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**MMG LIMITED**  
**五礦資源有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(STOCK CODE: 1208)**

**FURTHER ANNOUNCEMENT  
DISCLOSEABLE TRANSACTION  
ACQUISITION OF ANGLO AMERICAN NICKEL BUSINESS IN BRAZIL**

Reference is made to the announcement of MMG Limited (Company) dated 18 February 2025 (Announcement) in relation to the acquisition of the Target Business, which represents the Anglo American nickel business in Brazil, and more specifically comprises the Target Group and the Nickel Sales Function. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

As disclosed in the Announcement, in determining the Consideration, the Company made references to, among other things, an in-house valuation of the Target Group's operating assets based on a discounted cash flow valuation of the Target Group's operating assets (DCF Valuation) as at the valuation reference date of 31 December 2024. The DCF Valuation constitutes a profit forecast under Rule 14.61 of the Listing Rules. This announcement is made for the purpose of Rule 14.60A of the Listing Rules and supplements further information to the Announcement.

For the purpose of Rule 14.60A(1) of the Listing Rules and to provide further elaboration on certain assumptions of the DCF Valuation disclosed in the Announcement, set out below are details of the principal assumptions (Assumptions), including commercial assumptions, upon which the DCF Valuation of the operating assets in the Target Group were based:

- (i) General assumptions:
  - (a) the Target Group operates continuously as a going concern;
  - (b) there is no material change to the political, economic and social environment of the state and region in which the Target Group is located;

- (c) there is no material change to the national macro-economic, industrial and regulation development policies;
- (d) there is no material change to the relevant tax base and tax rates after the Valuation Reference Date;
- (e) the management of the Target Group is responsible and stable, and is capable of its undertakings after the Valuation Reference Date;
- (f) the Target Group fully complies with all relevant laws and regulations; and
- (g) there is no force majeure event which would have a material adverse impact on the Target Group.

(ii) Specific assumption:

The Target Group will maintain the same business scope and operation method based on the existing management method and management levels after the Valuation Reference Date.

(iii) Quantitative assumptions:

- (a) a mine life of 18 years;
- (b) mill throughput averages approximately 2.5 Mtpa for Barro Alto and 0.6 Mtpa for Codemin for the full mine life;
- (c) nickel grade weighted averages of approximately 1.33% for Barro Alto and Codemin for the full mine life;
- (d) nickel recovery averages approximately 88% and 90% for Barro Alto and Codemin for the full mine life, respectively; and
- (e) nickel production averages approximately 36 ktpa to 40 ktpa for Barro Alto and Codemin combined for the first 11 years of the mine life.<sup>Note 1</sup>

(iv) Profit forecast:

Average annual EBITDA of approximately US\$110 million per annum for Barro Alto and Codemin until the end of the mine life.<sup>Note 2</sup>

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Notes:

- <sup>1</sup> Average life of mine nickel production of 37kt, excluding the final forecast year of the mine life, which only factors in a part year of production before transitioning to closure activities. In the final forecast year of the mine life, the nickel production is 10kt.
- <sup>2</sup> This average annual EBITDA forecast excludes the final year of the mine life, which only factors in a part year of production and earnings before transitioning to closure activities. Including the final year of the mine life results in an average annual EBITDA of US\$103 million.

The Board has reviewed the Assumptions, and is of the view that the profit forecast was made after due and careful enquiry. Deloitte Touche Tohmatsu, the reporting accountant of the Company, has performed an assurance engagement on the profit forecast. The discounted future cash flows do not involve the adoption of accounting policies. Pursuant to Rules 14.60A(2)-(3) of the Listing Rules, the letters from Deloitte Touche Tohmatsu and the Board are included in Appendix I and Appendix II, respectively, to this announcement.

Set forth below is the qualifications of Deloitte Touche Tohmatsu:

<b>Name</b>	<b>Qualifications</b>
Deloitte Touche Tohmatsu	Certified Public Accountants

As at the date of this announcement, Deloitte Touche Tohmatsu has given and has not withdrawn its written consent to the publication of this announcement with inclusion of its report/letter and all references to its name (including its qualification) in the form and context in which they are included.

As of the date of this announcement, Deloitte Touche Tohmatsu does not have any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate person(s) to subscribe for securities in any member of the Group.

**As Closing is subject to the fulfilment (or waiver, where applicable) of the Conditions under the Agreement, the Acquisition may or may not proceed to Closing. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.**

By order of the Board  
**MMG Limited**  
**Cao Liang**  
*CEO and Executive Director*

Hong Kong, 11 March 2025

*As at the date of this announcement, the Board comprises seven directors, of which one is an executive director, namely Mr Cao Liang; two are non-executive directors, namely Mr Xu Jiqing (Chairman) and Mr Zhang Shuqiang; and four are independent non-executive directors, namely Dr Peter William Cassidy, Mr Leung Cheuk Yan, Mr Chan Ka Keung, Peter and Ms Chen Ying.*

## Appendix I

*The following is the text of the report dated 11 March 2025 from the Reporting Accountants, prepared for inclusion in this announcement.*

### **INDEPENDENT ASSURANCE REPORT ON THE CALCULATIONS OF DISCOUNTED FUTURE ESTIMATED CASH FLOWS IN CONNECTION WITH THE VALUATION OF ENTIRE ISSUED SHARE CAPITAL OF ANGLO AMERICAN NÍQUEL BRASIL LTDA.**

#### **TO THE BOARD OF DIRECTORS OF MMG LIMITED**

We have examined the calculations of the discounted future estimated cash flows on which the valuation prepared by the board of directors of MMG Limited (the "Company") dated 23 January 2025, of the entire issued share capital of Anglo American Níquel Brasil Ltda. (the "Target Company") as at 31 December 2024 (the "Valuation") is based. The Target Company is a company incorporated in Brazil whose principal assets are the Barro Alto and Codemin nickel mines. The Valuation based on the discounted future estimated cash flows is regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and will be included in an announcement dated 11 March 2025 to be issued by the Company in connection with the acquisition of the entire issued share capital of the Target Company (the "Announcement").

#### **Directors' Responsibility for the Discounted Future Estimated Cash Flows**

The directors of the Company are responsible for the preparation of the discounted future estimated cash flows in accordance with the bases and assumptions determined by the directors and set out in the Announcement (the "Assumptions"). This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future estimated cash flows for the Valuation and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

#### **Our Independence and Quality Management**

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1 "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**INDEPENDENT ASSURANCE REPORT ON THE CALCULATIONS OF DISCOUNTED FUTURE ESTIMATED CASH FLOWS IN CONNECTION WITH THE VALUATION OF ENTIRE ISSUED SHARE CAPITAL OF ANGLO AMERICAN NÍQUEL BRASIL LTDA. - continued**

**TO THE BOARD OF DIRECTORS OF MMG LIMITED - continued**

**Reporting Accountants' Responsibility**

Our responsibility is to express an opinion on whether the calculations of the discounted future estimated cash flows have been properly compiled, in all material respects, in accordance with the Assumptions on which the Valuation is based and to report solely to you, as a body, as required by Rule 14.60A(2) of the Listing Rules, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Our engagement was conducted in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the HKICPA. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain reasonable assurance on whether the discounted future estimated cash flows, so far as the calculations are concerned, have been properly compiled, in all material respects, in accordance with the Assumptions. Our work was limited primarily to making inquiries of the Company's management, considering the analyses and assumptions on which the discounted future estimated cash flows are based and checking the arithmetic accuracy of the compilation of the discounted future estimated cash flows. Our work does not constitute any valuation of the Target Company.

Because the Valuation relates to discounted future estimated cash flows, no accounting policies of the Company have been adopted in its preparation. The Assumptions include hypothetical assumptions about future events and management actions which cannot be confirmed and verified in the same way as past results and these may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Valuation and the variation may be material. Accordingly, we have not reviewed, considered or conducted any work on the reasonableness and the validity of the Assumptions and do not express any opinion whatsoever thereon.

**Opinion**

Based on the foregoing, in our opinion, the discounted future estimated cash flows, so far as the calculations are concerned, have been properly compiled, in all material respects, in accordance with the Assumptions.

**Deloitte Touche Tohmatsu**  
Certified Public Accountants  
Hong Kong  
11 March 2025

## **Appendix II**

*The following is the text of the letter dated 11 March 2025 from the Board prepared for inclusion in this announcement.*

11 March 2025

To: The Listing Division  
The Stock Exchange of Hong Kong Limited  
12th Floor  
Two Exchange Square  
8 Connaught Place  
Central, Hong Kong

Dear Sirs,

### **Re: Discloseable Transaction – Acquisition of Anglo American Nickel Business in Brazil**

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The board of directors of the Company (Board) has (i) reviewed the basis and the Assumptions of the DCF Valuation; (ii) reviewed the reports to the Board from management regarding the calculations of the DCF Valuation; (iii) reviewed the relevant work conducted by management in relation to DCF Valuation and the historical performance of the Target Group; and (iv) considered the report from the Company's reporting accountant, Deloitte Touche Tohmatsu, regarding the calculations of the DCF Valuation.

Based on the above, the Board confirms that the profit forecast in the aforesaid DCF Valuation has been made after due and careful enquiry.

The Board of Directors  
**MMG LIMITED**