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MMG LIMITED
五礦資源有限公司

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

CONNECTED TRANSACTION ZINC CONCENTRATE SALES AGREEMENT

ZINC CONCENTRATE SALES AGREEMENT

On 2 June 2015, MMG Century entered into the Zinc Concentrate Sales Agreement with Minmetals North-Europe in relation to the sale of the Product by MMG Century to the Minmetals North-Europe.

IMPLICATIONS UNDER THE LISTING RULES

Minmetals North-Europe is a wholly owned subsidiary of CMC, the ultimate controlling shareholder of the Company, and is therefore an associate of CMC and a connected person of the Company under the Listing Rules. As a result, the Zinc Concentrate Sales Agreement constitutes a connected transaction for the Company.

As all of the relevant percentage ratios in respect of the Zinc Concentrate Sales Agreement are more than 0.1% but less than 5%, the transaction constitutes a connected transaction which is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

ZINC CONCENTRATE SALES AGREEMENT

On 2 June 2015, MMG Century entered into the Zinc Concentrate Sales Agreement with Minmetals North-Europe in relation to the sale of the Product to Minmetals North-Europe. The principal terms of the Zinc Concentrate Sales Agreement are set out below.

Parties	: (1) MMG Century (2) Minmetals North-Europe
Term	: Commencing on 2 June 2015 and concluding on the date on which all of the obligations of the parties are fulfilled.
Quantity of Product	: 20,000 dry metric tonnes (+/- 10% at MMG Century's option)
Pricing	: Such prices shall be: <ul style="list-style-type: none"> • calculated based on agreed amounts of: <ul style="list-style-type: none"> ○ zinc contained in the Product at the Special High Grade Settlement Price for zinc as quoted on the LME; and ○ silver contained in the Product at LBMA Silver Price spot quotation, each averaged over the agreed quotational period; • less an agreed treatment charge which is consistent with those charges prevailing for comparable zinc concentrate sold by major global zinc concentrate producers in China at the time of the delivery.
Delivery Terms	: MMG Century shall arrange and pay for bulk shipment of the Product in two lots of 10,000 dry metric tonnes (+/-10% at MMG's Century option), during Q4 2015, subject to vessel availability, on a CIF basis to discharging ports nominated by Minmetals North-Europe.
Payment Terms	: The Provisional Payment and the Final Payment are to be made in US dollars.

The terms of the Zinc Concentrate Sales Agreement were arrived at after arm's length negotiations between the Company and Minmetals North-Europe and are consistent with terms for comparable zinc concentrate sold by major global zinc concentrate producers in China.

REASONS FOR AND BENEFITS OF THE ZINC CONCENTRATE SALES AGREEMENT

The Group's principal activities include the production and sale of metal products, including zinc concentrate. As part of its ordinary and usual course of business, the Group sells some of its products to the CMC Group at prices and on terms which are consistent with prevailing market rates and conditions for the relevant products.

During the 2014 trial stoping program at the Dugald River Project approximately 450,000 tonnes of ore was stockpiled. MMG Dugald River has sold this stockpile to MMG Century, and MMG Century will process the ore using its processing facilities following the completion of production from Century's open-pit mine. Minmetals North-Europe has agreed to purchase a portion of the Product on terms which are consistent with prevailing market rates and conditions for comparable zinc concentrate.

GENERAL

The Directors (including the independent non-executive Directors) are of the view that the terms of the Zinc Concentrate Sales Agreement and the transactions contemplated thereunder are on normal commercial terms, and are fair and reasonable and in the interests of the shareholders of the Company as a whole.

No Director has any material interest in the transaction contemplated under the Zinc Concentrate Sales Agreement which prohibits him from voting on the resolution of the Board to approve the Zinc Concentrate Sales Agreement and no Director has abstained from approving such Board resolution.

IMPLICATIONS UNDER THE LISTING RULES

Minmetals North-Europe is a wholly owned subsidiary of CMC, the ultimate controlling shareholder of the Company, and is therefore an associate of CMC and a connected person of the Company under the Listing Rules. As a result, the Zinc Concentrate Sales Agreement constitutes a connected transaction for the Company.

As all of the relevant percentage ratios in respect of the Zinc Concentrate Sales Agreement are more than 0.1% but less than 5%, it constitutes a connected transaction which is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The Company will comply with the Listing Rules where applicable.

INFORMATION ABOUT THE GROUP

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

INFORMATION ABOUT MINMETALS NORTH-EUROPE

Minmetals North-Europe is a wholly owned subsidiary of CMC, the ultimate controlling shareholder of the Company. Minmetals North-Europe is engaged in the purchase and sale of a wide range of non-ferrous metals including tungsten, rare earth, copper, alumina, lead and zinc.

DEFINITIONS

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

associates	has the meaning ascribed to it under the Listing Rules
Board	the board of directors of the Company
Century Mine	the zinc-lead mine located in north-west Queensland, Australia

CMC	中國五礦集團公司 (China Minmetals Corporation), formerly known as 中國五金礦產進出口總公司 (China National Metals and Minerals Import and Export Corporation), a State-owned enterprise incorporated on 7 April 1950 under the laws of the PRC and the ultimate controlling shareholder of the Company
CMC Group	CMC and its subsidiaries and associates from time to time (excluding the Group)
Company	MMG Limited, a company incorporated on 29 July 1988 in Hong Kong with limited liability, the shares of which are listed and traded on the main board of the Stock Exchange
connected person	has the meaning ascribed to it under the Listing Rules
controlling shareholder	has the meaning ascribed to it under the Listing Rules
Director(s)	the director(s) of the Company
Dugald River Project	the undeveloped zinc-lead-silver deposit located in north-west Queensland, Australia
Final Payment	the final payment made in accordance with usual market practice for the sale of metal products whereby the balance of the value of the entire shipment, based on the final weights, assays and prices as determined in accordance with the terms of the sale agreement, is paid by the buyer or the seller (as the case may be, having regard to the amount of the Provisional Payment) to the other party within 5 to 10 days of receipt of the seller's final invoice
Group	the Company and its subsidiaries from time to time
Hong Kong	the Hong Kong Special Administrative Region of the People's Republic of China
LBMA	the London Bullion Market Association
Listing Rules	the Rules Governing the Listing of Securities on the Stock Exchange
LME	the London Metal Exchange
Minmetals North-Europe	Minmetals North-Europe AB, a company incorporated in Sweden, which is an indirect wholly owned subsidiary of CMC
MMG Century	MMG Century Limited, a company incorporated on 25 November 1986 in Australia with limited liability which is an indirect wholly owned subsidiary of the Company

MMG Dugald River	MMG Dugald River Pty Ltd, a company incorporated on 15 July 1998 in Australia with limited liability which is an indirect wholly owned subsidiary of the Company
PRC	the People's Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
Product	Zinc concentrate produced by MMG Century at the Century Mine from ore mined by MMG Dugald River at the Dugald River Project
Provisional Payment	the provisional payment which is made in accordance with usual market practice for the sale of metal products whereby an agreed percentage amount of between 90% and 100% of the estimated value of the entire shipment based on shipped weights, seller's provisional assays and average prices of the relevant commodities over an agreed period, is paid by the buyer promptly after receiving a full set of original documents which are issued by the seller promptly after shipment including bills of lading, certificate of insurance, seller's weight and moisture certificate and assay certificate, seller's provisional invoice and seller's certificate of origin
Stock Exchange	The Stock Exchange of Hong Kong Limited
subsidiary	has the meaning ascribed to it under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
Zinc Concentrate Sales Agreement	the agreement dated 2 June 2015 between MMG Century and Minmetals North-Europe in relation to the sale of the Product by MMG Century to Minmetals North-Europe
%	Percentage

Unless otherwise specified, conversion of US\$ into HK\$ in this announcement is based on the exchange rate of US\$1.00 = HK\$7.8 for the purpose of illustration only. No representation is made and there is no assurance that US\$ or HK\$ can be purchased or sold at such rate.

By order of the Board

MMG Limited

Andrew Gordon Michelmore

CEO and Executive Director

Hong Kong, 2 June 2015

As at the date of this announcement, the Board comprises eight 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 two are independent non-executive directors, namely Dr Peter William Cassidy and Mr Leung Cheuk Yan.