MMG LIMITED
五礦資源有限公司

(Incorporated in Hong Kong with limited liability)

(STOCK CODE: 1208)

ANNOUNCEMENT ON ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014

The Board of Directors (Board) of MMG Limited (Company) is pleased to announce the consolidated results of the Company and its subsidiaries (Group) for the year ended 31 December 2014.

The financial information set out in this announcement does not constitute the Group's financial statements for the year ended 31 December 2014, but represents an extract from those financial statements.

The financial information has been reviewed by the Company's Audit Committee and agreed by the Company's auditor.

The consolidated results of the Group are annexed to this announcement.

MMG RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014

- Total recordable injury frequency of 2.3 per million hours worked in 2014, excluding the statistics for Las Bambas operations and projects.
- Stable revenue of US$2,479.8 million due to record copper sales and a higher average realised zinc price, offset by the lower average realised copper price.
- Consistent discipline of operational management at all sites in 2014.
- EBITDA of US$780.8 million, 4% higher than 2013 and improved EBITDA margin of 31%.
- Total profit of US$99.2 million, a 19% decrease compared to 2013.
- Earnings per share increased 1% to US 1.96 cents per share.
- The Board does not recommend the payment of a dividend for the year as a prudent approach to cash flow management.
- Las Bambas is on track to deliver on MMG's growth strategy.
- MMG remains confident in the underlying fundamentals of copper and zinc, which will continue to be driven by sustainable growth in China and the economic recovery of the US and developing economies.
- MMG's growth strategy remains unchanged – we will continue to focus on maximising shareholder returns by discovering, acquiring, developing and sustainably operating resources projects around the world.

YEAR ENDED 31 DECEMBER	2014 US$ MILLION	2013 US$ MILLION	CHANGE % FAV/(UNFAV)
Revenue	2,479.8	2,469.8	-
EBITDA	780.8	750.9	4
EBIT	243.7	278.3	(12)
Profit	99.2	122.5	(19)
EBITDA margin	31%	30%	
Net cash generated from operating activities	666.7	554.5	20
Dividend per share	-	US 1.00 cent	-
Basic and diluted earnings per share	US 1.96 cents	US 1.95 cents	1

MMG RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014 CONTINUED

MARKET OUTLOOK

With the exception of zinc, commodity prices were lower in 2014 than in 2013.

In 2014, global copper supply outstripped demand for the fourth consecutive year. This, together with concerns about the growth of the Chinese economy, the wind-back of monetary stimulus by the US Federal Reserve and lower oil prices, continued to weigh on copper prices.

Recent Chinese government announcements of further investment in China's power grid network are expected to provide additional support to copper prices in the near term. This along with the continued population growth and migration of rural populations to the cities is expected to increase copper consumption as purchasing power grows. Lower energy prices are stimulating other global economies, particularly the US, where there are reported improvements in manufacturing, employment and consumer sentiment.

Copper mine supply increased by 3.3% to 18.7 million tonnes in 2014, with supply expected to increase further in 2015. However, lower grades, depleting reserves and higher costs are likely to impact future production and investment. Current reserves are being replaced by lower-grade and higher-cost operations in more remote and geopolitically difficult locations. This will ultimately impact the cost curve and incentivised price of copper for mining companies.

Zinc fundamentals continued to improve with London Metals Exchange (LME) warehouse stocks falling 0.4 million tonnes to 0.8 million tonnes. Development of new deposits is required to offset the closure of several key zinc mines that are expected to remove approximately 1.8 million tonnes from a 13.0 million tonne market.

We remain confident in the underlying fundamentals of copper and zinc demand, which will continue to be driven by sustainable growth in China and the economic recovery of the US and developing economies, particularly Asia.

GROWTH STRATEGY

MMG's growth strategy is aimed to create shareholder wealth by discovering, acquiring, developing and sustainably operating resources projects around the world.

Our growth strategy is focused on:

- identifying opportunities to maximise the potential of our existing assets;
- pursuing organic growth opportunities through our projects and exploration pipelines; and
- pursuing external growth such as targeting value-focused acquisitions.

MMG will continue to build solid business foundations to enable it to grow without adding complexity. This includes implementing a scalable and systematic operating model and management system, common across all operations. It is our objective to be valued as one of the world's top mid-tier miners by 2020.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014

For the purpose of the management discussion and analysis, the Group's results for the 12 months ended 31 December 2014 are compared with the results for the 12 months ended 31 December 2013.

YEAR ENDED 31 DECEMBER	2014 US$ MILLION	2013 US$ MILLION	CHANGE % FAV/(UNFAV)
Revenue	**2,479.8**	**2,469.8**	**-**
Operating expenses	(1,491.3)	(1,544.0)	3
Exploration expenses	(73.0)	(71.9)	(2)
Administration expenses	(111.5)	(78.9)	(41)
Business acquisition expenses	(16.3)	(5.2)	(213)
Other income and expenses	(6.9)	(18.9)	63
EBITDA	**780.8**	**750.9**	**4**
Depreciation, amortisation and impairment expenses	(537.1)	(472.6)	(14)
EBIT	**243.7**	**278.3**	**(12)**
Net finance costs	(79.4)	(77.2)	(3)
Profit before income tax	**164.3**	**201.1**	**(18)**
Income tax expense	(65.1)	(78.6)	17
Profit for the year	**99.2**	**122.5**	**(19)**

The Group's management determined the reporting segments based on reports reviewed by its Executive Committee. The Group's operations are managed on an operating site-by-site basis, with exploration, development projects and corporate activities being classified as 'other'. The Group's operations comprise Sepon, Kinsevere, Century, Rosebery, Golden Grove and Las Bambas.

YEAR ENDED 31 DECEMBER	REVENUE			EBITDA		
	2014 US$ MILLION	2013 US$ MILLION	CHANGE %	2014 US$ MILLION	2013 US$ MILLION	CHANGE % FAV/(UNFAV)
Sepon	620.2	746.2	(17)	366.5	396.5	(8)
Kinsevere	465.7	455.3	2	189.3	198.0	(4)
Century	853.3	721.0	18	323.5	176.5	83
Rosebery	247.5	253.3	(2)	85.2	84.3	1
Golden Grove	293.1	294.0	-	29.0	73.0	(60)
Las Bambas [(i)]	-	-	-	(42.3)	-	-
Other	-	-	-	(170.4)	(177.4)	4
Total	**2,479.8**	**2,469.8**	**-**	**780.8**	**750.9**	**4**

(i) MMG acquired Las Bambas as part of the acquisition of Xstrata Peru S.A. in July 2014. The financial results of Las Bambas have been consolidated from 1 August 2014.

The following discussion and analysis of the financial information and results should be read in conjunction with the financial information.

Revenue

The Group's operations generated revenue of US$2,479.8 million for the year ended 31 December 2014, US$10.0 million higher than the year ended 31 December 2013.

REVENUE BY COMMODITY	2014 US$ MILLION	2013 US$ MILLION	CHANGE % FAV/(UNFAV)
Copper	1,280.7	1,364.9	(6)
Zinc	884.7	739.1	20
Lead	142.9	136.9	4
Gold	73.2	122.0	(40)
Silver	98.3	106.9	(8)
Total	**2,479.8**	**2,469.8**	-

Price

With the exception of zinc, average LME base metal prices were lower in 2014 resulting in an unfavourable impact on revenue.

AVERAGE LME CASH PRICE	2014	2013	CHANGE % FAV/(UNFAV)
Copper (US$/tonne)	6,862	7,322	(6)
Zinc (US$/tonne)	2,164	1,909	13
Lead (US$/tonne)	2,096	2,141	(2)
Gold US$/ounce)	1,266	1,410	(10)
Silver (US$/ounce)	19.08	23.79	(20)

Sales volumes

PAYABLE METAL IN PRODUCT SOLD YEAR ENDED 31 DECEMBER	2014	2013	CHANGE % FAV/(UNFAV)
Copper (tonnes)	192,909	187,449	3
Zinc (tonnes)	524,828	493,339	6
Lead (tonnes)	86,951	77,685	12
Gold (ounces)	61,028	89,996	(32)
Silver (ounces)	5,138,014	4,713,267	9

PAYABLE METAL IN PRODUCT SOLD YEAR ENDED 31 DECEMBER 2014	COPPER TONNES	ZINC TONNES	LEAD TONNES	GOLD OUNCES	SILVER OUNCES
Sepon	88,377	-	-	524	718
Kinsevere	69,552	-	-	-	-
Century	-	419,484	60,786	-	1,626,930
Rosebery	2,351	73,051	22,894	35,572	2,446,196
Golden Grove	32,629	32,293	3,271	24,932	1,064,170
Total	**192,909**	**524,828**	**86,951**	**61,028**	**5,138,014**

PAYABLE METAL IN PRODUCT SOLD YEAR ENDED 31 DECEMBER 2013	COPPER TONNES	ZINC TONNES	LEAD TONNES	GOLD OUNCES	SILVER OUNCES
Sepon	92,687	-	-	38,843	83,663
Kinsevere	62,074	-	-	-	-
Century	-	402,421	49,751	-	1,144,351
Rosebery	1,576	76,200	23,786	29,161	2,392,054
Golden Grove	31,112	15,307	4,148	21,992	1,093,199
Total	**187,449**	**493,339**	**77,685**	**89,996**	**4,713,267**

The Company reported higher sales volumes in 2014 for all products with the exception of gold.

Total copper sales were 192,909 tonnes, 3% higher than 2013, in line with increased production at Kinsevere and Golden Grove and partially offset by lower production at Sepon.

Kinsevere achieved record annual production and sales volumes following a continuing focus on asset utilisation and efficiency throughout the year. Kinsevere contributed an additional 7,478 tonnes of copper cathode sold in 2014 compared with 2013. This increase was partially offset by copper cathode sales from Sepon which decreased 4,310 tonnes (5%) in 2014 following the record production and sales achieved in the prior year.

Century and Golden Grove contributed to a 6% increase in zinc sales volumes compared with 2013. Zinc sales volumes at Century increased by 17,063 tonnes (4%) compared with 2013.

Sales volumes at Golden Grove were in line with annual production.

Gold sales volumes decreased by 32% primarily due to cessation of gold production at Sepon in 2013.

Lead sales volumes increased by 12% compared with 2013 due to the reclamation of lead from storage dams at Century.

Operating expenses include operating site expenses excluding depreciation and amortisation. Site expenses include mining and processing expenses, changes in inventories, royalty expenses, selling expenses, corporate recharge expenses and other operating expenses.

Operating expenses decreased by US$52.7 million (3%) compared to 2013 despite continuing cost pressures experienced across the Company's operations which were offset by a favourable movement in the Australian dollar exchange rate.

Sepon reduced operating expenses by US$82.2 million following the cessation of gold production in 2013 combined with improvements in mining efficiencies.

Century's operating expenses decreased by US$20.5 million compared to 2013, due to continued tight cost controls as well as cost reductions leading up to closure of the open pit-mine.

Operating expenses at Kinsevere increased by US$18.7 million compared to 2013 due to additional contractors, employees, consumables and diesel required to support increased production in addition to general cost inflation in the country.

At Golden Grove, operating expenses increased by US$39.5 million due to the drawdown of stockpiles and timing of shipments. This was despite a US$28.6 million reduction in production expenses resulting from an operational change increasing the mining and processing of lower-cost zinc ore compared to higher-cost copper oxide ore in 2013.

The weaker Australian dollar is estimated to have resulted in a US$48.5 million favourable impact on total operating expenses.

Exploration expenses increased by US$1.1 million (2%) to US$73.0 million in 2014. This was mainly due to increased spending on new discovery exploration.

Exploration in 2014 focused on project generation and new discovery exploration activities in the DRC both within current operating tenements as well as newly acquired tenements within a 50 kilometre radius of Kinsevere.

MMG invested a total of US$36.8 million in new discovery and project generation programs in Australia, the Americas and Africa.

The Group invested US$35.0 million in mine district exploration, a decrease of US$0.2 million compared with 2013.

Administrative expenses increased by US$32.6 million (41%) to US$111.5 million in 2014.

This increase was mainly due to integration activity associated with the acquisition of the Las Bambas Project and contributed to an additional US$17.3 million of expenses in 2014.

As we expect to deliver our planned set of business objectives, long-term incentive (LTI) costs have been accounted for accordingly. This has resulted in a US$21.2 million increase in corporate costs due to an LTI provision of US$7.2 million for the current period, compared with a reversal of LTI provisions of US$14.0 million in 2013 when performance targets associated with LTIs were not met.

The weaker Australian dollar is estimated to have resulted in a US$7.2 million favourable impact on administration costs.

Business acquisition expenses of US$16.3 million relate to the acquisition of Las Bambas.

Other income and expenses had an aggregate US$6.9 million and US$18.9 million unfavourable impact on EBIT in 2014 and 2013 respectively.

Other items include the net gain on disposal of available-for-sale financial assets, non-refundable deposits relating to the sale of Avebury and Yantai Penghui, foreign exchange gains on the translation of monetary items, more than offset by losses on financial assets recognised at fair value through profit or loss and other sundry income and expense items.

Depreciation, amortisation and impairment expenses increased by US$64.5 million (14%) to US$537.1 million in 2014 due to higher mining and processing volumes at Kinsevere and Century in addition to the impact of reducing economic reserves at Sepon, Century and Rosebery.

Net finance costs increased by US$2.2 million to US$79.4 million in 2014. Interest expenses on bank borrowings decreased by US$4.2 million, primarily driven by the US$248.5 million of debt repayments made during 2014.

Interest expense on convertible redeemable preference shares increased from US$8.0 million in 2013 to US$19.6 million in 2014. This reflects the convertible redeemable preference share expensing over a full 12 months, rather than five months in 2013.

The increase in other finance costs were driven by a US$2.5 million Parent Guarantee charged in relation to the Company's interest in Las Bambas.

The increase in capitalised borrowing costs is due to the establishment of the Las Bambas debt facilities, while also continuing to capitalise fees relating to the Dugald River debt facility.

Income tax expenses decreased by US$13.5 million to US$65.1 million in 2014 reflecting the decrease in profit before income tax for the Group. The effective tax rate in 2014 was 39.6%. This is higher than the statutory corporate tax rates applicable in MMG's operating jurisdictions (Laos 33.3%, Australia 30.0%, DRC 30.0% and Peru 32.0%). This is mainly due to tax credits associated with withholding taxes not recoverable in relation to Las Bambas and the impact of a legislated increase in the rate of DRC 'Minimum Tax' which is currently an additional tax impost to the DRC corporate tax.

SEGMENT ANALYSIS

Sepon

YEAR ENDED 31 DECEMBER	2014	2013	CHANGE % FAV/(UNFAV)
Production			
Ore mined (tonnes)	1,788,282	3,589,858	(50)
Ore milled (tonnes)	1,909,018	4,141,945	(54)
Copper cathode (tonnes)	88,541	90,030	(2)
Gold (ounces)	364	36,075	(99)
Silver (ounces)	-	81,899	-
Payable metal in product sold			
Copper (tonnes)	88,377	92,687	(5)
Gold (ounces)	524	38,843	(99)
Silver (ounces)	718	83,663	(99)

YEAR ENDED 31 DECEMBER	2014 US$ MILLION	2013 US$ MILLION	CHANGE % FAV/(UNFAV)
Revenue	**620.2**	**746.2**	**(17)**
Operating expenses			
Production expenses			
Mining	(12.2)	(38.9)	69
Processing	(101.4)	(112.3)	10
Other	(100.5)	(111.7)	10
Total production expenses	**(214.1)**	**(262.9)**	**19**
Freight (transportation)	(6.7)	(8.7)	23
Royalties	(27.6)	(33.1)	17
Other (i)	(5.0)	(30.9)	84
Total operating expenses	**(253.4)**	**(335.6)**	**24**
Other income/(expenses)	(0.3)	(14.1)	98
EBITDA	**366.5**	**396.5**	**(8)**
Depreciation, amortisation and impairment expenses	(98.9)	(77.8)	(27)
EBIT	**267.6**	**318.7**	**(16)**
EBITDA margin	**59%**	**53%**	

(i) Other operating expenses include changes in inventories, corporate recharges and other costs of operations.

Sepon completed its first full year as a dedicated copper operation following the cessation of gold production in December 2013. Revenue of US$620.2 million was US$126.0 million (17%) lower than 2013, mainly due to the significant reduction in gold sales which attributed US$54.2 million of the total decrease. Revenue was also impacted by lower copper sales and the 6% decrease in the average realised copper price.

Processing costs decreased by US$10.9 million (10%) as a result of lower electricity and diesel costs of US$8.8 million and reduced consumables costs previously related to gold production. Mining costs decreased by US$26.7 million (69%) due to lower mining and processing volumes associated with the cessation of gold production.

Due to the factors above, the EBITDA margin improved to 59% in 2014, from 53% in 2013.

Depreciation, amortisation and impairment expenses increased by US$21.1 million (27%) due to changes in the balance of mining inventories to align with updates to the resources and reserves guidelines.

Kinsevere

YEAR ENDED 31 DECEMBER	2014	2013	CHANGE % FAV/(UNFAV)
Production			
Ore mined (tonnes)	2,792,664	2,592,960	8
Ore milled (tonnes)	1,798,258	1,588,563	13
Copper cathode (tonnes)	69,624	62,076	12
Payable metal in product sold			
Copper (tonnes)	69,552	62,074	12

YEAR ENDED 31 DECEMBER	2014 US$ MILLION	2013 US$ MILLION	CHANGE % FAV/(UNFAV)
Revenue	**465.7**	**455.3**	**2**
Operating expenses			
Production expenses			
Mining	(36.6)	(19.4)	(89)
Processing	(55.1)	(41.2)	(34)
Other	(118.3)	(132.6)	11
Total production expenses	**(210.0)**	**(193.2)**	**(9)**
Freight (transportation)	(39.7)	(37.2)	(7)
Royalties	(19.8)	(19.0)	(4)
Other [(i)]	(6.5)	(7.9)	18
Total operating expenses	**(276.0)**	**(257.3)**	**(7)**
Other income/(expenses)	(0.4)	-	-
EBITDA	**189.3**	**198.0**	**(4)**
Depreciation, amortisation and impairment expenses	(140.3)	(126.1)	(11)
EBIT	**49.0**	**71.9**	**(32)**
EBITDA margin	**41%**	**43%**	

(i) Other operating expenses include changes in inventories, corporate recharges and other costs of operations.

Kinsevere achieved its second year of record production driven by operational improvements and supported by a stable power supply. Annual production of 69,624 tonnes of copper cathode was 12% higher than 2013.

Revenue increased by US$10.4 million (2%) compared to 2013 as a result of the 12% increase in copper sales, marginally offset by a lower average realised copper price.

Mining costs increased by US$17.2 million (89%) due to additional contractors, employees, consumables and diesel required to support increased production. Ore milled increased by 13% in 2014 with a corresponding 34% increase in processing costs, mainly relating to the higher use of consumables.

The increased availability of lower-cost grid-sourced power resulted in a US$9.7 million reduction in energy costs compared to 2013 (energy costs are reported as part of other production expenses). Approximately 34% of power requirements were met from electricity sourced via diesel generation in 2014 compared with 57% in 2013.

Depreciation, amortisation and impairment expenses increased by US$14.2 million (11%), consistent with increases in mining and processing volumes

Century

YEAR ENDED 31 DECEMBER	2014	2013	CHANGE % FAV/(UNFAV)
Production			
Ore mined (tonnes)	7,273,064	6,947,259	5
Ore milled (tonnes)	7,109,879	7,096,282	-
Zinc in zinc concentrate (tonnes)	465,696	488,233	(5)
Lead in lead concentrate (tonnes)	64,426	54,792	18
Payable metal in product sold			
Zinc (tonnes)	419,484	402,421	4
Lead (tonnes)	60,786	49,751	22
Silver (ounces)	1,626,930	1,144,351	42

YEAR ENDED 31 DECEMBER	2014 US$ MILLION	2013 US$ MILLION	CHANGE % FAV/(UNFAV)
Revenue	**853.3**	**721.0**	**18**
Operating expenses			
Production expenses			
Mining	(108.0)	(112.2)	4
Processing	(244.0)	(259.5)	6
Other	(65.2)	(74.0)	12
Total production expenses	**(417.2)**	**(445.7)**	**6**
Freight (transportation)	(51.3)	(46.2)	(11)
Royalties	(30.6)	(23.2)	(32)
Other (i)	(32.2)	(36.7)	12
Total operating expenses	**(531.3)**	**(551.8)**	**4**
Other income/(expenses)	1.5	7.3	(79)
EBITDA	**323.5**	**176.5**	**83**
Depreciation, amortisation and impairment expenses	(191.3)	(172.7)	(11)
EBIT	**132.2**	**3.8**	**3,379**
EBITDA margin	**38%**	**24%**	

(i) Other operating expenses include changes in inventories, corporate recharges and other costs of operations.

Century continues to deliver on strategic cost savings and improved mining performance leading up to closure of the open-pit mine. Century achieved annual records in mining and processing in 2014 which helped alleviate decreasing zinc feed grades that were expected from the final stages of the mine.

Revenue increased by US$132.3 million (18%) due to the increased average realised price of zinc, combined with higher sales volumes.

Mining and processing costs decreased by US$4.2 million and US$15.5 million respectively due to reduced spending on explosives, tyres and general consumables as Century draws down on its supply inventory to align with the slow-down of mining at the site in 2015.

MMG has provisioned an amount of US$378.1 million to allow for the closure of Century, an increase of US$146.3 million from the 2013 level. MMG expects to spend US$39.8 million in 2015 on the rehabilitation of land as part of the site's plan for closure. It is expected that progressive rehabilitation of the area will take place over approximately 40 years.

Depreciation, amortisation and impairment expenses increased by US$18.6 million (11%) consistent with increases in mining and processing volumes, and accelerated depreciation in line with mine closure.

Rosebery

YEAR ENDED 31 DECEMBER	2014	2013	CHANGE % FAV/(UNFAV)
Production			
Ore mined (tonnes)	842,923	893,181	(6)
Ore milled (tonnes)	879,288	897,277	(2)
Copper in copper concentrate (tonnes)	2,305	1,852	24
Zinc in zinc concentrate (tonnes)	83,507	88,369	(6)
Lead in lead concentrate (tonnes)	23,409	24,865	(6)
Gold (ounces)	10,164	6,058	68
Silver (ounces)	5,904	3,623	63
Payable metal in product sold			
Copper (tonnes)	2,351	1,576	49
Zinc (tonnes)	73,051	76,200	(4)
Lead (tonnes)	22,894	23,786	(4)
Gold (ounces)	35,572	29,161	22
Silver (ounces)	2,446,196	2,392,054	2

YEAR ENDED 31 DECEMBER	2014 US$ MILLION	2013 US$ MILLION	CHANGE % FAV/(UNFAV)
Revenue	**247.5**	**253.3**	**(2)**
Operating expenses			
Production expenses			
Mining	(73.8)	(93.8)	21
Processing	(26.2)	(31.6)	17
Other	(31.9)	(18.9)	(69)
Total production expenses	**(131.9)**	**(144.3)**	**9**
Freight (transportation)	(6.4)	(8.7)	26
Royalties	(7.4)	(11.2)	34
Other (i)	(19.5)	(9.2)	(112)
Total operating expenses	**(165.2)**	**(173.4)**	**5**
Other income/(expenses)	2.9	4.4	(34)
EBITDA	**85.2**	**84.3**	**1**
Depreciation, amortisation and impairment expenses	(46.5)	(25.9)	(80)
EBIT	**38.7**	**58.4**	**(34)**
EBITDA margin	**34%**	**33%**	

(i) Other operating expenses include changes in inventories, corporate recharges and other costs of operations.

Rosebery continues to deliver a consistent performance in safety, volume and costs, making an important contribution to the Group's overall result.

Revenue decreased by US$5.8 million (2%) due to lower zinc and lead sales together with a 20% decrease in the average realised price of silver, marginally offset by a 49% increase in copper sales and 13% increase in the average realised zinc price.

Lower production expenses of US$12.4 million (9%) relate to lower ore mined and milled due to geotechnical restrictions.

Depreciation, amortisation and impairment expenses increased by US$20.6 million (80%) due to reductions in Ore Reserves.

Golden Grove

YEAR ENDED 31 DECEMBER	2014	2013	CHANGE % FAV/(UNFAV)
Production			
Ore mined (tonnes)	1,262,975	2,443,716	(48)
Ore milled (tonnes)	1,739,111	1,766,157	(2)
Copper in copper concentrate (tonnes)	30,837	33,780	(9)
Zinc in zinc concentrate (tonnes)	37,896	23,619	60
Lead in lead concentrate (HPM, tonnes)	3,986	2,383	67
Payable metal in product sold			
Copper (tonnes)	32,629	31,112	5
Zinc (tonnes)	32,293	15,307	111
Lead (tonnes)	3,271	4,148	(21)
Gold (ounces)	24,932	21,992	13
Silver (ounces)	1,064,170	1,093,199	(3)

YEAR ENDED 31 DECEMBER	2014 US$ MILLION	2013 US$ MILLION	CHANGE % FAV/(UNFAV)
Revenue	**293.1**	**294.0**	**-**
Operating expenses			
Production expenses			
Mining	(71.0)	(105.7)	33
Processing	(54.8)	(56.5)	3
Other	(68.8)	(61.0)	(13)
Total production expenses	**(194.6)**	**(223.2)**	**13**
Freight (transportation)	(11.3)	(9.9)	(14)
Royalties	(13.1)	(12.3)	(7)
Other (i)	(46.4)	19.5	(338)
Total operating expenses	**(265.4)**	**(225.9)**	**(17)**
Other income/(expenses)	1.3	4.9	(73)
EBITDA	**29.0**	**73.0**	**(60)**
Depreciation, amortisation and impairment expenses	(44.2)	(62.8)	30
EBIT	**(15.2)**	**10.2**	**(249)**
EBITDA margin	**10%**	**25%**	

(i) Other operating expenses include changes in inventories, corporate recharges and other costs of operations.

Golden Grove delivered revenue of US$293.1 million, consistent with 2013, following higher sales of copper, zinc and gold along with a 13% increase in the average realised price of zinc, offset by lower average realised prices of copper, lead and gold.

Operating expenses increased by US$39.5 million (17%) due to the drawdown of stockpiles and timing of shipments. This was despite a US$28.6 million reduction in production expenses resulting from an operational change increasing the mining and processing of lower-cost zinc ore compared to higher-cost copper oxide ore in 2013.

Depreciation, amortisation and impairment expenses were US$18.6 million (30%) lower than 2013 mainly due to lower volumes of ore mined and ore milled from the copper oxide open-pit in 2014.

CASH FLOW ANALYSIS

Net cash flow

Net cash flow reflects an increase in the Company's operating cash flows and investments in 2014 associated with the acquisition and construction of Las Bambas.

YEAR ENDED 31 DECEMBER	2014 US$ MILLION	2013 US$ MILLION
Operating cash flows	666.7	554.5
Investing cash flows	(3,932.8)	(660.6)
Financing cash flows	3,379.9	147.0
Net cash inflow	113.8	40.9

Net operating cash inflows increased by 20% to US$666.7 million in 2014 due to higher EBITDA, favourable working capital movements and lower tax paid.

Net investing cash outflows were US$3,932.8 million in 2014 compared to US$660.6 million in 2013.

During 2014, the net cash paid by the Group for the acquisition of Las Bambas was US$2,950.1 million, and US$772.4 million on project capital expenditure.

In addition, the Group invested US$313.5 million in the purchase of property plant and equipment and the development of software (2013: US$616.3 million). This includes US$68.0 million expenditure on the Dugald River project (2013: US$240.3 million) and US$119.7 million (2013: US$129.6 million) investment in mine property and development.

Investment cash outflows in 2014 were offset by the proceeds from the disposal of other financial assets and subsidiaries of US$104.2 million.

Net financing cash inflows were US$3,379.9 million in 2014 compared to US$147.0 million in 2013.

Financing cash inflows in 2014 included the drawdown of US$969.0 million under the US$969.0 million Las Bambas Acquisition Facility and US$4,119.0 million under the US$5,988.0 million Las Bambas Project Facility with China Development Bank Corporation (CDB), Industrial and Commercial Bank of China Limited (ICBC), Bank of China Limited (Sydney Branch) (BOC) and The Export-Import Bank of China (EXIM).

Inflows also include capital contribution from non-controlling shareholders upon the acquisition of Las Bambas of US$1,106.2 million, and the drawdown of US$1,843.8 million under the US$2,262.0 million facility with MMG shareholder Top Create.

These were partially offset by repayments of Las Bambas Sellers' Group Intragroup Loans of US$4,018.1 million, repayments of borrowings, loan to a related party and payments of interest and financing costs in line with contractual terms.

Dividends of US$62.9 million were paid to Sepon minority shareholder Government of Laos and MMG Shareholders.

Financing cash inflows in 2013 included the June 2013 drawdown of US$250.0 million under the US$1.0 billion Dugald River Facility agreed with BOC and CDB, and US$338.0 million raised in August 2013 via the issuance of convertible redeemable preference shares. This was partially offset by repayments of borrowings and payment of interest and financing costs in line with contractual terms.

FINANCIAL RESOURCES AND LIQUIDITY

AS AT 31 DECEMBER	2014 US$ MILLION	2013 US$ MILLION	CHANGE US$ MILLION
Total assets	13,490.0	4,683.5	8,806.5
Total liabilities	(10,515.4)	(2,866.7)	(7,648.7)
Total equity	**2,974.6**	**1,816.8**	**1,157.8**

Total equity increased by US$1,157.8 million to US$2,974.6 million as at 31 December 2014, mainly reflecting the US$1,106.2 million non-controlling interests arising from the Las Bambas acquisition and recognised profits for the year, offset by the dividends paid of US$62.9 million.

The Group's objectives in managing capital are to safeguard the Group's ability to continue as a going concern, support the Group's sustainable growth, enhance Shareholder value and provide capital for potential acquisitions and investment.

The Group manages the capital structure and makes adjustments in light of changes in economic conditions and business strategies. To maintain or adjust the capital structure, the Group may adjust the amount of dividend payments to Shareholders, issue new shares or raise/repay debts.

The Group monitors capital and manages its cash flow in accordance with financial covenants contained in group debt facilities. During the year, the Group raised US$5,150.8 million external bank borrowings and US$1,843.8 million Shareholder borrowings to fund the Las Bambas Project. Under MMG Group debt facility agreements, MMG South America Group related items are excluded from the MMG Group gearing ratio calculation. The gearing ratio is defined as net debt (total borrowings excluding finance charge prepayments, less cash and bank deposits) divided by the aggregate of net debt plus total equity. As a result, the borrowings, cash and equity amounts in 2014 in the MMG Group gearing ratio calculation exclude those in MMG South America Group, including US$1,843.8 million shareholder borrowings by MMG South America Company Limited to fund its equity contribution in the Las Bambas joint venture company MMG South America Management Company Limited.

MMG GROUP (EXCLUDING MMG SOUTH AMERICA MANAGEMENT GROUP)	2014 US$ MILLION	2013 US$ MILLION
Total borrowings (excluding prepayments)	1,321.8	1,644.2
Less: cash and cash equivalents	91.9	137.4
Net debt	**1,229.9**	**1,506.8**
Total equity	1,922.5	1,816.8
	3,152.4	**3,323.6**
Gearing ratio	**0.39**	**0.45**

The Group's objectives on managing the capital employed by MMG South America Management Group (the Las Bambas joint venture company and its subsidiaries) are to safeguard the MMG South America

Management Group's ability to continue as a going concern, support the development of projects, enhance Shareholder value and provide capital for further investment.

The process used to manage and monitor the capital for the MMG South America Management Group is consistent with the process applied for the MMG Group.

MMG SOUTH AMERICA MANAGEMENT GROUP	2014 US$ MILLION
Total borrowings (excluding prepayments)	5,150.8
Less: cash and cash equivalents	159.3
Net debt	**4,991.5**
Total equity	2,895.9
	7,887.4
Gearing ratio	**0.63**

Available debt facilities

As at 31 December 2014, the MMG Group (excluding MMG South America Management Group) had available undrawn facilities of US$1,040.0 million (including US$750.0 million Dugald River facility which can only be used for the purpose of funding the project. In the event the project does not progress, the facility will need to be repaid). The MMG South America Management Group had available undrawn facilities of US$1,806.2 million. Additionally, a further US$418.3 million undrawn facility was available with Top Create, to fund MMG Group equity contributions to the MMG South America Group.

The Group's cash and cash equivalents at 31 December 2014 of US$251.2 million (2013: US$137.4 million) were denominated mainly in US dollars.

As at 31 December 2014, the Group's borrowings (excluding finance charge prepayments) were as follows:

- 75.4% were bank borrowings, 22.2% were loans from related parties and 2.4% related to balances associated with convertible redeemable preference shares;
- 100% were denominated in US$;
- 97.6% were priced based on floating interest rates and 2.4% based on fixed interest rates; and
- 1.5% was repayable within one year, 3.4% were repayable between one and two years, 22.0% were repayable between two and five years and 73.1% were repayable over five years.

The Group's capital commitments for purchases of property, plant and equipment and intangible assets as at 31 December 2014 were US$1,229.8 million (2013: US$37.3 million) as discussed further in Note 16.

DIVIDENDS

At a Board meeting on 10 March 2015, the Directors did not recommend the payment of a final dividend for the year ended 31 December 2014 (2013: US$52.9 million).

At a Board meeting on 11 March 2014, the Directors of the Company recommended the payment of a final dividend of 1.0 US cent per ordinary share (US$52.9 million) for the year ended 31 December 2013. The recommended dividend was approved on 21 May 2014 and was paid on 6 June 2014. This is reflected as an appropriation of retained earnings during the year ended 31 December 2014.

	2014 US$ MILLION	2013 US$ MILLION
Dividends paid/payable during the year		
MMG Limited 2013 final dividend	52.9	-
	52.9	-

MAJOR DEVELOPMENT PROJECTS

An update of the Company's major development projects is below:

Las Bambas, Peru

Las Bambas is a large, long-life copper development project located in the Apurimac region of Peru. It is at an advanced stage of construction and is set to become one of the largest global copper mines once in full production.

Throughout 2014, project activity focused on the construction of the processing plant, primary crusher, overland conveyor and key surface infrastructure. As at 31 December 2014, the overall project was 80% complete.

MMG expects first production of concentrate in the first quarter of 2016, with the remaining capital expenditure required to complete the Las Bambas Project to be in the range of US$1.9–US$2.4 billion from 1 January 2015.

Capital expenditure for the Las Bambas Project totalled US$772.4 million from 1 August 2014 to 31 December 2014.

Dugald River, Australia

The Dugald River project is one of the largest high-grade known deposits of zinc, lead and silver in the world. Located in north-west Queensland, approximately 65 kilometres north-west of Cloncurry, the deposit has a Mineral Resource of 63 million tonnes at 12% zinc, 1.8% lead and 31g/t silver.

In 2014, MMG conducted a mine trial stoping program which was designed to determine the geotechnical conditions and practical operating performance for an underground mine. The mining component of this program was completed with 19 stopes successfully mined, providing valuable input into the determination of the optimal stope size and project parameters.

The results of the trial continue to be analysed in parallel with a review of surface infrastructure and processing requirements.

As a result of the trial stoping program, there are ore stockpiles at Dugald River of approximately 450,000 tonnes with an average grade of 13.3% zinc. Trucking this stockpiled ore to Century for processing is one of a number of options being considered in the short term.

Total capital expenditure for the Dugald River project in 2014 totalled US$68.0 million, contributing to a total value of US$626.7 million in property, plant and equipment associated with the project at 31 December 2014.

CONTRACTS AND COMMITMENTS

Sepon

Several agreements were entered into or extended for Sepon in the areas of equipment and tyres purchase and mining services, including drilling services. The agreement for the provision of diesel fuel was extended with amended commercial arrangements, including the incorporation of key performance indicators which will be reviewed regularly along with clearer visibility of pricing structures. The contract also considers potential increases in consumption with a rebates mechanism in place. An improved risk profile was also achieved under the amended commercial arrangements with increased insurance levels.

Kinsevere

An agreement was entered into for the provision of diesel fuel and related services at Kinsevere after a competitive market engagement process. The agreement provides security of supply and includes increased safety performance indicators. Another competitive market engagement process resulted in a new supplier introduced to perform camp management service for the Kinsevere camp (and surrounding sites) as well as the Lubumbashi camp under one consolidated agreement.

Rosebery

Several agreements were entered into for the provision of mining services including raiseboring, mine development and near-mine drilling. Other agreements included an extension of the electricity supply agreement and capital works associated with the new powerline.

Golden Grove

A competitive market engagement process conducted for activities related to inbound freight services resulted in a new supplier awarded the agreement for Golden Grove. The agreement provides for freight services including pick-ups from the wharf, warehousing and consolidation of goods, transport of goods to site and unloading.

Dugald River

An agreement was negotiated for the provision of mining services in relation to the stope mining trial at Dugald River. The agreement met MMG's requirement for a trial with flexibility in range of equipment and personnel available for the work to be undertaken.

Las Bambas

Several agreements were entered into for the supply of major spare parts for the concentrator plant. The provision of earthmoving services was transitioned to a new supplier, under a competitive tender process.

Other

An extension to the existing agreement for the supply of fuel and services for MMG's Australian sites was completed following extensive negotiations with the incumbent supplier. This followed an expression of interest process conducted to explore opportunities following changes in the Australian fuel market. The negotiations yielded improved commercial arrangements including revision of key performance indicators including those in the area of continuous improvement.

PEOPLE

As at 31 December 2014, the Group employed a total of 5,109 full-time equivalent employees (2013: 4,897) in its operations (excluding contractors, casual employees, apprentices and trainees) with the majority of employees based in Australia, Laos, South America and the DRC.

Total employee benefits expenses for the Group's operations for the 12 months ended 31 December 2014, including directors' emoluments, totalled US$446.6 million which is consistent with the prior year (2013: US$448.3 million).

The Group has remuneration policies that align with market practice and remunerates its employees based on the responsibilities of their role, their performance, market requirements and the performance of the Group. Employee benefits include market-competitive fixed remuneration, performance-related incentives, a limited share option scheme and, in specific cases, insurance and medical coverage. A range of targeted training and development programs are provided to employees across the Group that are designed to improve individual capability, and enhance employee and Group performance.

MATERIAL ACQUISITIONS AND DISPOSALS

Acquisition of Las Bambas

On 14 April 2014, the Group announced that it had entered into a conditional agreement to acquire the Las Bambas Project as part of a joint venture with two other entities. The acquisition was approved by Shareholders on 21 July 2014 and was completed on 31 July 2014, for an aggregate consideration of US$2,968.1 million.

Also in accordance with the Share Purchase Agreement, the Purchasers lent an amount of approximately US$4.0 billion (equivalent to approximately HK$31.3 billion), being the Estimated Intragroup Loan Amount, to the Project Company for its repayment of the Intragroup Loans to members of the Sellers' Group.

The Las Bambas Project is a large, scalable, long-life development project with prospective exploration options. Located in Cotabambas, within the Apurimac Region of Peru, the project is at an advanced stage of construction. The estimated mine life is in excess of 20 years.

With construction being 80% complete at 31 December 2014, MMG expects first production of concentrate in the first quarter of 2016, with the remaining capital expenditure required to complete the Las Bambas Project to be in the range of US$1.9–US$2.4 billion from 1 January 2015.

Further details of the acquisition are disclosed in Note 14.

EVENTS AFTER THE REPORTING DATE

Other than the matters outlined elsewhere in this announcement, there have been no matters that have occurred subsequent to the reporting date which have significantly affected, or may significantly affect the Group's operations, results or state of affairs in future years.

FINANCIAL AND CAPITAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to a variety of financial risks, including commodity price risk, interest rate risk, foreign exchange risk, credit risk, liquidity risk, equities price risk and sovereign risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group does not and is prohibited to enter into derivative contracts for speculative purposes.

Financial risk management is carried out by the Group Treasury function under policies approved by the Board. Group Treasury identifies, evaluates and manages financial risks in close cooperation with the Group's operating units. The Board approves written principles for overall risk management, as well as policies covering specific areas, such as those identified above.

(a) Commodity price risk

The Group is exposed to commodity price volatility on commodity sales made by its operations. This arises from the sale of metal and metal in concentrate products such as zinc, copper, lead, gold and silver, which are priced on, or benchmarked to, open market exchanges. There were no commodity hedges in place as at 31 December 2014.

(b) Interest rate risk
The Group is exposed to interest rate volatility on deposits and borrowings. Deposits and borrowings at variable rates expose the Group to cash flow interest rate risk. Deposits and borrowings at fixed rates expose the Group to fair value interest rate risk.

The Group regularly monitors its interest rate risk to ensure that there are no undue exposures to significant interest rate movements. Any decision to hedge interest rate risk is assessed periodically in light of the Group's overall exposure, the prevailing interest rate market and any funding counterparty requirements. Regular reporting is provided to the Executive Committee, which summarises the Group's debt and interest rates.

(c) Foreign exchange risk
The Group operates internationally and is exposed to foreign currency exchange risk. The Group's reporting currency and functional currency of the majority of subsidiaries within the Group is US dollars. The majority of revenue received by the Group is in US dollars. The Group's foreign currency exchange risk arises predominantly from the currency of the countries in which the Group's operations are located.

The Group is exposed to foreign exchange risk primarily with respect to the Peruvian Nuevo Sol (PEN), the Australian dollar (A$), and the Hong Kong dollar (HK$). Given the exchange rate peg between HK$ and US$, it is not foreseen that the Group will be exposed to significant exchange rate risk for the transactions conducted in HK$ or US$. However, exchange rate fluctuations of PEN or A$ against US$ could affect the Group's performance and asset value. The PEN and A$ are the most important currencies that influence costs.

The Group tries to minimise its foreign exchange risk exposures through natural hedges wherever possible. For instance, all external debt and surplus cash is denominated in US dollars. A portion of cash may be held in Australian dollars to meet operating costs.

(d) Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to counterparty credit risk through sales of metal products on normal terms of trade, through deposits of cash and settlement risk on foreign exchange transactions. At the reporting date, the carrying amount of the Group's financial assets, including cash and cash equivalents, trade and other receivables and other bank deposits, represents the maximum credit exposure.

The credit risk on investments in cash, short-term deposits and similar assets are with approved counterparty banks and the Company's intermediate holding company. Counterparties are assessed prior to, during and after the conclusion of transactions to ensure that exposure to credit risk is limited to acceptable levels. The limits are set to minimise the concentration of risks and therefore mitigate the potential for financial loss through counterparty failure.

(e) Liquidity risk
Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities. Management utilises short and long-term cash flow forecasts and other consolidated information to ensure that appropriate liquidity buffers are maintained to support the Group's activities.

(f) Equities price risk
Equity securities price risk arising from investments held by the Group are classified in the balance sheet as available-for-sale and fair value through profit and loss financial assets. All the Group's equity investments are publicly traded. The price risk of the Group's equity securities was not significant as at 31 December 2014.

(g) Sovereign risk
The Group has operations in countries that carry higher levels of sovereign risk. Political and administrative change and reforms in law, regulations or taxation may impact the Group's future performance.

CONTINGENT LIABILITIES

The Company and its subsidiaries are defendants from time to time in legal proceedings arising from the conduct of their businesses. The Group does not consider that the outcome of any of these proceedings ongoing at the balance sheet date, either individually or in aggregate, is likely to have a material effect on its financial position.

Additionally, certain bank guarantees have been provided in connection with the operations of certain of the subsidiaries of the Company. These are primarily associated with the terms of mining leases or exploration licences. As at 31 December 2014 no claims had been made under these guarantees.

Further details are included in Note 17.

CHARGES ON ASSETS

As at 31 December 2014 the following banking facilities granted to the Group required certain assets to be charged:

- the US$751.0 million facility granted by China Development Bank Corporation (CDB) and Bank of China Sydney Branch (BOC Sydney) to Album Resources Private Limited (Album Resources) and MMG Management Pty Ltd (MMG Management) dated 12 June 2012 (US$751.0 million Facility), with respect to a borrowing of US$713.4 million;
- the US$200.0 million facility granted by CDB to Album Resources dated 12 June 2009 (US$200.0 million Facility), with respect to a borrowing of US$150.0 million;
- the A$350.0 million bank guarantee facility between MMG Management and BOC Sydney (A$350.0 million Facility);
- the US$1.0 billion facility granted by CDB and BOC Sydney to MMG Dugald River Pty Ltd (MMG Dugald River) dated 27 June 2013 (US$1.0 billion Facility), with respect to a borrowing of US$250.0 million; and
- the US$969.0 million acquisition facility and US$5,988.0 million project facility granted by CDB, ICBC, BOC Sydney and the Export-Import Bank of China to Minera Las Bambas S.A. with respect to a borrowing of approximately US$5,150.8 million, and the US$380.0 million bank guarantee facility between Minera Las Bambas S.A. and Industrial and Commercial Bank of China Limited (together, the Las Bambas Facilities).

The charges in respect of the US$751.0 million and US$200.0 million Facilities are:

- a first-ranking equitable mortgage over 100% of the shares held in Album Resources' wholly owned subsidiary, Album Investment Private Limited (Album Investment);
- a first-ranking equitable mortgage over 100% of the shares in certain wholly owned subsidiaries of Album Investment including MMG Laos Holdings Limited; and
- a share charge over 70% of the shares in certain other subsidiaries of Album Investment including MMG Laos Holdings Limited.

The security in respect of the A$350.0 million Facility is a second-ranking equitable mortgage over the assets described above.

The charges in place for the US$1.0 billion Facility are the same as those existing in respect of the US$751.0 million Facility. In addition, certain subsidiaries of the Company that relate to the Dugald River project have provided asset security in respect of their assets. Following successful commissioning of the Dugald River project, and subject to meeting certain agreed conditions, the financing will be limited recourse to the assets and shares of MMG Dugald River.

The charges in respect of the Las Bambas Facilities are:

- share security over 100% of the shares held in MMG South America Management Company Limited and each of its subsidiaries, including the borrower, Minera Las Bambas S.A.;
- a debenture over the assets of MMG South America Management Company Limited and an assets pledge agreement and production unit mortgage in respect of all of the assets of Minera Las Bambas S.A.; and
- assignments of shareholder loans between MMG South America Management Company and its subsidiaries and security agreements over bank accounts of Minera Las Bambas S.A.

FUTURE PROSPECTS

MMG expects to produce 166,000–181,000 tonnes of copper and 440,000–510,000 tonnes of zinc in 2015.

Capital Expenditure guidance for 2015 is US$350–US$400 million which excludes forecast expenditure on Las Bambas. The company expects to spend approximately US$45 million on exploration in 2015.

MMG currently does not have any future plans for material investments or capital assets sanctioned by the Board other than those detailed in this report or announced to the market.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 18 May 2015 to Wednesday, 20 May 2015, inclusive, during which period no transfer of shares will be registered. To qualify for attending and voting at the AGM of the Company to be held on Wednesday, 20 May 2015, all completed transfer forms accompanied by the relevant share certificates must be lodged with the share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 pm on Friday, 15 May 2015. The record date for determining Shareholders' eligibility to attend and vote at the AGM will be on Wednesday, 20 May 2015.

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance practices by emphasising a quality Board, sound internal controls, and transparency and accountability to all Shareholders.

The Company has complied with all the code provisions set out in the Corporate Governance Code and Corporate Governance Report (CG Code) contained in Appendix 14 of the Listing Rules throughout the year ended 31 December 2014, except for the deviation from code provision A.4.1 as explained under the section headed 'Re-election of Directors' as disclosed below.

The Company adopted a Board Charter to outline the manner in which its constitutional powers and responsibilities will be exercised, delegated and/or discharged, having regard to principles of good corporate governance, international best practice and applicable laws. The Board Charter is adopted on the basis that strong corporate governance can add to the performance of the Company, create Shareholder value and engender the confidence of the investment market.

On 10 March 2015, the Board approved certain amendments to the Company's articles of association in order to bring the articles of association in line with the new Companies Ordinance which came into effect on 3 March 2014, as well as to modernise and update the articles of association generally. The details of the proposed amendments to the articles of association will be set out in the AGM circular to the Shareholders and the proposed amendments are subject to Shareholders' approval at the Company's upcoming AGM.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a model code for securities trading by Directors of the Company (Securities Trading Model Code) on terms no less exacting than the required standard of the Model Code for the Securities Transactions by Directors of Listed Issuers (Model Code) as set out in Appendix 10 of the Listing Rules.

Having made specific enquiry with all the Directors of the Company, all of them confirmed that they have complied with the required standard set out in the Model Code and the Securities Trading Model Code during the year ended 31 December 2014.

AUDIT COMMITTEE

The Audit Committee comprises three Independent Non-executive Directors, namely Mr Anthony Larkin[1], Dr Peter Cassidy and Mr Leung Cheuk Yan, and one Non-executive Director, Mr Gao Xiaoyu. Mr Anthony Larkin is the Chairman of the Audit Committee.

The Audit Committee is accountable to the Board. Its principal duties include the review and supervision of the financial reporting process and internal control system of the Group. The terms of reference of the Audit Committee, incorporating all the duties set out in code provision C.3.3 of the CG Code, are available on the Company's website. The Audit Committee has reviewed the financial statements of the Group for the year ended 31 December 2014.

1. Mr Anthony Larkin will resign as an Independent Non-executive Director, Chairman of the Audit Committee and a member of the Remuneration and Nomination Committee of the Company effective upon the conclusion of the AGM of the Company to be held on 20 May 2015. The Company has begun a search for Mr Anthony Larkin's replacement.

RE-ELECTION OF DIRECTORS

Each of the Non-executive Directors entered into a service agreement with the Company for a specific term of three years, except for Dr Peter Cassidy and Mr Anthony Larkin. Dr Cassidy's appointment agreement commenced on 31 December 2010 and continues until either the Company or he terminates such agreement by serving on the other not less than one month's prior written notice. Mr Larkin is on a continuing contract terminable upon reasonable notice by either party. Mr Larkin has indicated his intention to resign as an Independent Non-executive Director of the Company, Chairman of the Audit Committee and a member of the Remuneration and Nomination Committee effective upon the conclusion of the AGM of the Company to be held on 20 May 2015.

In accordance with the Company's articles of association, each Director appointed by the Board shall be subject to re-election by Shareholders at the next general meeting (in the case of filling a casual vacancy) or at the next AGM (in the case of an addition to the Board), and thereafter be subject to retirement by rotation at least once every three years at the AGM.

Dr Cassidy, who was appointed by the Board on 31 December 2010 to fill a casual vacancy, is also subject to retirement from the Board by rotation at least once every three years at the AGM. He was re-elected by the Shareholders at the AGM held on 16 May 2011 and again at the AGM held on 22 May 2013.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31 December 2014, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is also published on the Company's website at www.mmg.com. The Company's 2014 Annual Report will be despatched to Shareholders and made available on the websites of the Hong Kong Exchange and Clearing Limited at www.hkexnews.hk and the Company respectively in due course.

CONSOLIDATED INCOME STATEMENT

	NOTE	YEAR ENDED 31 DECEMBER 2014 US$ MILLION	2013 US$ MILLION
Revenue	3	**2,479.8**	**2,469.8**
Other income	4	16.8	0.6
Expenses (excluding depreciation, amortisation and impairment expenses)	5	(1,715.8)	(1,719.5)
Earnings before interest, income tax, depreciation, amortisation and impairment expenses – EBITDA		**780.8**	**750.9**
Depreciation, amortisation and impairment expenses	5	(537.1)	(472.6)
Earnings before interest and income tax – EBIT		**243.7**	**278.3**
Finance income	6	3.3	2.8
Finance costs	6	(82.7)	(80.0)
Profit before income tax		**164.3**	**201.1**
Income tax expense	7	(65.1)	(78.6)
Profit for the year		**99.2**	**122.5**
Profit for the year attributable to:			
Equity holders of the Company		103.8	103.3
Non-controlling interests		(4.6)	19.2
		99.2	**122.5**
EARNINGS PER SHARE FOR PROFIT ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE COMPANY			
Basic earnings per share	8(a)	US 1.96 cents	US 1.95 cents
Diluted earnings per share	8(b)	US 1.96 cents	US 1.95 cents
DIVIDENDS	9	52.9	-

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET

	NOTE	AS AT 31 DECEMBER 2014 US$ MILLION	2013 US$ MILLION
ASSETS			
Non-current assets			
Property, plant and equipment		11,100.8	3,323.1
Intangible assets		839.0	284.0
Inventories		47.8	53.9
Deferred income tax assets		173.6	136.5
Other receivables	10	107.1	40.6
Other financial assets		12.3	11.8
		12,280.6	**3,849.9**
Current assets			
Inventories		285.1	298.0
Trade and other receivables	10	513.3	263.3
Loan to a related party		80.0	-
Current income tax assets		28.6	-
Other financial assets		26.8	110.5
Cash and cash equivalents	11	251.2	137.4
		1,185.0	809.2
Asset of disposal group classified as held for sale	15	24.4	24.4
		1,209.4	**833.6**
Total assets		**13,490.0**	**4,683.5**
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital		2,358.9	33.9
Reserves and retained profits		(672.6)	1,586.2
		1,686.3	1,620.1
Non-controlling interests		1,288.3	196.7
Total equity		**2,974.6**	**1,816.8**

CONSOLIDATED BALANCE SHEET CONTINUED

	NOTE	AS AT 31 DECEMBER 2014 US$ MILLION	2013 US$ MILLION
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		769.9	239.3
Borrowings		8,092.2	1,270.6
Provisions		784.2	636.0
Other payables	13	64.9	-
		9,711.2	**2,145.9**
Current liabilities			
Trade and other payables	13	508.5	235.6
Current income tax liabilities		71.9	76.6
Borrowings		116.7	350.8
Provisions		102.6	51.9
		799.7	**714.9**
Liabilities of disposal group classified as held for sale	15	4.5	5.9
		804.2	**720.8**
Total liabilities		**10,515.4**	**2,866.7**
Total equity and liabilities		**13,490.0**	**4,683.5**
Net current assets		**405.2**	**112.8**
Total assets less current liabilities		**12,685.8**	**3,962.7**

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

	NOTE	YEAR ENDED 31 DECEMBER 2014 US$ MILLION	2013 US$ MILLION
Cash flows from operating activities			
Receipts from customers		2,578.4	2,523.5
Payments to suppliers		(1,744.8)	(1,786.2)
Payments for exploration expenditure		(73.0)	(71.9)
Income tax paid		(93.9)	(110.9)
Net cash generated from operating activities		**666.7**	**554.5**
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,037.9)	(558.2)
Purchase of intangible assets		(48.0)	(58.1)
Purchase of financial assets		(1.0)	(45.7)
Acquisition of subsidiaries, net of cash acquired	14	(2,950.1)	-
Proceeds from disposal of property, plant and equipment		-	0.3
Proceeds from disposal of financial assets		101.2	-
Proceeds from disposal of subsidiaries		3.0	-
Proceeds from disposal of investment properties		-	1.1
Net cash used in investing activities		**(3,932.8)**	**(660.6)**

CONSOLIDATED CASH FLOW STATEMENT CONTINUED

	NOTE	YEAR ENDED 31 DECEMBER 2014 US$ MILLION	2013 US$ MILLION
Cash flows from financing activities			
Proceeds from borrowings		5,358.0	250.0
Repayments of borrowings		(519.5)	(222.0)
Repayments of loans to former parent of acquired subsidiaries	14	(4,018.1)	-
Proceeds from issuance of convertible redeemable preference shares		-	338.0
Proceeds from repayments of loan to a related party		-	100.0
Loan to a related party		(80.0)	-
Proceeds from related party borrowings		1,843.8	-
Repayments of related party borrowings		(75.0)	(225.0)
Capital contribution from non-controlling interests upon acquisition of subsidiaries	14	1,106.2	-
Dividends paid to non-controlling interests		(10.0)	(20.0)
Dividends paid to the owners of the Company	9	(52.9)	-
Repayments of finance lease liabilities		(0.6)	(1.5)
Interest and financing costs paid		(174.1)	(78.4)
Interest received		2.1	5.9
Net cash generated from financing activities		**3,379.9**	**147.0**
Net increase in cash and cash equivalents		113.8	40.9
Cash and cash equivalents at 1 January		137.4	95.7
Exchange gains on cash and cash equivalents		-	0.8
Cash and cash equivalents at 31 December	11	**251.2**	**137.4**

The accompanying notes are an integral part of these consolidated financial statements.

NOTES

1. GENERAL INFORMATION

MMG Limited (the Company) is a limited liability company and was incorporated in Hong Kong on 29 July 1988. The address of its registered office is Units 8501–8503, Level 85, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong.

The Company is an investment holding company and is listed on the main board of The Stock Exchange of Hong Kong Limited. The principal activities of the Company and its subsidiaries (the Group) are the exploration for mineralisation, development of mining projects and the mining, processing and production of copper, zinc, lead, gold and silver.

The consolidated financial statements for the year ended 31 December 2014 are presented in United States dollars (US$) unless otherwise stated and were approved for issue by the Board of Directors (the Board) on 10 March 2015.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (HKFRS) – a collective term that includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (HKAS) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (HKICPA). These consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and financial assets at fair value through profit or loss.

In accordance with the transitional and saving arrangements for Part 9 of the Hong Kong Companies Ordinance (Cap. 622), "Accounts and Audit" as set out in sections 76 to 87 of Schedule 11 to the Hong Kong Companies Ordinance (Cap. 622), the consolidated financial statements are prepared in accordance with the applicable requirements of the predecessor Companies Ordinance (Cap. 32) for this financial year and the comparative period.

3. SEGMENT INFORMATION

HKFRS 8 Operating Segments requires operating segments to be identified on the basis of internal reports about operations of the Group that are regularly reviewed by the chief operating decision-maker in order to allocate resources to the segment and assess its performance.

The chief operating decision-maker has been identified as the Company's Executive Committee, which consists of all Executive Directors of the Company, Chief Operating Officer, Executive General Manager – Business Development, Executive General Manager – Business Support and Executive General Manager – Stakeholder Relations. They review the Group's internal reporting of these operations in order to assess performance and allocate resources.

The Group's reportable segments are as follows:

Sepon	Sepon is an open-pit copper mining operation located in southern Laos.
Kinsevere	Kinsevere is an open-pit copper mining operation located in the Katanga Province of the Democratic Republic of the Congo (DRC).
Century	Century is an open-pit zinc mining operation located in north-west Queensland.
Rosebery	Rosebery is an underground polymetallic base metal mining operation located on Tasmania's west coast.
Golden Grove	Golden Grove is an underground and open-pit base and precious metals mining operation located in Western Australia's mid-west.
Las Bambas	The Las Bambas Project is a large, scalable, long-life development project with prospective exploration options. It is located in Cotabambas, Apurimac region of Peru. The project is at an advanced stage of construction.
Other	Includes exploration and development projects and other corporate entities that are not disclosed as separate segments. All other segments are immaterial by location.

A segment result represents the EBIT by each segment. This is the measure reported to the chief operating decision-maker for the purposes of resource allocation and assessment of segment performance. Other information provided, except as disclosed in the following paragraph, to the chief operating decision-maker is measured in a manner consistent with that in the financial statements.

Segment assets exclude current income tax assets and deferred income tax assets. Segment liabilities exclude current income tax liabilities, deferred income tax liabilities and net inter-segment loans. The excluded assets and liabilities are presented as part of the reconciliation to total balance sheet assets or liabilities.

The segment revenue and results for the years ended 31 December 2014 and 2013 are as follows:

FOR THE YEAR ENDED 31 DECEMBER 2014

US$ MILLION	Sepon	Kinsevere	Century	Rosebery	Golden Grove	Las Bambas	Other unallocated items/ eliminations	Group
External revenue	532.7	465.7	845.1	247.5	226.9	-	-	2,317.9
Revenue from related parties	87.5	-	8.2	-	66.2	-	-	161.9
Revenue	**620.2**	**465.7**	**853.3**	**247.5**	**293.1**	**-**	**-**	**2,479.8**
EBITDA	**366.5**	**189.3**	**323.5**	**85.2**	**29.0**	**(42.3)**	**(170.4)**	**780.8**
Depreciation, amortisation and impairment expenses	(98.9)	(140.3)	(191.3)	(46.5)	(44.2)	-	(15.9)	(537.1)
EBIT	**267.6**	**49.0**	**132.2**	**38.7**	**(15.2)**	**(42.3)**	**(186.3)**	**243.7**
Finance income								3.3
Finance costs								(82.7)
Income tax expense								(65.1)
Profit for the year								**99.2**
Profit attributable to equity holders of the Company								103.8
Profit attributable to non-controlling interests								(4.6)
								99.2
Other segment information:								
Additions to non-current assets	117.7	72.8	171.6	98.9	58.7	897.4	55.9	1,473.0

AS AT 31 DECEMBER 2014

US$ MILLION	Sepon	Kinsevere	Century	Rosebery	Golden Grove	Las Bambas	Other unallocated items/ eliminations	Group
Segment assets	796.8	1,575.4	388.2	426.6	335.3	8,827.4	938.1[1]	13,287.8
Deferred income tax assets								173.6
Current income tax assets								28.6
								13,490.0
Segment liabilities	214.4	160.6	428.5	121.1	73.7	5,429.9	3,245.4[2]	9,673.6
Deferred income tax liabilities								769.9
Current income tax liabilities								71.9
								10,515.4

(1) Included in segment assets of US$938.1 million for the Other segment is property, plant and equipment of US$626.7 million for Dugald River and other financial assets of US$30.6 million. These items do not fall into any of the six reportable segments.

(2) Included in segment liabilities of US$3,245.4 million for the Other segment are borrowings of US$3,086.0 million, which are managed at Group level, and do not fall into any of the six reportable segments.

FOR THE YEAR ENDED 31 DECEMBER 2013							
US$ MILLION	Sepon	Kinsevere	Century	Rosebery	Golden Grove	Other unallocated items/ eliminations	Group
External revenue	680.2	455.3	702.7	244.2	255.2	-	2,337.6
Revenue from related parties	66.0	-	18.3	9.1	38.8	-	132.2
Revenue	**746.2**	**455.3**	**721.0**	**253.3**	**294.0**	**-**	**2,469.8**
EBITDA	**396.5**	**198.0**	**176.5**	**84.3**	**73.0**	**(177.4)**	**750.9**
Depreciation, amortisation and impairment expenses	(77.8)	(126.1)	(172.7)	(25.9)	(62.8)	(7.3)	(472.6)
EBIT	**318.7**	**71.9**	**3.8**	**58.4**	**10.2**	**(184.7)**	**278.3**
Finance income							2.8
Finance costs							(80.0)
Income tax expense							(78.6)
Profit for the year							**122.5**
Profit attributable to equity holders of the Company							103.3
Profit attributable to non-controlling interests							19.2
							122.5
Other segment information:							
Asset impairment	11.3	-	-	-	-	-	11.3
Additions to non-current assets	86.0	102.4	58.7	40.1	40.5	330.5	658.2

AS AT 31 DECEMBER 2013							
US$ MILLION	Sepon	Kinsevere	Century	Rosebery	Golden Grove	Other unallocated items/ eliminations	Group
Segment assets	758.5	1,610.7	432.5	372.7	373.6	999.0[1]	4,547.0
Deferred income tax assets							136.5
							4,683.5
Segment liabilities	218.9	165.7	296.6	103.5	76.3	1,689.8[2]	2,550.8
Deferred income tax liabilities							239.3
Current income tax liabilities							76.6
							2,866.7

(1) Included in segment assets of US$999.0 million for the Other segment is property, plant and equipment of US$531.7 million for Dugald River and other financial assets of US$114.8 million. These items do not fall into any of six reportable segments.

(2) Included in segment liabilities of US$1,689.8 million for the Other segment are borrowings of US$1,620.8 million, which are managed at Group level, and do not fall into any of the six reportable segments.

4. OTHER INCOME

	2014 US$ MILLION	2013 US$ MILLION
Gain on disposal of available-for-sale financial assets	10.7	-
Gain on disposal of investment properties	-	0.3
Loss on disposal of property, plant and equipment	(0.9)	(0.6)
Other income	7.0	0.9
Total other income	**16.8**	**0.6**

5. EXPENSES

Profit before income tax includes the following specific expenses:

	2014 US$ MILLION	2013 US$ MILLION
Changes in inventories of finished goods and work in progress	(42.5)	(31.0)
(Write-down)/reversal of write-down of inventories to net realisable value	(5.7)	25.6
Employee benefit expenses[1]	(327.1)	(357.4)
Contracting and consulting expenses	(235.6)	(257.0)
Energy costs	(214.4)	(240.4)
Stores and consumables costs	(358.6)	(367.6)
Depreciation, amortisation and impairment expenses[2]	(521.2)	(465.3)
Operating lease rental[3]	(17.3)	(22.5)
Other production expenses	(14.8)	(23.8)
Cost of goods sold	**(1,737.2)**	**(1,739.4)**
Other operating expenses	(61.4)	(60.4)
Royalty expenses	(98.5)	(98.8)
Selling expenses	(115.4)	(110.7)
Operating expenses including depreciation, amortisation and impairment	**(2,012.5)**	**(2,009.3)**
Exploration expenses[1]	(73.0)	(71.9)
Administrative expenses[1]	(111.5)	(78.9)
Business acquisition expenses	(16.3)	(5.2)
Auditor's remuneration	(1.9)	(1.8)
Exchange gains – net	1.4	12.6
Loss on financial assets at fair value through profit or loss	(10.9)	(6.6)
Other expenses[1]	(28.2)	(31.0)
Total expenses	**(2,252.9)**	**(2,192.1)**

(1) In aggregate US$119.5 million (2013: US$90.9 million) employee benefits expense by nature is included in the administrative expenses, exploration expenses and other expenses categories. Total employee benefits expenses are US$446.6 million (2013: US$448.3 million).

(2) In aggregate US$15.9 million (2013: net income of US$7.3 million) depreciation, amortisation and impairment expenses are included in other expenses category. Total depreciation, amortisation and impairment expenses are US$537.1 million (2013: US$472.6 million).

(3) In aggregate, an additional US$10.3 million (2013: US$9.4 million) operating lease rentals are included in administrative expenses, exploration expenses and other expenses categories. Total operating lease rentals are US$27.6 million (2013: US$31.9 million).

6. FINANCE COSTS – NET

	2014 US$ MILLION	2013 US$ MILLION
Finance costs		
Interest expense on bank borrowings	(30.6)	(34.8)
Interest expense on convertible redeemable preference shares	(19.6)	(8.0)
Interest expense on related party borrowings	(0.5)	(7.5)
Unwind of provisions discount	(25.1)	(25.8)
Other finance cost on external borrowings	(4.3)	(3.9)
Other finance cost on related party borrowings	(2.6)	-
	(82.7)	**(80.0)**
Finance income		
Interest income on cash and cash equivalents	3.3	2.8
	3.3	**2.8**
Finance costs – net	**(79.4)**	**(77.2)**
Borrowing costs capitalised		
Borrowing costs capitalised on qualifying assets[1]	**135.8**	**13.9**

(1) Borrowing costs capitalised include finance costs on borrowings held to specifically fund the assets, net of interest income earned on the temporary investment of those funds, and finance costs on general borrowings capitalised at the rate of 3.0% (2013: 3.1%) per annum representing the average interest rate on relevant general borrowings.

7. INCOME TAX EXPENSE

Hong Kong profits tax is provided at a rate of 16.5% where there are net assessable profits derived for the year. The Group has tax losses available to offset any assessable profit generated in Hong Kong for the year. Taxation on profits arising from other jurisdictions has been calculated on the estimated assessable profits for the year at the rates prevailing in the relevant jurisdictions.

	2014 US$ MILLION	2013 US$ MILLION
Current income tax		
– Hong Kong income tax	-	-
– Overseas income tax	(101.0)	(96.6)
	(101.0)	**(96.6)**
Deferred income tax expense		
– Hong Kong income tax	-	-
– Overseas income tax	35.9	18.0
	35.9	**18.0**
Income tax expense	**(65.1)**	**(78.6)**

There is no deferred tax impact relating to items of other comprehensive income (2013: US$nil).

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the applicable tax rate to profits of the consolidated companies as follows:

	2014 US$ MILLION	2013 US$ MILLION
Profit before income tax	164.3	201.1
Calculated at domestic tax rates applicable to profits in the respective countries[1]	(65.4)	(66.9)
Net non-taxable/(non-deductible) amounts	1.6	(6.3)
Net recognised/(unrecognised) deferred tax assets	13.0	(10.0)
Overprovision in prior years	7.8	4.6
Non-creditable withholding tax[2]	(22.1)	-
Income tax expense	**(65.1)**	**(78.6)**

(1) The income tax rates applicable for the main jurisdictions in which the Group operates are: Australia (30.0%), Laos (33.3%), Peru (32.0%) and the DRC (30.0%). Tax rates for some jurisdictions are covered by historical legal agreements with governments.

(2) Non-recoverable withholding tax paid under Peruvian tax law.

8. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity holders of the Company and the weighted average number of ordinary shares in issue during the year.

	2014 US$ MILLION	2013 US$ MILLION
Profit attributable to equity holders of the Company	103.8	103.3

	NUMBER OF SHARES	
	2014 '000	2013 '000
Weighted average number of ordinary shares used in the calculation of the basic earnings per share	5,289,608	5,289,608
Basic earnings per share	US 1.96 cents	US 1.95 cents

(b) Diluted earnings per share

Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For Company's share options in issue, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	2014 US$ MILLION	2013 US$ MILLION
Profit attributable to equity holders of the Company	103.8	103.3
	NUMBER OF SHARES	
	2014 '000	2013 '000
Weighted average number of ordinary shares used in the calculation of the diluted earnings per share[1]	5,289,608	5,289,608
Diluted earnings per share	US 1.96 cents	US 1.95 cents

(1) Diluted earnings per share is the same as basic earnings per share for the years ended 31 December 2014 and 31 December 2013. The computation of diluted earnings per share does not assume the exercise of the Company's outstanding share options since these are in an out-of-the-money position as at 31 December 2014. The computation of diluted earnings per share does not assume the exercise of the Company's outstanding share options since their exercise would result in an anti-dilutive effect on the basic earnings per share for the years ended 31 December 2014 and 31 December 2013.

9. DIVIDENDS

At a Board meeting on 10 March 2015, the directors of the Company did not recommend the payment of a final dividend for the year ended 31 December 2014 (2013: US$52.9 million).

At a Board meeting on 11 March 2014, the Directors of the Company recommended the payment of a final dividend of 1.0 US cent per ordinary share (US$52.9 million) for the year ended 31 December 2013. The recommended dividend was approved on 21 May 2014 and was paid on 6 June 2014. This is reflected as an appropriation of retained earnings during the year ended 31 December 2014.

	2014 US$ MILLION	2013 US$ MILLION
Dividends paid/payable during the year		
MMG Limited 2013 final dividend	52.9	-
	52.9	**-**

10. TRADE AND OTHER RECEIVABLES

	2014 US$ MILLION	2013 US$ MILLION
Non-current other receivables		
Prepayments	25.2	27.0
Other receivables – government taxes	69.0	-
Sundry receivables	12.9	13.6
	107.1	**40.6**
Current trade and other receivables		
Trade receivables	153.5	141.1
Prepayments	41.8	21.9
Other receivables – government taxes[1]	296.7	26.8
Sundry receivables	21.3	73.5
	513.3	**263.3**

1. Current other receivables – government taxes

	2014 US$ MILLION	2013 US$ MILLION
Peru	255.6	-
Democratic Republic of the Congo (DRC)	35.2	20.2
Other	5.9	6.6
	296.7	**26.8**

As at 31 December 2014 and 2013, trade and other receivables of the Group mainly related to the mining operations and development projects. The majority of sales for mining operations were made under contractual arrangements whereby provisional payment is received after delivery and the balance within 30 to 120 days from delivery. The ageing analysis of the trade receivables is as follows:

	2014		2013	
	US$ MILLION	%	US$ MILLION	%
Current trade receivables				
Less than 6 months	153.5	100.0	141.1	100.0
Current trade receivables	**153.5**	**100.0**	**141.1**	**100.0**

As at 31 December 2014, no trade receivables were past due but not impaired (2013: US$nil).

As at 31 December 2014, the Group's trade receivables included an amount of US$6.5 million (2013: US$0.4 million), which was due from a related company of the Group. The carrying amounts of the Group's trade receivables are denominated in the following currencies:

	2014 US$ MILLION	2013 US$ MILLION
US dollars	153.5	141.1

11. CASH AND CASH EQUIVALENTS

	2014 US$ MILLION	2013 US$ MILLION
Cash at bank and in hand	200.9	87.0
Short-term bank deposits[1]	50.3	50.4
Total[2]	**251.2**	**137.4**

(1) The weighted average effective interest rate on short-term bank deposits as at 31 December 2014 was 0.62% (2013: 0.91%). These deposits have an average maturity of 7 days (2013: 66 days).

(2) Out of the total cash and cash equivalents, US$159.8 million (2013: US$ 93.3 million) of cash held is limited to use on specific projects.

The carrying amounts of the cash and cash equivalents are denominated in the following currencies:

	2014 US$ MILLION	2013 US$ MILLION
US dollars	216.6	131.5
Peruvian Nuevo Sol	27.2	-
Australian dollars	6.1	4.2
Hong Kong dollars	0.1	0.5
Other	1.2	1.2
	251.2	**137.4**

12. SPECIAL CAPITAL RESERVE

In relation to the capital reorganisation as confirmed by the High Court of the Hong Kong Special Administrative Region on 13 February 2007, the Company has provided an undertaking (Undertaking) for its petition to the court that as long as any debt or liability of claim against the Company as at the effective date of this capital reorganisation remains outstanding, the Company should credit the following amounts to a special reserve (Special Reserve):

- all retained profits, if any, accruing to the Company between 1 November 2006 and 13 February 2007 (the effective date of the capital reorganisation);
- any recovery in excess of the written-down value of or the reversal of impairment loss in respect of certain investments in subsidiaries, listed securities, properties and loans or receivables of the Company as at 31 October 2006; and
- an amount equal to the change in fair value in respect of certain share options not yet vested as at 31 October 2006.

The standing to the credit of the Special Reserve shall not be treated as realised profit. It shall be treated as an undistributable reserve of the Company for the purposes of Section 79C of the Hong Kong Companies Ordinance. As at 31 December 2014, the standing to the credit of the Company's special capital reserve, which had been made in accordance with the Undertaking, amounted to US$9.4 million (2013: US$9.4 million).

13. TRADE AND OTHER PAYABLES

The ageing analysis of the trade payables is as follows:

	2014		2013	
	US$ MILLION	%	US$ MILLION	%
Non-current other payables				
Related party interest payable	27.9		-	
Other payables and accruals	37.0		-	
	64.9		**-**	
Current trade and other payables				
Trade payables[1]				
Less than 6 months	245.2	100.0%	106.6	100.0%
	245.2	100.0%	106.6	100.0%
Other payables and accruals	263.3		129.0	
	508.5		**235.6**	

(1) As at 31 December 2014, the Group's trade payables included an amount of US$1.1 million (2013: US$0.5 million), which was due to a related company of the Group.

14. BUSINESS COMBINATION

Summary of acquisition

On 14 April 2014, the Group announced it had entered into a conditional agreement to acquire the Las Bambas Project as part of a joint venture with two other parties. Details of the proposed acquisition were set out in a circular to Shareholders dated 30 June 2014 convening an Extraodinary General Meeting for the purpose of the Shareholders approving the acquisition. The acquisition was approved by Shareholders on 21 July 2014, and was completed on 31 July 2014.

The Las Bambas Project is a large, scalable, long-life development project with prospective exploration options. Located in Cotabambas, Apurimac Region of Peru, the project is at an advanced stage of construction. The estimated mine life is in excess of 20 years. The Group expects first production of concentrate in the first quarter of 2016, with post-acquisition capital expenditure required to complete the Las Bambas Project to be in the range of US$1.9– US$2.4 billion from 1 January 2015. As at 31 December 2014, the overall project was 80% complete.

The acquisition is structured via an investment holding company established for the purpose of the acquisition, MMG South America Management Co Ltd (Las Bambas Joint Venture Company). Pursuant to the Shareholders' Agreement each participant subscribed for new shares in the Las Bambas Joint Venture Company such that the Las Bambas Joint Venture Company is owned as to 62.5% by the Group and as to 37.5% by other shareholders.

The JV Company, via two wholly owned subsidiaries (the Purchasers), acquired the entire issued share capital of the Target Company, a wholly owned subsidiary of the Sellers and indirect owner of the Las Bambas Project, for a consideration of US$2,968.1 million. Additionally, immediately prior to completion, the Purchasers advanced funds to the Project Company, a subsidiary of the Target Company, to enable the repayment of US$4,018.1 million loan balances owed by the Project Company to Glencore subsidiaries (intra-group loans). As at 31 December 2014, US$12.2 million of the purchase consideration remained payable. There is no contingent consideration associated with the acquisition.

As at the date of acquisition, the consideration and the repayment of intra-group loans were funded in combination with additional capital expenditure requirements relating to the period following acquisition. The amounts were funded as follows:

(i) Equity contributions of US$1,843.8 million made to the Las Bambas Joint Venture Company by the Group in proportion to its respective shareholding. The pro-rata share of equity contribution by the Group has been financed by a loan from Top Create, a Shareholder of the Company; this amount is presented in the Group balance sheet as part of borrowings (loan from a related party);

(ii) Equity contributions of US$1,106.2 million made to the Las Bambas Joint Venture Company by other parties in proportion to their respective shareholdings and measured at fair value commensurate with the purchase price paid as a percentage of net assets acquired; these amounts are presented in the Group balance sheet as non-controlling interests; and

(iii) External bank financing of US$4,988.0 million, presented in the Group balance sheet as part of borrowings (bank borrowings).

In accordance with the terms of the Shareholders' Agreement, the Company is of the opinion that it has the ability to govern the financial and operating policies of the Las Bambas Joint Venture Company and the Las Bambas Joint Venture Company is a subsidiary of the Company. Therefore, the Group has consolidated the Las Bambas Joint Venture Company (and JV Group) in its consolidated financial statements for the year ended 31 December 2014.

The Group has performed a provisional assessment of the estimated fair value of the net identifiable assets and liabilities as at 31 July 2014. The following table summarises the consideration paid, and the amounts of the assets acquired and liabilities assumed that were recognised at the acquisition date as per the provisional assessment.

	AS AT 31 JULY 2014
	FAIR VALUE
Purchase Consideration	US$ MILLION
Cash paid	2,955.9
Other payables – as at 31 December 2014	12.2
	2,968.1
Identifiable Assets Recognised and Liabilities Assumed	
ASSETS	
Non-current assets	
Property, plant and equipment	6,868.1
Intangible assets	1.4
Other receivables[1]	75.6
	6,945.1
Current assets	
Inventories	2.8
Trade and other receivables[1]	209.2
Current income tax assets	19.2
Cash and cash equivalents	5.8
	237.0
Total assets	**7,182.1**
LIABILITIES	
Non-current liabilities	
Deferred income tax liabilities	531.6
Provisions	30.7
	562.3
Current liabilities	
Trade and other payables	159.2
Provisions	2.9
	162.1
Total liabilities	**724.4**
Net identifiable assets acquired	**6,457.7**
Less: Repayments of loans to former parent of acquired subsidiaries	(4,018.1)
	2,439.6
Add: Goodwill[2]	528.5
Net Assets	**2,968.1**

(1) There is no material difference between the gross contractual amounts receivable and their fair value.

(2) The goodwill arises from the HKFRS requirement to recognise a deferred tax liability for the difference between the fair value of newly consolidated assets and liabilities and their tax bases. In accordance with HKFRS, no deferred tax liability is recognised from initial recognition of goodwill.

The Las Bambas Project remained under construction as at 31 December 2014. The project has not impacted Group revenue or Group operating profit or loss since the acquisition date and there would have been no material impact had the acquisition date been the start of the annual reporting period. During the year ended 31 December 2014 the Group incurred US$16.3 million Las Bambas transaction expenses (2013: US$5.2 million) and US$11.4 million Las Bambas integration-related expenses (2013: nil). These expenses are presented as part of administrative expenses.

15. ASSETS AND LIABILITIES HELD FOR SALE

	2014 US$ MILLION	2013 US$ MILLION
Assets of disposal group classified as held for sale		
Property, plant and equipment	24.4	24.4
Total	**24.4**	**24.4**
Liabilities of disposal group classified as held for sale		
Trade and other payables	-	1.3
Mine rehabilitation, restoration and dismantling provisions	4.5	4.6
Total	**4.5**	**5.9**

On 15 April 2014, the Group entered into a sale agreement with QCG Resources Pty Ltd (QCG) for the sale of the Avebury nickel mine, currently on care and maintenance. Avebury has been classified as a disposal group held for sale in the consolidated balance sheet of the Group since the second half of 2012.

In accordance with the terms of the sale agreement the total consideration is A$40.0 million comprising A$35.0 million to be transferred at or prior to completion and A$5.0 million contingent consideration payable at a future date in the event that the Avebury mine obtains agreed production milestones.

The sale is subject to a number of conditions precedent, including QCG raising the funds required for its A$32.25 million closing payment. The Group received State-owned Assets Supervision and Administration Commission of the State Council approval on 4 July 2014. The parties expect the sale to complete prior to 30 June 2015.

As at 31 December 2014 the Group has received total A$2.75 million non-refundable deposits. These amounts have been recognised within other income in the consolidated income statement.

16. COMMITMENTS

(a) Operating leases

The Group leases various warehouses, offices and factory premises under non-cancellable operating leases. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2014 US$ MILLION	2013 US$ MILLION
Not later than one year	10.6	17.2
Later than one year but not later than five years	22.2	32.2
Later than five years	-	1.6
	32.8	**51.0**

(b) Capital commitments

Commitments for capital expenditure contracted for at the reporting date but not recognised as liabilities, are set out in the table below:

	2014 US$ MILLION	2013 US$ MILLION
Property, plant and equipment		
Not later than one year	1,159.9	23.1
Later than one year but not later than five years	60.1	1.6
	1,220.0	**24.7**
Intangible assets		
Not later than one year	9.8	12.3
Later than one year but not later than five years	-	0.3
	9.8	**12.6**

The Group had the following capital commitments not provided for at the reporting date:

	2014 US$ MILLION	2013 US$ MILLION
Property, plant and equipment and intangible assets		
Contracted but not provided for	1,229.8	37.3
Authorised but not contracted for	682.8	102.4
	1,912.6	**139.7**

17. CONTINGENT LIABILITIES

(a) Legal proceedings

The Company and its subsidiaries are defendants from time to time in legal proceedings arising from the conduct of their businesses. The Group does not consider that the outcome of any of these proceedings ongoing at balance date, either individually or in aggregate, is likely to have a material effect on its financial position. Where appropriate, provisions have been made.

(b) Bank guarantees

Certain bank guarantees have been provided in connection with the operations of certain subsidiaries of the Company primarily associated with the terms of mining leases, mining concessions, exploration licences or key contracting arrangements. At the end of the year, no claims have been made under these guarantees. The amount of these guarantees may vary from time to time depending upon the requirements of the relevant regulatory authority. These guarantees amount to US$442.9 million (2013: US$275.7 million). Provision is made in the financial statements for the anticipated costs of the mine rehabilitation obligations under the mining leases and exploration licences.

18. EVENTS AFTER BALANCE SHEET DATE

Other than the matters outlined elsewhere in these financial statements, there have been no matters that have occurred subsequent to the reporting date which have significantly affected, or may significantly affect the Group's operations, results or state of affairs in future years.

GLOSSARY

A$	Australian dollar, the lawful currency of Australia
AGM	annual general meeting
Album Investment	Album Investment Private Limited, a company incorporated on 8 April 2009 in Singapore with limited liability, a wholly owned subsidiary of the Company
Album Resources	Album Resources Private Limited, a company incorporated on 8 April 2009 in Singapore with limited liability, a wholly owned subsidiary of the Company
Australia	the Commonwealth of Australia
Board	the board of directors of the Company
Board Charter	the Board charter of the Company
BOC	Bank of China Limited, a company listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange
BOC Sydney	Bank of China Limited, Sydney Branch
CDB	China Development Bank Corporation
CEO	Chief Executive Officer
China	has the same meaning as PRC
Company	MMG Limited (formerly known as Minmetals Resources Limited), a company incorporated on 29 July 1988 in Hong Kong with limited liability, the shares of which are listed and traded on the Stock Exchange
DRC	Democratic Republic of the Congo
EBIT	earnings before interest (net finance costs) and income tax
EBITDA	earnings before interest (net finance costs), income tax, depreciation, amortisation and impairment expenses
EBITDA margin	EBITDA divided by revenue
EXIM	the Export-Import Bank of China
Executive Committee	the executive committee of the Group, which consists of all Executive Directors of the Company, Chief Operating Officer, Executive General Manager – Stakeholder Relations, Executive General Manager – Business Development and Executive General Manager – Business Support
Gearing ratio	net debt (total borrowings excluding finance charge prepayments, less cash and bank deposits) divided by the aggregate of net debt plus total equity
Group	the Company and its subsidiaries
HK$	Hong Kong dollar, the lawful currency of Hong Kong
HPM	high precious metals
Hong Kong	the Hong Kong Special Administrative Region of the People's Republic of China
ICBC	Industrial and Commercial Bank of China Limited, Sydney Branch
Laos	the Lao People's Democratic Republic (Lao PDR)
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.
Las Bambas Joint Venture Company	MMG South America Management Company Limited (also referred to as MMG SAM)
Listing Rules	the Rules Governing the Listing of Securities on the Stock Exchange
LME	London Metal Exchange
LTI	long-term incentive

Mineral Resource	as defined under the JORC Code, a concentration or occurrence of material of intrinsic economic interest in or on the Earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction
MMG Dugald River	MMG Dugald River Pty Ltd, a company incorporated on 15 July 1998 in Australia with limited liability and a wholly owned subsidiary of the Company
MMG Laos Holdings	MMG Laos Holdings Limited, a company incorporated on 25 May 1993 in the Cayman Islands with limited liability and a wholly owned subsidiary of the Company
MMG Management	MMG Management Pty Ltd, a company incorporated on 15 July 2005 in Australia with limited liability and a wholly owned subsidiary of the Company
MMG SA	MMG South America Company Limited, a company incorporated on 4 May 1990 in Hong Kong with limited liability and a wholly owned subsidiary of the Company
MMG SAM	MMG South America Management Company Limited (also referred to as Las Bambas Joint Venture Company) a company incorporated on 11 February 2014 in Hong Kong with limited liability and a subsidiary of the Company
MMG South America Group	MMG SA and its subsidiaries
MMG South America Management Group	MMG SAM and its subsidiaries
Ore Reserve	as defined under the JORC Code, the economically mineable part of a Measured and/or Indicated Mineral Resource
PEN	Peruvian Nuevo Sol, the lawful currency of Peru
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 subsidiary of the Company
Securities Trading Model Code	a model code adopted by the Company for securities trading by Directors of the Company on terms no less exacting than the required standard of the Model Code as set out in Appendix 10 of the Listing Rules
Sellers	XSAL and GQL
Shareholder(s)	the shareholder(s) of the Company
Stock Exchange	The Stock Exchange of Hong Kong Limited
Top Create	Top Create Resources Limited, a company incorporated on 22 January 2004 in the British Virgin Islands with limited liability
US$	United States dollar, the lawful currency of the United States of America
US$751.0 million Facility	the US$751.0 million facility granted by CDB and BOC Sydney to Album Resources and MMG Management on 13 June 2012

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

Hong Kong, 10 March 2015

As at the date of this announcement, the Board comprises nine Directors, of which three are Executive Directors, namely Mr Andrew Gordon Michelmore, Mr David Mark Lamont and Mr Xu Jiqing; three are Non-executive Directors, namely Mr Jiao Jian (Chairman), Mr Wang Lixin 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.

CORPORATE DETAILS

MELBOURNE OFFICE

Level 23, 28 Freshwater Place
Southbank, Victoria 3006, Australia
T (61) 3 9288 0888

HONG KONG OFFICE

Units 8501-8503, Level 85
International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong
T (852) 2216 9688

POSTAL ADDRESS

GPO 2982
Melbourne, Victoria, 3001, Australia

www.mmg.com
info@mmg.com

SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
17th Floor, Hopewell Centre
183 Queen's Road East
Hong Kong

MMG LIMITED

EXECUTIVE COMMITTEE

Andrew MICHELMORE, Chief Executive Officer and Executive Director

David LAMONT, Chief Financial Officer and Executive Director

XU Jiqing, Executive General Manager China and Group Strategy and Executive Director

Marcelo BASTOS, Chief Operating Officer

Troy HEY, Executive General Manager Stakeholder Relations

Michael NOSSAL, Executive General Manager Business Development

Greg TRAVERS, Executive General Manager Business Support

IMPORTANT DATES

16 April 2015 – First Quarter 2015 Production Report

18 – 22 April 2015 – Las Bambas site visit

20 May 2015 – Annual General Meeting

16 July 2015 – Second Quarter 2015 Production Report

15 October 2015 – Third Quarter 2015 Production Report

MMG will present its financial results to investors at 2:30pm Hong Kong time at the Mandarin Oriental Hotel on Wednesday 11 March 2015. This presentation will be available to Shareholders via webcast and teleconference for those who are unable to attend. For details please contact Investor Relations.

INVESTOR RELATIONS

Colette Campbell
Group Manager – Investor Relations & Communications
T (852) 2216 9610 (Hong Kong)
T (61) 3 9288 9165 (Australia)
M (61) 422 963 652
colette.campbell@mmg.com

Maggie Qin
Manager Stakeholder Relations China
T (852) 2216 9603 (Hong Kong)
T (61) 3 9288 0818 (Australia)
M (61) 411 465 468
maggie.qin@mmg.com

MEDIA RELATIONS

Kathleen Kawecki
Senior Group Communications Advisor
T (61) 3 9288 0996
M (61) 400 481 868
kathleen.kawecki@mmg.com