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MMG LIMITED
五礦資源有限公司

(Incorporated in Hong Kong with limited liability)
(STOCK CODE: 1208)

ANNOUNCEMENT
RELATING TO RULE 13.18 OF THE LISTING RULES

This announcement is made pursuant to Rule 13.18 of the Listing Rules.

The board of directors of the Company (Board) announces certain details relating to the following facilities:

- (i) US\$969,000,000 Acquisition Facility; and
- (ii) US\$5,988,000,000 Project Facility,

between Minera Las Bambas S.A.C, China Development Bank (CDB), Industrial and Commercial Bank of China Limited (ICBC), Bank of China Limited (BOC) and The Export-Import Bank of China (EXIM).

INTRODUCTION

This announcement is made pursuant to Rule 13.18 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (Listing Rules).

Reference is made to the circular of MMG Limited (Company) dated 30 June 2014 (Circular) in relation to, among other things, the proposed acquisition of the entire issued share capital of Xstrata Peru S.A. (Acquisition). Unless otherwise specified, capitalised terms defined in the Circular shall have the same meanings when used in this announcement.

It was disclosed in the Circular that the Purchasers will finance the Share Consideration and the amount to be lent to the Project Company to repay the Intragroup Loans by a combination by internal resources and external bank financing.

The Board is pleased to announce that on 14 July 2014, Minera Las Bambas S.A.C. (Borrower), being one of the Purchasers, entered into agreements with CDB (as the mandated lead arranger), ICBC (as the joint lead arranger), and BOC and EXIM (each as an arranger), pursuant to which the following facilities (Facilities) will be provided to the Borrower as further described below.

FACILITIES

Acquisition Facility

Purpose:	To finance part of the Share Consideration
Commitment amount:	US\$969,000,000
Interest rate:	All-inclusive interest rate of 6 months US dollar LIBOR plus a margin not exceeding 350 basis points per annum
Term:	7 years
Lenders:	CDB, ICBC, BOC and EXIM

Project Facility

Purpose:	To finance the repayment of the Intragroup Loans and part of ongoing capital requirements of the Las Bambas Project
Commitment amount:	US\$5,988,000,000
Interest rate:	All-inclusive interest rate of 6 months US dollar LIBOR plus a margin not exceeding 365 basis points per annum
Term:	18 years
Lenders:	CDB, ICBC, BOC and EXIM

The costs of the Facilities are inclusive of aggregate upfront costs in connection with entering into the Facilities of approximately 1.2% of the total amount of the Facilities.

Other features of the Facilities include:

- repayments in respect of each of the Acquisition Facility and the Project Facility will not commence until a date which is three (3) years after the first drawdown under such facility; and

- typical lender controls with reserve accounts, restrictions on equity distributions and mandatory debt service requirements which are consistent with market conventions.

Each Facility has a gearing ratio limit, with the limit of the combined gearing ratio (debt divided by debt plus equity) of the Acquisition Facility and the Project Facility approximately 66%.

Before Completion of the Acquisition, the Borrower will enter into a Bank Guarantee Facility with ICBC as issuing bank for the bonding and security requirements for the benefit of the Las Bambas Project.

Subject to applicable laws and regulations, the Facilities (including the Bank Guarantee Facility) will be secured, among other things, by charges over the assets of the Las Bambas Project and the JV Company and charges over the shares of members of the JV Group.

The Facilities (including the Bank Guarantee Facility) will also benefit from the following guarantees from the members of the JV Group (which will, after Completion of the Acquisition, include the Target Group) and parent guarantees. The parent guarantees have been given on a several basis, by China Minmetals Non-ferrous Metals Holding Company Limited (CMNH), Guoxin International Investment Corporation Limited (GXIIIC) and CITIC Limited (the parent company of CITIC Metal Co Ltd) in proportion to the respective shareholdings to be held by MMG South America Company Limited (MMG SA), Elion Holdings Corporation Limited (Elion Holdings) and CITIC Metal Peru Investments Company Limited (nominee of CITIC Metal Co Ltd) (CITIC) in the JV Company. China Minmetals Corporation Limited (CMCL) will also contribute to the guarantee of the Project Facility in respect of the shareholding held by MMG SA.

The guarantees will remain in place, in respect of the Acquisition Facility for the term of the facility, and in respect of the Project Facility and the Bank Guarantee Facility, for the term of the facility until certain conditions are met following commencement of production at the Las Bambas Project. The Company will pay a market guarantee fee to CMNH and CMCL in consideration for the provision of the guarantees for the benefit of MMG SA.

SPECIFIC PERFORMANCE OBLIGATIONS ON CONTROLLING SHAREHOLDERS

CMNH and/or CMCL have provided the following undertakings, among others, with respect to the Facilities, the breach of any of which, subject to the relevant remedy period set out in the facility agreements, will entitle the lenders to declare all outstanding amounts under those facilities immediately due and payable:

- unless otherwise permitted under the Facilities, CMNH shall ensure that the JV Company is its direct or indirect subsidiary, shall ensure that it is entitled to exercise or control the exercise of 51% or more of the voting power at general meetings of the Company and will ensure that the shares held by MMG in MMG SA shall not be transferred to any other person or subject to any security;
- CMNH shall facilitate the funding of project cost overruns, if required;
- CMNH/CMCL shall provide to the Lenders certain information and notifications, including those as may be reasonably requested by the Lenders;

- CMNH/CMCL shall be subject to a number of restrictions and consent requirements in relation to the transfer of operating assets or any merger, demerger, solvent restructuring or other major change in its equity structure; and
- CMNH/CMCL shall obtain the prior written consent of the Lenders in respect of guarantees or loans to be provided to third parties which exceed certain limits.

By order of the Board
MMG Limited
Andrew Gordon Michelmore
CEO and Executive Director

Hong Kong, 15 July 2014

As at the date of this announcement, the Board comprises nine directors, of which three are executive directors, namely Mr Andrew Gordon Michelmore, Mr David Mark Lamont and Mr Xu Jiqing; three are non-executive directors, namely Mr Wang Lixin (Chairman), Mr Jiao Jian and Mr Gao Xiaoyu; and three are independent non-executive directors, namely Dr Peter William Cassidy, Mr Anthony Charles Larkin and Mr Leung Cheuk Yan.