awards were as follows:

Categories and Name of Participants	Date of Grant <sup>2</sup>	Number of Performance Awards					Balance as at 30 June 2024
		Balance as at 1 January 2024	Granted During the Period	Vested During the Period <sup>3</sup>	Cancelled During the Period	Lapsed During the Period <sup>4</sup>	
<b>Director</b>							
LI Liangang <sup>1</sup>	21 June 2021	760,615	-	-	-	(760,615)	-
<b>Employees of the Group</b>							
	21 June 2021	12,904,828	-	(7,534,028)	-	(5,370,800)	-
<b>TOTAL</b>		<b>13,665,443</b>	<b>-</b>	<b>(7,534,028)</b>	<b>-</b>	<b>(6,131,415)</b>	<b>-</b>

Notes:

- The interests of Mr Li Liangang in the 760,615 performance awards were lapsed following his resignation as the Interim CEO and an Executive Director of the Company on 24 April 2024.
- The vesting and performance period of the performance awards is three years from 1 January 2021 to 31 December 2023. The vesting of performance awards is conditional upon the achievement of certain performance conditions as set out in the respective letters of grant including, among others, achievement of resources growth, financial and market-related performance targets during the vesting period. Performance awards vest on a percentage basis based on the threshold and target performance levels achieved. Portions of the vested performance awards will be subject to holding locks for various periods of up to two years after vesting. The performance awards are granted for nil cash consideration. The closing price of the Shares on the vesting date and the date before the vesting date were HK\$3.2 and HK\$3.32 respectively. The closing price of the Shares of the Company immediately before the date on which the performance awards were granted on 21 June 2021 was HK\$3.39 per share.
- Upon vesting has been completed on 5 June 2024, portion of the performance awards of 7,534,028 were vested and 6,131,415 performance awards were lapsed during the vesting period.
- Performance awards lapsed due to non-achievement of performance conditions during the vesting period and cessation of employment during the period.

The estimated fair value of the performance awards granted on 21 June 2021 was approximately US\$0.3928 each, estimated at the date of grant by using Monte Carlo Simulations (for market based conditions) and reference to market price of the Company's shares at the date of grant.

The value of the performance awards was subject to a number of assumptions and limitations of the performance awards-pricing model, including a risk-free interest rate, price volatility, expected life of the performance awards, market price of the Company's shares and expected dividend. The risk-free interest rate was 0.45%; the expected volatility used in calculating the value of performance awards was 69.06% and the expected dividend was assumed to be nil.

# Other Information Continued

## 2022 Performance Awards

On 21 April 2022, the Company granted performance awards to the eligible participants pursuant to the Long-Term Incentive Equity Plan (2022 Performance Awards). There were 22,990,096 performance awards outstanding as at 30 June 2024, representing approximately 0.27 % of the total number of issued shares of the Company as at that date.

During the six months ended 30 June 2024, the movements of the 2022 Performance Awards were as follows:

Categories and Name of Participants	Date of Grant <sup>2</sup>	Number of Performance Awards					Balance as at 30 June 2024
		Balance as at 1 January 2024	Granted During the Period	Vested During the Period	Cancelled During the Period	Lapsed During the Period <sup>3</sup>	
<b>Director</b>							
LI Liangang <sup>1</sup>	21 April 2022	1,249,244	-	-	-	(1,249,244)	-
<b>Employees of the Group</b>	21 April 2022	24,885,611	-	-	-	(1,895,515)	22,990,096
<b>TOTAL</b>		<b>26,134,855</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,144,759)</b>	<b>22,990,096</b>

Notes:

- The interests of Mr Li Liangang in the 1,249,244 performance awards were lapsed following his resignation as the Interim CEO and an Executive Director of the Company on 24 April 2024.
- The vesting and performance period of the performance awards is three years from 1 January 2022 to 31 December 2024. The time of vesting will be on or around June 2025. The vesting of performance awards is conditional upon the achievement of certain performance conditions as set out in the respective letters of grant including, among others, achievement of resources growth, financial and market-related performance targets during the vesting period. Performance awards vest on a percentage basis based on the threshold and target performance levels achieved. Portions of the vested performance awards will be subject to holding locks for various periods of up to two years after vesting. The performance awards are granted for nil cash consideration. The closing price of the Shares of the Company immediately before the date on which the performance awards were granted on 21 April 2022 was HK\$3.50 per share.
- Performance awards lapsed due to cessation of employment during the period.

The estimated fair value of the performance awards granted on 21 April 2022 was approximately US\$0.4114 each, estimated at the date of grant by using Monte Carlo Simulations (for market-based conditions) and reference to market price of the Company's shares at the date of grant.

The value of the performance awards was subject to a number of assumptions and limitations of the performance awards-pricing model, including a risk-free interest rate, price volatility, expected life of the performance awards, market price of the Company's shares and expected dividend. The risk-free interest rate was 2.87%; the expected volatility used in calculating the value of performance awards was 68.26% and the expected dividend was assumed to be nil.

# Other Information Continued

## Corporate Governance

The Company is committed to maintaining a high standard of corporate governance practices by emphasising a quality Board, sound internal controls, and transparency and accountability to all Shareholders.

The Company has complied with all the code provisions set out in the Corporate Governance Code (CG Code) under Appendix C1 of the Listing Rules throughout the six months ended 30 June 2024, except for the deviations from F.1.1 of the CG Code as explained below.

Code provision F.1.1 of the CG Code requires the issuer should have a policy on payment of dividends. The Company does not have a dividend policy. The Board will decide on the declaration/recommendation of any future dividends after taking into consideration a number of factors, including the prevailing market conditions, the Company's operating results, future growth requirements, liquidity position, and other factors that the Board considers relevant. The recommendation of the payment of any dividend is subject to the discretion of the Board, and any declaration of dividend will be subject to the approval of Shareholders at the annual general meeting of the Company.

The Company adopted a Board Charter to outline the manner in which its constitutional powers and responsibilities will be exercised, delegated and discharged, having regard to principles of good corporate governance, international best practices and applicable laws. The Board Charter is adopted on the basis that strong corporate governance can add to the performance of the Company, create Shareholder value and engender the confidence of the investment market.

## Audit and Risk Management Committee

As at the date of this report, the Audit and Risk Management Committee comprised six members including four Independent Non-executive Directors, namely Mr Chan Ka Keung, Peter as Chair, Dr Peter Cassidy, Mr Leung Cheuk Yan, Ms Chen Ying and two Non-executive Directors, namely Mr Zhang Shuqiang and Mr Xu Jiqing.

The Audit and Risk Management Committee is principally responsible for (i) the financial reporting related matters, such as reviewing financial information and overseeing financial reporting related systems and controls; and (ii) advising the Board on high-level risk related matters, risk management and internal control, including advising on risk assessment and oversight of the internal audit function.

The Audit and Risk Management Committee has reviewed the unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2024, which have also been reviewed by the Company's independent auditor, Deloitte Touche Tohmatsu, in accordance with the Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

## Directors' securities transactions

The Company has adopted a model code for securities trading by Directors (Securities Trading Model Code) on terms no less exacting than the required standard of the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules (Model Code).

Specific enquiry was made with all the Directors and all confirmed that they have complied with the requirements set out in the Model Code and the Securities Trading Model Code during the six months ended 30 June 2024.

# Other Information Continued

## Changes in information of Directors

Pursuant to Rule 13.51B of the Listing Rules, the information on Directors provided since publication of the Company's Annual Report 2023 up to 13 August 2024 (being the date of approval of the Company's Interim Report) is set out below:

### Changes in Directors

Name of Directors	Position	Details of Changes
LI Liangang	Interim CEO and Executive Director	Mr Li Liangang resigned as Interim CEO and Executive Director of the Company on 24 April 2024.
CAO Liang	CEO and Executive Director	Mr Cao Liang was appointed as CEO and Executive Director of the Company on 24 April 2024.
CHEN Ying	Independent Non-executive Director	Ms Chen Ying was appointed as an Independent Non-executive Director of the Company on 29 July 2024.

### Changes in remuneration

Name of Director	Position	Details of Changes
CAO Liang	CEO and Executive Director (effective from 24 April 2024)	The total fixed remuneration of Mr Cao Liang was increased from A\$1,660,000 to A\$1,662,533 effective on 1 July 2024. The increase is due to the legislative changes to Superannuation Guarantee Contribution.

## Purchase, sale or redemption of the company's listed securities

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the six months ended 30 June 2024.



# Independent Review Report

# Deloitte.

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## Report on Review of Condensed Consolidated Interim Financial Statements

### To the Board of Directors of MMG Limited

(Incorporated in Hong Kong with limited liability)

#### Introduction

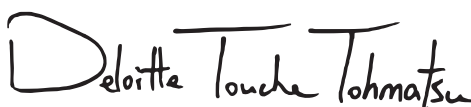
We have reviewed the condensed consolidated interim financial statements of MMG Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") as set out on pages 48 to 83, which comprise the condensed consolidated interim statement of financial position as of 30 June 2024 and the related condensed consolidated interim statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

#### Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with HKAS 34.



**Deloitte Touche Tohmatsu**  
Certified Public Accountants  
Hong Kong

13 August 2024

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# Condensed Consolidated Interim Statement of Profit or Loss

	Notes	Six months ended 30 June	
		2024 (Unaudited) US\$ million	2023 (Unaudited) US\$ million
Revenue	3	1,918.2	1,896.2
Other income		2.4	2.6
Expenses (excluding depreciation and amortisation)	4	(1,141.6)	(1,263.0)
<b>Earnings before interest, income tax, depreciation and amortisation expenses – EBITDA</b>		<b>779.0</b>	<b>635.8</b>
Depreciation and amortisation expenses	4	(467.9)	(445.9)
<b>Earnings before interest and income tax - EBIT</b>		<b>311.1</b>	<b>189.9</b>
Finance income	5	13.6	4.3
Finance costs	5	(181.6)	(184.6)
<b>Profit before income tax</b>		<b>143.1</b>	<b>9.6</b>
Income tax expense	6	(63.6)	(34.5)
<b>Profit/(loss) for the period</b>		<b>79.5</b>	<b>(24.9)</b>
<b>Profit/(loss) for the period attributable to:</b>			
Equity holders of the Company		21.1	(58.8)
Non-controlling interests	11	58.4	33.9
		<b>79.5</b>	<b>(24.9)</b>
<b>Earnings/(loss) per share attributable to the equity holders of the Company</b>			
Basic earnings/(loss) per share	7	US 0.23 cents	US (0.64) cents
Diluted earnings/(loss) per share	7	US 0.23 cents	US (0.64) cents

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

# Condensed Consolidated Interim Statement of Comprehensive Income

	Note	Six months ended 30 June	
		2024 (Unaudited) US\$ million	2023 (Unaudited) US\$ million
<b>Profit/(loss) for the period</b>		<b>79.5</b>	<b>(24.9)</b>
<b>Other comprehensive (loss)/income</b>			
<i>Items that may be reclassified to profit or loss</i>			
Movement on hedging instruments designated as cash flow hedges		(44.9)	(4.6)
Income tax credit relating to cash flow hedges		15.1	1.4
<i>Item that will not be reclassified to profit or loss</i>			
Remeasurement on the net defined benefit liability		2.4	(0.9)
<b>Other comprehensive loss for the period, net of income tax</b>		<b>(27.4)</b>	<b>(4.1)</b>
<b>Total comprehensive income/(loss) for the period</b>		<b>52.1</b>	<b>(29.0)</b>
<b>Total comprehensive income/(loss) attributable to:</b>			
Equity holders of the Company		5.4	(61.7)
Non-controlling interests	11	46.7	32.7
		<b>52.1</b>	<b>(29.0)</b>

The accompanying notes are an integral part of the condensed consolidated interim financial statements.



# Condensed Consolidated Interim Statement of Financial Position

	Notes	As at	
		30 June 2024 (Unaudited) US\$ million	31 December 2023 (Audited) US\$ million
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	11,805.8	9,417.1
Right-of-use assets		108.9	118.1
Intangible assets	10	1,045.0	534.0
Inventories		198.0	115.0
Deferred income tax assets		271.6	150.0
Other receivables		149.8	168.8
Other financial assets		1.3	2.7
<b>Total non-current assets</b>		<b>13,580.4</b>	<b>10,505.7</b>
<b>Current assets</b>			
Inventories		374.6	389.5
Trade and other receivables	13	691.9	476.0
Current income tax assets		5.6	79.5
Derivative financial assets	12	16.8	3.1
Cash and cash equivalents		621.0	447.0
<b>Total current assets</b>		<b>1,709.9</b>	<b>1,395.1</b>
<b>Total assets</b>		<b>15,290.3</b>	<b>11,900.8</b>
<b>EQUITY</b>			
<b>Capital and reserves attributable to equity holders of the Company</b>			
Share capital	14	3,227.8	3,224.6
Reserves and retained profits	15	(1,095.8)	(1,101.2)
		<b>2,132.0</b>	<b>2,123.4</b>
Non-controlling interests		2,718.2	2,188.6
<b>Total equity</b>		<b>4,850.2</b>	<b>4,312.0</b>

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

# Condensed Consolidated Interim Statement of Financial Position Continued

	Notes	As at	
		30 June 2024 (Unaudited) US\$ million	31 December 2023 (Audited) US\$ million
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	16	5,319.0	3,375.8
Lease liabilities		115.5	125.6
Provisions		640.2	647.0
Trade and other payables	17	298.0	286.5
Deferred income tax liabilities		1,571.0	952.7
Deferred revenue	18	326.9	-
<b>Total non-current liabilities</b>		<b>8,270.6</b>	<b>5,387.6</b>
<b>Current liabilities</b>			
Borrowings	16	1,277.4	1,331.3
Lease liabilities		22.8	22.0
Provisions		94.9	127.3
Derivative financial liabilities	12	34.2	-
Trade and other payables	17	678.1	616.4
Current income tax liabilities		36.4	104.2
Deferred revenue	18	25.7	-
<b>Total current liabilities</b>		<b>2,169.5</b>	<b>2,201.2</b>
<b>Total liabilities</b>		<b>10,440.1</b>	<b>7,588.8</b>
<b>Net current liabilities</b>		<b>(459.6)</b>	<b>(806.1)</b>
<b>Total equity and liabilities</b>		<b>15,290.3</b>	<b>11,900.8</b>

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

# Condensed Consolidated Interim Statement of Changes in Equity

US\$ million	For six months ended 30 June 2024 (Unaudited)					
	Attributable to Equity Holders of the Company					
	Share Capital	Total Reserves	Retained Profits	Total	Non-Controlling Interests	Total Equity
	(Note 14)	(Note 15)	(Note 15)		(Note 11)	
<b>At 1 January 2024</b>	<b>3,224.6</b>	<b>(1,855.1)</b>	<b>753.9</b>	<b>2,123.4</b>	<b>2,188.6</b>	<b>4,312.0</b>
Profit for the period	-	-	21.1	21.1	58.4	79.5
Other comprehensive loss for the period	-	(15.7)	-	(15.7)	(11.7)	(27.4)
<b>Total comprehensive (loss)/income for the period</b>	<b>-</b>	<b>(15.7)</b>	<b>21.1</b>	<b>5.4</b>	<b>46.7</b>	<b>52.1</b>
Provision of surplus reserve	-	4.7	(4.7)	-	-	-
<b>Internal transfer</b>	<b>-</b>	<b>4.7</b>	<b>(4.7)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Non-controlling interest arising on share subscription	-	-	-	-	482.9	482.9
Employee long-term incentives	-	3.2	-	3.2	-	3.2
Employee performance awards exercised and vested	3.2	(3.2)	-	-	-	-
<b>Total transactions with owners</b>	<b>3.2</b>	<b>-</b>	<b>-</b>	<b>3.2</b>	<b>482.9</b>	<b>486.1</b>
<b>At 30 June 2024</b>	<b>3,227.8</b>	<b>(1,866.1)</b>	<b>770.3</b>	<b>2,132.0</b>	<b>2,718.2</b>	<b>4,850.2</b>

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

US\$ million	For six months ended 30 June 2023 (Unaudited)					
	Attributable to Equity Holders of the Company					
	Share Capital	Total Reserves	Retained Profits	Total	Non-Controlling Interests	Total Equity
	(Note 14)	(Note 15)	(Note 15)		(Note 11)	
<b>At 1 January 2023</b>	<b>3,220.5</b>	<b>(1,826.7)</b>	<b>745.2</b>	<b>2,139.0</b>	<b>2,089.5</b>	<b>4,228.5</b>
(Loss)/profit for the period	-	-	(58.8)	(58.8)	33.9	(24.9)
Other comprehensive loss for the period	-	(2.9)	-	(2.9)	(1.2)	(4.1)
<b>Total comprehensive (loss)/ income for the period</b>	<b>-</b>	<b>(2.9)</b>	<b>(58.8)</b>	<b>(61.7)</b>	<b>32.7</b>	<b>(29.0)</b>
<b>Transactions with owners</b>						
Employee long-term incentives	-	(1.1)	-	(1.1)	-	(1.1)
Employee share options and performance awards exercised and vested	4.1	(2.9)	-	1.2	-	1.2
Employee share options lapsed	-	(0.1)	0.1	-	-	-
<b>Total transactions with owners</b>	<b>4.1</b>	<b>(4.1)</b>	<b>0.1</b>	<b>0.1</b>	<b>-</b>	<b>0.1</b>
<b>At 30 June 2023</b>	<b>3,224.6</b>	<b>(1,833.7)</b>	<b>686.5</b>	<b>2,077.4</b>	<b>2,122.2</b>	<b>4,199.6</b>

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

# Condensed Consolidated Interim Statement of Cash Flows

	Note	Six months ended 30 June	
		2024 (Unaudited) US\$ million	2023 (Unaudited) US\$ million
<b>Cash flows from operating activities</b>			
Receipts from customers		2,040.8	1,719.3
Payments to suppliers and employees		(1,430.2)	(1,217.6)
Payments for exploration expenditure		(27.2)	(22.5)
Income tax paid		(54.8)	(35.6)
Net settlement of commodity hedges		(13.3)	(18.0)
<b>Net cash generated from operating activities</b>		<b>515.3</b>	<b>425.6</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(420.8)	(302.1)
Purchase of intangible assets		(1.4)	-
Acquisition of subsidiaries, net of cash acquired	19	(2,042.8)	-
Proceeds from disposal of property, plant and equipment		0.1	-
<b>Net cash used in investing activities</b>		<b>(2,464.9)</b>	<b>(302.1)</b>
<b>Cash flows from financing activities</b>			
Proceeds from non-controlling interest subscription for a subsidiary's share		482.9	-
Advance received from Rights Issue		0.1	-
Proceeds from external borrowings		2,132.1	800.0
Repayments of external borrowings		(563.4)	(434.9)
Proceeds from related party borrowings		991.1	-
Repayments of related party borrowings		(670.0)	(200.0)
Net settlement of interest rate swap		-	36.3
Proceeds from shares issued upon exercise of employee share options		-	1.2
Repayment of lease liabilities		(18.0)	(19.2)
Interest and financing costs paid on external borrowings		(129.2)	(139.6)
Interest and financing costs paid on related party borrowings		(109.4)	(12.5)
Withholding taxes paid in respect of financing arrangements		(6.5)	(5.9)
Interest received		13.9	2.6
<b>Net cash generated from financing activities</b>		<b>2,123.6</b>	<b>28.0</b>
<b>Net increase in cash and cash equivalents</b>		<b>174.0</b>	<b>151.5</b>
Cash and cash equivalents at 1 January		447.0	372.2
<b>Cash and cash equivalents at 30 June</b>		<b>621.0</b>	<b>523.7</b>

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

# Notes to Condensed Consolidated Interim Financial Statements

## 1. General Information and Independent Review

MMG Limited (the "Company") is a limited liability company and was incorporated in Hong Kong on 29 July 1988. The address of its registered office is Unit 1208, 12/F, China Minmetals Tower, 79 Chatham Road South, Tsimshatsui, Kowloon, Hong Kong. The principal place of business of the Company is disclosed in the Corporate Information section to the Group's 2024 Interim Report.

The Company is an investment holding company listed on the main board of The Stock Exchange of Hong Kong Limited ("HKEx").

The Company and its subsidiaries (the "Group") are engaged in the exploration, development and mining of copper, zinc, gold, silver, molybdenum and lead deposits around the world.

The condensed consolidated interim financial statements for six months ended 30 June 2024 are presented in United States Dollars ("US\$" or "USD") unless otherwise stated and were approved for issue by the Board of Directors of the Company (the "Board") on 13 August 2024.

The financial information relating to the year ended 31 December 2023 that is included in these condensed consolidated interim financial statements as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

- The Company has delivered the financial statements for the year ended 31 December 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.
- The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

The condensed consolidated interim financial statements for six months ended 30 June 2024 are unaudited and have been reviewed by the audit committee and the external auditor of the Company.

## 2. Basis of Preparation

These condensed consolidated interim financial statements for six months ended 30 June 2024 have been prepared in accordance with applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the HKEx and Hong Kong Accounting Standard ("HKAS") 34 Interim Financial Reporting, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2023, which were prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRS") issued by the HKICPA.

### 2.1 Going concern

The condensed consolidated interim financial statements have been prepared on the going concern basis which assumes the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business. Management of the Group continues to closely monitor the liquidity position of the Group, which includes the sensitised analysis of forecast cash balances for key financial risks (including commodity and foreign exchange risks) over the short and medium term to ensure adequate liquidity is maintained.



# Notes to Condensed Consolidated Interim Financial Statements

## Continued

As at 30 June 2024, the Group had net current liabilities of US\$459.6 million (31 December 2023: US\$806.1 million) and cash and cash equivalents of US\$621.0 million (31 December 2023: US\$447.0 million). For six months ended 30 June 2024, the Group generated a net profit of US\$79.5 million (2023: net loss of US\$24.9 million) and operational net cash inflows of US\$515.3 million (2023: US\$425.6 million).

The Group has various debt facilities to assist with liquidity requirements. As at the date that the financial statements are authorised to issue, these include undrawn facilities of US\$1,510.0 million (2023: US\$3,350.0 million) for the Group (excluding Las Bambas Joint Venture Group), US\$1,275.0 million for Las Bambas (2023: US\$975.0 million). The Group also completed a rights issue on 15 July 2024 raising US\$1,152.2 million net of approximately US\$10.7 million for transaction costs.

In the event that forecast cash flow is not achieved or if existing or new debt facilities are insufficient or not obtained in a timely manner, the Group has the ongoing support of its major shareholder, China Minmetals Non-ferrous Metals Company Limited ("CMN") and its subsidiaries. Support to the Group may be in the form of providing additional debt facilities, deferral of debt service and repayment obligations in relation to existing shareholder loans from CMN, early payments for shipments of commodity or through further equity contributions.

Based on above, and a review of the forecast financial position and results of the Group for the twelve months from approval of these condensed consolidated interim financial statements, the directors are of the view that the Group will be able to meet its debts as and when they fall due and accordingly the condensed consolidated interim financial statements have been prepared on the going concern basis.

### 2.2 Significant events and transactions

On 22 March 2024, the Group completed the acquisition of the Cuprous Capital Ltd ("CCL") and its subsidiaries (together the "CCL Group" or "Khoemacau", including the Khoemacau Mine) at a consideration of US\$1,734.7 million. Khoemacau Mine is a large, long life copper and silver mine located in north-west of Botswana, in the emerging Kalahari Copperbelt. Refer to Note 19 for more details.

On 6 June 2024, the Group and CNIC Corporation Limited ("CNIC") concluded a Subscription and Shareholders' Agreement ("SSA") under which Comor Holdings Corporation Limited ("Comor Holdings", a wholly owned subsidiary of CNIC) subscribed shares in MMG Africa Resources Company Limited (a wholly owned subsidiary of MMG Limited.) at the subscription price of \$482.9 million. The subscription price was satisfied as at 30 June 2024. After the subscription, Comor Holdings directly holds 45% equity interest which was considered a material non-controlling interest. Refer to Note 11 for more details.

### 2.3 Accounting policies

The condensed consolidated interim financial statements have been prepared on the historical cost basis except for financial assets and financial liabilities at fair value through profit or loss and through other comprehensive income ('OCI'), which are measured at fair value.

Except as set out below for the adoption of amendments of existing standards and application of certain accounting policies which become relevant to the Group in the current interim period, the accounting policies applied are consistent with those of the consolidated financial statements for the year ended 31 December 2023.

#### 2.3.1 Amendments to existing standards effective and adopted in 2024

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2024 for the preparation of the Group's condensed consolidated interim financial statements:

# Notes to Condensed Consolidated Interim Financial Statements Continued

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of above amendments to HKFRSs in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and on the disclosures set out in these condensed consolidated financial statements.

In addition, the Group applied the following agenda decision of the IFRS Interpretations Committee (the "Committee") which is relevant to the Group:

### *Climate-related Commitments (IAS 37 Provisions, Contingent Liabilities and Contingent Assets)*

In April 2024, the Committee published the agenda decision which analysed how IAS 37 Provisions, Contingent Liabilities and Contingent Assets applies to climate-related commitments to a fact pattern where an entity publicly states a net-zero transition commitment. The Committee concluded that, (i) whether an entity's statement of its commitment to reduce and offset its greenhouse gas emissions creates a constructive obligation will depend on the facts of the commitment and the circumstances surrounding it. If the statement creates a constructive obligation, it is not sufficient to give an entity a present constructive obligation because the event to which that statement applied has not yet occurred; (ii) as the entity emits greenhouse gases that it has committed to offset it will have a present obligation to retire the carbon credits required to offset those greenhouse gases, and a provision is recognised for the amount of obligation that it has not yet settled when a reliable estimate can be made; and (iii) if a provision is made, the corresponding amount is recognised as an expense, rather than as an asset, unless it gives rise to, or forms part of the cost of, an item that qualifies for recognition as an asset in accordance with an IFRS Accounting Standard.

The Committee's agenda decision in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and on the disclosures set out in these condensed consolidated financial statements. The Group had made a public statement for its commitment to gradually reduce its annual greenhouse gas emissions and offset its greenhouse gas emissions. It will gradually modify its mining and processing methods to achieve the reduction of the greenhouse gas. As a result of the application of the agenda decision, no provision should be recognised in prior periods and current interim period end as the Group has yet to emit greenhouse gases which the Group has committed to offset.

## 2.3.2 Accounting policy related to the acquisition of CCL

### *(a) Consolidation*

#### *Acquisition method of accounting for non-common control combination*

The Group applies the acquisition method of accounting to account for business combinations other than common control combinations. The purchase consideration for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, which is the date on which control is obtained.

The excess of purchase consideration over the fair value of the identifiable net assets acquired are recorded as goodwill.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete.

# Notes to Condensed Consolidated Interim Financial Statements

## Continued

Those provisional amounts are adjusted retrospectively and additional assets or liabilities are recognised to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

### *Transactions with non-controlling interests*

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

### *(b) Deferred revenue*

In July 2019, Khoemacau Copper Mining Proprietary Limited, a subsidiary of CCL (“KCM mine” or “KCM”), entered into a silver purchase and sale agreement (Streaming Agreement) with Royal Gold AG (Streamer).

Under the Streaming Agreement, KCM received funds of US\$265.0 million as upfront sales receipt in respect of future delivery of silver. Under the Streaming Agreement, the Streamer has the right to 100% of the silver production from the Area of Interest (AOI, being defined mining zones) until 40 million ounces of silver delivered, after which this right reduces to only 50% of the silver production from the AOI. The Streamer's right will be settled by KCM by delivering metal credits to Streamer's metal account, representing underlying silver produced. On delivery of the metal credits to the Streamer, the Streamer is still required to pay a minimum 20% of the spot price of the silver delivered in cash. This percentage of cash payment increases in line with the Streaming Agreement depending on increased processing rates at KCM.

The upfront cash payment received by KCM for future delivery of silver has been recognised as “deferred revenue”. Management has assessed the Streaming Agreement to have a significant financing component. Deferred revenue is increased as interest expense is recognised based on an appropriate interest rate, determined by management of the Group upon acquisition of CCL Group, and which is reflective of the nature of financing and the risks involved.

Upon delivery of the metal credits, a portion of deferred revenue is recognised as revenue in the profit and loss statement. The amount to be recognised in revenue is determined based on silver ounces delivered during the period as a proportion of the total expected silver ounces to be delivered over the life of mine, and giving regard to the estimated value of such silver ounces to be delivered over the life of mine. Periodically, where a change to the life of mine plan results in a significant adjustment to silver ounces expected to be delivered over the life of mine, management will re-assess the deferred revenue which should have been recognised in the profit and loss cumulatively up to the date of such change, and an adjustment to the finance cost is recognised in the period when such change in life of mine is determined.

### **2.4 Critical estimates and judgements**

The preparation of condensed consolidated interim financial statements requires management of the Group to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Significant judgement regarding impairment of non-financial assets have been disclosed in Note 9. Estimation of fair value of Khoemacau at the acquisition date has been disclosed in Note 19.

Other than the above, the significant judgements made by management of the Group in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2023.

# Notes to Condensed Consolidated Interim Financial Statements

## Continued

MMG Group management has reviewed critical estimates and judgements applied in respect of balances and transactions related to CCL Group and noted that these are consistent with the estimates and judgements applied by the Group to the Group's consolidated financial statements prior to acquisition.

Significant judgement and estimate related to CCL Group's silver streaming arrangement has been noted below:

### Deferred revenue

Management has assessed the terms and conditions of the Streaming Agreement together with the requirement of relevant applicable accounting standards and has determined that the upfront payment received under the Agreement is to be recognised as a deferred revenue liability in the consolidated statement of financial position. The fair value of deferred revenue liability at acquisition date of CCL Group was subject to management judgement relating to expected silver ounces to be delivered, expected silver pricing and the discount rate to apply. Subsequently, the amount of deferred revenue to be recognised as revenue in the profit and loss each period, remains subject to management judgement and estimate around expected silver ounces to be delivered during the life of mine. This may increase or decrease due to modifications to such life of mine plan and result in variance to the revenue recognised.

### 3. Segment Information

HKFRS 8 "*Operating Segments*" requires operating segments to be identified on the basis of internal reports about operations of the Group that are regularly reviewed by the chief operating decision-maker ("CODM") in order to allocate resources to the segment and assess its performance.

The Company's Executive Committee has been identified as the CODM. The Executive Committee reviews the Group's internal reporting of these operations in order to assess performance and allocate resources.

The Group's reportable segments are as follows:

Las Bambas	The Las Bambas mine is a large open-pit, scalable, long-life copper and molybdenum mining operation with prospective exploration options. It is located in the Cotabambas, Apurimac region of Peru.
Kinsevere	Kinsevere is an open-pit copper mining operation located in the Haut-Katanga Province of the Democratic Republic of the Congo ("DRC").
Khoemaçau	The Khoemaçau mine, acquired during 2024, is a large, long life, and underground Copper and silver mining operation located in north-west of Botswana, in the emerging Kalahari Copperbelt.
Dugald River	The Dugald River mine is an underground zinc mining operation located near Cloncurry in North West Queensland.
Rosebery	Rosebery is an underground polymetallic base metal mining operation located on Tasmania's west coast.
Other	Includes corporate entities in the Group.

A segment result represents the EBIT by each segment. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance. Other information provided, except as disclosed in the following paragraph, to the CODM is measured in a manner consistent with that in these condensed consolidated interim financial statements.

Segment assets exclude current income tax assets, deferred income tax assets and net inter-segment receivables. Segment liabilities exclude current income tax liabilities, deferred income tax liabilities and net inter-segment loans. The excluded assets and liabilities are presented as part of the reconciliation to total consolidated assets or liabilities.

# Notes to Condensed Consolidated Interim Financial Statements

## Continued

The segment revenue and result for six months ended 30 June 2024 are as follows:

US\$ million	Las Bambas	Kinsevere	Khoemacau	Dugald River	Rosebery	Other unallocated items/ eliminations	Group
<b>Revenue by metals</b>							
- Copper <sup>1</sup>	1,092.2	187.0 <sup>3</sup>	83.3	-	5.6	4.9	1,373.0
- Zinc <sup>2</sup>	-	-	-	169.7	54.5	-	224.2
- Lead	-	-	-	27.6	22.4	-	50.0
- Gold	54.9	-	-	-	34.1	-	89.0
- Silver	40.4	-	6.9 <sup>6</sup>	28.8	36.1	-	112.2
- Molybdenum	68.5	-	-	-	-	-	68.5
- Cobalt	-	1.3	-	-	-	-	1.3
<b>Revenue from contracts with customers</b>	<b>1,256.0</b>	<b>188.3</b>	<b>90.2</b>	<b>226.1</b>	<b>152.7</b>	<b>4.9</b>	<b>1,918.2</b>
<b>EBITDA</b>	<b>590.3</b>	<b>41.4</b>	<b>33.5</b>	<b>80.2</b>	<b>68.3</b>	<b>(34.7)<sup>7</sup></b>	<b>779.0</b>
Depreciation and amortisation expenses	(353.9)	(35.2)	(10.4)	(26.4)	(38.1)	(3.9)	(467.9)
<b>EBIT</b>	<b>236.4</b>	<b>6.2</b>	<b>23.1</b>	<b>53.8</b>	<b>30.2</b>	<b>(38.6)</b>	<b>311.1</b>
Finance income							13.6
Finance costs							(181.6)
Income tax expense							(63.6)
<b>Profit for the period</b>							<b>79.5</b>

The segment assets and liabilities as at 30 June 2024 are as follows:

US\$ million	Las Bambas	Kinsevere	Khoemacau	Dugald River	Rosebery	Other unallocated items/ eliminations	Group
<b>Segment assets</b>	9,535.7	1,020.3	3,069.0	686.3	276.0	425.8 <sup>4</sup>	15,013.1
Current/deferred income tax assets							277.2
<b>Consolidated assets</b>							<b>15,290.3</b>
<b>Segment liabilities</b>	2,874.6	340.0	1,468.7	359.6	197.4	3,592.4 <sup>5</sup>	8,832.7
Current/deferred income tax liabilities							1,607.4
<b>Consolidated liabilities</b>							<b>10,440.1</b>
<b>Segment non-current assets</b>	<b>8,531.7</b>	<b>872.2</b>	<b>2,955.5</b>	<b>618.1</b>	<b>239.2</b>	<b>363.7</b>	<b>13,580.4</b>



# Notes to Condensed Consolidated Interim Financial Statements

## Continued

The segment revenue and result for six months ended 30 June 2023 were as follows:

US\$ million	Las Bambas	Kinsevere	Dugald River	Rosebery	Other unallocated items/ eliminations	Group
<b>Revenue by metals</b>						
- Copper <sup>1</sup>	1,248.0	178.4 <sup>3</sup>	-	4.1	1.5	<b>1,432.0</b>
- Zinc <sup>2</sup>	-	-	106.7	38.3	-	<b>145.0</b>
- Lead	-	-	13.7	11.5	-	<b>25.2</b>
- Gold	79.3	-	-	25.0	-	<b>104.3</b>
- Silver	50.9	-	12.3	24.3	-	<b>87.5</b>
- Molybdenum	102.2	-	-	-	-	<b>102.2</b>
<b>Revenue from contracts with customers</b>	<b>1,480.4</b>	<b>178.4</b>	<b>132.7</b>	<b>103.2</b>	<b>1.5</b>	<b>1,896.2</b>
<b>EBITDA</b>	<b>643.0</b>	<b>(13.8)</b>	<b>(26.4)</b>	<b>35.6</b>	<b>(2.6)</b>	<b>635.8</b>
Depreciation and amortisation expenses	(390.8)	(8.3)	(23.6)	(26.7)	3.5	<b>(445.9)</b>
<b>EBIT</b>	<b>252.2</b>	<b>(22.1)</b>	<b>(50.0)</b>	<b>8.9</b>	<b>0.9</b>	<b>189.9</b>
Finance income						4.3
Finance costs						(184.6)
Income tax expense						(34.5)
<b>Loss for the period</b>						<b>(24.9)</b>

The segment assets and liabilities as at 31 December 2023 are as follows:

US\$ million	Las Bambas	Kinsevere	Dugald River	Rosebery	Other unallocated items/ eliminations	Group
<b>Segment assets</b>	9,449.3	852.8	687.0	295.8	386.4 <sup>4</sup>	11,671.3
Current/deferred income tax assets						229.5
<b>Consolidated assets</b>						<b>11,900.8</b>
<b>Segment liabilities</b>	3,093.2	317.4	367.6	197.8	2,555.9 <sup>5</sup>	6,531.9
Current/deferred income tax liabilities						1,056.9
<b>Consolidated liabilities</b>						<b>7,588.8</b>
<b>Segment non-current assets</b>	<b>8,635.8</b>	<b>725.9</b>	<b>620.9</b>	<b>255.6</b>	<b>267.5</b>	<b>10,505.7</b>

1. Commodity derivative net losses with a total amount of US\$23.2 million (2023: US\$28.3 million) were included in "Revenue" of Copper;

2. Commodity derivative net losses with a total amount of US\$0.8 million (2023: US\$3.0 million) were included in "Revenue" of Zinc;

3. Commodity hedge trades with net losses of US\$0.1 million (2023: US\$0.1 million) under "Kinsevere" were executed by another subsidiary of the Company, MMG Finance Limited located in Hong Kong;

4. Included in segment assets of US\$425.8 million (31 December 2023: US\$386.4 million) under the other unallocated items is cash of US\$42.7 million (31 December 2023: US\$39.1 million) mainly held at Group's treasury entities and trade receivables of US\$236.6 million (31 December 2023: US\$213.2 million) for MMG South America Company Limited ("MMG SA") in relation to copper concentrate sales;

# Notes to Condensed Consolidated Interim Financial Statements

## Continued

5. Included in segment liabilities of US\$3,592.4 million (31 December 2023: US\$2,555.9 million) under the other unallocated items are borrowings of US\$3,505.2 million (31 December 2023: US\$2,459.9 million) which are managed at Group level;
6. Deferred revenue recognised of US\$4.9 million was included in "Revenue" of Silver (Note 18) from Khoemacau Streaming Agreement; and
7. Included in EBITDA of negative amount of US\$34.7 million (2023: negative amount of US\$2.6 million) under the other unallocated items are transactions costs of US\$18.2 million (2023: US\$1.0 million) and integration costs of US\$2.0 million (2023: nil) for the purpose of the Khoemacau acquisition.

### 4. Expenses

Profit before income tax includes the following specific expenses:

	Six months ended 30 June	
	2024 (unaudited) US\$ million	2023 (unaudited) US\$ million
Changes in inventories of finished goods and work in progress	(39.3)	144.8
(Reversal)/write-down of inventories to net realisable value	(19.8)	18.8
Employee benefit expenses <sup>1</sup>	152.7	150.1
Contracting and consulting expenses <sup>3</sup>	309.0	274.0
Energy costs	166.7	178.6
Stores and consumables costs	297.5	238.0
Depreciation and amortisation expenses <sup>2</sup>	458.5	437.3
Other production expenses <sup>3</sup>	55.1	102.7
<b>Cost of goods sold</b>	<b>1,380.4</b>	<b>1,544.3</b>
Other operating expenses <sup>1</sup>	16.6	24.1
Royalties	70.4	64.5
Selling expenses <sup>3</sup>	54.3	61.5
<b>Operating expenses including depreciation and amortisation<sup>4</sup></b>	<b>1,521.7</b>	<b>1,694.4</b>
Exploration expenses <sup>1,2,3</sup>	27.2	25.0
Administrative expenses <sup>1,3</sup>	16.2	3.3
Khoemacau acquisition transaction and integration expenses <sup>5</sup>	20.2	-
Foreign exchange loss/(gains)– net	14.6	(19.7)
Loss/(gain) on financial assets at fair value through profit or loss	1.4	(0.5)
Other expenses <sup>1,2,3</sup>	8.2	6.4
<b>Total expenses</b>	<b>1,609.5</b>	<b>1,708.9</b>

1. In aggregate, US\$37.7 million (2023: US\$22.0 million) of employee benefit expenses were included in administrative expenses, exploration expenses, other operating expenses and other expenses categories. Total employee benefit expenses were US\$190.4 million (2023: US\$172.1 million).

2. In aggregate, US\$9.4 million (2023: US\$8.6 million) of depreciation and amortisation expenses were included in exploration expenses and other expenses categories. Total depreciation and amortisation expenses were US\$467.9 million (2023: US\$445.9 million).

3. The expense under these categories include expenditure in respect of contracts assessed as leases but which did not qualify for recognition as right of use assets included US\$42.7 million (2023: US\$50.5 million) in respect of variable lease payments, US\$0.8 million (2023: US\$0.4 million) for short-term leases and US\$0.6 million (2023: US\$2.9 million) for low-value leases.

4. Operating expenses include mining and processing costs, royalties, selling expenses (including transportation) and other costs incurred by operations.

5. Include KCM acquisition transaction expenses of US\$18.2 million (2023: US\$1.0 million) and integration expenses of US\$2.0 million (2023: nil).

# Notes to Condensed Consolidated Interim Financial Statements

## Continued

### 5. Finance Income and Finance Costs

	Six months ended 30 June	
	2024 (unaudited) US\$ million	2023 (unaudited) US\$ million
<b>Finance income</b>		
Interest income on cash and cash equivalents	13.6	4.3
<b>Finance income – total</b>	<b>13.6</b>	<b>4.3</b>
<b>Finance costs</b>		
Interest expense on bank borrowings	(129.5)	(105.4)
Interest expense on related party borrowings (Note 20(a))	(70.0)	(51.9)
Withholding taxes in respect of financing arrangements	(5.6)	(7.9)
Unwinding of discount on provisions	(9.7)	(11.3)
Unwinding of interest on lease liabilities	(6.0)	(6.4)
Unwinding of discount on deferred revenue (Note 18)	(7.7)	-
Other external finance refund/(costs) - net	23.4	(2.6)
Other related party finance costs (Note 20(a))	(3.0)	(0.8)
	<b>(208.1)</b>	<b>(186.3)</b>
Gain reclassified from equity to profit or loss on Interest Rate Swaps ('IRS') designated as cash flow hedges	26.5	1.7
<b>Finance costs – total</b>	<b>(181.6)</b>	<b>(184.6)</b>

# Notes to Condensed Consolidated Interim Financial Statements

## Continued

### 6. Income Tax Expense

Hong Kong profits tax is provided at a rate of 16.5% where there are net assessable profits derived for the period. The income tax rates applicable for the main jurisdictions in which the Group operates are: Australia (30.0%), Peru (32.0%), DRC (30.0%) and Botswana (22% to 55%, depending on the percentage of taxable income to gross income). Tax rates for some jurisdictions are covered by historical legal agreements with governments. Taxation on profits arising from other jurisdictions has been calculated on the estimated assessable profits for the period at the rates prevailing in the relevant jurisdictions.

The Group recognises deferred income tax assets if it is probable that future taxable amounts will be available to utilise the deductible temporary differences and unused tax losses in the foreseeable future. Management will continue to assess the recognition of deferred income tax assets in future reporting periods.

	Six months ended 30 June	
	2024 (unaudited) US\$ million	2023 (unaudited) US\$ million
<b>Current income tax expense</b>		
– HK income tax	-	0.8
– Overseas income tax	55.0	44.1
	<b>55.0</b>	<b>44.9</b>
<b>Deferred income tax (credit)/expense</b>		
– HK income tax	(0.4)	(0.8)
– Overseas income tax	9.0	(9.6)
	<b>8.6</b>	<b>(10.4)</b>
<b>Income tax expense</b>	<b>63.6</b>	<b>34.5</b>

The Group is within the scope of the OECD Pillar Two model rules. The Group has applied the temporary exemption as provided in the amendments to IAS 12 issued in May 2023. Accordingly, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

Of the jurisdictions in which the Group operates, Pillar Two legislation was enacted in the Netherlands, Switzerland (only in relation to the Domestic Minimum Top-up Tax (“DMTT”)) and Canada, with the Income Inclusion Rule (“IIR”) (where applicable) and DMTT to come into effect from 1 January 2024. Entities incorporated in Peru are also subject to the legislation as the Peruvian Entities are held by the parent entity in the Netherlands.

Under the legislation, the Group is liable to pay a top-up tax for the difference between its Global Anti-Base Erosion (“GloBE”) effective tax rate (“ETR”) per jurisdiction and the 15% minimum rate.

The Group has conducted the assessment of the Transitional Country-by-Country Report (“CbCR”) Safe Harbour for the Netherlands, Switzerland, Canada and Peru using financial data as of the reporting date (For six months ended 30 June 2024). Based on the assessment, these jurisdictions have passed at least one of three tests under the Transitional CbCR Safe Harbour tests: (a) a de minimis test; (b) a simplified ETR test; and (c) a routine profits test.

On 21 December 2023, the Government of Hong Kong launched a three-month consultation on “Implementation of Global Minimum Tax and Hong Kong Minimum Top-up Tax”. The legislative bill is expected to be submitted in the second half of 2024. It is the Hong Kong Government’s plan for the legislation to take effect for a fiscal year beginning on or after 1 January 2025.

The Group will continue to monitor global developments of Pillar Two rules and reassess the potential impacts.

# Notes to Condensed Consolidated Interim Financial Statements

## Continued

### 7. Earnings/(Loss) Per Share

Basic earnings/loss per share is calculated by dividing the profit/loss attributable to equity holders of the Company by the weighted average number of ordinary shares on issue during the reporting period.

Diluted earnings/loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the Company's share options and performance awards on issue, a calculation is performed to determine the number of shares that could have been acquired at fair value (determined at the average market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options and performance awards. The number of shares calculated as below is compared with the number of shares that would have been issued assuming the exercise of the share options and performance awards. For six months ended 30 June 2024, the dilutive factor of the Rights Issue (Note 24) is considered given the rights were effective on 11 June 2024. No conversion of dilutive potential ordinary shares was assumed as it would result in a decrease in the loss per share for the period ended 30 June 2023.

	Six months ended 30 June	
	2024 (Unaudited) US\$ million	2023 (Unaudited and restated) US\$ million
Profit/(loss) attributable to equity holders of the Company in the calculation of basic and diluted earnings/(loss) per share	21.1	(58.8)
	<b>Number of shares '000</b>	<b>Number of shares '000 (restated)</b>
Weighted average number of ordinary shares used in the calculation of the basic earnings/(loss) per share	9,198,779	9,183,612
Shares deemed to be issued in respect of long-term incentive equity plans	28,841	-
Dilution for Rights Issue	51,530	-
<b>Weighted average number of ordinary shares used in the calculation of the diluted earnings/(loss) per share</b>	<b>9,279,150</b>	<b>9,183,612</b>
<b>Basic earnings/(loss) per share<sup>1</sup></b>	<b>US 0.23 cents</b>	<b>US (0.64) cents</b>
<b>Diluted earnings/(loss) per share</b>	<b>US 0.23 cents</b>	<b>US (0.64) cents</b>

1. The weighted average number of ordinary shares used in the calculation of the basic earnings/(loss) per share was adjusted/restated for six months ended 30 June 2024 and 2023, reflecting the effect of bonus element of Rights Issue impact on issued shares (Note 24).

### 8. Dividends

The Directors did not recommend the payment of any dividends during the six months ended 30 June 2024 (2023: nil).



# Notes to Condensed Consolidated Interim Financial Statements

## Continued

### 9. Property, Plant And Equipment

Six months ended 30 June 2024	US\$ million
<b>Net book amount at 1 January 2024 (audited)</b>	<b>9,417.1</b>
Acquisition of subsidiaries (Note 19)	2,425.5
Additions	419.3
Depreciation and amortisation	(455.6)
Disposals <sup>1</sup>	(0.5)
<b>Net book amount at 30 June 2024 (unaudited)</b>	<b>11,805.8</b>

1. For 6 months ended 30 June 2024, there was a net loss of US\$0.4 million (2023: US\$0.4 million) from disposals of property, plant and equipment.

#### Impairment review of non-current assets and goodwill

In accordance with the Group's accounting policies and processes, the Group performs its annual impairment assessment at 31 December. Additionally, the Cash Generating Units ("CGUs") are reviewed at each reporting period to determine whether there is an indication of impairment or impairment reversal. Where an indicator of impairment or impairment reversal exists, an impairment assessment is performed.

Management of the Group has reviewed indicators for impairment across all of the Group's CGUs as at 30 June 2024. Management of the Group has concluded that no indicators for impairment or impairment reversal were identified during the reporting period in respect of any of the Group's CGUs.

### 10. Intangible Assets

Six months ended 30 June 2024	US\$ million
<b>Net book amount at 1 January 2024 (audited)</b>	<b>534.0</b>
Goodwill generated from acquisition of subsidiaries (Note 19)	509.5
Additions	1.5
Acquisition of subsidiaries (Note 19)	0.6
Depreciation and amortisation	(0.6)
<b>Net book amount at 30 June 2024 (unaudited)</b>	<b>1,045.0</b>

### 11. Principal Subsidiaries With Material Non-Controlling Interests

As described on Note 2.2, upon acquisition, CCL Group became a wholly owned subsidiary of MMG Africa Resources Company Limited, an entity owned 100% by MMG Africa Holdings Company Limited.

On 6 June 2024, Comor Holdings subscribed shares in MMG Africa Resources Company Limited with a 45% equity interest which was considered to be a material non-controlling interest.

Management of the Group, having assessed the terms of the SSA, considers that MMG Africa Resources Company Limited continue to be considered a subsidiary and be included in the Group's consolidated financial statements. Comor Holdings' 45% interest is considered a material non-controlling interest and has been measured by reference to the proportionate share of recognised amounts of net assets of MMG Africa Resources Company Limited. and its subsidiaries (hereinafter referred to as the "Khoemaçau Joint Venture Company").

As at 30 June 2024, the Group had total non-controlling interests of US\$2,718.2 million (31 December 2023: US\$2,188.6 million). The non-controlling interests comprise the following:

# Notes to Condensed Consolidated Interim Financial Statements

## Continued

	30 June 2024 (Unaudited) US\$ million	31 December 2023 (Audited) US\$ million
MMG South America Management Company Limited, and its subsidiaries ("Las Bambas Joint Venture Company")	2,234.7	2,188.6
Khoemaçau Joint Venture Company	483.5	-
<b>Total</b>	<b>2,718.2</b>	<b>2,188.6</b>

The summarised financial information of the subsidiaries with material non-controlling interests is shown on a 100% basis. It represents the amounts shown in subsidiaries' consolidated financial statements prepared in accordance with HKFRSs.

### Summarised Consolidated Statements of Financial Position

US\$ million	Las Bambas Joint Venture Company		Khoemaçau Joint Venture Company	
	30 June 2024 (Unaudited)	31 December 2023 (Audited)	30 June 2024 (Unaudited)	31 December 2023 <sup>1</sup>
<b>Assets</b>	<b>9,749.1</b>	<b>9,930.7</b>	<b>3,183.0</b>	-
Current	1,150.1	1,227.8	113.6	-
Including: Cash and cash equivalents	484.3	399.2	71.8	-
Non-current	8,599.0	8,702.9	3,069.4	-
<b>Liabilities</b>	<b>(3,789.9)</b>	<b>(4,094.4)</b>	<b>(2,109.8)</b>	-
Current	(787.7)	(970.1)	(140.0)	-
Non-current	(3,002.2)	(3,124.3)	(1,969.8)	-
<b>Net assets</b>	<b>5,959.2</b>	<b>5,836.3</b>	<b>1,073.2</b>	-

### Summarised Consolidated Statements of Comprehensive Income

	Las Bambas Joint Venture Company		Khoemaçau Joint Venture Company	
	Six Months Ended 30 June US\$ million			
	2024 (Unaudited)	2023 (Audited)	2024 (Unaudited)	2023 <sup>1</sup>
Revenue	1,256.0	1,480.4	90.2	-
Net financial cost	(43.2)	(115.7)	(28.6)	-
Income tax expense	(32.8)	(46.3)	(4.0)	-
<b>Profit for the period</b>	<b>160.4</b>	<b>89.7</b>	<b>(9.5)</b>	-
Other comprehensive (loss)/income for the period, net of tax	(37.5)	(3.2)	9.5	-
<b>Total comprehensive income</b>	<b>122.9</b>	<b>86.5</b>	<b>-<sup>2</sup></b>	-
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	76.8	53.8	(0.6)	-
Non-controlling interests	46.1	32.7	0.6	-
	<b>122.9</b>	<b>86.5</b>	<b>-<sup>2</sup></b>	-

1. There is no comparative information for the Khoemaçau Joint Venture Company, as the acquired Khoemaçau assets and profit/(loss) are consolidated from 22 March 2024 when the acquisition completed.

2. The amount is less than US\$1 million.

# Notes to Condensed Consolidated Interim Financial Statements

## Continued

### 12. Derivative Financial Assets/(Liabilities)

	30 June 2024 US\$ million	31 December 2023 US\$ million
<b>Assets</b>		
<b>Current</b>		
Commodity derivative-Copper	16.3	3.1
Commodity derivative-Zinc	0.5	-
	<b>16.8</b>	<b>3.1</b>
<b>Liabilities</b>		
<b>Current</b>		
Commodity derivative-Copper	(28.0)	-
Commodity derivative-Zinc	(6.2)	-
	<b>(34.2)</b>	<b>-</b>

### 13. Trade and Other Receivables

At 30 June 2024, trade receivables of the Group included in "Trade and other receivables" mainly related to the mining operations with the balance of US\$462.7 million (31 December 2023: US\$354.8 million). The majority of sales for mining operations were made under contractual arrangements whereby provisional payment is received in line with requirement under the sales contract, usually within 30 days of submission of all required documentation and fulfilment of obligations under the respective incoterm for the sales. Upon issuance of final invoice at end of the quotational period, any remaining balance is then payable within 30 days from such final invoice being issued. All the trade receivables at 30 June 2024 and 31 December 2023 were aged within six months from the date of invoice and were measured at fair value at the balance sheet date as these are subject to change in accordance with movements in the commodity price.

The Group's trade receivables, other receivables and prepayments with an amount of US\$241.3 million (31 December 2023: US\$160.9 million) were from a related company of the Group (Note 20(c)). The carrying amounts of the Group's trade receivables are all denominated in US\$.

### 14. Share Capital

	Number of Ordinary Shares '000	Share Capital US\$ million
<b>Issued and fully paid:</b>		
At 1 January 2023	8,639,767	3,220.5
Employee share options exercised	3,159	1.9
Employee performance awards vested	13,121	2.2
<b>At 31 December 2023 (audited)</b>	<b>8,656,047</b>	<b>3,224.6</b>
Employee performance awards vested <sup>1</sup>	7,534	3.2
<b>At 30 June 2024 (unaudited)</b>	<b>8,663,581</b>	<b>3,227.8</b>

1. For six months ended 30 June 2024, a total of 7,534,028 new shares were issued as a result of 2021 Performance Awards on 5 June 2024. The closing price of the shares of the Company immediately before the date on which the performance award was exercised was HK\$3.33.

# Notes to Condensed Consolidated Interim Financial Statements

## Continued

### 15. Reserves and Retained Profits

US\$ million	Special capital reserve	Exchange translation reserve	Merger reserve <sup>1</sup>	Surplus reserve <sup>2</sup>	Share-based payment reserve	Cash flow hedge reserve <sup>3</sup>	Other reserve	Total reserves	Retained profits	Total
<b>At 1 January 2024 (audited)</b>	9.4	2.7	(1,946.9)	50.6	5.4	25.2	(1.5)	(1,855.1)	753.9	(1,101.2)
Profit for the period	-	-	-	-	-	-	-	-	21.1	21.1
Other comprehensive (loss)/ income for the period	-	-	-	-	-	(18.1)	2.4	(15.7)	-	(15.7)
<b>Total comprehensive (loss)/ income for the period</b>	-	-	-	-	-	(18.1)	2.4	(15.7)	21.1	5.4
Provision of surplus reserve	-	-	-	4.7	-	-	-	4.7	(4.7)	-
<b>Internal transfer</b>	-	-	-	4.7	-	-	-	4.7	(4.7)	-
Employee long-term incentives	-	-	-	-	3.2	-	-	3.2	-	3.2
Employee performance awards exercised and vested	-	-	-	-	(3.2)	-	-	(3.2)	-	(3.2)
<b>Total transactions with owners</b>	-	-	-	-	-	-	-	-	-	-
<b>At 30 June 2024 (unaudited)</b>	9.4	2.7	(1,946.9)	55.3	5.4	7.1	0.9	(1,866.1)	770.3	(1,095.8)

US\$ million	Special capital reserve	Exchange translation reserve	Merger reserve <sup>1</sup>	Surplus reserve <sup>2</sup>	Share-based payment reserve	Cash flow hedge reserve <sup>3</sup>	Other reserve	Total reserves	Retained profits	Total
<b>At 1 January 2023 (audited)</b>	9.4	2.7	(1,946.9)	50.2	9.9	48.5	(0.5)	(1,826.7)	745.2	(1,081.5)
Loss for the period	-	-	-	-	-	-	-	-	(58.8)	(58.8)
Other comprehensive loss for the period	-	-	-	-	-	(2.0)	(0.9)	(2.9)	-	(2.9)
<b>Total comprehensive loss for the period</b>	-	-	-	-	-	(2.0)	(0.9)	(2.9)	(58.8)	(61.7)
Employee long-term incentives	-	-	-	-	(1.1)	-	-	(1.1)	-	(1.1)
Employee share options and performance awards exercised	-	-	-	-	(2.9)	-	-	(2.9)	-	(2.9)
Employee share options lapsed	-	-	-	-	(0.1)	-	-	(0.1)	0.1	-
<b>Total transactions with owners</b>	-	-	-	-	(4.1)	-	-	(4.1)	0.1	(4.0)
<b>At 30 June 2023 (unaudited)</b>	9.4	2.7	(1,946.9)	50.2	5.8	46.5	(1.4)	(1,833.7)	686.5	(1,147.2)

1. Merger reserve represents the excess of investment cost in entities that have been accounted for under merger accounting for common control combinations in accordance with AG5 (Accounting Guideline 5 issued by the HKICPA) against their share capital;

2. In Peru, according to the General Law of Companies, surplus reserve is constituted by transferring 10%, as a minimum, of the net income for each period, after deducting accumulated losses, until reaching an amount equivalent to a fifth of capital; In China, the Economic Law requires the company to transfer 10% of the net income to surplus reserve until reaching an amount to half of its capital; and

# Notes to Condensed Consolidated Interim Financial Statements Continued

3. The cashflow hedge reserve records the portion of the gain or loss on a hedging instrument in a cash flow hedge including commodity hedge and Interest Rate Swap ("IRS") that are attributed to equity holders of the Company, retained in OCI and being transferred to "financial income and cost" from amortisation. For six months ended 30 June 2024, there were realised losses after tax of US\$9.4 million (2023: gains of US\$2.6 million) which were transferred to "revenue" from settlement of commodity hedge (Note 23.1(a)). There were realised gains after tax of US\$18.0 million (2023: US\$1.2 million) which were transferred to "financial income and cost" from amortisation of IRS.

## 16. Borrowings

	30 June 2024 (Unaudited) US\$ million	31 December 2023 (Audited) US\$ million
<b>Non-current</b>		
Borrowings from related parties (Note 20(c))	2,877.4	1,831.3
Borrowings from banks, net	2,441.6	1,544.5
	<b>5,319.0</b>	<b>3,375.8</b>
<b>Current</b>		
Borrowings from related parties (Note 20(c))	175.0	900.0
Borrowings from banks, net	1,102.4	431.3
	<b>1,277.4</b>	<b>1,331.3</b>
Analysed as:		
- Secured	1,798.4	2,016.8
- Unsecured	4,839.5	2,731.3
	<b>6,637.9</b>	<b>4,748.1</b>
Prepayments – finance charges	(41.5)	(41.0)
	<b>6,596.4</b>	<b>4,707.1</b>
Borrowings (excluding prepayments) are repayable as follows:		
- Within one year	1,283.9	1,336.8
- More than one year but not exceeding two years	1,440.5	1,078.0
- More than two years but not exceeding five years	2,317.9	1,620.4
- More than five years	1,595.6	712.9
	<b>6,637.9</b>	<b>4,748.1</b>
Prepayments – finance charges	(41.5)	(41.0)
<b>Total (Note 23(d))</b>	<b>6,596.4</b>	<b>4,707.1</b>

The effective interest rate of borrowings for six months ended 30 June 2024 was 5.2% (2023: 5.2%) per annum.

## 17. Trade and Other Payables

At 30 June 2024, the balance of the trade payables included in "Trade and other payables" was US\$316.3 million (31 December 2023: US\$322.5 million) aged less than six months. The ageing analysis of the trade payables is based on the creditors' invoice date.



# Notes to Condensed Consolidated Interim Financial Statements

## Continued

### 18. Deferred Revenue

	30 June 2024 (Unaudited) US\$ million
<b>Balance as at acquisition date (Note 19)</b>	<b>349.8</b>
Deferred revenue recognised during the period (Note 3)	(4.9)
Interest charge (Note 5)	7.7
<b>30 June 2024</b>	<b>352.6</b>
Current	25.7
Non-current	326.9
	<b>352.6</b>

In July 2019, Khoemacau entered into a Streaming Agreement with Royal Gold AG. Refer to Note 2.3 (b) for further details.

### 19. Business Combination

#### Summary of acquisition

On 20 November 2023, the Group entered into a Share Purchase Agreement ("SPA") with Cupric Canyon Capital L.P., The Ferreira Family Trust, Resource Capital Fund VII L.P., and the Missouri Local Government Employees' Retirement System ("Sellers"), to purchase the entire issued share capital of CCL from the Sellers. The acquisition was completed on 22 March 2024.

The acquisition is structured via an investment holding company established by the Group for the purpose of the acquisition, MMG Africa Holdings Company Limited. At the date of the acquisition, the Group satisfied the total consideration of US\$1,734.7 million. The transaction has been accounted for as an acquisition of a business using the acquisition method. In addition to the payment of consideration, under the terms of the SPA, the Group was also required to advance a loan to CCL to enable CCL to repay certain borrowings, derivatives and seller transaction costs at the completion of the transaction. The Group has performed a provisional assessment of the estimated fair value of the net identifiable assets and liabilities as at 22 March 2024. The provisional assessment of fair values of assets acquired and liabilities assumed is subject to management judgement and estimates. This includes assessing the unit of account to which valuation needs to be assigned and multiple assumptions undertaken for discounted cash flow modelling which aided valuation (e.g., for mineral rights and exploration assets). Similarly, in some areas, valuation may be by using a market approach (copper equivalent resource multiple). Liabilities such as obligation for mine rehabilitation are also subject to estimates and assumptions. Deferred tax balances are also subject to assessment related to when such balances will materialise. Due to the subjectivity involved in fair valuation, a change in management judgement, estimate and assumption could lead to significant changes in the fair values assigned to the assets and liabilities at acquisition.

The following table summarises the consideration paid, and the amounts of the assets acquired and liabilities assumed that were recognised at the acquisition date as per the provisional assessment.

# Notes to Condensed Consolidated Interim Financial Statements

## Continued

As at  
22 March 2024  
fair value  
US\$ million

<b>Consideration</b>	
Total consideration <sup>3</sup>	1,734.7
	<b>1,734.7</b>
<b>Identifiable Assets Recognised and Liabilities Assumed</b>	
<b>Assets</b>	
<b>Non-current assets</b>	
Property, plant and equipment	2,425.5
Intangible assets	0.6
Right-of-use assets	0.5
Deferred income tax assets	9.3
	<b>2,435.9</b>
<b>Current assets</b>	
Inventories	12.1
Trade and other receivables <sup>1</sup>	17.6
Cash and cash equivalents	46.5
	<b>76.2</b>
<b>Total assets</b>	<b>2,512.1</b>
<b>Liabilities</b>	
<b>Non-current liabilities</b>	
Deferred revenue	327.4
Provisions	18.0
Deferred income tax liabilities	509.5
Borrowings	354.6
	<b>1,209.5</b>
<b>Current liabilities</b>	
Trade and other payables	54.2
Lease liabilities	0.5
Deferred revenue	22.4
Current tax liability	0.3
	<b>77.4</b>
<b>Total liabilities</b>	<b>1,286.9</b>
<b>Net identifiable assets acquired</b>	<b>1,225.2</b>
Add: Goodwill <sup>2</sup>	509.5
<b>Consideration paid</b>	<b>1,734.7</b>

1. There is no material difference between the gross contractual amount receivable and their fair value.

2. The goodwill arising from purchase price allocation included the effect of deferred tax liability for the difference between the fair value of newly consolidated assets and liabilities and their carrying amounts. Refer to Note 10.

3. Acquisition-related costs amounting to US\$21.2 million have been excluded from the consideration transferred and have been recognised directly as an expense in the period within the "other expenses" line item (Note 4) in the condensed consolidated statement of profit or loss or other comprehensive income.

# Notes to Condensed Consolidated Interim Financial Statements

## Continued

### Net cash outflows arising on acquisition of CCL

	US\$ million
Consideration paid in cash	1,734.7
Repayment of CCL's borrowings, derivatives and sellers' transaction costs	354.6
	<b>2,089.3</b>
Less: cash and cash equivalents acquired	(46.5)
	<b>2,042.8</b>

For the interim financial period, there was revenue of US\$90.2 million and net profits of US\$10.6 million generated by acquired entities and consolidated in the Group financial statements. Had the acquisition been completed on 1 January 2024, revenue and net profit for the six months ended 30 June 2024 of the Group would have been US\$1,985.7 million and US\$33.8 million respectively. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2024, nor is it intended to be a projection of future results. In determining the 'pro-forma' revenue and profit of the Group had CCL been acquired at the beginning of the interim period, the directors of the Company calculated depreciation and amortisation of property, plant and equipment based on the recognised amounts of property, plant and equipment at the date of the acquisition.

Upon acquisition, CCL Group became a wholly owned subsidiary of MMG Africa Resources Company Limited, an entity owned 100% by MMG Africa Holdings Company Limited (a wholly owned subsidiary of the Company). The Company is of the opinion that it has the ability to govern the financial and operating policies of CCL Group. On 6 June 2024, the Group transferred 45% interest of MMG Africa Resources Company Limited to Comor Holdings without losing control. Refer to Note 11 for more details.

### 20. Significant Related Party Transactions

At 30 June 2024, 67.5% (31 December 2023: 67.6%) of the Company's shares were held by CMN through its subsidiary, China Minmetals H.K. (Holdings) Limited ("Minmetals HK"). The remainder 32.5% (31 December 2023: 32.4%) of the Company's shares were widely held by the public. The Directors consider the ultimate holding company to be China Minmetals Corporation ("CMC"), a stated-owned company incorporated in China, of which CMN is a subsidiary.

For the purposes of the related party transaction disclosures, the Directors believe that meaningful information in respect of related party transactions has been adequately disclosed. In addition to the related party information and transactions disclosed elsewhere in the condensed consolidated interim financial statements, the following is a summary of significant related party transactions entered into in the ordinary course of business between the Group and its related parties during the six months ended 30 June 2024.

# Notes to Condensed Consolidated Interim Financial Statements

## Continued

### (a) Transactions with CMC and its group companies (other than those within the Group)

	Six months ended 30 June	
	2024 (Unaudited) US\$ million	2023 (Unaudited) US\$ million
<b>Sales</b>		
Sales of non-ferrous metals	777.2	974.6
<b>Other income</b>		
Other income	0.1	-
<b>Commodity derivatives transaction</b>		
Loss on commodity derivatives	(23.2)	(28.2)
Other loss	(2.3)	(0.8)
<b>Purchases</b>		
Purchases of consumables and services	(14.6)	(8.2)
<b>Finance costs</b>		
Interest expense (Note 5)	(70.0)	(51.9)
Other finance cost (Note 5)	(3.0)	(0.8)

### (b) Transactions and balances with other state-owned enterprises

During the six months ended 30 June 2024, the Group's significant transactions with other state-owned enterprises (excluding CMC and its subsidiaries) are sales of non-ferrous metals and purchases of consumables and the related receivables and payables balances. These transactions were based on terms as set out in the underlying agreements, on statutory rates, market prices, actual cost incurred, or as mutually agreed.

# Notes to Condensed Consolidated Interim Financial Statements

## Continued

### (c) Significant related party balances

	30 June 2024 (Unaudited) US\$ million	31 December 2023 (Audited) US\$ million
<b>Amounts payable to related parties</b>		
Borrowings from Top Create (Note 16) <sup>1,2,3</sup>	2,782.4	2,461.3
Borrowings from Album Trading Company (Note 16) <sup>4</sup>	270.0	270.0
Interest payable to related parties	17.5	45.5
Trade and other payables to CMN	2.8	4.2
	<b>3,072.7</b>	<b>2,781.0</b>
<b>Amounts receivable from related parties</b>		
Trade receivables from CMN	235.5	159.1
Other receivables from CMN	-	1.8
Prepayments to CMN	2.1	-
Prepayments to CMC	3.7	-
	<b>241.3</b>	<b>160.9</b>
<b>Derivative financial assets-transacted with related parties</b>	<b>14.1</b>	<b>3.1</b>
<b>Derivative financial liabilities-transacted with related parties</b>	<b>28.0</b>	<b>-</b>

- The borrowing amount from Top Create included the amounts from a facility agreement dated 22 July 2014 between MMG SA and Top Create. In accordance with that agreement, the loan facility of up to US\$2,262.0 million was made available to MMG SA, for a period of eleven years commencing on the date of the first drawdown of the loan. For six months ended 30 June 2024, the Group repaid US\$200.0 million and deferred US\$525.0 million repayment from July 2024 to July 2027. The total balance as at 30 June 2024 was US\$1,961.3 million consisting of three tranches maturing in July 2025, July 2026 and July 2027 respectively. The facility incurs interest at a separate all-in fixed rate for each of the repayment tranches of between 2.20% and 4.50% per annum, which is payable annually. Commencing on or after 25 July 2024, interest of the deferred US\$525.0 million will be SOFR plus a 1.2% margin. The Group made a repayment of \$175.0 million on 18 July 2024 utilising the proceeds from the Rights Issue.
- The loan amount from Top Create also included US\$611.1 million drawn by the Company in the first half of 2024 pursuant to a facility agreement dated 20 November 2023 between MMG Africa Holdings Company Limited and Top Create. In accordance with that agreement, a loan facility of up to US\$2.0 billion was made available to MMG Africa Holdings Company Limited, for a period of seven years commencing on the date of the first drawdown of the loan. The interest rate is SOFR plus a 2.93% margin. The Group repaid of \$611.1 million on 18 July 2024 utilising the proceeds from the Rights Issue. The undrawn balance will not be available in the future.
- The loan amount from Top Create also included US\$210.0 million drawn by the Group in the first half of 2024 pursuant to a KEP facility agreement dated 7 December 2023 between MMF and Top Create. In accordance with that agreement, a loan facility of up to US\$300.0 million is made available to MMF. This facility will expire in December 2030. The interest rate under the facility is 4.15%.
- The borrowing from Album Trading Company Limited (a subsidiary of CMN) is a project facility and will mature in June 2026. The interest rate is SOFR plus margin and a credit adjustment spread.



# Notes to Condensed Consolidated Interim Financial Statements

## Continued

### 21. Capital Commitments

Commitments for capital expenditure contracted at the reporting date but not recognised as a liability, are set out in the table below:

	30 June 2024 (Unaudited) US\$ million	31 December 2023 (Audited) US\$ million
<b>Property, plant and equipment</b>		
Within one year	356.3	225.6
Over one year but not more than five years	94.0	119.8
	<b>450.3</b>	<b>345.4</b>
<b>Intangible assets</b>		
Within one year	3.3	1.9
Over one year but not more than five years	0.6	0.4
	<b>3.9</b>	<b>2.3</b>
<b>Aggregate</b>		
<b>Property, plant and equipment and intangible assets</b>		
Contracted but not provided for	<b>454.2</b>	<b>347.7</b>

### 22. Contingencies

#### (a) 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).

#### (b) 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

# Notes to Condensed Consolidated Interim Financial Statements

## Continued

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 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.

# Notes to Condensed Consolidated Interim Financial Statements

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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.

### 23. Financial and Other Risk Management

#### 23.1 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.

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.

# Notes to Condensed Consolidated Interim Financial Statements

## Continued

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			Settled portion of hedging instrument realised gains US\$ million	Hedging gain recognised in cash flow hedge reserve <sup>1</sup> US\$ million	Cost of hedging reserve US\$ million
			Hedging instrument US\$ million	Hedged item US\$ million				
<i>Cash flow hedges:</i>								
<b>At 30 June 2024 and for six months ended 30 June 2024</b>								
Derivative financial assets (Note 12)	March 2024 to December 2024	14.8	12.8	(12.8)	(0.1)	10.1	1.5	
Derivative financial liabilities (Note 12)	March 2024 to December 2024	(30.7)	(29.3)	29.3	(9.3)	(20.0)	(1.0)	
<b>At 30 June 2023 and for six months ended 30 June 2023</b>								
Derivative financial assets (Note 12)	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.

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:

Commodity	For six months ended 30 June					
	2024			2023		
	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	-
<b>Total</b>		<b>11.5</b>	<b>(82.4)</b>		<b>68.7</b>	<b>(9.4)</b>
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)	-
<b>Total</b>		<b>(11.5)</b>	<b>82.9</b>		<b>(68.7)</b>	<b>10.3</b>

# Notes to Condensed Consolidated Interim Financial Statements

## Continued

### (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. Details of the Group's borrowings are set out in Note 16.

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.

#### 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:

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

### (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.



# Notes to Condensed Consolidated Interim Financial Statements

## Continued

### (d) Fair value of financial instruments

The fair values of cash and cash equivalents and short-term monetary financial assets and financial liabilities approximate their carrying values. The fair values of other monetary financial assets and liabilities are either based upon market prices, where a market exists, or have been determined by discounting the expected future cash flows by the current interest rate for financial assets and financial liabilities with similar risk profiles.

The fair value of commodity derivatives is determined based on the discounted future cash flows. Future cash flows are estimated based on forward commodity price from observable yield curves at the end of the reporting period and contracted price, discounted by the current interest rate.

The fair values of listed equity investments have been valued by reference to market prices prevailing at the reporting date.

The carrying values of other receivables less impairment provisions and trade payables are a reasonable approximation of their fair values due to the short-term nature of trade receivables and payables. The fair values of non-derivative financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the consolidated entity for similar financial instruments.

The carrying amounts and fair values of financial assets and liabilities by category and class at 30 June 2024 and 31 December 2023 are as follows:

US\$ million	Amortised cost (assets)	Financial assets/ (liabilities) at fair value through profit or loss	Financial assets/ (liabilities) at fair value designated under cash flow hedge	Amortised cost (liabilities)	Total carrying value	Total fair value
<b>As at 30 June 2024</b>						
<b>Financial assets</b>						
Cash and cash equivalents	621.0	-	-	-	621.0	621.0
Trade receivables (Note 13)	-	462.7	-	-	462.7	462.7
Other receivables	297.0	-	-	-	297.0	297.0
Derivative financial assets (Note 12)	-	2.0	14.8	-	16.8	16.8
Other financial assets	-	1.3	-	-	1.3	1.3
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	(976.1)	(976.1)	(976.1)
Borrowings (Note 16)	-	-	-	(6,596.4)	(6,596.4)	(6,626.4)
Lease liabilities	-	-	-	(138.3)	(138.3)	(138.3)
Derivative financial liabilities (Note 12)	-	(3.5)	(30.7)	-	(34.2)	(34.2)
<b>Total</b>	<b>918.0</b>	<b>462.5</b>	<b>(15.9)</b>	<b>(7,710.8)</b>	<b>(6,346.2)</b>	<b>(6,376.2)</b>

# Notes to Condensed Consolidated Interim Financial Statements

## Continued

US\$ million	Amortised cost (assets)	Financial assets/ (liabilities) at fair value through profit or loss	Financial assets/ (liabilities) at fair value designated under cash flow hedge	Amortised cost (liabilities)	Total carrying value	Total fair value
<b>As at 31 December 2023</b>						
<b>Financial assets</b>						
Cash and cash equivalents	447.0	-	-	-	447.0	447.0
Trade receivables (Note 13)	-	354.8	-	-	354.8	354.8
Other receivables	249.2	-	-	-	249.2	249.2
Derivative financial assets	-	3.1	-	-	3.1	3.1
Other financial assets	-	2.7	-	-	2.7	2.7
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	(902.9)	(902.9)	(902.9)
Borrowings (Note 16)	-	-	-	(4,707.1)	(4,707.1)	(4,850.1)
Lease liabilities	-	-	-	(147.6)	(147.6)	(147.6)
<b>Total</b>	<b>696.2</b>	<b>360.6</b>	<b>-</b>	<b>(5,757.6)</b>	<b>(4,700.8)</b>	<b>(4,843.8)</b>

### Fair value estimation

The table below analyses financial instruments carried at fair value, by the valuation method. The different levels have been defined as follows:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

# Notes to Condensed Consolidated Interim Financial Statements

## Continued

The following table presents the Group's financial assets and liabilities that are measured at fair value as at 30 June 2024 and 31 December 2023.

US\$ million	Level 1	Level 2	Total
<b>As at 30 June 2024</b>			
Trade receivables (Note 13)	-	462.7	<b>462.7</b>
Derivative financial assets (Note 12) <sup>2</sup>	-	16.8	<b>16.8</b>
Financial assets at fair value through profit and loss – listed <sup>1</sup>	1.3	-	<b>1.3</b>
Derivative financial liabilities (Note 12) <sup>2</sup>	-	(34.2)	<b>(34.2)</b>
	<b>1.3</b>	<b>445.3</b>	<b>446.6</b>
<b>As at 31 December 2023</b>			
Trade receivables (Note 13)	-	354.8	<b>354.8</b>
Derivative financial assets (Note 12) <sup>2</sup>	-	3.1	<b>3.1</b>
Financial assets at fair value through profit and loss – listed <sup>1</sup>	2.7	-	<b>2.7</b>
	<b>2.7</b>	<b>357.9</b>	<b>360.6</b>

There were no transfers between levels 1, 2 and 3 during the reporting period.

1. The fair values of financial instruments traded in active markets are based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's-length basis. Instruments included in level 1 comprise investments in listed stock exchanges;
2. The fair value of the collar hedges and fixed price swaps is determined based on discounted future cash flows. Future cash flows are estimated based on London Metal Exchange contract future rates for commodities at the end of the reporting period and contracted commodity prices, discounted at a rate that reflects the credit risk of various counterparties.

### 23.2 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.

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.

# Notes to Condensed Consolidated Interim Financial Statements

## Continued

### 24. 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.

# Glossary

<b>A\$</b>	Australian dollar, the lawful currency of Australia
<b>Album Enterprises</b>	Album Enterprises Limited, a wholly owned subsidiary of CMN
<b>associate(s)</b>	has the meaning ascribed to it under the Listing Rules
<b>Australia</b>	The Commonwealth of Australia
<b>Board</b>	the board of directors of the Company
<b>Board Charter</b>	the board charter of the Company
<b>BOC</b>	Bank of China Limited
<b>BOC Sydney</b>	Bank of China Limited, Sydney Branch
<b>BOCOM</b>	Bank of Communications Limited
<b>CCB</b>	China Construction Bank (Asia) Corporation Limited
<b>CDB</b>	China Development Bank
<b>CEO</b>	Chief Executive Officer
<b>China</b>	has the same meaning as PRC
<b>CMC</b>	China Minmetals Corporation, a state-owned enterprise incorporated under the laws of the PRC
<b>CMC Group</b>	CMC and its subsidiaries
<b>CMCL</b>	China Minmetals Corporation Limited, a subsidiary of CMC
<b>CMN</b>	China Minmetals Non-ferrous Metals Co., Ltd, a subsidiary of CMC
<b>CMNH</b>	China Minmetals Non-ferrous Metals Holding Co., Ltd, a subsidiary of CMC
<b>CNIC</b>	CNIC Corporation Limited, a company incorporated in Hong Kong
<b>Comor Holdings</b>	Comor Holdings Corporation Limited, a wholly owned subsidiary of CNIC Corporation Limited
<b>Companies Ordinance</b>	The Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
<b>Company</b>	MMG Limited, a company incorporated in Hong Kong, the securities of which are listed and traded on the Main Board of the Stock Exchange
<b>Director(s)</b>	the director(s) of the Company
<b>DRC</b>	Democratic Republic of Congo
<b>EBIT</b>	earnings before interest (net finance costs) and income tax
<b>EBITDA</b>	earnings before interest (net finance costs), income tax, depreciation, amortisation and impairment expense
<b>EBITDA margin</b>	EBITDA divided by revenue
<b>Executive Committee</b>	the executive committee of the Group, which consists of all Executive Directors of the Company, Chief Executive Officer, Chief Financial Officer, Executive General Manager – Corporate Relations, Executive General Manager – Operations, Executive General Manager – Americas and Interim Executive General Manager – Commercial and Development
<b>EXIM Bank</b>	The Export-Import Bank of China

# Glossary

## Continued

<b>Group</b>	the Company and its subsidiaries
<b>HK\$</b>	Hong Kong dollar, the lawful currency of Hong Kong
<b>HKFRS</b>	Hong Kong Financial Reporting Standards, which include all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standard (HKAS) and interpretations issued by the Hong Kong Institute of Certified Public Accountants (HKICPA)
<b>Hong Kong</b>	the Hong Kong Special Administrative Region of the People's Republic of China
<b>Hong Kong Stock Exchange</b>	(please refer to the definition of 'Stock Exchange')
<b>ICBC Luxembourg</b>	Industrial and Commercial Bank of China Limited, Luxembourg Branch
<b>ICBC Panama</b>	Industrial and Commercial Bank of China Limited, Panama Branch
<b>KEP</b>	Kinsevere Expansion Project
<b>Khoemacau Joint Venture Group</b>	MMG Africa Resources Company Limited and its subsidiaries
<b>Las Bambas Joint Venture Group</b>	MMG South America Management Company Limited (also referred to as MMG SAM), and its subsidiaries
<b>Listing Rules</b>	the Rules Governing the Listing of Securities on the Stock Exchange
<b>LME</b>	London Metal Exchange
<b>Minmetals HK</b>	China Minmetals H.K. (Holdings) Limited, a wholly owned subsidiary of CMC
<b>MLB</b>	Minera Las Bambas S.A., a non-wholly owned subsidiary of MMG and the owner of the Las Bambas mine
<b>MMG or MMG Limited</b>	has the same meaning as the Company
<b>MMG Finance</b>	MMG Finance Limited, a wholly owned subsidiary of the Company
<b>MMG SA</b>	MMG South America Company Limited, a wholly owned subsidiary of the Company
<b>MMG SAM</b>	MMG South America Management Company Limited, a non-wholly owned subsidiary of the Company
<b>Model Code</b>	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules
<b>PRC</b>	the People's Republic of China excluding, for the purpose of this document only, Hong Kong, the Macao Special Administrative Region of the People's Republic of China and Taiwan, unless the context requires otherwise
<b>SFO</b>	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
<b>Share(s)</b>	fully paid ordinary share(s) of the Company
<b>Shareholder(s)</b>	the shareholder(s) of the Company
<b>SHEC</b>	Safety, Health, Environment and Community
<b>Stock Exchange</b>	The Stock Exchange of Hong Kong Limited



# Glossary

## Continued

<b>SSA</b>	the subscription and shareholders' agreement entered into between the Group and CNIC in connection with the subscribed shares in MMG Africa Resources Company Limited on 30 May 2024
<b>SUNAT</b>	National Superintendence of Tax Administration of Peru
<b>Top Create</b>	Top Create Resources Limited, a wholly owned subsidiary of CMN
<b>TSF</b>	Tailings Storage Facilities
<b>US\$</b>	United States dollar, the lawful currency of the United States of America
<b>VAT</b>	value added tax

# Corporate Information

## Board of Directors

### Chairman

XU Jiqing  
(Non-executive Director)

### Executive Director

CAO Liang  
(Chief Executive Officer)

### Non-executive Director

ZHANG Shuqiang

### Independent Non-executive Directors

Peter CASSIDY  
LEUNG Cheuk Yan  
CHAN Ka Keung, Peter  
CHEN Ying

## Audit and Risk Management Committee

### Chairman

CHAN Ka Keung, Peter

### Members

ZHANG Shuqiang  
XU Jiqing  
Peter CASSIDY  
LEUNG Cheuk Yan  
CHEN Ying

## Governance, Remuneration, Nomination and Sustainability Committee

### Chairman

Peter CASSIDY

### Members

XU Jiqing  
LEUNG Cheuk Yan  
CHAN Ka Keung, Peter  
CHEN Ying

## Disclosure Committee

### Members

CAO Liang  
QIAN Song  
Troy HEY  
Nicholas MYERS  
WONG Lok Wun, Anfield

## General Counsel

Nicholas MYERS

## Company Secretary

WONG Lok Wun, Anfield

## Legal Adviser

Linklaters, Hong Kong

## Auditor

Deloitte Touche Tohmatsu  
*Registered Public Interest  
Entity Auditor*

## Share Registrar

Computershare Hong Kong  
Investor Services Limited  
17th Floor Hopewell Centre  
183 Queen's Road East, Wanchai  
Hong Kong

## Principal Bankers

China Development Bank  
Industrial and Commercial Bank  
of China Limited  
Bank of China Limited  
The Export-Import Bank of China  
Bank of America Merrill Lynch Limited  
Australia and New Zealand Banking  
Group Limited  
Banco Bilbao Vizcaya Argentaria, S.A.

## Investor and Media Enquiries

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## Registered Office

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## Office and Principal Place of Business

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## Website

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## Share Listing

The Stock Exchange of  
Hong Kong Limited  
Stock Code: 1208

## Additional Shareholder Information

The Chinese version of the Interim Report is prepared based on the English version. If there is any inconsistency between the English and Chinese versions of this Interim Report, the English text shall prevail to the extent of the inconsistency.

