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MMG LIMITED
五礦資源有限公司

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

MINERAL RESOURCES AND ORE RESERVES STATEMENT 2013

This announcement is made by MMG Limited (Company and, together with its subsidiaries, the Group) pursuant to rule 13.09 (2) of the Rules Governing the Listing of Securities on 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 of the Company (Board) is pleased to report the Group's updated Mineral Resources and Ore Reserves Statement as at 30 June 2013 (Mineral Resources and Ore Reserves Statement).

The highlights of the Mineral Resources and Ore Reserves Statement include:

1. The Group's Mineral Resources (contained metal) as at 30 June 2013 are estimated to contain 15 million tonnes of zinc, 3.9 million tonnes of copper, 2.4 million tonnes of lead, 280 million ounces of silver, 5.5 million ounces of gold and 0.3 million tonnes of nickel.
2. The Group's Ore Reserves (contained metal) as at 30 June 2013 are estimated to contain 5.3 million tonnes of zinc, 1.5 million tonnes of copper, 0.9 million tonnes of lead, 78 million ounces silver and 0.5 million ounces gold.
3. The total Ore Reserves estimate for June 2013 represents an increase in contained metal of copper (6%) and gold (14%) and a decrease in contained metal of zinc (-20%), lead (-22%) and silver (-16%) compared with the June 2012 estimate. Adjustments to Ore Reserves are mostly due to updated estimation processes, increases in cut-off grade, removal of identified uneconomic material and increases in dilution due to geotechnical issues.
4. Reductions in both Mineral Resources and Ore Reserves in excess of mineral processing depletion have largely come from increased governance in the Mineral Resources and Ore Reserves estimation process.

The Mineral Resources and Ore Reserves Statement was prepared in accordance with the guidelines in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mineral Resources are inclusive of Mineral Resources used to estimate Ore Reserves.

MINERAL RESOURCES AND ORE RESERVES STATEMENT

A copy of the executive summary of the Mineral Resources and Ore Reserves Statement is annexed to this announcement.

The information referred to in this announcement has been extracted from the report entitled Mineral Resources and Ore Reserves Statement as at 30 June 2013 published on 19 December 2013 and is available to view on www.mmg.com. The Company confirms that it is not aware of any new information or data that materially affects the information included in the Mineral Resources and Ore Reserves Statement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the Mineral Resources and Ore Reserves Statement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the Mineral Resources and Ore Reserves Statement.

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

Hong Kong, 19 December 2013

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.



EXECUTIVE SUMMARY

This report presents the Mineral Resources and Ore Reserves for MMG, as at 30 June 2013.

The Mineral Resources and Ore Reserves have been reported in accordance with the guidelines in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (2012 JORC Code). The reports have been signed by the respective Competent Persons from each site or Group Technical Services as appropriate.

The contained metal in the MMG Mineral Resources as at 30 June 2013 are estimated at 15 million tonnes of zinc, 3.9 million tonnes of copper, 2.4 million tonnes of lead, 280 million ounces of silver, 5.5 million ounces of gold and 0.3 million tonnes of nickel. Mineral Resources are inclusive of Mineral Resources used to estimate Ore Reserves.

The contained metal in the MMG Ore Reserves as at 30 June 2013 are estimated at 5.3 million tonnes of zinc, 1.5 million tonnes of copper, 0.9 million tonnes of lead, 78 million ounces silver and 0.5 million ounces gold. The total Ore Reserves estimate for June 2013 represents a net increase, after mineral processing depletion, in contained metal of copper (6%) and gold (14%) and a net decrease in contained metal of zinc (-20%), lead (-22%) and silver (-16%) compared with the June 2012 estimate. Adjustments to Ore Reserves are mostly due to updated estimation processes, increases in cut-off grade, removal of identified uneconomic material and increases in dilution due to geotechnical issues.

Reductions in both Mineral Resources and Ore Reserves in excess of mineral processing depletion have largely come from increased governance in the Mineral Resources and Ore Reserves estimation process.

Note: Numbers in brackets within this report do not imply negative values. Numbers may differ from the tables due to rounding.



MINERAL RESOURCES DISCUSSION

The MMG Mineral Resource estimate for 2013 represents an overall reduction for all metals, except nickel, compared to the 2012 estimate. Mineral Resources have been reported using long term prices and assumptions, with cut-off grades or cut-off values generally applied at no less than 70% of the grades or values used in determination of the Ore Reserves.

Sepon Mineral Resources decreased mostly due to mining depletion, increasing cut-off grade and the introduction of reporting Mineral Resources within pit shells in order to align with the JORC (2012) requirements for reasonable prospects for eventual economic extraction. Copper Mineral Resources were reported within US\$2.80/lb Cu pit shells and gold Mineral Resources were reported within US\$1,600/oz Au pit shells.

Century Mineral Resources reduced due to milling depletion, which was partially offset by additions arising from adjustments in the estimation process. Silver King, a small lead deposit previously reported, has been removed from the Century area Mineral Resources as it was not compliant with JORC (2012) reporting requirements. Kinsevere Oxide Copper Mineral Resources have decreased due to milling depletion and increasing the cut-off grade in response to higher operating costs. However, Kinsevere Primary Copper Mineral Resource has increased following the estimation update of sulphide mineralisation. Golden Grove Mineral Resources have reduced primarily as a result of increasing the cut-off grade and to a lesser degree as a result of milling depletion. Rosebery Mineral Resources have decreased due to the removal of X-lens and part of W-lens Inferred Mineral Resources as these areas were considered too sparsely drilled for inclusion as Mineral Resources. Milling depletion also reduced the Rosebery Mineral Resource in 2013.

Dugald River Zinc Mineral Resources have increased as a result of updated mineral deposit interpretation and modelling supported by definition drilling and underground geological mapping. High Lake and Izok Lake Mineral Resources have both been re-estimated with updated geological interpretations. High Lake Mineral Resource has decreased due to re-modelling and increased cut-off grade. Izok Lake has not significantly changed. The Avebury Mineral Resource remains unchanged from 2012.

Total Contained Metal in MMG Mineral Resources*						
	ZINC (Mt)	COPPER (Mt)	LEAD (Mt)	SILVER (Moz)	GOLD (Moz)	NICKEL (Mt)
Sepon		1.1		12	3.0	
Century	1.8		0.3	22		
Kinsevere		1.3				
Golden Grove	1.0	0.7	0.1	34	0.7	
Rosebery	2.1	0.1	0.7	75	1.1	
Dugald River	7.6	0.1	1.1	64		
Avebury						0.3
High Lake	0.5	0.3	0.1	37	0.6	
Izok Lake	1.9	0.3	0.2	34	0.1	
Total Contained Metal	15	3.9	2.4	280	5.5	0.3

* Details of Mineral Resources are tabulated and documented in the MMG Resources and Reserves Statement as at 30 June 2013.

Figures are rounded according to The JORC Code 2012 Edition guidelines and may show apparent addition errors.

Contained metal does not imply recoverable metal.

Absolute Change in Total Contained Metal in Mineral Resources*						
	ZINC (Mt)	COPPER (Mt)	LEAD (Mt)	SILVER (Moz)	GOLD (Moz)	NICKEL (Mt)
Sepon		-0.3		-8.8	-1.3	
Century	-0.8		-0.3	-13.8		
Kinsevere		-0.1				
Golden Grove	0.0	-0.2	0.0	-0.9	-0.1	
Rosebery	-0.3	0.0	-0.2	-21.0	-0.2	
Dugald River	1.0	0.0	0.2	2.0		
Avebury						0.0
High Lake	0.0	0.0	0.0	-1.2	0.1	
Izok Lake	0.0	0.0	0.0	0.9	0.1	
Total Contained Metal	-0.1	-0.6	-0.3	-42.8	-1.5	0.0

* Totals may differ due to rounding.



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Mineral Resource	2013						2012					
	Tonnes (Mt)	Zinc (%)	Copper (%)	Lead (%)	Silver (g/t)	Gold (g/t)	Tonnes (Mt)	Zinc (%)	Copper (%)	Lead (%)	Silver (g/t)	Gold (g/t)
Sepon												
Supergene Copper^A												
Measured	12		2.3				13		2.9			
Indicated	19		2.6				23		2.4			
Inferred	11		1.5				18		1.4			
Total	42		2.2				53		2.2			
Primary Copper^A												
Measured							1.7		1.6		7	0.2
Indicated	3.1		1.2		8	0.2	1.0		1.5		7	0.2
Inferred	11		0.8		5	0.3	21.4		0.7		5	0.2
Total	14		0.9		6	0.2	24.1		0.8		5	0.2
Oxide Gold^B												
Measured	2.0				6	2.2	3.6				8	1.7
Indicated	4.5				7	1.4	10				6	1.0
Inferred	2.4				4	1.2	4.9				4	0.9
Total	8.9				6	1.5	18.5				6	1.1
Partial Oxide Gold^B												
Measured	1.1				12	3.1	2.7				13	2.7
Indicated	2.3				8	2.0	3.9				9	1.4
Inferred	1.8				5	1.4	1.9				5	1.0
Total	5.2				8	2.0	8.5				9	1.8
Primary Gold^C												
Measured							2.2				10	3.2
Indicated	14				10	3.0	26.5				10	2.7
Inferred	8.7				7	2.7	9.1				7	1.9
Total	23				9	2.9	37.8				9	2.5
Century												
Century^D												
Measured	0.1	8.4		1.3	27		15	11.6		1.8	43	
Indicated	17	10.0		1.5	37		6	11.6		1.7	33	
Inferred												
Total	17	10.0		1.5	37		21	11.6		1.8	40	
Century East Block^E												
Measured							0.2	12.8		1.1	49	
Indicated	0.5	12.4		1.0	49		0.2	12.7		1.1	55	
Inferred												
Total	0.5	12.4		1.0	49		0.4	12.8		1.1	52	
Golden Grove												
Primary Copper^F												
Measured	5.9	0.4	2.8	0.0	17	0.5	10.7	0.6	2.6	0.1	19	0.5
Indicated	3.2	1.6	2.7	0.2	29	1.4	4.3	0.6	2.4	0.1	17	0.4
Inferred	9.8	0.3	3.1	0.0	24	0.3	12.0	0.5	2.7	0.0	21	0.5
Total	19	0.6	2.9	0.1	23	0.5	27.0	0.6	2.6	0.0	19	0.5
Oxide Copper^G												
Measured	0.8		2.4									
Indicated	1.8		2.3				4.8		2.0			
Inferred												
Total	2.6		2.3				4.8		2.0			
Zinc^H												
Measured	1.0	13	0.4	1.2	83	1.2	2.2	13.4	0.3	1.2	94	1.1
Indicated	1.4	14	0.3	1.6	120	2.0	0.9	10.4	0.5	1.1	94	1.5
Inferred	4.8	12	0.4	0.7	50	0.6	4.4	11.6	0.6	0.6	43	0.9
Total	7.2	13	0.4	0.9	68	1.0	7.5	12.0	0.5	0.8	64	1.0
Oxide Gold^I												
Measured												
Indicated	0.8				120	2.9	0.7				113	3.2
Inferred	0.4				73	1.8	0.3				52	2.2
Total	1.1				105	2.6	1.0				94	2.9

Notes:

A - Reported within strategic pit shells using long term price assumptions. **B** - Reporting within strategic pit shells using long term price assumptions. Cut-off grade increased from 0.5g/t Au to 0.6g/t Au due to increasing costs. **C** - Reporting within Sepon Primary Gold (US\$1,600/oz Au) pit shells. **D** - Mining depletion of 6.1Mt partly offset by the updated Mineral Resource estimate. Silver King Mineral Resource estimate has been removed as it was not compliant with JORC (2012) reporting requirements. **E** - No significant change. **F** - Increased cut-off grade to A\$95 NSR (previously A\$70NSR), and milling depletion of 1.2Mt. **G** - Increased cut-off grade to 0.7% Cu, in line with grade control practice. **H** - Milling of 0.2Mt and cut-off increased to A\$95 NSR. **I** - Total remodelling of Mineral Resource.



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Mineral Resource	2013						2012					
	Tonnes (Mt)	Zinc (%)	Copper (%)	Lead (%)	Silver (g/t)	Gold (g/t)	Tonnes (Mt)	Zinc (%)	Copper (%)	Lead (%)	Silver (g/t)	Gold (g/t)
Rosebery												
Rosebery^J												
Measured	8.1	13	0.4	3.9	120	1.6	8.8	11.9	0.5	3.5	123	1.7
Indicated	4.9	10	0.3	3.4	130	1.4	5.9	10.6	0.4	3.6	123	1.7
Inferred	5.3	10	0.6	3.2	110	2.1	8.7	7.8	0.3	3.3	121	1.4
Total	18	11	0.4	3.6	120	1.7	23.3	10.1	0.4	3.5	122	1.6
South Hercules^K												
Measured	0.7	3.7	0.1	2.0	160	2.9	0.7	3.6	0.1	1.9	155	2.8
Indicated	0.1	2.5	0.1	1.2	160	2.9	0.1	2.4	0.1	1.1	162	2.7
Inferred												
Total	0.8	3.6	0.1	1.9	160	2.9	0.9	3.4	0.1	1.8	156	2.7
Dugald River												
Zinc^L												
Measured	3.0	14		1.9	61		20.6	13.1		1.9	56	
Indicated	31	12		1.9	46		23.0	12.6		2.0	28	
Inferred	29	12		1.7	13		9.4	10.7		1.4	14	
Total	63	12		1.8	31		53.0	12.5		1.9	36	
Copper^M												
Measured												
Indicated												
Inferred	4.4		1.8			0.2	4.4		1.8			0.2
Total	4.4		1.8			0.2	4.4		1.8			0.2
High Lake^N												
Measured												
Indicated	7.9	3.5	3.0	0.3	83	1.3	17.2	3.4	2.3	0.3	70	1.0
Inferred	6.0	4.3	1.8	0.4	84	1.3						
Total	14	3.8	2.5	0.4	84	1.3	17.2	3.4	2.3	0.3	70	1.0
Izok Lake^O												
Measured												
Indicated	13	13	2.4	1.4	73	0.18	14.4	12.9	2.5	1.3	71	
Inferred	1.2	11	1.5	1.3	73	0.21	0.4	6.4	3.8	0.3	54	
Total	15	13	2.3	1.4	73	0.18	14.8	12.8	2.5	1.3	71	
Kinsevere												
Oxide Copper^P												
	Tonnes (Mt)	Copper (%TCu*)	Copper (%ASCu*)				Tonnes (Mt)	Copper (%TCu*)	Copper (%ASCu*)			
Measured	12	4.0	3.2				15.7	3.9	3.1			
Indicated	16	2.8	2.4				14.5	2.8	2.3			
Inferred	0.8	2.5	2.0				1.1	2.1	1.8			
Total	29	3.3	2.7				31.4	3.3	2.7			
Primary Copper^Q												
Measured	1.5	2.7	1.0				1.6	2.6	0.9			
Indicated	10	2.8	0.6				10.4	2.8	0.7			
Inferred	11	2.1	0.3				8.9	2.4	0.6			
Total	23	2.5	0.5				20.8	2.6	0.7			
Avebury^R												
	Tonnes (Mt)	Nickel (%)					Tonnes (Mt)	Nickel (%)				
Measured	3.8	1.1					3.8	1.1				
Indicated	4.9	0.9					4.9	0.9				
Inferred	21	0.8					20.7	0.8				
Total	29	0.9					29.3	0.9				

Notes:

J - X-lens (2.6Mt) and part of W-lens (1.3Mt) sparsely drilled hence removed from Inferred Mineral Resource. Milling depletion (0.5Mt). NSR corrections and changes also reduced Mineral Resources. **K** - Minor change due to rounding method. **L** - Drilling and mapping increased thickness and tonnes. Reclassification of Mineral Resources considering variation in thickness and grade. **M** - No change. **N** - Mineral Resource model update. Reported above a 3% Cu equivalent cut-off based on recent study work. **O** - Mineral Resource model update. **P** - Milling depletion of 1.2Mt, increasing cut-off grade to 0.75% ASCu due to increasing operating costs. **Q** - Mineral Resource modelling update. **R** - No change. * **TCu** stands for Total Copper, **ASCu** stands for Acid Soluble Copper.

ORE RESERVES DISCUSSION

Ore Reserves tonnage reconciliation between 2012 and 2013 indicates an overall ore tonnage reduction of 38.8Mt, with mineral processing depletion accounting for 14.3Mt. The remaining reductions, totalling 24.5Mt, were due to decreases at all sites resulting from both increased costs and increased understanding of negative issues directly resulting from increased governance in the Ore Reserves estimation process.

Sepon gold Ore Reserves tonnage decreased due to mill depletion and cessation of allowing higher grade tonnage sources to cross-subsidise loss making tonnage sources. Sepon copper Ore Reserves decreased only by the mill depletion amount, with increases in tonnage from new sources negated by decreases due to cut-off grade increases.

Century Ore Reserves tonnage decreased greater than mill depletion due to significant amounts of June 2012 Ore Reserves transpiring to be sub-marginal material when mined.

Kinsevere Ore Reserves tonnage decreased greater than mill depletion due to increasing cost related cut-off grade increases (primarily due to power costs) and Mineral Resource model changes.

Golden Grove zinc Ore Reserves tonnage increased greater than mill depletion due to Mineral Resource model upgrading of Inferred material to Indicated or Measured material and mine planning work allowing conversion to Ore Reserves. Golden Grove underground copper Ore Reserves decreased by the mill depletion, offset only slightly by a minor amount of Inferred Mineral Resources upgraded and able to be converted to Ore Reserves. The Golden Grove open pit copper Ore Reserves decreased by greater than mill depletion despite a positive reconciliation in the pit, due to cut-off grade increases associated with reduced recovery, increased milling costs and reduced revenues associated with chlorine-in-concentrate penalties.

Rosebery Ore Reserves tonnage decreased by greater than mill depletion due to Mineral Resource model changes, removal of previously incorrectly included Inferred Mineral Resources (in stopes with mixed Indicated and Inferred Mineral Resources) and cut-off grade changes.

The Dugald River Ore Reserves have been revised down further due to an increased understanding of orebody complexities and hanging-wall geotechnical weakness. This has resulted in a set of significantly revised dilution and stope stability parameters that in turn result in increased mining costs. Significant detailed geotechnical investigations have been undertaken over the last 12 months to support the new stability calculations. A mining methods review has been undertaken examining a number of potential new mining scenarios based on this new geotechnical understanding. However, only one of those options was subject to design and scheduling in sufficient detail by the 30th June 2013 to be considered suitable to support the declaration of Ore Reserves. Economic modelling of this one option shows positive annual operating costs, however it also shows that full capital recovery is only possible on an undiscounted cash flow basis. Significant project work including underground development and trial stoping is ongoing and planned for Dugald River in 2014.

Changes in the contained metal in the Ore Reserves are shown in absolute terms for all operations and in total within the following tables.

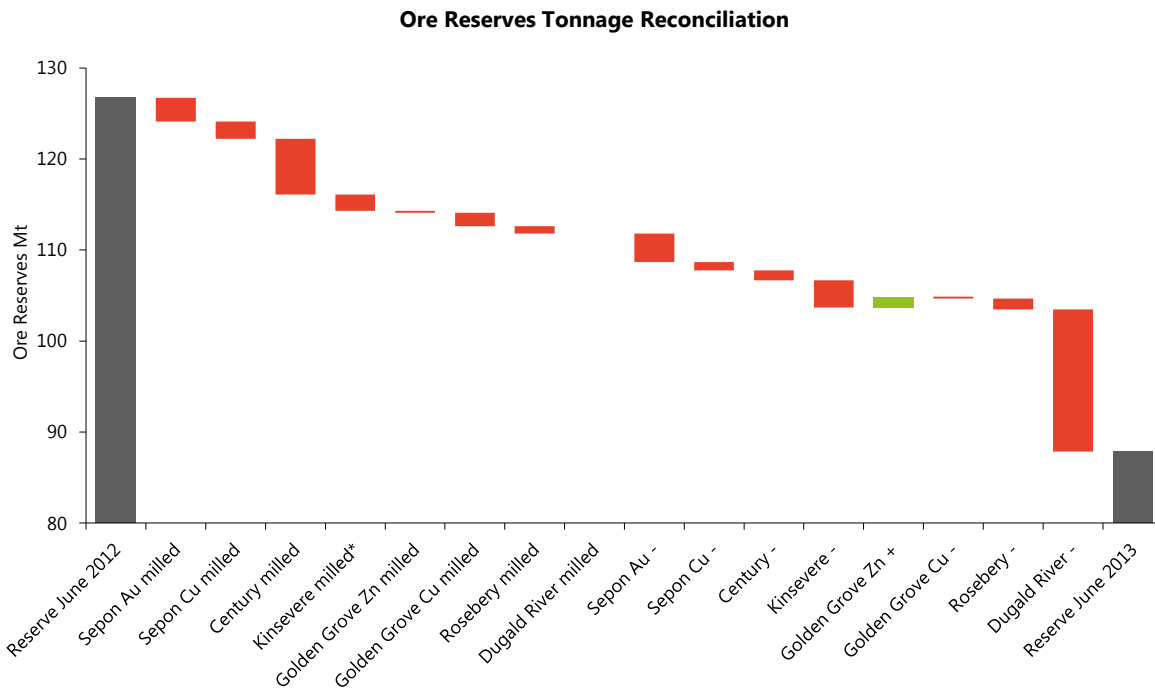
Total Contained Metal in Ore Reserves *					
	ZINC (Mt)	COPPER (Mt)	LEAD (Mt)	SILVER (Moz)	GOLD (Moz)
Sepon		0.5		0.1	0.03
Century	1.4		0.2	16	
Kinsevere		0.8			
Golden Grove	0.2	0.2	0.03	7.8	0.2
Rosebery	0.6	0.02	0.2	22	0.3
Dugald River	3.1		0.5	32	
Total Contained Metal	5.3	1.5	0.9	78	0.5

* Details of Ore Reserves are tabulated and documented in the MMG Resources and Reserves Statement as at 30 June 2013. Figures are rounded according to The JORC Code 2012 Edition guidelines and may show apparent addition errors. Contained metal does not imply recoverable metal.



Absolute Change in Total Contained Metal in Ore Reserves *					
	ZINC (Mt)	COPPER (Mt)	LEAD (Mt)	SILVER (Moz)	GOLD (Moz)
Sepon		-0.1		-1.1	-0.1
Century	-0.8		-0.1	-8.0	
Kinsevere		0.0			
Golden Grove	0.1	0.0	0.0	4.1	0.1
Rosebery	-0.1	0.0	0.0	-3.9	-0.1
Dugald River	-1.6		-0.2	-19.5	
Total Contained Metal	-2.3	-0.1	-0.4	-28.4	-0.1

* Totals may differ due to rounding.



* Kinsevere Ore Reserves figure has been adjusted for milling depletion from 1 January, 2012.



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Ore Reserve	2013						2012					
	Tonnes (Mt)	Zinc (%)	Copper (%)	Lead (%)	Silver (g/t)	Gold (g/t)	Tonnes (Mt)	Zinc (%)	Copper (%)	Lead (%)	Silver (g/t)	Gold (g/t)
Sepon												
Gold^A												
Proved	0.1				8.2	2.4	0.4					1.1
Probable	0.5				3.9	1.7	5.9			6.0		0.7
Total	0.6				4.5	1.8	6.3			6.0		0.8
Copper^B												
Proved	5.4		2.6				8.9		3.8			
Probable	8.6		4.8				7.8		3.9			
Total	14		3.9				16.8		3.9			
Century^C												
Proved	0.1	8.4		1.1	27		15.5	10		1.5	38	
Probable	14	9.8		1.5	36		5.7	10.6		1.4	29	
Total	14	9.8		1.5	36		21.2	10.2		1.5	35	
Golden Grove												
Primary Zinc^D												
Proved	0.6	10.5	0.6	1.2	90	1.4	0.4	9.4	0.3	1.2	60	1.1
Probable	1.0	10.8	0.7	1.4	110	2.2	0.2	8.2	0.3	1.0	75	1.2
Total	1.6	10.7	0.7	1.3	100	1.9	0.6	9.1	0.3	1.1	64	1.1
Primary Copper^E												
Proved	3.4	0.4	2.4		14	0.5	4.0	0.3	2.5		14	0.5
Probable	1.2	2.0	2.6	0.2	28	1.8	1.7	0.2	2.3		12	0.3
Total	4.6	0.8	2.4	0.1	18	0.8	5.7	0.3	2.4		13	0.4
Copper OP^F												
Proved	0.8		2.4									
Probable	1.6		2.7				3.0		2.4			
Total	2.4		2.6				3.0		2.4			
Rosebery^G												
Proved	2.8	11.8	0.3	3.5	110	1.5	3.8	9.8	0.3	2.9	101	1.4
Probable	2.9	8.9	0.3	3.4	130	1.5	3.9	8.0	0.3	2.9	108	1.3
Total	5.7	10.3	0.3	3.5	120	1.5	7.7	8.9	0.3	2.9	104	1.3
Dugald River^H												
Proved												
Probable	24	12.5		2.0	41		39.6	11.9		1.9	41	
Total	24	12.5		2.0	41		39.6	11.9		1.9	41	
Kinsevere^I												
Proved	10		4.8				14.1		4.0			
Probable	11		2.8				11.7		3.0			
Total	21		3.8				25.8		3.5			

Notes:

A - Mining Depletion: -1.9 Mt (0.7 Mt outside of Ore Reserves material processed), Pit design changes: -0.7 Mt, Removal of all ore sources that cannot generate a profit (stopping all cross-subsidisation of loss making ounces): -2.5 Mt. **B** - Mining Depletion: -2.8 Mt (0.9 Mt loss of Ore Reserves not processed), Removal of uneconomic high acid consumption material: -0.2 Mt, New cut-off grade (costs/revenues/recoveries): -0.4 Mt, New pits: +0.6 Mt. **C** - Mining Depletion: -5.8 Mt, Ore Reserves Mined as sub-marginal: -1.2 Mt, Modelled fault loss: -0.7 Mt, COG change: -0.1 Mt, Other (footwall location changes, Mineral Resource model, Stage 8 pit wall redesign): +0.6 Mt. **D** - Mining Depletion: -0.2 Mt, New Resource Model, upgrading of Inferred material and mine planning work conversion to Ore Reserves: +1.2 Mt. **E** - Mining Depletion: -1.2 Mt, New Resource Model, upgrading of Inferred material and mine planning work conversion to Ore Reserves: +0.1Mt. **F** - Mining Depletion: -0.3 Mt, COG change resulting from changes in recovery and costs: -0.3 Mt. **G** - Mining Depletion: -0.8Mt, Removal of previously "upgraded" Inferred: -0.7 Mt, Mineral Resource changes, COG change: Updated costs & prices, and correction to NSRAR script with respect to a double counting of silver revenue in copper concentrate. **H** - Geotechnical related changes to mine design and dilution/loss parameters. Increased mining costs associated with smaller stopes (No changes due to Mineral Resource model as 2012 model used in work). **I** - Mining Depletion: -1.8 Mt, COG change (increased costs): -2.1 Mt, Resource Model changes: -0.7 Mt, Other; including high gangue acid material removal: -0.2 Mt.



MINERAL RESOURCES STATEMENT

AS AT 30 JUNE 2013

Sepon Mineral Resources							
Copper 0.5% Cu cut-off grade	Tonnes (Mt)	Copper (% Cu)	Gold (g/t Au)	Silver (g/t Ag)	Contained Metal		
					Copper ('000 t)	Gold (Moz)	Silver (Moz)
Supergene Copper							
Measured	12	2.3			280		
Indicated	19	2.6			490		
Inferred	11	1.5			170		
Total	42	2.2			940		
Primary Copper							
Measured	-	-	-	-	-	-	-
Indicated	3.1	1.2	0.2	8	40	0.02	0.7
Inferred	11	0.8	0.3	5	90	0.1	1.9
Total	14	0.9	0.2	6	130	0.1	2.6
Oxide Gold^A							
Measured	2.0	-	2.2	6	-	0.1	0.4
Indicated	4.5	-	1.4	7	-	0.2	1.0
Inferred	2.4	-	1.2	4	-	0.1	0.3
Total	8.9	-	1.5	6	-	0.4	1.7
Partial Oxide Gold^B							
Measured	1.1	-	3.1	12	-	0.1	0.4
Indicated	2.3	-	2.0	8	-	0.1	0.6
Inferred	1.8	-	1.4	5	-	0.1	0.3
Total	5.2	-	2.0	8	-	0.3	1.3
Primary Gold^C							
Measured	-	-	-	-	-	-	-
Indicated	14	-	3.0	10	-	1.4	4.5
Inferred	8.7	-	2.7	7	-	0.8	2.0
Total	23	-	2.9	9	-	2.2	6.5
Total Contained Metal					1,070	3.0	12

Figures are rounded according to JORC Code guidelines and may show apparent addition errors.

Details of relevant inputs for estimating Mineral Resources are given in the Technical Appendix published on the MMG website.

A. Cut-off: 3.8Mt reported above 0.5g/t Au, 4.7Mt reported above 0.6g/t Au

B. Cut-off: 2.6Mt reported above 0.5g/t Au, 2.6Mt reported above 0.6g/t Au

C. Cut-off: 19Mt reported above 1g/t Au, 3.2Mt reported above 3g/t Au

Competent Person:

1. Reginald Boryor (Member of AIPG, employee of MMG)

Century Mineral Resources							
Century and East Block 3.5% Zn cut-off grade	Tonnes (Mt)	Zinc (% Zn)	Lead (% Pb)	Silver (g/t Ag)	Contained Metal		
					Zinc ('000 t)	Lead ('000 t)	Silver (Moz)
Century							
Measured	0.1	8.4	1.3	27	10	2	0.1
Indicated	17	10.0	1.5	37	1,700	255	21
Inferred	-	-	-	-	-	-	-
Total	17	10.0	1.5	37	1,710	257	21
Century East Block							
Measured	-	-	-	-	-	-	-
Indicated	0.5	12.4	1.0	49	59	5	0.8
Inferred	-	-	-	-	-	-	-
Total	0.5	12.4	1.0	49	59	5	0.8
Total Contained Metal					1,770	260	22

Figures are rounded according to JORC Code guidelines and may show apparent addition errors.

Details of relevant inputs for estimating Mineral Resources are given in the Technical Appendix published on the MMG website.

Competent Person:

Michael Smith (Member of AusIMM(CP), employee of MMG)



Kinsevere Mineral Resources					
Contained Metal					
0.75% Acid soluble Cu cut-off grade (oxide)	Tonnes (Mt)	Copper (% TCu *)	Copper (% ASCu*)	Copper TCu* ('000 t)	Copper ASCu * ('000 t)
0.75% Total Cu cut-off grade (primary)					
Oxide Copper					
Measured	12	4.0	3.2	-	380
Indicated	16	2.8	2.4	-	380
Inferred	0.8	2.5	2.0	-	20
Total	29	3.3	2.7	-	780
Primary Copper					
Measured	1.5	2.7	1.0	41	-
Indicated	10	2.8	0.6	280	-
Inferred	11	2.1	0.3	230	-
Total	23	2.5	0.5	550	-
Total Contained Metal				550	780

* TCu stands for Total Copper, ASCu stands for Acid Soluble Copper.

Figures are rounded according to JORC Code guidelines and may show apparent addition errors.

Details of relevant inputs for estimating Mineral Resources are given in the Technical Appendix published on the MMG website.

Competent Person:

Mauro Bassotti (Member of AusIMM(CP), employee of MMG)

Golden Grove Mineral Resources												
Contained Metal												
	Tonnes (Mt)	Zinc (% Zn)	Copper (% Cu)	Lead (% Pb)	Silver (g/t Ag)	Gold (g/t Au)	Zinc ('000 t)	Copper ('000 t)	Lead ('000 t)	Silver (Moz)	Gold (Moz)	
Primary Copper^{1,2}												
Measured	5.9	0.4	2.8	0.04	17	0.5	23	170	2.4	3.2	0.09	
Indicated	3.2	1.6	2.7	0.2	29	1.4	52	87	6.1	3.0	0.14	
Inferred	9.8	0.3	3.1	0.03	24	0.3	30	300	3.3	7.6	0.09	
Total	19	0.6	2.9	0.1	23	0.5	110	560	12	14	0.32	
Oxide Copper²												
0.7% Cu cut-off grade												
Measured	0.8	-	2.4	-	-	-	-	19	-	-	-	
Indicated	1.8	-	2.3	-	-	-	-	41	-	-	-	
Inferred	-	-	-	-	-	-	-	-	-	-	-	
Total	2.6	-	2.3	-	-	-	-	60	-	-	-	
Zinc^{1,2}												
Measured	1.0	13	0.4	1.2	83	1.2	130	4	12	2.7	0.04	
Indicated	1.4	14	0.3	1.6	120	2.0	190	5	22	5.3	0.09	
Inferred	4.8	12	0.4	0.7	50	0.6	580	22	32	7.8	0.10	
Total	7.2	13	0.4	0.9	68	1.0	900	31	66	16	0.23	
Oxide Gold²												
1.5g/t Au eq cut-off grade												
Measured	-	-	-	-	-	-	-	-	-	-	-	
Indicated	0.8	-	-	-	120	2.9	-	-	-	3.0	0.07	
Inferred	0.4	-	-	-	73	1.8	-	-	-	0.8	0.02	
Total	1.1	-	-	-	105	2.6	-	-	-	3.8	0.09	
Total Contained Metal							1,010	650	78	33	0.64	

Figures are rounded according to JORC Code guidelines and may show apparent addition errors.

As Golden Grove is a polymetallic mine, NSR is used as a cut-off to capture the correct value of the contained metal.

Details of relevant inputs for estimating Mineral Resources are given in the Technical Appendix published on the MMG website.

Competent Persons:

1. Tim Goodale (Member of AIG, employee of MMG)
1. Lauren Stienstra (Member of AusIMM, employee of MMG)
2. Rob Oakley (Member of AusIMM, employee of MMG)



Rosebery Mineral Resources

Cut-off grade is based on the Net Smelter Return value of A\$122.5 per tonne

	Tonnes (Mt)	Zinc (% Zn)	Copper (% Cu)	Lead (% Pb)	Silver (g/t Ag)	Gold (g/t Au)	Contained Metal				
							Zinc ('000 t)	Copper ('000 t)	Lead ('000 t)	Silver (Moz)	Gold (Moz)
Rosebery											
Measured	8.1	13	0.4	3.9	120	1.6	1,100	30	316	32	0.42
Indicated	4.9	10	0.3	3.4	130	1.4	500	15	167	20	0.22
Inferred	5.3	10	0.6	3.2	110	2.1	530	31	170	19	0.36
Total	18	11	0.4	3.6	120	1.7	2,100	76	650	71	1.0
South Hercules											
Net Smelter Return cut-off of A\$105 per tonne											
Measured	0.7	3.7	0.1	2	160	2.9	26	0.81	14	3.7	0.07
Indicated	0.1	2.5	0.1	1.2	160	2.9	3	0.13	1.2	0.5	0.01
Inferred											
Total	0.8	3.6	0.1	1.9	160	2.9	29	0.94	15	4.2	0.08
Total Contained Metal							2,100	77	670	75	1.1

Figures are rounded according to JORC Code guidelines and may show apparent addition errors.

As Rosebery is a polymetallic mine, NSR is used as a cut-off to capture the correct value of the contained metal.

Details of relevant inputs for estimating Mineral Resources are given in the Technical Appendix published on the MMG website.

Competent Person:

Mark Aheimer (Member of AusIMM, employee of MMG)

Dugald River Mineral Resources

Zinc	Tonnes (Mt)	Zinc (% Zn)	Copper (% Cu)	Lead (% Pb)	Silver (g/t Ag)	Gold (g/t Au)	Contained Metal				
							Zinc ('000 t)	Copper ('000 t)	Lead ('000 t)	Silver (Moz)	Gold (Moz)
6% Zn cut-off grade											
Measured	3.0	14	-	1.9	61	-	420	-	57	5.9	-
Indicated	31	12	-	1.9	46	-	3,700	-	590	46	-
Inferred	29	12	-	1.7	13	-	3,500	-	490	12	-
Total	63	12	-	1.8	31	-	7,620	-	1,140	64	-
Copper											
1% Cu cut-off grade											
Measured	-	-	-	-	-	-	-	-	-	-	-
Indicated	-	-	-	-	-	-	-	-	-	-	-
Inferred	4.4	-	1.8	-	-	0.2	-	79	-	-	0.03
Total	4.4	-	1.8	-	-	0.2	-	79	-	-	0.03
Total Contained Metal							7,620	79	1,140	64	0.03

Figures are rounded according to JORC Code guidelines and may show apparent addition errors.

Details of relevant inputs for estimating Mineral Resources are given in the Technical Appendix published on the MMG website.

Competent Person:

Mauro Bassotti (Member of AusIMM (CP), employee of MMG)

Avebury Mineral Resources

0.4% Ni cut-off grade	Tonnes (Mt)	Contained Metal	
		Nickel (% Ni)	Nickel ('000 t)
Measured	3.8	1.1	42
Indicated	4.9	0.9	46
Inferred	21	0.8	171
Total Mineral Resources	29	0.9	259

Figures are rounded according to JORC Code guidelines and may show apparent addition errors.

Mineral Resource stated as total Ni, which includes sulphide and silicate phases.

Details of relevant inputs for estimating Mineral Resources are given in the Technical Appendix published on the MMG website.

Competent Person:

Peter Carolan (Member of AusIMM, former employee of MMG)



High Lake Mineral Resources

3% Cu equivalent cut-off grade	Tonnes (Mt)	Zinc (% Zn)	Copper (% Cu)	Lead (% Pb)	Silver (g/t Ag)	Gold (g/t Au)	Contained Metal				
							Zinc (^{'000} t)	Copper (^{'000} t)	Lead (^{'000} t)	Silver (Moz)	Gold (Moz)
Measured	-	-	-	-	-	-	-	-	-	-	-
Indicated	7.9	3.5	3.0	0.3	83	1.3	279	239	25	21	0.3
Inferred	6.0	4.3	1.8	0.4	84	1.3	256	108	25	16	0.3
Total Mineral Resources	14	3.8	2.5	0.4	84	1.3	536	347	50	37	0.6

Figures are rounded according to JORC Code guidelines and may show apparent addition errors.
 Details of relevant inputs for estimating Mineral Resources are given in the Technical Appendix published on the MMG website.

Competent Person:

Allan Armitage (Member Association of Professional Geoscientists of Alberta, employee of MMG)

Izok Lake Mineral Resources

4% Zn equivalent cut-off grade	Tonnes (Mt)	Zinc (% Zn)	Copper (% Cu)	Lead (% Pb)	Silver (g/t Ag)	Gold (g/t Au)	Contained Metal				
							Zinc (^{'000} t)	Copper (^{'000} t)	Lead (^{'000} t)	Silver (Moz)	Gold (Moz)
Measured	-	-	-	-	-	-	-	-	-	-	-
Indicated	13	13	2.4	1.4	73	0.18	1,790	324	194	32	0.1
Inferred	1.2	11	1.5	1.3	73	0.21	120	18	16	2.8	0.01
Total Mineral Resources	15	13	2.3	1.4	73	0.18	1,910	342	209	34	0.1

Figures are rounded according to JORC Code guidelines and may show apparent addition errors.
 Details of relevant inputs for estimating Mineral Resources are given in the Technical Appendix published on the MMG website.

Competent Person:

Allan Armitage (Member Association of Professional Geoscientists of Alberta, employee of MMG)

Additional information about the estimation of the Mineral Resources is included in the Technical Appendix published on the MMG website.

The information in this report that relates to Mineral Resources is based on information compiled by the listed competent persons, who are Members or Fellows of the Australasian Institute of Mining and Metallurgy (AusIMM), the Australian Institute of Geoscientists (AIG) or a Recognised Professional Organisation (RPO) and have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (2012 JORC Code). Each of the Competent Persons has given consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.



ORE RESERVES STATEMENT

AS AT 30 JUNE 2013

Sepon Ore Reserves					Contained Metal		
	Tonnes (Mt)	Copper (% Cu)	Gold (g/t Au)	Silver (g/t Ag)	Copper (^{'000} t)	Gold (Moz)	Silver (Moz)
Sepon Gold							
Proved	0.1	-	2.4	8.2	-	0.01	0.02
Probable	0.5	-	1.7	3.9	-	0.03	0.06
Total	0.6	-	1.8	4.5	-	0.03	0.08
Sepon Copper							
Proved	5.4	2.6	-	-	138	-	-
Probable	8.6	4.8	-	-	408	-	-
Total	14	3.9	-	-	546	-	-
Total Contained Metal					546	0.03	0.08

Ore Reserves are generally rounded and reported to 2 significant figures to reflect confidence in estimates. Totals may differ due to rounding. Contained metal does not imply recoverable metal

Details of relevant modifying factors used in estimating Ore Reserves are given in the Technical Appendix published on the MMG website.

Competent Person:

Julian Poniewierski (Member of AusIMM(CP), employee of MMG)

Century Ore Reserves					Contained Metal		
	Tonnes (Mt)	Zinc (% Zn)	Lead (% Pb)	Silver (g/t Ag)	Zinc (^{'000} t)	Lead (^{'000} t)	Silver (Moz)
Proved	0.1	8.4	1.1	27	10	1	0.1
Probable	14	9.8	1.5	36	1,380	200	16
Total Ore Reserves	14	9.8	1.5	36	1,390	200	16

Ore Reserves are generally rounded and reported to 2 significant figures to reflect confidence in estimates. Totals may differ due to rounding. Contained metal does not imply recoverable metal.

Details of relevant modifying factors used in estimating Ore Reserves are given in the Technical Appendix published on the MMG website.

Competent Person:

Moses Bosompem (Member of AusIMM, employee of MMG)

Kinsevere Ore Reserves					Contained Metal	
	Tonnes (Mt)	Copper (%TCu) *	Copper (%ASCu) *	Copper (^{'000} t)	Copper ASCu * (^{'000} t)	
Proved	10	4.8	3.9	470	380	
Probable	11	2.8	2.2	310	240	
Total Ore Reserves	21	3.8	3.0	790	620	

Ore Reserves are generally rounded and reported to 2 significant figures to reflect confidence in estimates. Totals may differ due to rounding. Contained metal does not imply recoverable metal.

* TCu stands for Total Copper, ASCu stands for Acid Soluble Copper.

Details of relevant modifying factors used in estimating Ore Reserves are given in the Technical Appendix published on the MMG website

Competent Person:

Julian Poniewierski (Member of AusIMM (CP), employee of MMG)



Golden Grove Ore Reserves											
	Tonnes (Mt)	Zinc (% Zn)	Copper (% Cu)	Lead (% Pb)	Silver (g/t Ag)	Gold (g/t Au)	Contained Metal				
							Zinc ('000 t)	Copper ('000 t)	Lead ('000 t)	Silver (Moz)	Gold (Moz)
Primary Zinc¹											
Proved	0.6	10.5	0.6	1.2	90	1.4	65	3	7	1.7	0.03
Probable	1.0	10.8	0.7	1.4	110	2.2	109	7	14	3.5	0.1
Total	1.6	10.7	0.7	1.3	99	1.9	174	11	21	5.1	0.1
Primary Copper¹											
Proved	3.4	0.4	2.4	-	14	0.5	12	82	1	1.5	0.1
Probable	1.2	2.0	2.3	0.2	28	1.8	24	30	3	1.1	0.1
Total	4.6	0.8	2.4	0.1	18	0.8	36	113	4	2.7	0.1
Oxide Copper Open Pit²											
Proved	0.8	-	2.4	-	-	-	-	19	-	-	-
Probable	1.6	-	2.7	-	-	-	-	41	-	-	-
Total	2.4	-	2.6	-	-	-	-	60	-	-	-
Total Contained Metal							210	184	25	7.8	0.2

Ore Reserves are generally rounded and reported to 2 significant figures to reflect confidence in estimates. Totals may differ due to rounding. Contained metal does not imply recoverable metal.

Details of relevant modifying factors used in estimating Ore Reserves are given in the Technical Appendix published on the MMG website.

Competent Persons:

1. Wayne Ghalvalas (Member of AusIMM, employee of MMG)
2. Chris Lee (Member of AusIMM, employee of MMG)

Rosebery Ore Reserves											
	Tonnes (Mt)	Zinc (% Zn)	Copper (% Cu)	Lead (% Pb)	Silver (g/t Ag)	Gold (g/t Au)	Contained Metal				
							Zinc ('000 t)	Copper ('000 t)	Lead ('000 t)	Silver (Moz)	Gold (Moz)
Proved	2.8	11.8	0.3	3.5	110	1.5	330	9	99	9.9	0.1
Probable	2.9	8.9	0.3	3.4	130	1.5	260	7	98	12	0.1
Total Ore Reserves	5.7	10.3	0.3	3.5	120	1.5	590	17	197	22	0.3

Ore Reserves are generally rounded and reported to 2 significant figures to reflect confidence in estimates. Totals may differ due to rounding. Contained metal does not imply recoverable metal.

Details of relevant modifying factors used in estimating Ore Reserves are given in the Technical Appendix published on the MMG website.

Competent Person:

Julian Poniewierski (Member of AusIMM (CP), employee of MMG)

Dugald River Ore Reserves											
	Tonnes (Mt)	Zinc (% Zn)	Lead (% Pb)	Silver (g/t Ag)	Contained Metal						
					Zinc ('000 t)	Lead ('000 t)	Silver (Moz)				
Proved											
Probable	24	12.5	2.0	41	3,100	500	32				
Total Ore Reserves	24	12.5	2.0	41	3,100	500	32				

Ore Reserves are generally rounded and reported to 2 significant figures to reflect confidence in estimates. Totals may differ due to rounding. Contained metal does not imply recoverable metal.

Details of relevant modifying factors used in estimating Ore Reserves are given in the Technical Appendix published on the MMG website.

Competent Person:

Julian Poniewierski (Member of AusIMM (CP), employee of MMG)

The information in this report that relates to Ore Reserves is based on information compiled by the listed competent persons, who are Members or Fellows of the Australasian Institute of Mining and Metallurgy (AusIMM), the Australian Institute of Geoscientists (AIG) or a Recognised Professional Organisation (RPO) and have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (2012 JORC Code). Each of the Competent Persons has given consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.



RELEVANT ASSUMPTIONS SUMMARY

Prices and Exchange Rates

Table 1 Price (real) and foreign exchange assumptions

	CY14	CY15	CY16	Long Term
Zn US\$/lb	0.89	0.97	1.08	1.18
Cu US\$/lb	3.50	3.16	3.05	2.80
Pb US\$/lb	1.06	1.06	1.09	1.12
Au US\$/oz	1,525	1,318	1,258	1,200
Ag US\$/oz	27.34	23.79	18.79	20.94
A\$:US\$	0.99	0.95	0.92	0.84
CAD:US\$	0.98	0.95	0.93	0.90
US\$:LAK	8,000	8,000	8,000	8,000

Mineral Resource work used long-term pricing only, with cut-off grades or cut-off values generally applied at no less than 70% of the grades or values used in determination of the Ore Reserves.

For the Ore Reserves work, Prices and Exchange Rates were used as follows:

- (i) For Long-Term (Life-of-Asset) Ore Reserves planning (> 3 years), the "Long-Term" price and exchange rate values were used.
- (ii) For medium-term (< 3 years) the average of the price and exchange rate combination of the CY14-CY16 three years where price forecast is declining (Cu/Au/Ag), and first year price and exchange rate where price forecast is increasing (Zn/Pb).
- (iii) For ultra-short term planning, where it is definitely known that the Ore Reserves will be mined out and completed in CY14, the sites used CY14 price/exchange assumptions.

Cut-Off Grades

Mineral Resource Cut-Off Grades/Values were as shown in Table 2 and Table 3.

Processing Recoveries

Processing recoveries were as shown in Table 4.



Table 2 : Mineral Resources cut-off grades

Site	Mineralisation	Cut-Off Grade/Value	Comments
Sepon	Gold - Oxide Surface (pit dependent)	0.5 to 0.6 g/t Au	Surface Mineral Resources Constrained to within a US\$1600/oz price pit shell
	Gold - Primary Sulphide Surface	1 g/t Au	
	Gold - Primary Sulphide Underground	3 g/t Au	
	Copper – Oxide and Sulphide Surface	0.5% Cu	
Century	Zinc - Surface	3.5 %Zn	
Kinsevere	Copper - Oxide Surface	0.75% ASCu [†]	Not constrained to a pit shell
	Copper - Sulphide Surface	0.75% TCu [‡]	
Golden Grove	Polymetallic - Underground (Zn, Cu, Pb, Au, Ag)	A\$95/t	NSRAR ¹ ; using Ore Reserves recoveries AuEq = (Au + Ag*1.5/80)
	Copper - Open Cut	0.7% Cu	
	Gold - Open Cut	1.5 g/t AuEq	
Rosebery	Rosebery Polymetallic - Underground (Zn, Cu, Pb, Au, Ag)	A\$122.5/t	NSRAR, using Ore Reserves recoveries
	South Hercules Polymetallic - Underground (Zn, Cu, Pb, Au, Ag)	A\$105/t	NSRAR, using Ore Reserves recoveries
Dugald River	Zinc - (Polymetallic) Underground	6% Zn	
Izok Lake	Zinc – (Polymetallic) Surface	4.0% ZnEq	ZnEq% = Zn + (Cu×3.31) + (Pb×1.09) + (Au×1.87) + (Ag×0.033); Long-Term prices and Metal Recoveries at Au:75%, Ag:83%, Cu:89%, Pb:81% and Zn:93%.
High Lake	Copper - Polymetallic Surface and Underground	2.0% to 4.0% CuEq	CuEq% = Cu + (Zn×0.30) + (Pb×0.33) + (Au×0.56) + (Ag×0.01); Prices and recoveries as per Izok Lake
Avebury	Nickel - Sulphide Underground	0.4% Ni	

[†]ASCu = Acid Soluble Copper; [‡]TCu = Total Copper

¹ Net Smelter Return is a measure of in-ground value of a metal grade or set of metal grades after all the realisation costs down-stream of the mill have been accounted for and effectively represents the dollar value at the mine gate of the in-ground minerals. NSRAR (NSR after Royalties) is similar to NSR but includes the cost effects of Royalties payable. See the following paper for a detailed explanation: Goldie, R. and Tredger, P., 1991. Net Smelter Return Models and Their Use in the Exploration, Evaluation and Exploitation of Polymetallic Deposits, *Geoscience Canada*, Vol 18, No. 4, pp 159-171

Table 3 : Ore Reserves cut-off grades

Site	Mineralisation	Cut-Off Grade/Value	Comments
Sepon	Gold - Oxide Surface	0.6 g/t Au	Additional requirement of minimum 1.2 g/t Au head grade
	Copper - Sulphide Surface	1.2 to 1.4 %Cu	Dependent upon pit haul distance to crusher.
	Copper – LAC ^a Carbonate Surface	1.3 to 1.5%Cu	Dependent upon pit haul distance to crusher.
	Copper – HAC ^b Carbonate Surface	2.0 to 2.7%Cu	Dependent upon pit haul distance to crusher.
Century	Zinc - Surface	5.3 %ZnEq	ZnEq = Zn + (1.03*Pb).
Kinsevere	Copper - Oxide Surface	0.85% ASCu [†]	
Golden Grove	Polymetallic - Underground (Zn, Cu, Pb, Au, Ag)	A\$120/t	NSRAR
	Copper - Oxide Open Cut	1.1% Cu	
	Copper - Sulphide Open Cut	1.3% Cu	
Rosebery	Polymetallic - Underground (Zn, Cu, Pb, Au, Ag)	A\$170/t	NSRAR
Dugald River	Zinc - (Polymetallic) Underground	A\$215/t	Cut-off value for stope production. For associated development a A\$85/t cut-off value is used.

^a LAC = Low Acid Consuming; ^b HAC = High Acid Consuming [†]ASCu = Acid Soluble Copper; [‡]TCu = Total Copper



Table 4: Processing Recoveries

Site	Product	Recovery to Concentrate					Concentrate Moisture Assumptions
		Copper	Zinc	Lead	Silver	Gold	
Century	Zinc Concentrate	-	75.7%	-	57.2%	-	11.0%
	Lead Concentrate	-	-	54.2%	8.5%	-	10.0%
Golden Grove - Underground	Zinc Concentrate	-	88.9%	-	-	-	8.9%
	Lead Concentrate	-	-	68.7%	64.0%	68.4%	9.0%
Golden Grove – Open Cut	Copper Concentrate	88.6%	-	-	-	-	9.2%
	Copper Oxide Concentrate	65%	-	-	-	-	16%
	Copper Sulphides Concentrate	79%	-	-	-	-	14%
Rosebery	Zinc Concentrate	-	min(96, 0.24×Zn+ 87.6)/100%	-	NB: (2)	NB: (2)	8%
	Lead Concentrate	-	3.7%	min(92, 0.95×Pb+ 76.8)/100%	42.1%	17.5%	8%
	Copper Concentrate	min(91, 20.9×Cu +54.3)/100%	-	-	33%	33%	8%
	Gold Doré	-	-	-	NB: (1)	21%	
Dugald River	Zinc Concentrate	-	87.8%	-	-	-	8.9%
	Lead Concentrate	-	1.0%	75.0%	35%	-	
Sepon	Copper Cathode	<i>Cu recovery (%) = {Cu Feed Grade – Tails Grade (0.38%)} / Cu Feed Grade – Soluble Loss (2.6%)</i>					
	Gold Doré	<i>Au recovery (%) = {Au Feed Grade – Tails Grade (0.26g/t)} / Au Feed Grade</i>					
Kinsevere	Copper Cathode	<i>TCu/ASCu ≥ 1.04, Recovery=98%; TCu/ASCu ≤ 1.00, Recovery=94%; pro-rata'd between 94% and 98% for 1.00 ≥ TCu/ASCu ≥ 1.04</i>					

Notes:

- 1) Silver is calculated as a constituent ratio to gold in the Doré. Silver is set to 0.35 against gold being 0.60.
- 2) There is currently no relationship for gold and silver reporting to Zinc concentrate.