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**MMG LIMITED**  
**五礦資源有限公司**

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

## SECOND QUARTER PRODUCTION REPORT FOR THE THREE MONTHS ENDED 30 JUNE 2013

The board of directors (Board) of MMG Limited (Company) is pleased to provide the Second Quarter Production Report for the three months ended 30 June 2013.

The report is annexed to this announcement.

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

Hong Kong, 22 July 2013

*As at the date of this announcement, the Board comprises nine directors, of which three are executive directors, namely Mr. Andrew Gordon Michelmore and 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.*



# SECOND QUARTER PRODUCTION REPORT

FOR THE THREE MONTHS ENDED 30 JUNE 2013

	2Q 13	2Q 13 vs 2Q 12	2Q 13 vs 1Q 13	1H 13	1H 13 vs 1H 12
<b>COPPER CATHODE (tonnes)</b>					
Kinsevere <sup>1</sup>	15,858	56%	14%	29,768	135%
Sepon	22,851	6%	12%	43,331	5%
<b>Total</b>	<b>38,709</b>	<b>22%</b>	<b>13%</b>	<b>73,099</b>	<b>35%</b>
<b>COPPER (contained metal in concentrate, tonnes)</b>					
Golden Grove	7,586	26%	-4%	15,483	29%
Rosebery	406	4%	64%	653	-25%
<b>Total</b>	<b>7,992</b>	<b>24%</b>	<b>-2%</b>	<b>16,136</b>	<b>25%</b>
<b>ZINC (contained metal in concentrate, tonnes)</b>					
Century	127,979	-9%	22%	233,258	-15%
Golden Grove	4,755	-64%	53%	7,858	-67%
Rosebery	20,838	16%	10%	39,852	10%
<b>Total</b>	<b>153,572</b>	<b>-11%</b>	<b>21%</b>	<b>280,968</b>	<b>-16%</b>
<b>GOLD (ounces)</b>					
Rosebery	1,012	-33%	-23%	2,330	-55%
Sepon	11,301	-38%	25%	20,369	-58%
<b>Total</b>	<b>12,313</b>	<b>-37%</b>	<b>19%</b>	<b>22,699</b>	<b>-58%</b>
<b>LEAD (contained metal in concentrate, tonnes)</b>					
Century	14,551	96%	210%	19,241	66%
Golden Grove (HPM)	771	-61%	180%	1,046	-70%
Rosebery	5,799	22%	8%	11,191	10%
<b>Total</b>	<b>21,121</b>	<b>49%</b>	<b>104%</b>	<b>31,478</b>	<b>25%</b>

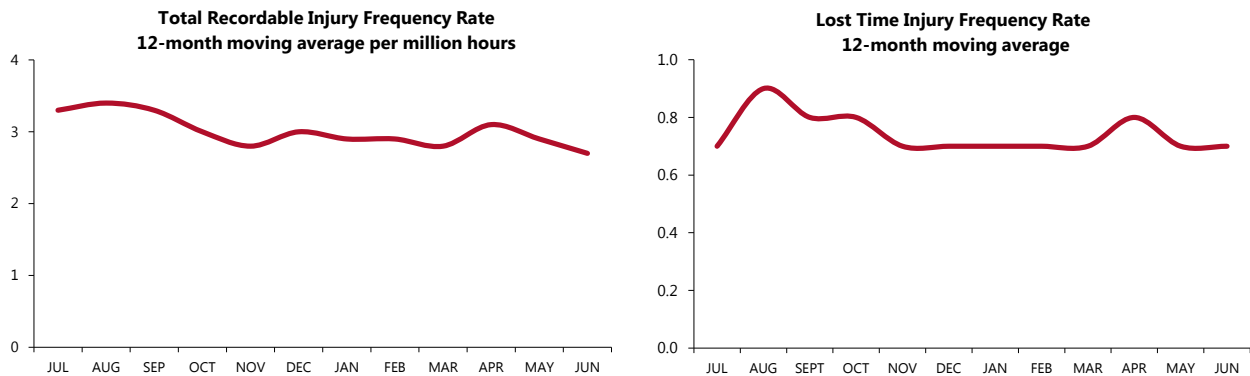
(1) MMG acquired Kinsevere following the acquisition of Anvil Mining Limited. Production for the first half 2012 is shown from 1 March 2012.

## KEY POINTS

- A tragic incident occurred on 27 June 2013 when an employee was fatally injured after being struck in the head by a tree branch while conducting land clearance work at Sepon.
- MMG remains on track to deliver annual guidance of 170,000 – 185,000 tonnes of copper and 572,000 – 590,000 tonnes of zinc in 2013.
- Total copper production of 89,235 tonnes in the first half 2013 was 33% higher than the first half 2012 and 10% higher than the previous quarter due to productivity improvements at Sepon, the ramp-up of Kinsevere and the commissioning of the copper oxide open pit at Golden Grove.
- A quarterly production record was achieved at Kinsevere with second quarter production of 15,858 tonnes of copper cathode exceeding nameplate capacity on an annualised basis.

- Total zinc production in the first half 2013 was 16% lower than 2012 due to lower grade at Century, partially offset by a strong performance at Rosebery.
- Total lead production was higher than all comparable periods due to favourable grade and throughput at Century and Rosebery in favourable market conditions.
- Dugald River project financing was completed with the Company entering into a facility agreement of up to US\$1 billion to finance the development and construction of the project.

## SAFETY AND HEALTH



A tragic incident occurred on 27 June 2013 at our Sepon operation in Laos. An employee was fatally injured after being struck in the head by a tree branch whilst conducting land clearance work at Sepon. A thorough investigation has been conducted including an independent review.

In the second quarter 2013 there were 19 recordable injuries resulting in a 12-month moving average (mma) total recordable injury frequency rate (TRIFR) of 2.7. The 12mma lost time injury frequency rate for the second quarter was 0.7 with four lost time injuries reported.

## ENVIRONMENT

There were three environmental licence exceedences at Avebury in the second quarter with formalisation of the renegotiated Avebury Environmental Protection Notice water discharge conditions continuing. The Environmental Protection Authority (EPA) has accepted the new discharge conditions in principle, however formal notification is still pending. MMG has received formal notification from the EPA recognising that the discharges relating to the licence exceedences are not causing additional harm to the receiving environment.

## COMMODITY PRICES, MARKETING AND SALES

LME cash price	Quarter – average			Quarter – close		
	2Q 13	1Q 13	2Q 12	2Q 13	1Q 13	2Q 12
Copper (US\$/t)	7,145	7,931	7,870	6,751	7,582	7,605
Gold (US\$/oz)	1,415	1,632	1,610	1,198	1,600	1,584
Lead (US\$/t)	2,055	2,301	1,975	2,058	2,094	1,796
Silver (US\$/oz)	23.10	30.11	29.45	18.86	28.64	27.08
Zinc (US\$/t)	1,840	2,033	1,930	1,823	1,870	1,843

Base metal prices were generally lower in the second quarter 2013 due to concerns over the impact and timing of US economic stimulus withdrawal combined with expectations of lower Chinese economic growth under new leadership.

Copper cathode demand from China remained firm in the second quarter with a number of unforeseen events impacting global supply. As a consequence, Chinese bonded warehouse stocks have fallen by half since the start of the year to around 400,000 tonnes at the end of June and premiums for imported cathode approaching US\$200/tonne, a level not seen since 2009.

Chinese demand for copper concentrates has also been firm this year, with imports for the first five months increasing 30% compared to the previous year. During the second quarter mine supply disruptions forced spot market TCRCs well below annual contract levels.

Zinc and lead have shown more price resilience than other metals as over the long term, market fundamentals continue to indicate improving demand due to improved global economic conditions and continuing supply challenges resulting from resource depletion. China's zinc concentrate imports this year have been in line with 2012 however spot market treatment charges remain well below 2013 contract levels.

Chinese demand for imported lead concentrates has been impacted by an adverse price arbitrage however, the global market has been firm, enabling mines to negotiate improved terms for 2013 contracts.

### PROVISIONAL PRICING

The following table provides a summary of the contained metal that was sold but provisionally priced at the end of the second quarter 2013 and the month that final average pricing will occur.

Open pricing at 30 June 2013	Jul 2013	Aug 2013	Sep 2013	Total
Copper (tonnes cathode and copper contained in concentrate)	8,880	5,395	-	14,275
Gold (payable ounces in concentrate)	5,290	580	-	5,870
Lead (tonnes)	6,600	2,430	-	9,030
Silver (ounces)	448,165	368,270	-	816,435
Zinc (tonnes)	25,300	48,880	-	74,180

# OPERATIONS

## SEPON

	<b>2Q 13</b>	<b>2Q 13 vs 2Q 12</b>	<b>2Q 13 vs 1Q 13</b>	<b>1H 13</b>	<b>1H 13 vs 1H 12</b>
Copper cathode (tonnes)	22,851	6%	12%	43,331	5%
Gold (ounces)	11,301	-38%	25%	20,369	-58%

Sepon copper production was higher than all comparable periods due to continuing productivity improvements following the transition to an owner operated mine. All mining activity at Sepon is now undertaken by MMG employees enabling the Company to efficiently and directly manage safety, volume and costs. Sepon exceeded designed nameplate capacity for the fifth consecutive quarter achieving year-to-date records in copper production and sales in 2013. A major scheduled shutdown of the copper processing plant occurred in the previous quarter.

Actual C1 costs for the first half 2013 were US\$0.97/lb and MMG maintains annual copper guidance expecting to produce 83,000–88,000 tonnes of copper cathode at a C1 cost of US\$0.95–US\$1.05/lb .

Higher than expected gold production costs in the first half due to ore availability and grade resulted in actual C1 costs of US\$1,880/oz for gold. While second half C1 costs are expected to be within original annual guidance, MMG has revised annual C1 cost guidance to be US\$1,475 – US\$1,625/oz. A significant portion of gold production costs are fixed and not dependent on production volumes. Annual production guidance has also been revised and Sepon now expects to produce 40,000 – 50,000 ounces of gold in 2013.

## KINSEVERE

	<b>2Q 13</b>	<b>2Q 13 vs 2Q 12</b>	<b>2Q 13 vs 1Q 13</b>	<b>1H 13</b>	<b>1H 13 vs 1H 12</b>
Copper cathode (tonnes) <sup>1</sup>	15,858	56%	14%	29,768	135%

Copper cathode production was higher than all comparable periods due to higher throughput and a stable electricity supply enabled by the use of diesel generators. Production of 15,858 tonnes in the second quarter 2013 exceeded the original designed nameplate capacity of 60,000 tonnes on an annualised basis, highlighting efficiencies that have been identified since nameplate capacity was achieved in December 2012. Comparative production in the first half 2012 included only four months' production following the acquisition of Anvil Mining in February 2012.

Kinsevere power requirements continue to be sourced via the electricity grid, however additional power continues to be generated from diesel as required. In the first half 2013, approximately 54% of power requirements were met from electricity sourced via diesel generation.

Actual C1 costs for the first half 2013 were US\$1.60/lb.

MMG maintains annual guidance of 57,000–62,000 tonnes of copper cathode at a C1 cost of US\$1.40–US\$1.70/lb.

(1) MMG acquired Kinsevere following the acquisition of Anvil Mining Limited. Production for the first half 2012 is shown from 1 March 2012.

## CENTURY

	2Q 13	2Q 13 vs 2Q 12	2Q 13 vs 1Q 13	1H 13	1H 13 vs 1H 12
<b>Contained metal in concentrate</b>					
Zinc (tonnes)	127,979	-9%	22%	233,258	-15%
Lead (tonnes)	14,551	96%	210%	19,241	66%

Century continued to progress through the final stages of the mine plan in the second quarter 2013. Despite a 27% increase in the quantity of ore mined when compared to the first half 2012, zinc in zinc concentrate production was 15% lower over the same comparative period mainly due to lower grade. Average mining grade in the first half 2013 was 8.2% compared to an average of 11.9% in the first half 2012. Ore accessibility and unfavourable mining conditions resulted in less ore from Stage 8 which is of higher grade than the ore sourced from Stage 10 of the open pit mine. Payable metal in product sold was 2% lower than the first half of 2012 as concentrate stockpiles are drawn down.

Quarterly and year-to-date records were achieved in both lead production and sales which is in accordance with the mine plan.

C1 costs have been adjusted to incorporate the adoption of Hong Kong (IFRIC) Interpretation 20 which relates to waste removal costs that are incurred in surface mining activity during the production phase of the mine. As a result, annual C1 cost guidance has been revised to US\$0.64–US\$0.68/lb. Actual C1 costs under IFRIC 20 for the first half 2013 were US\$0.68/lb. A further reconciliation of the adjustment can be found in the appendix of the report.

MMG maintains annual guidance of 480,000–490,000 tonnes of zinc in zinc concentrate and 38,000–42,000 tonnes of lead in lead concentrate.

## ROSEBERY

	2Q 13	2Q 13 vs 2Q 12	2Q 13 vs 1Q 13	1H 13	1H 13 vs 1H 12
<b>Contained metal in concentrate</b>					
Zinc (tonnes)	20,838	16%	10%	39,852	10%
Gold (ounces)	1,012	-33%	-23%	2,330	-55%
Lead (tonnes)	5,799	22%	8%	11,191	10%
Copper (tonnes)	406	4%	64%	653	-25%

Rosebery achieved year-to-date records in mining and milling in the first half 2013. Production of zinc and lead concentrate was higher than all comparative periods due to higher mining volumes, partially offset by lower grade and recovery. Despite higher production, timing of shipments resulted in lower sales volumes in both products when compared to the first half 2012.

Timing of shipments has also impacted by-product revenue in the first half 2013 which is used to calculate C1 costs. Actual C1 costs in the first half 2013 were US\$0.42/lb however, C1 cost guidance for the year has been maintained as this revenue will be realised in the second half of 2013.

MMG maintains annual guidance of 75,000–80,000 tonnes of zinc in zinc concentrate at a C1 cost of US\$0.25–US\$0.30/lb and also expects to produce 20,000–22,000 tonnes of lead in lead concentrate in 2013.

## GOLDEN GROVE

<b>Contained metal in concentrate</b>	<b>2Q 13</b>	<b>2Q 13 vs 2Q 12</b>	<b>2Q 13 vs 1Q 13</b>	<b>1H 13</b>	<b>1H 13 vs 1H 12</b>
Copper (tonnes)	7,586	26%	-4%	15,483	29%
Zinc (tonnes)	4,755	-64%	53%	7,858	-67%
Lead (HPM, tonnes)	771	-61%	180%	1,046	-70%

Mining activity at Golden Grove continued to focus on copper in the first half 2013 as ore continues to be sourced from the copper oxide open pit and from lower grade underground mining. Copper in copper concentrate production was 29% higher than the first half 2012 with payable metal shipments 13% higher over the same comparative period. The first shipment of copper concentrate from the recently commissioned copper oxide open pit also occurred in the quarter.

High Precious Metals (HPM) concentrate is sourced primarily from underground mining resulting in lower production and sales in the first half 2013.

Actual C1 costs were US\$3.12/lb for copper and US\$0.48/lb for zinc.

MMG maintains annual C1 cost guidance of US\$2.80–US\$3.10/lb for copper and US\$0.45–US\$0.55/lb for zinc and annual production guidance of 30,000–35,000 tonnes of copper in copper concentrate and 17,000–20,000 tonnes of zinc in zinc concentrate.

## DEVELOPMENT PROJECTS

### DUGALD RIVER

Dugald River is a long life, world class ore body with unique geological characteristics. With total underground development now in excess of 8,000 metres and underground drilling and geotechnical work well underway, complexities in the ore body have been identified prompting a review of the planned mining method, optimum production volumes and associated above ground processing facilities. This review is expected to be completed by the end of 2013.

Pre-approval project activity continues with development of the underground declines progressing ahead of schedule. MMG will trial ore processing by transporting Dugald River ore to MMG's Century's operation and will process approximately 100,000 tonnes of Dugald River ore in the fourth quarter 2013. Through a production scale processing test, MMG is able to optimise the mine plan and construction design of the Dugald River project.

The Board of MMG will consider the review and results from trial ore processing in making a final investment decision regarding the development of the Dugald River project.

A revised project plan may result in changes to the previously advised schedule and budget for the project.

## **IZOK CORRIDOR PROJECT**

During the quarter, the feasibility study continued with value engineering opportunities to more effectively develop the Izok and High Lake deposits. This included maximising the modularisation of process plant and infrastructure to reduce capital cost and modifying the mine schedule and production plan to optimise cash flow, operating expense and shipping costs.

# EXPLORATION

## **MINE DISTRICT EXPLORATION**

### **SEPON**

Exploration drilling defined sufficient oxide gold mineralisation at Discovery East and Phavat North to move to resource drilling. Primary gold drilling achieved some success at Ban Mai and Non-Nakachan and Discovery West. Highlights of primary gold results include 26m @ 5.5g/t Au from 441m from Discovery West and 40.2m @ 4.6g/t Au from 17.5m from Non-Nakachan. Preliminary primary copper exploration commenced as part of the S90 program.

### **GOLDEN GROVE**

Diamond drilling and downhole electromagnetic geophysical survey continued at the Southern Leases. Multiple narrow ore-grade intersections are being assessed for their potential to contribute to the resource inventory.

### **ROSEBERY**

While deep drilling from the surface at Lake Rosebery finished, underground drilling commenced targeting the new Marionoak mineralisation horizon below the Rosebery Fault. Four holes drilled at East Renison did not define a mineable resource.

### **KINSEVERE**

Kinsevere near mine exploration is under review, with focus on securing regional JV tenements within the same district.

## **NEW DISCOVERY PROGRAMS**

A number of geophysical surveys were carried out in Australia during the quarter. These included the completion of a 105-hole aircore drilling program at the Curnamona copper project in South Australia, followed by a planned 9,000m diamond drilling program. Tempest airborne electromagnetic survey was completed at the Victoria River zinc project in the Northern Territory. MMG entered into a new joint venture on the Batten Trough north of the McArthur River mine.

In North America, a regional exploration program consisting of ground geophysics and field reconnaissance commenced at Izok Corridor Project in Nunavut, Canada. Drilling on electromagnetic targets and parallel field reconnaissance commenced at the Nikolai nickel project in Alaska. Scout drilling was completed at Norcan and Seri copper projects in Mexico.

In Africa, surface geochemical exploration focused mainly on the Muinga and Muinga North copper projects near the Kinsevere operation in the DRC, and Yathu copper JV project and 100% MMG-owned tenements in Zambia.



# CORPORATE UPDATE

## **APPOINTMENT OF EXECUTIVE GENERAL MANAGER – STRATEGIC PLANNING**

MMG announced on 21 May 2013 the appointment of Mr Xu Jiqing to the role of Executive General Manager – Strategic Planning with immediate effect.

Based at the Company's head office in Melbourne, Jiqing assumes responsibility for Strategic Planning as a member of the Executive Committee reporting to Chief Executive Officer, Andrew Michelmore.

Jiqing was a non-executive director of MMG from May 2009 and has been re-designated as an executive member of the MMG Board. Jiqing has relocated with his family from Beijing to Melbourne to take up the role.

## **DUGALD RIVER PROJECT FINANCING COMPLETED**

MMG announced on 27 June 2013 it had entered into a facility agreement for an amount up to US\$1 billion to finance the development and construction of the Dugald River project.

Under this agreement, China Development Bank Corporation and Bank of China Limited, Sydney Branch will provide a debt facility of up to US\$1 billion for a term of 13 years. Repayment of the facility will commence three years after the drawdown date with interest only payable until this time.

MMG has negotiated competitive interest terms in the vicinity of 6 months US dollar LIBOR plus 3.5% to 3.9% inclusive of aggregate upfront costs relating to entering into the facility of approximately 1.3% of the total loan amount.

This completes the financing arrangements for the Dugald River.

## **CHANGE IN MAJORITY SHAREHOLDER INTEREST**

MMG was notified by its shareholder, Album Enterprises Limited (Album Enterprises), that it had acquired additional shares in the Company through on-market acquisitions in the second quarter 2013. As a consequence, Album Enterprises increased its total shareholding in MMG from 47.44% to 49.41%, as at 30 June 2013.

Album Enterprises is a wholly-owned subsidiary of China Minmetals Non-ferrous Metals Company Limited (CMN). CMN is currently an intermediate controlling shareholder of the Company through its ownership of Album Enterprises and Top Create Resources Limited (which holds an approximate 24.28% interest in the Company). CMN and the Company's ultimate controlling shareholder China Minmetals Corporation have therefore increased their indirect holding in the Company from approximately 71.72% to 73.69%.

# CORPORATE DETAILS

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## SHARE REGISTRY

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17th Floor, Hopewell Centre  
183 Queen's Road East  
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A teleconference will be held at 11:30 Hong Kong time / 13:30 AEST on Monday 22 July 2013 to review the report and offers an opportunity to ask questions.

For details please contact Investor Relations.

## INVESTOR RELATIONS

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## MMG LIMITED

### EXECUTIVE COMMITTEE

Andrew MICHELMORE, Chief Executive Officer and Executive Director

David LAMONT, Chief Financial Officer and Executive Director

Marcelo BASTOS, Chief Operating Officer

Michael NOSSAL, Executive General Manager Business Development

Steve RYAN, Executive General Manager Exploration

Tim SCULLY, Executive General Manager Business Support

XU Jiqing, Executive General Manager Strategic Planning and Executive Director

### IMPORTANT DATES

28 August 2013 – 2013 Interim Results

30 October 2013 – Third Quarter 2013 Production Report

29 January 2014 – Fourth Quarter 2013 Production Report

### STATEMENT OF COMPETENT PERSONS

Within this statement references to resources and exploration results have been approved for release by Mr S Ryan BSc (Hons), MAusIMM who is a competent person as defined by the JORC Code (2004). He has consented to the inclusion of the material in the form and context in which it appears.

## MEDIA RELATIONS

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Throughout this report figures in italics indicate that this figure has been adjusted since it was previously reported.

# APPENDIX

## GUIDANCE SUMMARY

	Current 2013 guidance	Previous 2013 guidance	2012 Actual
<b>SEPON</b>			
Copper – production	83,000 – 88,000 tonnes	83,000 – 88,000 tonnes	86,295 tonnes
Copper – C1 costs	US\$0.95 – US\$1.05 / lb	US\$0.95 – US\$1.05 / lb	US\$0.98 / lb
Gold – production	40,000 – 50,000 ounces	45,000 – 55,000 ounces	70,275 ounces
Gold – C1 costs	US\$1,475 – US\$1,625 / oz	US\$1,250 – US\$1,400 / oz	US\$944 / oz
<b>KINSEVERE</b>			
Copper – production	57,000 – 62,000 tonnes	57,000 – 62,000 tonnes	36,048 tonnes
Copper – C1 costs	US\$1.40 – US\$1.70 / lb	US\$1.40 – US\$1.70 / lb	US\$1.78 / lb
<b>CENTURY</b>			
Zinc – production	480,000 – 490,000 tonnes	480,000 – 490,000 tonnes	514,707 tonnes
Zinc – C1 costs	US\$0.64 – US\$0.68 / lb	US\$0.64 – US\$0.68 / lb	US\$0.56 / lb
Lead – production	38,000 – 42,000 tonnes	38,000 – 42,000 tonnes	21,390 tonnes
<b>ROSEBERY</b>			
Zinc – production	75,000 – 80,000 tonnes	75,000 – 80,000 tonnes	70,410 tonnes
Zinc – C1 costs	US\$0.25 – US\$0.30 / lb	US\$0.25 – US\$0.30 / lb	US\$0.38 / lb
Lead – production	20,000 – 22,000 tonnes	20,000 – 22,000 tonnes	20,146 tonnes
<b>GOLDEN GROVE</b>			
Copper – production	30,000 – 35,000 tonnes	30,000 – 35,000 tonnes	28,406 tonnes
Copper – C1 costs	US\$2.80 – US\$3.10 / lb	US\$2.80 – US\$3.10 / lb	US\$3.40 / lb
Zinc – production	17,000 – 20,000 tonnes	17,000 – 20,000 tonnes	37,419 tonnes
Zinc – C1 costs	US\$0.45 – US\$0.55 / lb	US\$0.45 – US\$0.55 / lb	US\$0.10 / lb

## ABOUT MMG LIMITED

MMG Limited is a mid-tier global resources company which explores, develops and mines base metal deposits around the world. It is headquartered in Melbourne, Australia and listed on the Stock Exchange of Hong Kong (Stock Code: 1208).

MMG Limited currently owns and operates the Century, Golden Grove and Rosebery mines in Australia, the Kinsevere mine in the Democratic Republic of Congo and the LXML Sepon mine in Laos.

The Company is one of the world's largest producers of zinc and also produces significant amounts of copper, lead, gold and silver.

**SEPON**

		QUARTER ENDED					YEAR-TO-DATE	
		JUN 2012	SEPT 2012	DEC 2012	MAR 2013	JUN 2013	JUN 2013	JUN 2012
Ore mined - copper	tonnes	498,049	96,679	882,342	1,203,985	359,701	1,563,686	1,083,514
Ore mined - gold	tonnes	300,421	295,492	561,263	494,853	418,967	913,820	859,175
Ore milled - copper	tonnes	469,185	456,760	507,289	433,150	461,825	894,975	905,403
Ore milled - gold	tonnes	622,418	587,249	586,430	615,555	676,937	1,292,492	1,227,417
<b>COPPER</b>								
Ore mined - grade	%	4.6	5.2	5.0	4.8	4.7	4.8	4.2
Ore milled - grade	%	5.1	5.1	5.0	5.4	5.5	5.5	5.1
Recovery	%	92.4	92.1	89.0	88.5	90.9	89.2	91.2
<b>Production</b>								
Contained metal produced - cathode	tonnes	21,651	21,427	23,459	20,480	22,851	43,331	41,409
<b>Sales</b>								
Total product sold - cathode	tonnes	22,018	19,369	24,047	21,585	23,440	45,025	41,734
Payable metal in product sold - cathode	tonnes	22,018	19,369	24,047	21,585	23,440	45,025	41,734
<b>GOLD</b>								
Ore mined - grade	g/t	1.5	0.9	0.5	0.9	0.7	0.9	2.0
Ore milled - grade	g/t	1.3	0.9	0.8	1.3	0.7	1.0	1.7
Recovery	%	71.7	66.9	62.0	37.5	67.9	50.4	76.2
<b>Production</b>								
Contained metal produced	oz	18,114	11,988	9,717	9,068	11,301	20,369	48,570
<b>Sales</b>								
Total product sold - dore	oz	15,806	10,517	9,625	10,284	10,813	21,097	47,258
Payable metal in product sold	oz	15,806	10,517	9,625	10,284	10,813	21,097	47,258
<b>SILVER</b>								
Ore milled - grade	g/t	5.2	2.9	4.7	6.9	12.5	7.6	5.9
Recovery	%	10.0	8.7	5.0	6.1	50.4	23.2	15.2
<b>Production</b>								
Contained metal produced	oz	8,481	1,643	3,708	7,550	26,097	33,647	27,960
<b>Sales</b>								
Total product sold - dore	oz	7,847	1,632	3,637	7,270	16,558	23,828	28,172
Payable metal in product sold	oz	7,847	1,632	3,637	7,270	16,558	23,828	28,172

## KINSEVERE

		QUARTER ENDED					YEAR-TO-DATE	
		JUN 2012	SEPT 2012	DEC 2012	MAR 2013	JUN 2013	JUN 2013	JUN 2012
Ore mined - copper	tonnes	177,063	306,145	231,419	432,727	661,044	1,093,771	259,600
Ore milled - copper	tonnes	285,784	276,509	306,577	330,057	420,888	750,945	340,763
<b>COPPER</b>								
Ore mined - grade	%	4.1	3.7	3.3	3.0	2.7	2.8	4.2
Ore milled - grade	%	3.5	3.8	4.0	3.9	3.7	3.8	3.7
Recovery	%	97.7	95.9	96.3	94.5	96.0	95.3	97.9
<b>Production</b>								
Contained metal produced - cathode	tonnes	10,192	11,158	12,210	13,910	15,858	29,768	12,680
<b>Sales</b>								
Total product sold - cathode	tonnes	9,952	11,164	12,207	13,950	15,813	29,763	12,327
Payable metal in product sold - cathode	tonnes	9,952	11,164	12,207	13,950	15,813	29,763	12,327

Note: MMG acquired Kinsevere following the acquisition of Anvil Mining Limited. Production for the first half 2012 is shown from 1 March 2012.

## CENTURY

		QUARTER ENDED					YEAR-TO-DATE	
		JUN 2012	SEPT 2012	DEC 2012	MAR 2013	JUN 2013	JUN 2013	JUN 2012
Ore mined	tonnes	1,219,109	1,547,023	1,506,356	1,188,249	1,545,313	2,733,562	2,150,634
Ore milled	tonnes	1,533,645	944,771	1,612,363	1,524,730	1,989,503	3,514,233	2,856,386
<b>ZINC</b>								
Ore mined - grade	%	11.8	12.8	11.1	8.2	8.3	8.2	11.9
Ore milled - grade	%	11.9	12.0	12.5	9.4	8.5	8.9	12.2
Recovery	%	77.4	77.4	75.5	73.5	75.6	74.6	78.7
<b>Production</b>								
Zinc concentrate	tonnes	245,457	150,593	267,696	185,938	228,249	414,187	477,624
Grade	%	57.6	57.8	57.0	56.6	56.1	56.3	57.6
Containing	tonnes	141,382	87,008	152,684	105,279	127,979	233,258	275,015
<b>Sales</b>								
Total product sold	tonnes	231,798	155,921	307,059	207,165	240,322	447,487	453,385
Payable metal in product sold	tonnes	112,306	75,544	148,558	99,583	115,209	214,792	219,460
<b>LEAD</b>								
Ore mined - grade	%	1.1	1.0	0.8	1.0	1.4	1.2	1.1
Ore milled - grade	%	1.1	1.1	0.8	0.9	1.3	1.1	0.9
Recovery	%	52.5	47.0	50.4	51.3	62.0	58.3	52.0
<b>Production</b>								
Lead concentrate	tonnes	12,042	6,505	9,895	7,649	24,023	31,672	19,138
Grade	%	61.5	59.9	59.7	61.3	60.6	60.8	60.5
Containing	tonnes	7,410	3,894	5,908	4,690	14,551	19,241	11,588
<b>Sales</b>								
Total product sold	tonnes	9,674	8,031	12,349	11,022	27,536	38,558	17,979
Payable metal in product sold	tonnes	5,368	4,578	7,226	6,353	15,749	22,102	10,046
<b>SILVER</b>								
Ore milled - grade	%	16.9	16.8	16.9	30.0	36.2	33.5	13.7
<b>Sales</b>								
Payable metal in product sold	oz	2,318	7,304	25,419	95,767	507,577	603,344	15,669

## ROSEBERY

		QUARTER ENDED					YEAR-TO-DATE	
		JUN 2012	SEPT 2012	DEC 2012	MAR 2013	JUN 2013	JUN 2013	JUN 2012
Ore mined	tonnes	204,343	192,542	269,448	204,371	214,717	419,088	394,967
Ore milled	tonnes	189,528	209,022	219,701	196,593	220,850	417,443	383,872
<b>ZINC</b>								
Ore mined - grade	%	10.1	9.0	9.8	9.2	9.3	9.2	9.9
Ore milled - grade	%	10.4	8.0	10.1	10.9	10.6	10.7	10.3
Recovery	%	91.4	88.9	87.4	89.1	88.9	89.0	91.4
<b>Production</b>								
Zinc concentrate	tonnes	33,256	28,780	36,268	35,416	39,281	74,697	65,956
Grade	%	54.0	51.7	53.4	53.7	53.0	53.4	54.8
Containing	tonnes	17,949	14,890	19,381	19,014	20,838	39,852	36,139
<b>Sales</b>								
Total product sold	tonnes	32,085	26,957	32,402	39,882	28,199	68,081	75,062
Payable metal in product sold	tonnes	15,162	12,114	14,685	18,105	12,997	31,102	35,484
<b>LEAD</b>								
Ore mined - grade	%	2.7	2.8	2.9	3.0	2.7	2.8	3.0
Ore milled - grade	%	3.2	2.6	3.5	3.6	3.4	3.5	3.3
Recovery	%	79.5	74.2	75.4	76.9	77.5	77.2	80.3
<b>Production</b>								
Lead concentrate	tonnes	6,857	6,372	8,893	8,514	8,910	17,424	14,840
Grade	%	69.3	64.5	65.8	63.3	65.1	64.2	68.6
Containing	tonnes	4,752	4,112	5,851	5,392	5,799	11,191	10,183
<b>Sales</b>								
Total product sold	tonnes	7,665	5,697	7,693	8,563	9,640	18,203	22,146
Payable metal in product sold	tonnes	4,806	3,572	4,824	5,369	5,915	11,284	13,886
<b>COPPER</b>								
Ore mined - grade	%	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Ore milled - grade	%	0.3	0.3	0.3	0.2	0.3	0.3	0.3
Recovery	%	62.3	53.0	58.7	52.1	54.9	53.8	66.5
<b>Production</b>								
Copper concentrate	tonnes	1,909	1,550	2,072	1,278	1,937	3,215	4,266
Grade	%	20.5	19.0	20.2	19.3	21.0	20.3	20.5
Containing	tonnes	391	295	418	247	406	653	874
<b>Sales</b>								
Total product sold	tonnes	-	3,760	2,598	1,434	1,543	2,977	4,995
Payable metal in product sold	tonnes	-	697	503	261	292	553	929
<b>OTHER METALS</b>								
Ore milled grade - gold	g/t	1.2	1.1	1.5	1.3	1.4	1.4	1.6
Ore milled grade - silver	g/t	97.1	89.9	103.9	125.3	121.5	123.3	102.9
Recovery - gold	%	20.8	19.7	17.8	15.6	9.9	12.4	25.0
<b>Production</b>								
Gold dore	oz	2,574	2,701	3,314	2,305	1,783	4,088	8,647
Containing - gold	oz	1,501	1,640	1,928	1,318	1,012	2,330	5,127
Containing - silver	oz	926	852	1,219	760	690	1,450	3,081
<b>Sales</b>								
Total product sold	tonnes	3,370	2,954	2,452	3,160	2,167	5,327	9,605
Payable metal in product sold - gold	oz	2,937	7,814	6,421	6,083	5,746	11,829	16,901
Payable metal in product sold - silver	oz	257,687	517,470	508,484	470,536	529,568	1,000,104	1,330,737

## GOLDEN GROVE

		QUARTER ENDED					YEAR-TO-DATE	
		JUN 2012	SEPT 2012	DEC 2012	MAR 2013	JUN 2013	JUN 2013	JUN 2012
Ore mined - copper sulphide	tonnes	265,737	263,959	317,819	307,107	272,717	579,824	587,443
Ore mined - copper oxide	tonnes	-	-	178,089	121,003	323,298	444,301	-
Ore mined - zinc	tonnes	111,264	107,263	28,600	27,769	31,085	58,854	220,713
Ore milled - copper sulphide	tonnes	263,036	311,818	379,639	262,177	233,567	495,744	564,805
Ore milled - copper oxide	tonnes			49,180	107,858	143,375	251,233	-
Ore milled - zinc	tonnes	158,607	117,082	-	39,864	46,935	86,799	245,556
<b>COPPER SULPHIDE</b>								
Ore mined - grade	%	2.5	4.0	2.9	2.7	2.4	2.6	2.3
Ore milled - grade	%	2.6	2.4	2.7	2.5	2.2	2.4	2.4
Recovery	%	89.8	88.1	91.7	87.9	89.3	88.6	90.3
<b>Production</b>								
Copper concentrate	tonnes	29,597	31,224	42,399	29,655	22,460	52,115	58,617
Grade	%	20.4	20.8	22.3	19.4	20.4	19.8	20.6
Containing	tonnes	6,038	6,481	9,449	5,740	4,616	10,356	12,048
<b>Sales</b>								
Total product sold	tonnes	20,184	39,644	40,204	39,690	15,064	54,754	50,251
Payable metal in product sold	tonnes	4,037	7,782	8,041	7,938	3,013	10,951	10,050
<b>COPPER OXIDE</b>								
Ore mined - grade	%	-	2.7	2.9	3.5	3.5	3.5	-
Ore milled - grade	%	-	-	3.8	3.4	3.0	3.2	-
Recovery	%	-	-	22.9	59.1	69.2	64.6	-
<b>Production</b>								
Copper concentrate	tonnes	-	-	1,864	10,879	14,950	25,829	-
Grade	%	-	-	16.9	19.8	19.9	19.8	-
Containing	tonnes	-	-	428	2,157	2,970	5,127	-
<b>Sales</b>								
Total product sold	tonnes	-	-	-	-	2,428	2,428	-
Payable metal in product sold	tonnes	-	-	-	-	376	376	-
<b>ZINC</b>								
Ore mined - grade	%	10.3	13.4	6.8	11.8	9.3	10.5	10.2
Ore milled - grade	%	9.9	12.6	-	8.8	12.0	10.5	10.9
Recovery	%	88.9	90.0	-	90.4	84.4	86.7	90.2
<b>Production</b>								
Zinc concentrate	tonnes	26,907	26,257	-	6,044	9,381	15,425	46,473
Grade	%	52.0	50.7	-	51.4	50.7	50.9	51.8
Containing	tonnes	13,311	13,324	-	3,103	4,755	7,858	24,095
<b>Sales</b>								
Total product sold	tonnes	6,404	40,282	12,735	6,037	9,627	15,664	36,685
Payable metal in product sold	tonnes	2,690	16,818	5,349	2,535	4,091	6,626	15,408
<b>OTHER METALS</b>								
<b>Production</b>								
HPM Lead concentrate	tonnes	7,324	5,331	-	481	2,047	2,528	11,272
Grade:								
Lead	%	27.3	34.6	-	57.3	37.7	41.4	31.0
Copper	%	7.3	5.1	-	15.1	3.3	5.5	8.2
Silver	g/t	1,510	1,211	-	2,306	1,698	1,813	1,634
Gold	g/t	23.5	21.0	-	30.2	31.6	31.4	30.0
Containing lead	tonnes	2,002	1,847	-	275	771	1,046	3,497
<b>Sales</b>								
HPM Lead concentrate	tonnes	4,961	5,037	10,137	-	4,497	4,497	9,993
Payable metal in product sold:								
Gold	oz	6,961	6,054	10,664	1,286	4,843	6,129	14,323
Silver	oz	404,177	376,083	618,795	111,533	257,941	369,474	814,184
Lead	tonnes	1,583	1,562	2,991	-	1,304	1,304	3,143



# IFRIC 20 ADJUSTMENTS TO C1 COSTS

## BACKGROUND

In surface mining (open-pit) operations it is often necessary to remove mine waste materials to gain access to mineral ore deposits. The waste removal activity is known as 'stripping' and IFRIC 20 applies to the accounting for 'stripping costs' incurred in the production phase of a surface mine.

IFRIC 20 does not apply to:

- Underground mining activities
- Costs incurred in the development phase of a surface mine.

In broad terms, IFRIC 20 provides guidance in relation to:

1) The apportionment of mining costs between:

- Current production –as a period cost of production (inventory)
- Future production –initial capitalisation as an asset (deferred waste asset) and a cost of production (inventory) in future periods via amortisation

2) The subsequent measurement (amortisation) of any recognised deferred waste asset.

The key requirements of the interpretation are:

- Component calculation
- Incremental capitalisation
- Component amortisation.

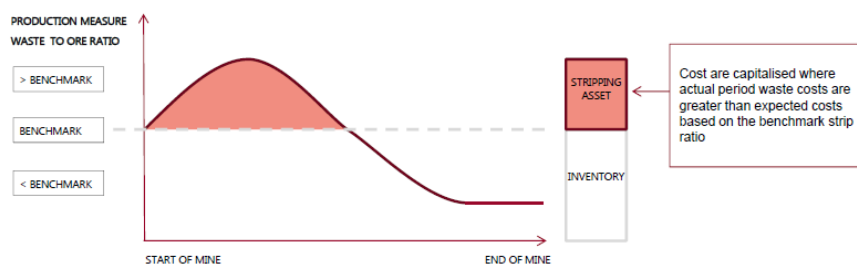
## COMPONENT CALCULATION

A deferred waste calculation is required for each component of the ore body. A component refers to the specific volume of the ore body that is made more accessible by the stripping activity and is expected to be identified during the mine planning stage. Therefore a mine life can have multiple components.

## INCREMENTAL CAPITALISATION

A waste asset (representing incremental waste costs) is recognised where:

- The volume of waste extracted in a period exceeds the expected volume of waste for the given volume of ore production (benchmark strip ratio) of that component
- The excess waste extracted represents the benefit of improved access to further quantities of materials (with lower strip ratio) in future periods.



## COMPONENT AMORTISATION

A deferred waste asset is to be amortised on a Units of Production (UOP) basis over the reserves of the identified component of the ore body and not the total life of the mine. Application at Century has resulted in each stage of mine development being recognised as a component and not the remaining asset life. Remaining components as at 31 December 2012 are Stage 8, 9 and Stage 10 to be developed in 2013 and 2014.

## 2012 FINANCIAL RESTATEMENTS

As a result of the adoption of IFRIC 20, adjustments to 2012 Interim and Annual Financial Statements will be made in 2013. The main adjustment is to Century's operating expenses, depreciation and amortisation and consequently EBIT. The accounting impacts resulting from IFRIC 20 at Kinsevere, Sepon and Golden Grove are minimal.

<b>Segment Result</b>	<b>Century</b>		
<b>Year ended 31 December 2012</b>	<b>US\$ million Reported</b>	<b>IFRIC 20 Adjustment</b>	<b>US\$ million Restated</b>
<b>Revenue</b>	752.9	-	752.9
<b>Operating Expenses</b>	(476.1)	(91.0)	(567.1)
<b>Other income and expenses</b>	6.8	-	6.8
<b>EBITDA</b>	283.6	(91.0)	192.6
<b>D&amp;A</b>	(235.3)	118.2	(117.1)
<b>EBIT</b>	<b>48.3</b>	<b>27.1</b>	<b>75.4</b>

<b>C1 costs</b>	<b>Century</b>		
<b>Year ended 31 December 2012</b>	<b>US\$ million Reported</b>	<b>IFRIC 20 Adjustment</b>	<b>US\$ million Restated</b>
<b>Total costs to concentrate</b>	(374.8)	(91.0)	(465.8)
<b>Total realisation costs</b>	(205.7)	-	(205.7)
<b>By-product credits</b>	38.9	-	38.9
<b>Total C1 cash costs</b>	(541.6)	(91.0)	(632.6)
<b>Payable zinc metal ('000 lb)</b>	964,523	-	964,523
<b>C1 costs – US\$ / lb</b>	<b>0.56</b>	<b>0.10</b>	<b>0.66</b>