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MMG LIMITED
五礦資源有限公司

(Incorporated in Hong Kong with limited liability)

(STOCK CODE: 1208)

CONTINUING CONNECTED TRANSACTION
CMN FRAMEWORK OFFTAKE AGREEMENT

INTRODUCTION

As announced by the Company on 14 April 2014, the Company, the Purchasers (being wholly owned subsidiaries of the Company as at the date of this announcement), the Sellers and the Sellers' Guarantor entered into the Share Purchase Agreement on 13 April 2014, pursuant to which, among other things, the Sellers have conditionally agreed to sell, and the Purchasers have conditionally agreed to purchase, the entire issued share capital of Xstrata Peru S.A., which indirectly owns the Las Bambas Project.

Immediately before the execution of the Share Purchase Agreement, MMG SA, Elion Holdings and CITIC entered into the Shareholders' Agreement, pursuant to which, among other things, each shareholder of the JV Company will be entitled to acquire its Offtake Entitlement of the Products from the Las Bambas Project, subject to (a) the Company obtaining the approval by the requisite majority of relevant shareholders of the Company where required under the Listing Rules; and (b) the JV Company and its shareholders entering into an offtake agreement in accordance with the terms of the Shareholders' Agreement.

To give effect to the arrangements in the Shareholders' Agreement, MMG SA entered into the MMG Framework Offtake Agreement with the JV Company on 27 June 2014, pursuant to which MMG SA will purchase, and the JV Company will sell or procure other members of the JV Group to sell, MMG SA's offtake entitlement under the Shareholders' Agreement, subject to Completion having taken place. MMG SA further entered into the CMN Framework Offtake Agreement with CMN on 27 June 2014.

CMN FRAMEWORK OFFTAKE AGREEMENT

Pursuant to the CMN Framework Offtake Agreement, CMN will purchase or will procure other members of the CMN Group to purchase, and MMG SA will sell, a portion, being initially approximately 77.71%, of the copper concentrate that MMG SA has purchased from the JV Company pursuant to the MMG Framework Offtake Agreement, subject to the Company having obtained the approval by the Independent Shareholders of the CMN Framework Offtake Agreement at the EGM and Completion having taken place.

IMPLICATIONS UNDER THE LISTING RULES

As CMN, through its wholly owned subsidiaries Album Enterprises and Top Create, controls approximately 73.69% of the voting shares of the Company, CMN is the controlling shareholder of the Company and therefore a connected person of the Company. Hence, the CMN Framework Offtake Agreement will, when the CMN Framework Offtake Agreement takes effect, constitute a continuing connected transaction for the Company.

As the Relevant Ratios in respect of the CMN Annual Caps exceed 5%, the CMN Framework Offtake Agreement is subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. CMN and its associates are required to abstain from voting on the relevant resolutions proposed at the EGM to approve the CMN Framework Offtake Agreement and the transactions contemplated thereunder.

GENERAL

The Independent Board Committee has been established to advise the Independent Shareholders in respect of the CMN Framework Offtake Agreement and the transactions contemplated thereunder (together with the CMN Annual Caps).

Somerley Capital Limited has been appointed as the Independent Financial Advisor to advise the Independent Board Committee and the Independent Shareholders in respect of the CMN Framework Offtake Agreement and the transactions contemplated thereunder (together with the CMN Annual Caps).

The Circular containing, among other things, (i) further details on the CMN Framework Offtake Agreement; (ii) the letter of advice from the Independent Financial Advisor to the Independent Board Committee and the Independent Shareholders in respect of the CMN Framework Offtake Agreement; (iii) the recommendation of the Independent Board Committee in respect of the CMN Framework Offtake Agreement; and (iv) a notice convening the EGM to approve, among other things, the CMN Framework Offtake Agreement, will be despatched to the Shareholders in accordance with the Listing Rules on or before 30 June 2014.

INTRODUCTION

As announced by the Company on 14 April 2014, the Company, the Purchasers (being wholly owned subsidiaries of the Company as at the date of this announcement), the Sellers and the Sellers' Guarantor entered into the Share Purchase Agreement on 13 April 2014, pursuant to which, among other things, the Sellers have conditionally agreed to sell, and the Purchasers have conditionally agreed to purchase, the entire issued share capital of Xstrata Peru S.A., which indirectly owns the Las Bambas Project.

Immediately before the execution of the Share Purchase Agreement, MMG SA, Elion Holdings and CITIC entered into the Shareholders' Agreement, pursuant to which, among other things:

- (a) each shareholder of the JV Company will be entitled to acquire a portion of the Products from the Las Bambas Project equivalent to its shareholding percentage in the JV Company from time to time (Offtake Entitlement), subject to (i) the Company obtaining the approval by the requisite majority of relevant shareholders of the Company where required under the Listing Rules; and (ii) the JV Company and its shareholders entering into an offtake agreement in accordance with the terms of the Shareholders' Agreement;
- (b) Elion Holdings has agreed, for so long as it is a shareholder of the JV Company and is controlled by GXIIC, to assign its Offtake Entitlement under the Shareholders' Agreement to each of MMG SA and CITIC on an equal basis, such that MMG SA and CITIC will, based on the agreed shareholding percentage of each shareholder in the JV Company at Completion, be entitled to a total of 73.75% and 26.25%, respectively, of the Products from the Las Bambas Project; and
- (c) it was agreed that, as soon as reasonably practicable after the date of the Shareholders' Agreement, each of MMG SA and CITIC will execute an offtake agreement with the JV Company (on behalf of Xstrata Las Bambas S.A.), under which MMG SA and CITIC will acquire their respective Offtake Entitlement (together with the respective portion of Elion Holdings' Offtake Entitlement assigned to them) during the life of the Las Bambas Project.

To give effect to the above arrangements:

- (1) MMG SA entered into the MMG Framework Offtake Agreement with the JV Company on 27 June 2014, pursuant to which MMG SA will purchase, and the JV Company will sell or procure other members of the JV Group to sell, MMG SA's offtake entitlement under the Shareholders' Agreement, subject to Completion having taken place; and
- (2) MMG SA further entered into the CMN Framework Offtake Agreement with CMN on 27 June 2014, pursuant to which CMN will purchase or will procure other members of the CMN Group to purchase, and MMG SA will sell, a portion, being initially approximately 77.71%, of the copper concentrate that MMG SA has purchased from the JV Company pursuant to the MMG Framework Offtake Agreement, subject to the Company having obtained the approval by the Independent Shareholders of the CMN Framework Offtake Agreement at the EGM and Completion having taken place.

Copper concentrate will make up the majority of the Products to be produced from the Las Bambas Project, while the remainder of the Products will include molybdenum concentrate. The CMN Framework Offtake Agreement allows the Company to secure long-term sales of the majority of the copper concentrate that the Company will be purchasing from the JV Company under the MMG Framework Offtake Agreement. The Company intends to sell the remainder of such copper concentrate through its own sales and distribution network to independent third party customers.

CMN FRAMEWORK OFFTAKE AGREEMENT

The principal terms of the CMN Framework Offtake Agreement are set out below:

Parties

- (a) MMG SA (as seller); and
- (b) CMN (as purchaser).

Product to be sold and total quantity

Based on MMG SA's shareholding of 62.5% in the JV Company on Completion, the portion of the copper concentrate to be sold by MMG SA to CMN under the CMN Framework Offtake Agreement will be approximately 77.71% of the copper concentrate acquired by MMG SA under the MMG Framework Offtake Agreement, being the aggregate of:

- (a) 73.69% (being an amount equivalent to CMN's indirect shareholding interest in the Company) of MMG SA's Offtake Entitlement under the Shareholders' Agreement (being 62.5% on Completion); and
- (b) the Offtake Entitlement of Elion Holding assigned to MMG SA under the Shareholders' Agreement (being 11.25% on Completion).

Consequently, of the total copper concentrate produced from the Las Bambas Project, MMG SA will sell approximately 57.31% to CMN and approximately 16.44% to other parties.

If for any reason, the CMN Group is unable to purchase the total quantity of copper concentrate it has committed to purchase under the CMN Framework Offtake Agreement after consultation with the Group, the Group may elect to sell any unpurchased quantity to other parties on prevailing international terms. Any decrease in revenue or increase in costs of the Group as a result thereof shall be borne by the CMN Group.

At any time during the term of the CMN Framework Offtake Agreement, either MMG SA or CMN may request a review of the total quantity to be sold and purchased under the agreement on the basis that the requesting party, acting reasonably, is commercially disadvantaged by that quantity. If a review is requested, the parties will mutually review the total quantity and if any adjustment is considered appropriate by both parties, a new quantity will be determined. If no adjustment is agreed, the quantity will remain unchanged. The Company will comply with all applicable requirements under the Listing Rules if there is any such adjustment.

Term

The term of the CMN Framework Offtake Agreement is from the commencement of commercial production of the Las Bambas Project to the expiry of the MMG Framework Offtake Agreement, being the end of the mine life of the Las Bambas Project, subject to usual rights of termination that may apply, including (without limitation): (a) provisions for events leading to early closure of the Las Bambas mine; and (b) in the event any member of the Group ceases to be a shareholder of the JV Company.

Rule 14A.35(1) of the Listing Rules provides that except in special circumstances, the term of any written agreement between an issuer and a connected person in respect of a non-exempt continuing connected transaction must not exceed three years. The Company believes that due to the large-scale and long-term nature of the Las Bambas Project, the life of which is currently expected to be in excess of 20 years with the possibility to be extended, special circumstances exist that justify the life-of-mine duration of the agreement. The Independent Financial Advisor will confirm in the Circular that it is normal business practice for contracts of this type to be of such duration.

The CMN Framework Offtake Agreement is conditional upon (a) the Company having obtained the approval of the CMN Framework Offtake Agreement and the transactions contemplated thereunder by the Independent Shareholders at the EGM; and (b) Completion having taken place, and will only come into effect after such conditions have been satisfied.

Sale agreements

Sale and purchase of the copper concentrate from the Las Bambas Project will be made pursuant to sale agreements to be entered into between the parties from time to time, which will be consistent with the terms of the CMN Framework Offtake Agreement and include international terms for similar quality concentrates addressing (without limitation) quality/specifications, price, metal payments, treatment and refining charges, quality allowances, shipment schedules, CIF or CFR delivery terms, quotational period, payment terms and other usual conditions (including those dealing with weights and assays, title and risk, insurance requirements and termination and suspension rights, provided always that such terms and conditions must always be on normal commercial terms). A long form sales agreement will be negotiated and agreed between MMG SA and CMN, which will be subject to review by an independent board committee of the Company comprising of the three independent non-executive Directors.

Pricing

Copper concentrate from the Las Bambas Project will be sold at prices determined on an arm's length basis and consistent with the prevailing international market rates for similar quality copper concentrates which shall be calculated using metal payments reflecting the grade and quality of the copper concentrate from the Las Bambas Project and based on the copper price as quoted on the London Metal Exchange and silver and gold prices quoted on the London market, and subject to treatment and refining charges which shall be negotiated on an annual basis or otherwise agreed and which shall be consistent with those prevailing in the international market for comparable copper concentrates at the time of the negotiation of the relevant charges.

Specifically, the selling price of concentrates will be calculated as (a) the sum of payments for the contained valuable metals (essentially copper, silver and gold) in the concentrate to be determined based on (i) the content of copper, silver and gold in the concentrate; (ii) the percentage of copper, silver and gold contained in the concentrate to be paid for; and (iii) the metal price for each of copper, silver and gold to be used; less (b) deductions for treatment and refining charges applicable to the relevant metals.

The content of copper, silver and gold in the concentrate will be determined by the parties from assays performed on samples taken from each shipment in accordance with standard international practice.

The percentages of copper, silver and gold contained in the concentrate to be paid for, which will be less than 100% as smelters will not be able to recover 100% of the metals contained in the concentrate due to technical limitations, will be specified in the long form sales agreement to be agreed between MMG SA and CMN. Such percentages will not change once the long form sales agreement is agreed by the parties. The percentages of contained metals to be paid for are quite standardized within the industry, varying mainly in accordance with the assay of the relevant metal, that is, higher payment percentages may be agreed in the contract for higher assays of a particular element, especially copper and gold. Based on current international market conditions, it is expected that payments of at least 96.5% of the contained copper content and at least 90% of the contained gold and silver respectively will be received. The Company will use its market knowledge gained from transactions with independent third parties in the copper concentrate market to ensure that the metal payment percentages to be negotiated and agreed in the long form sales agreement are appropriate for the copper concentrate from the Las Bambas Project and reflect normal commercial terms (or better to the Group). Such metal payment percentages will require endorsement by the chief financial officer of the Company and approval by the chief executive officer of the Company, both of whom are independent of the CMN Group, and in addition, will require approval by the independent board committee of the Company as part of the long form sales agreement.

With respect to the metal price for each of copper, silver and gold to be used for calculating the selling price of the copper concentrate, the long form sales agreement will specify that for each shipment, the copper price quoted on the London Metal Exchange, and the silver and gold price quoted on the relevant London markets, averaged over a calendar month to be agreed in advance but which shall be no earlier than the month in which the shipment takes place, will be used.

Deductions for treatment and refining charges will be negotiated according to market conditions. These treatment and refining charges are imposed by buyers of concentrate to assist in covering the cost of processing the concentrate into refined metal. Treatment and refining charges applying under long term contracts are typically negotiated on an annual basis and the most representative charges for a calendar year become known as the “benchmark” for that period. In practice, this benchmark becomes widely known in the market place and is published in industry media. Small variations from this benchmark may be agreed between parties depending on individual circumstances. Under some contracts, treatment and refining charges may also be negotiated more frequently. MMG SA will negotiate the treatment and refining charges with CMN based on those prevailing in the market on an annual basis or as otherwise agreed by the parties on an arm’s length basis, which charges will reflect normal commercial terms (or better to the Group). The agreed value of the treatment and refining charges will be approved internally in accordance with the corporate governance structure of the Company, pursuant to which the agreed charges will require endorsement by the chief financial officer of the Company and approval by the chief executive officer of the Company, both of whom are independent of the CMN Group.

Aside from sales under the CMN Framework Offtake Agreement, MMG SA will also sell approximately 16.44% of the copper concentrate from the Las Bambas Project to independent third parties and the Company will also continue to market copper concentrate from the Golden Grove and Rosebery mines. Through these activities the Company will actively participate in the global copper concentrate market and be in a position to determine that detailed sales terms negotiated with CMN are in fact consistent with prevailing international market rates. The sales transactions under the CMN Framework Offtake Agreement will also be subject to review by the Company’s external auditors on an annual basis.

As at the date of this announcement, MMG SA has not entered into any offtake agreement for the sale of the molybdenum concentrate comprised in the 73.75% of the Products that it will purchase from the JV Company under the MMG Framework Offtake Agreement.

ANNUAL CAPS

Pursuant to the requirements under Chapter 14A of the Listing Rules, the Company proposes the following annual caps with respect to the CMN Framework Offtake Agreement.

Year	2015	2016 to 2020	2021 to 2025	2026 to 2030	2031 to 2034
Annual caps (in ‘000 tonnes of copper contained in copper concentrate)	90	354	277	224	146

The CMN Annual Caps have been determined with reference to (a) the highest expected annual production volume of copper contained in copper concentrate of the Las Bambas Project within each five-year period over the expected life of mine of the Las Bambas Project, based on the Sellers’ mining plan; (b) a 10% buffer in the event of over-production; and (c) the portion of the copper contained in copper concentrate to be sold to CMN by MMG SA under the CMN Framework Offtake Agreement, being approximately 57.31% (on Completion) of the total copper contained in copper concentrate produced from the Las Bambas Project.

It is expected that the content of copper in the copper concentrate will range from 30% to 40%, while the content of silver and gold in the copper concentrate is expected to range from 0.01% to 0.02% and 0.0001% to 0.0004%, respectively, of the total concentrate. Since copper content is expected to be the most significant element of value in the copper concentrate, the CMN Annual Caps are expressed solely in terms of the quantity of copper contained in the copper concentrate.

Pursuant to Rule 14A.35(2) of the Listing Rules, an annual cap must be set in respect of the transactions contemplated under the CMN Framework Offtake Agreement and such annual cap must be expressed in terms of monetary value rather than a percentage of the Company's annual revenue. The monetary value of the sales of copper concentrate contemplated under the CMN Framework Offtake Agreement will be determined based on, among other things, the copper price quoted on the London Metal Exchange and the silver and gold price quoted on the relevant London markets over a certain quotational period. These metal prices change on a daily basis and can vary significantly from month to month. Such variations are outside the control of the Company but will affect the monetary value of the transactions under the CMN Framework Offtake Agreement.

The Company has applied for, and the Stock Exchange has granted, a waiver from strict compliance with Rule 14A.35(2) of the Listing Rules such that the CMN Annual Caps can be expressed, instead of a fixed monetary amount, as a fixed quantity of contained copper in the copper concentrate to be sold each year over the duration of the CMN Framework Offtake Agreement (being the life of mine of the Las Bambas Project of 20 years until 2034 based on the current defined resources in the mining plan for the Las Bambas Project), on condition that disclosure is included in the Circular to illustrate how the change in assumptions outside the control of the Company will affect the monetary value of the transactions contemplated under the CMN Framework Offtake Agreement.

REASONS FOR AND BENEFITS OF THE CMN FRAMEWORK OFFTAKE AGREEMENT

Market demand for copper concentrate could be subject to significant cyclical fluctuations driven by changes in global economic and metal market conditions. Given that copper concentrate will make up the majority of the Products to be produced at the Las Bambas Project, the Directors consider that it is of fundamental importance to the Group to secure a long-term sales arrangement for the majority of the copper concentrate that it will be purchasing from the JV Company under the MMG Framework Offtake Agreement for the entire life of the Las Bambas Project. The CMN Framework Offtake Agreement will allow the Company to sell to CMN approximately 77.71% of such copper concentrate and will have the same life-of-mine duration as the MMG Framework Offtake Agreement. The CMN Framework Offtake Agreement will, therefore, enable the Group to reduce significantly its exposure to fluctuations in market demand for copper concentrate over the entire life of the Las Bambas Project.

China is a large and rapidly growing importer of copper concentrates and a significant part of the copper concentrate output of the Las Bambas Project is expected to be sold to customers in China. Whilst CMN is not restricted to sell copper concentrates outside China, given that CMN has a long history of importing copper concentrates into China and has well established relationships with both private and state-owned Chinese copper smelters (i.e. buyers of copper concentrates), it is the Directors' view that CMN will be better placed to procure on-sale of the copper concentrates of the Las Bambas Project in China. The offtake arrangement with CMN will enable the Group to take advantage of CMN's experience in metal trading and well-established customer base in China to market its copper concentrates in China. The Group will also avoid additional marketing costs and performance and credit risks that would be borne by the Group if it were to sell copper concentrate directly to smelters in China.

The Directors, excluding the independent non-executive Directors whose view will be given after taking into account the advice from the Independent Financial Advisor, consider that the terms of the CMN Framework Offtake Agreement (including the CMN Annual Caps) constitute normal commercial terms which are fair and reasonable and the entry into by the Company of the CMN Framework Offtake Agreement is in the interests of the Shareholders as a whole. Mr Xu Jiqing, Mr Jiao Jian and Mr Gao Xiaoyu, each holding position(s) at CMN and/or CMNH and therefore being deemed to have a material interest in the transactions contemplated under the CMN Framework Offtake Agreement, have abstained from voting on such resolution of the Board.

IMPLICATIONS UNDER THE LISTING RULES

As CMN, through its wholly owned subsidiaries Album Enterprises and Top Create, controls approximately 73.69% of the voting shares of the Company, CMN is the controlling shareholder of the Company and therefore a connected person of the Company. Hence, the CMN Framework Offtake Agreement will, when the CMN Framework Offtake Agreement takes effect, constitute a continuing connected transaction for the Company.

As the Relevant Ratios in respect of the CMN Annual Caps exceed 5%, the CMN Framework Offtake Agreement is subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. CMN and its associates are required to abstain from voting on the relevant resolutions proposed at the EGM to approve the CMN Framework Offtake Agreement and the transactions contemplated thereunder.

INFORMATION ABOUT THE GROUP

The Group is engaged in the exploration, development and mining of zinc, copper, gold, silver and lead deposits around the world.

INFORMATION ABOUT CMN

CMN is a trader and supplier of non-ferrous metals.

GENERAL

The Independent Board Committee has been established to advise the Independent Shareholders in respect of the CMN Framework Offtake Agreement and the transactions contemplated thereunder (together with the CMN Annual Caps).

Somerley Capital Limited has been appointed as the Independent Financial Advisor to advise the Independent Board Committee and the Independent Shareholders in respect of the CMN Framework Offtake Agreement and the transactions contemplated thereunder (together with the CMN Annual Caps).

The Circular containing, among other things, (i) further details on the CMN Framework Offtake Agreement; (ii) the letter of advice from the Independent Financial Advisor to the Independent Board Committee and the Independent Shareholders in respect of the CMN Framework Offtake Agreement; (iii) the recommendation of the Independent Board Committee in respect of the CMN Framework Offtake Agreement; and (iv) a notice convening the EGM to approve, among other things, the CMN Framework Offtake Agreement, will be despatched to the Shareholders in accordance with the Listing Rules on or before 30 June 2014.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

Album Enterprises	Album Enterprises Limited, a wholly owned subsidiary of CMN and a controlling shareholder of the Company holding approximately 43.04% of the total number of Shares in issue as at the date of this announcement
associate	has the meaning ascribed thereto under the Listing Rules
Board	the board of Directors
Circular	the circular to be issued to the Shareholders by the Company in accordance with the Listing Rules in respect of, among other things, the CMN Framework Offtake Agreement
CFR	Cost and Freight, as such term is defined in Incoterms [®] 2010 (ICC Publication No 715E) or later version of Incoterms [®] as published by International Chamber of Commerce
CIF	Cost Insurance and Freight, as such term is defined in Incoterms 2010 [®] (ICC Publication No 715E) or later version of Incoterms [®] as published by International Chamber of Commerce
CITIC	CITIC Metal Co., Ltd., a company incorporated in the PRC with limited liability
CMC	中國五礦集團公司 (China Minmetals Corporation), formerly known as 中國五金礦產進出口總公司 (China National Metals and Minerals Import and Export Corporation), a state-owned enterprise incorporated on 7 April 1950 under the laws of the PRC and the ultimate controlling shareholder of the Company
CMC Group	CMC and its subsidiaries from time to time
CMCL	中國五礦股份有限公司 (China Minmetals Corporation Limited), a joint stock limited company incorporated on 16 December 2010 under the laws of the PRC and owned as to approximately 87.538% by CMC and as to approximately 0.846% by 中國五金製品有限公司 (China National Metal Products Co., Ltd.), a wholly owned subsidiary of CMC. CMC has an attributable interest of approximately 88.384% directly in CMCL as at the date of this announcement
CMN	五礦有色金屬股份有限公司 (China Minmetals Non-ferrous Metals Company Limited), a joint stock limited company incorporated on 27 December 2001 under the laws of the PRC and owned as to approximately 99.999% directly by CMNH and approximately 0.001% directly by CMCL as at the date of this announcement. CMN is a controlling shareholder of the Company, holding indirectly approximately 73.69% of the total number of Shares in issue as at the date of this announcement

CMN Annual Caps	the maximum aggregate annual amount of copper concentrate from the Las Bambas Project to be sold by MMG SA to members of the CMN Group under the CMN Framework Offtake Agreement
CMN Framework Offtake Agreement	the framework offtake agreement dated 27 June 2014 and entered into between CMN and MMG SA in relation to the sale by MMG SA to members of the CMN Group of copper concentrate from the Las Bambas Project to be purchased by the Company from the JV Company under the MMG Framework Offtake Agreement
CMN Group	CMN and its subsidiaries and affiliates from time to time (excluding the Group)
CMNH	五礦有色金屬控股有限公司 (China Minmetals Non-ferrous Metals Holding Company Limited), a joint stock limited company incorporated on 22 December 2009 under the laws of the PRC and a wholly owned subsidiary of CMCL. CMNH is a controlling shareholder of CMN, holding directly approximately 99.999% of CMN as at the date of this announcement
Company	MMG Limited, a company incorporated on 29 July 1988 in Hong Kong with limited liability, the shares of which are listed and traded on the Main Board of the Stock Exchange
Completion	completion of the sale and purchase of the entire issued share capital of Xstrata Peru S.A. under the Share Purchase Agreement
connected person	has the meaning ascribed thereto under the Listing Rules
controlling shareholder	has the meaning ascribed thereto under the Listing Rules
Director(s)	the director(s) of the Company
EGM	the extraordinary general meeting of the Company to be convened for the purpose of considering, and if thought fit, approving, among other things, the CMN Framework Offtake Agreement (including the CMN Annual Caps)
Elion Holdings	Elion Holdings Corporation Limited, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of GXIIC
Group	the Company and its subsidiaries from time to time
GXIIC	GUOXIN International Investment Corporation Limited, a company incorporated in Hong Kong with limited liability
Hong Kong	the Hong Kong Special Administrative Region of the PRC

Independent Board Committee	an independent committee of the Board comprising all of the independent non-executive Directors, namely, Dr Peter William Cassidy, Mr Anthony Charles Larkin and Mr Leung Cheuk Yan established to advise the Independent Shareholders in respect of the CMN Framework Offtake Agreement
Independent Financial Advisor	Somerley Capital Limited, the independent financial advisor to the Independent Board Committee and the Independent Shareholders in respect of the CMN Framework Offtake Agreement
Independent Shareholders	Shareholders other than CMN and its associates
JV Company	MMG South America Management Company Limited, a company incorporated on 11 February 2014 in Hong Kong with limited liability, a wholly owned subsidiary of the Company as at the date of this announcement
JV Group	the JV Company and its subsidiaries from time to time
Las Bambas Project	the development, construction and operation of the copper mines, processing facilities and associated infrastructure at the Las Bambas copper project located in the Apurimac region in Peru, together with all activities and infrastructure associated with the transportation and export of products from such mines
Listing Rules	the Rules Governing the Listing of Securities on the Stock Exchange
MMG Framework Offtake Agreement	the framework offtake agreement dated 27 June 2014 and entered into between MMG SA and the JV Company in relation to the sale of the Products from the Las Bambas Project
MMG SA	MMG South America Company Limited, a company incorporated on 4 May 1990 in Hong Kong with limited liability, a wholly owned subsidiary of the Company
Offtake Entitlement	has the meaning ascribed thereto in the section headed "Introduction" in this announcement
PRC or China	the People's Republic of China (which for the purpose of this announcement excludes Hong Kong, Taiwan and the Macau Special Administrative Region of the People's Republic of China, unless the context otherwise requires)
Products	the products (including copper concentrate and molybdenum concentrate) from the Las Bambas Project
Purchasers	Minera Las Bambas S.A.C., a company incorporated on or about 17 February 2014 in Lima, Peru with limited liability and MMG Swiss Finance AG, a company incorporated on 20 February 2014 in Switzerland, each of which is a wholly owned subsidiary of the Company

Relevant Ratios	any of the five ratios set out in Rule 14.07 of the Listing Rules
Sellers	Xstrata South America Limited, a company incorporated in the Cayman Islands with registration number 139719, and Glencore Queensland Limited, a company incorporated in Brisbane, Queensland, Australia with registration number ACN 009 814 019
Sellers' Guarantor	Glencore International AG, a company incorporated in Switzerland with registration number CH-170.3.012.788-3
Share Purchase Agreement	the share purchase agreement dated 13 April 2014 and entered into between the Sellers, the Sellers' Guarantor, the Purchasers and the Company in relation to the sale and purchase of the entire issued share capital of Xstrata Peru S.A.
Shareholders' Agreement	the subscription and shareholders' agreement dated 13 April 2014 and entered into between the Company, MMG SA, Elion Holdings, GXIC, CITIC and the JV Company in relation to the formation of the joint venture between MMG SA, Elion Holdings and CITIC for the purpose of the acquisition of the entire issued share capital of Xstrata Peru S.A. under the Share Purchase Agreement
Shareholder(s)	holder(s) of the Shares
Shares	the fully paid shares of the Company
Stock Exchange	The Stock Exchange of Hong Kong Limited
Top Create	Top Create Resources Limited, a wholly owned subsidiary of CMN and a controlling shareholder of the Company holding approximately 30.65% of the total number of Shares in issue as at the date of this announcement
%	per cent.

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

Hong Kong, 29 June 2014

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