

MEDIA RELEASE:

MMG delivers record production in the fourth quarter

31 January 2013

MMG reported solid results for the fourth quarter 2012 with three of the Company's five operations achieving quarterly production records.

"Strong production results in the fourth quarter 2012 were driven by improved operating efficiencies and excellent throughput rates," said MMG CEO Andrew Michelmore.

"Another set of record quarterly production results demonstrates our commitment to extracting maximum value from our assets," he said.

MMG produced a total of 152,336 tonnes of copper in 2012, a 49% increase from 2011, driven by the consistent strong performance at Sepon and the ramp up of Kinsevere.

Sepon achieved both an MMG quarterly production record of 23,459 tonnes of copper cathode and annual production record of 86,295 tonnes, 9% above total 2011 production. Sepon is now consistently operating above the original design nameplate capacity of 80,000 tonnes of copper cathode, driven by process plant improvements.

Kinsevere also achieved an MMG quarterly production record of 12,210 tonnes, a 9% increase on the previous quarter. The operation successfully attained nameplate capacity on an annualised basis during the month of December, the result of continuous ramp up enabled by a consistent power supply.

"We are pleased to report that total production since acquiring Kinsevere was 36,048 tonnes, exceeding guidance," said Mr Michelmore.

"This is a great result following integration of the Kinsevere operation into our portfolio in early 2012. We will focus on sustaining original design nameplate capacity and identifying further improvements in plant performance in 2013," he said.

Golden Grove achieved a 52% increase in copper production in the fourth quarter 2012 compared with the previous quarter due to a focus on copper ore. As planned, Golden Grove did not mine any zinc in the fourth quarter and annual zinc production of 37,419 tonnes was within guidance of 37,000 – 38,000 tonnes of zinc in zinc concentrate.

MMG produced a total of 622,536 tonnes of zinc in 2012, 4% below 2011 mainly due to lower planned zinc production at Golden Grove.

Following plant alterations to increase mill throughput capacity, Century achieved an MMG quarterly production record of 152,684 tonnes of zinc in zinc concentrate. Full year production of 514,707 tonnes of zinc was also a record, representing a 4% increase on the previous year.

At Rosebery, production of all products in the fourth quarter 2012 was higher than the previous quarter when mining activity was temporarily restricted due to a seismic event at the mine. Normal production resumed near the end of the third quarter 2012 following rehabilitation work and an upgrade of the previous ground support regime at the underground mine.

Overall, production performance for the quarter delivered, and in most cases slightly exceeded, market guidance with C1 cost management largely tracking to guidance.

MMG expects to further increase total copper production by at least 15% to be in the range of 175,000 – 190,000 tonnes in 2013.

MMG expects lower total zinc production in 2013 as mining starts to progress through the final stages at Century.

Development projects

During the fourth quarter 2012, the MMG Board endorsed the development and construction of the Dugald River project in Queensland, Australia, subject to the finalisation of financing.

“The Dugald River project is a significant investment for MMG and one which demonstrates our confidence in the long-term outlook for zinc,” said Mr Michelmore.

The Izok Corridor project feasibility study continued during the fourth quarter 2012 with the conclusion expected in the second half of 2013. The public comment period following the submission of the Izok Corridor Project Proposal to the Nunavut Impact Review Board (NIRB) closed in December 2012.

For further information please refer to the full MMG Limited Fourth Quarter Production Report 2012.

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