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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 PURSUANT TO RULE 13.09 OF THE LISTING RULES NON-CASH IMPAIRMENT RESULTING IN A PROFIT WARNING

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (Listing Rules) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (Board) of MMG Limited (Company) announces that, in association with the preparation of the Company's 31 December 2015 financial statements, a review of the recoverable amount of certain exploration and development projects and goodwill associated with acquisitions is currently under way.

The review has revealed that several impairment indicators have occurred during 2015, including significant declines in zinc, lead and copper spot prices, changes to development plans, production profiles and acquisition goodwill. This is likely to result in changes to the fair value less cost to sell of each of the Dugald River and Izok Corridor Development Projects, the Kinsevere Mutoshi Swap exploration tenements and the Kinsevere Operation.

The Board is of the opinion that it is likely that an impairment expense in the range of US\$640 million to US\$800 million will be recognised in the Company's 31 December 2015 financial statements (Impairment).

The Board wishes to emphasise that the Impairment is an accounting related adjustment and a non-cash item and it will therefore not have any impact on the cash flow of the Company.

Based upon the information currently available to the Board, the Impairment is likely to have a significant impact upon the profit of the Company for the year ending 31 December 2015, as compared with the year ended 31 December 2014 for which no impairment was incurred.

The information contained in this announcement has not been audited or reviewed by the Company's auditor. The Company will disclose further details of its financial performance when the financial results for the year ending 31 December 2015 are announced.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board

MMG Limited

Andrew Gordon Michelmore

CEO and Executive Director

Hong Kong, 8 December 2015

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; two are non-executive directors, namely, Mr Jiao Jian (Chairman) and Mr Gao Xiaoyu; and four are independent non-executive directors, namely Dr Peter William Cassidy, Mr Leung Cheuk Yan, Ms Jennifer Anne Seabrook and Professor Pei Ker Wei.