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MMG LIMITED
五礦資源有限公司

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

**PROPOSED RIGHTS ISSUE OF NOT LESS THAN 2,645,034,944
RIGHTS SHARES AT HK\$1.50 PER RIGHTS SHARE
ON THE BASIS OF 1 RIGHTS SHARE FOR EVERY 2 SHARES
HELD ON THE RECORD DATE
AND
CLOSURE OF BOOKS**

Underwriter to the Rights Issue



Sub-Underwriter to the Rights Issue



PROPOSED RIGHTS ISSUE

The Company proposes to raise between approximately HK\$3,968 million and HK\$4,036 million, before expenses, by way of the Rights Issue of not less than 2,645,034,944 Rights Shares (assuming no Shares have been allotted and issued before 5:00 p.m. (HKT) on the Record Date

pursuant to the exercise of Share Options vested or scheduled to vest on or before 4:30 p.m. (HKT) on Thursday, 10 November 2016) and not more than 2,690,907,747 Rights Shares (assuming Shares have been allotted and issued before 5:00 p.m. (HKT) on the Record Date pursuant to the exercise of all Share Options vested or scheduled to vest on or before 4:30 p.m. (HKT) on Thursday, 10 November 2016) at the Subscription Price of HK\$1.50 per Rights Share (or AU\$0.2541 per Rights Share (equivalent to AU\$2.541 per CDI) for CDI Holders).

The Company will provisionally allot 1 Rights Share in nil-paid form for every 2 Shares held by each Qualifying Shareholder on the Record Date. Fractional entitlements will not be allotted but will be aggregated and sold for the benefit of the Company.

The Rights Issue will not be available to the Non-Qualifying Shareholders.

The Company intends to use the net proceeds from the Rights Issue to repay existing debt and to support project development.

The Committed Shareholder is interested in 3,898,110,916 Shares, representing 73.69% of the total number of issued Shares, as at the date of this announcement. The Committed Shareholder has irrevocably undertaken to the Company that, in relation to all of those Shares (being the Committed Shareholder Irrevocable Undertaking Shares), it will subscribe or procure the subscription for the 1,949,055,458 Rights Shares to be provisionally allotted to it and/or certain of its associates in respect thereof, subject to the terms and conditions of the Rights Issue.

Pursuant to the Underwriting Agreement, the Underwriter has conditionally agreed to fully underwrite all the Rights Shares excluding the 1,949,055,458 Rights Shares to be subscribed (or procured to be subscribed) for by the Committed Shareholder pursuant to the Committed Shareholder Irrevocable Undertaking.

The Underwriter has entered into sub-underwriting arrangements with Fosun Hani Securities Limited in respect of the Underwritten Shares.

WARNING OF THE RISKS OF DEALING IN THE SHARES AND NIL PAID RIGHTS

The Underwriting Agreement contains provisions granting the Underwriter a right to terminate its obligations on the occurrence of certain events. Please refer to the section headed “Termination of the Underwriting Agreement” in this announcement for further details. The Rights Issue is conditional upon, among other things, the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms. If this condition is not fulfilled or waived, the Rights Issue will not proceed.

Any Shareholders or other persons contemplating selling or purchasing Shares and/or Rights Shares in their nil-paid form are advised to exercise caution when dealing in the Shares and/or Rights Shares. Any person who is in any doubt about his or her or its position is recommended to consult his or her or its own professional adviser. Any Shareholder or other person dealing in Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter’s right of termination of the Underwriting Agreement ceases) and any person dealing in the Nil Paid Rights during the period from Friday, 25 November 2016 to Friday, 2 December 2016 (both days inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

The last day for dealing in the Shares on a cum-rights basis is Tuesday, 8 November 2016. The Shares will be dealt in on an ex-rights basis from Wednesday, 9 November 2016. To qualify for the Rights Issue, a Qualifying Shareholder’s name must appear on the register of members of the Company at 5:00 p.m. (HKT) on the Record Date, which is currently expected to be Wednesday, 16 November 2016. In order to be registered as a member at 5:00 p.m. (HKT) on the Record Date, any transfer of Shares (together with the relevant share certificate(s)) must be lodged with the Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration by 4:30 p.m.

(HKT) on Thursday, 10 November 2016 (the share register will be closed from Friday, 11 November 2016 to Wednesday, 16 November 2016, both days inclusive).

The latest time for acceptance of and payment for the Rights Shares and application for excess Rights Shares is expected to be 4:00 p.m. (HKT) on Wednesday, 7 December 2016. The Company will make an application to the Listing Committee of HKEx for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms. For details of the trading arrangements, please refer to the section headed “Expected Timetable” in this announcement.

There is no requirement under the Listing Rules for the Rights Issue to be approved by Shareholders in general meeting.

The Prospectus containing further information in relation to the Rights Issue and financial and other information relating to the Group is expected to be despatched by the Company, together with the PALs and EAFs, to Qualifying Shareholders on or before Wednesday, 23 November 2016. A copy of the Prospectus will also be made available on the websites of the Company (<http://www.mmg.com>) and HKEx (<http://www.hkexnews.hk>). To the extent reasonably practicable and subject to the advice of legal advisers in the relevant jurisdictions in respect of applicable local laws and regulations, the Company will send copies of the Prospectus to Non-Qualifying Shareholders (other than Non-Qualifying Shareholders within the United States and the PRC) for their information only but will not send any PALs or EAFs to them. The Prospectus will not be distributed, and the Rights Shares will not be sold, in the United States.

PROPOSED RIGHTS ISSUE

TERMS OF RIGHTS ISSUE

Issue statistics

Basis of Rights Issue:	1 Rights Share for every 2 Shares held at 5:00 p.m. (HKT) on the Record Date
Number of existing Shares in issue:	5,290,069,889 Shares as at the date of this announcement
Number of Rights Shares:	Not less than 2,645,034,944 Rights Shares (assuming no Shares have been allotted and issued before 5:00 p.m. (HKT) on the Record Date pursuant to the exercise of Share Options vested or scheduled to vest on or before 4:30 p.m. (HKT) on Thursday, 10 November 2016) and not more than 2,690,907,747 Rights Shares (assuming Shares have been allotted and issued before 5:00 p.m. (HKT) on the Record Date pursuant to the exercise of all Share Options vested or scheduled to vest on or before 4:30 p.m. (HKT) on Thursday, 10 November 2016)
Subscription Price:	HK\$1.50 per Rights Share (or AU\$0.2541 per Rights Share (equivalent to AU\$2.541 per CDI) for CDI Holders)

The number of Rights Shares which may be issued pursuant to the Rights Issue will be increased in proportion to any additional Shares which may be issued and allotted on or before 5:00 p.m. (HKT) on the Record Date, including Shares which may be allotted and issued before 5:00 p.m. (HKT) on the Record Date pursuant to the exercise of all Share Options vested or scheduled to vest on or before 4:30 p.m. (HKT) on Thursday, 10 November 2016.

As at the date of this announcement, there are vested Share Options exercisable on or before 5:00 p.m. (HKT) on the Record Date entitling the holders to subscribe for up to 91,745,606 Shares. If all

of the subscription rights attaching to such Share Options are exercised and Shares are issued and allotted pursuant to such exercise on or before 5:00 p.m. (HKT) on the Record Date, the number of issued Shares will be increased to 5,381,815,495 Shares and the number of Rights Shares which may be issued pursuant to the Rights Issue will be increased to 2,690,907,747 Rights Shares. Other than the Share Options, there are no securities or options in issue which are convertible into or confer any right to subscribe for Shares on or before 5:00 p.m. (HKT) on the Record Date.

Assuming no Shares have been allotted and issued before 5:00 p.m. (HKT) on the Record Date pursuant to the exercise of any Share Options vested or scheduled to vest on or before 4:30 p.m. (HKT) on Thursday, 10 November 2016, the Nil Paid Rights proposed to be provisionally allotted represent:

- (i) approximately 50% of the Company's issued shares as at the date of this announcement; and
- (ii) approximately 33% of the Company's enlarged issued shares as enlarged by the issue of the Rights Shares.

Qualifying Shareholders

The Company will send the Prospectus Documents to the Qualifying Shareholders. The Company will, to the extent reasonably practicable and legally permitted, and subject to the advice of legal advisers in the relevant jurisdictions in respect of applicable local laws and regulations, send the Prospectus to Non-Qualifying Shareholders (other than Non-Qualifying Shareholders within the United States and the PRC) for their information only. The Company will not send any PAL or EAF to the Non-Qualifying Shareholders.

To qualify for the Rights Issue, a Shareholder must:

- (i) be registered as a member of the Company at 5:00 p.m. (HKT) on the Record Date; and
- (ii) not be a Non-Qualifying Shareholder.

In order to be registered as a member of the Company at 5:00 p.m. (HKT) on the Record Date, the Shareholders must lodge any transfers of Shares (together with the relevant share certificate(s)) with the Registrar at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. (HKT) on Thursday, 10 November 2016.

PRC Stock Connect Investors

The PRC Stock Connect Investors may participate in the Rights Issue through ChinaClear. ChinaClear will provide nominee service for the PRC Stock Connect Investors to (i) sell their nil-paid Rights Shares on HKEx; and/or (ii) subscribe for their pro-rata entitlement in respect of Shares held on the Record Date at the Subscription Price under the Rights Issue in accordance with the relevant laws and regulations. However, ChinaClear will not support applications by such PRC Stock Connect Investors for excess Rights Shares under the Rights Issue through Shanghai-Hong Kong Stock Connect.

CDI Holders

CDI Holders in Australia who are beneficial owners of Shares, or recorded as holders of Shares or CDIs on the Record Date may take up their Nil Paid Rights and subscribe for Rights Shares being offered in the Rights Issue in reliance on ASIC Corporations (Foreign Rights Issues) Instrument 2015/356 and ASIC Class Order CO 14/827 Offers of CHESSE Depository Interests.

CDI Holders will receive a PAL enclosed with the Prospectus which entitles CDI Holders to subscribe for the number of Rights Shares shown thereon (and as a consequence CDIs) and an EAF which entitles CDI Holders to apply for excess Rights Shares (and as a consequence additional CDIs).

Qualifying Shareholders who take up their pro rata entitlements in full will not suffer any dilution to their interests in the Company under the Rights Issue (apart from fractional entitlements to Rights Shares). If a Qualifying Shareholder does not take up his/her/its entitlement under the Rights Issue in full, his/her/its proportionate holding of Shares in the Company will be diluted.

Holders of vested Share Options who wish to participate in the Rights Issue should exercise their Share Options in accordance with their terms and be registered as a member of the Company pursuant to such exercise before 5:00 p.m. (HKT) on the Record Date.

Closure of register of members

The register of members of the Company will be closed from Friday, 11 November 2016 to Wednesday, 16 November 2016 (both days inclusive) to determine the eligibility of the Shareholders to participate in the Rights Issue. No transfers of Shares will be registered during this period.

Subscription Price

The Subscription Price for the Rights Shares will be HK\$1.50 per Rights Share (or AU\$0.2541 per Rights Share (equivalent to AU\$2.541 per CDI) for CDI Holders), payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of Rights Shares or, where applicable, upon application for excess Rights Shares under the Rights Issue or when a renounee of any provisional allotment of the Rights Shares, or transferee of Nil Paid Rights applies for the relevant Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 26.8% to the closing price of HK\$2.050 per Share as quoted on HKEx on the Last Trading Day;
- (ii) a discount of approximately 19.6% to the theoretical ex-rights price of HK\$1.87 per Share, which is calculated on the basis of the closing price of HK\$2.050 per Share as quoted on HKEx on the Last Trading Day;
- (iii) a discount of approximately 26.1% to the average of the closing prices per Share as quoted on HKEx for the five (5) trading days ending on the Last Trading Day of approximately HK\$2.030 per Share; and
- (iv) a discount of approximately 25.7% to the average of the closing prices per Share as quoted on HKEx for the ten (10) trading days ending on the Last Trading Day of approximately HK\$2.019 per Share.

The Rights Shares have no nominal value.

The Subscription Price was determined by the Directors with reference to the market price of the Shares prior to and including the Last Trading Day.

Each Qualifying Shareholder will be entitled to subscribe for the Rights Shares at the same price in proportion to his/her/its shareholding in the Company held at 5:00 p.m. (HKT) on the Record Date.

The Directors consider the terms of the Rights Issue, including the Subscription Price (and the discounts to the relative values as indicated above), to be fair and reasonable and to be in the interests of the Company and the Shareholders as a whole.

Basis of provisional allotment

The basis of the provisional allotment shall be 1 Rights Share for every 2 Shares held at 5:00 p.m. (HKT) on the Record Date, being not less than 2,645,034,944 Rights Shares (assuming no Shares have been allotted and issued before 5:00 p.m. (HKT) on the Record Date pursuant to the exercise of Share Options vested or scheduled to vest on or before 4:30 p.m. (HKT) on Thursday, 10 November 2016) or not more than 2,690,907,747 Rights Shares (assuming Shares have been allotted and issued before 5:00 p.m. (HKT) on the Record Date pursuant to the exercise of all

Share Options vested or scheduled to vest on or before 4:30 p.m. (HKT) on Thursday, 10 November 2016) in aggregate, at a price of HK\$1.50 per Rights Share (or AU\$0.2541 per Rights Share (equivalent to AU\$2.541 per CDI) for CDI Holders). Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for.

If a Qualifying Shareholder wishes to accept part only of, or to renounce or transfer a part of, the Rights Shares provisionally allotted to him/her/it under the PAL, such Qualifying Shareholders will need to split his/her/its PAL into the denominations required. Details of how to split PALs will be set out in the Prospectus.

If CDI Holders wish to take up their right and subscribe for any or all of the Rights Shares provisionally allotted to them as specified in the PAL, they must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar in Australia by no later than 4:00 pm (AEDT) on Wednesday, 7 December 2016. For CDI Holders, remittances must be made in Australian dollars and cheques must be drawn on a bank account with an Australian Authorised Deposit-Taking Institution.

CDI Holders will not be able to sell the Nil Paid Rights or "split" the Nil Paid Rights. If CDI Holders would like to sell the Nil Paid Rights or "split" the Nil Paid Rights or ensure that any Rights Shares that are not divisible by 10 are not disregarded, CDI Holders must arrange to convert their CDIs into Shares prior to the Record Date by contacting the Registrar in Australia.

CDI Holders who would like to have their CDIs converted into Shares must lodge all necessary documents with the Registrar in Australia by 4:00 p.m. (AEDT) on Monday, 7 November 2016 to allow completion of the relevant registration in Hong Kong prior to the register of members closing on Friday, 11 November 2016.

Fractions of Rights Shares

The Company will not provisionally allot fractions of Rights Shares. All fractions of Rights Shares will be aggregated (and the Rights Shares rounded down to the nearest whole number). All Nil Paid Rights arising from such aggregation will be provisionally allotted (in nil-paid form) to the Underwriter or a nominee, and will be sold in the market on behalf of the Company if a premium (net of expenses) can be obtained, with the Company retaining the proceeds for its own benefit. Any unsold fractions of Rights Shares will be available to meet excess applications by the Qualifying Shareholders (other than the PRC Stock Connect Investors).

Fractional entitlements of Rights Shares will be rounded down to the nearest whole number. For the purposes of converting Rights Shares to CDIs, CDI Holders will be allotted Rights Shares which are in multiples of 10 and any number of Rights Shares not divisible by 10 will be disregarded and sold for the benefit of the Company.

Share certificates and refund cheques for Rights Issue

Subject to the fulfilment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be posted on or before Thursday, 15 December 2016 to those who have accepted and (where applicable) applied and paid for the Rights Shares by ordinary post at their own risk.

Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any), including applications by CDI Holders, are expected to be posted on or before Thursday, 15 December 2016 by ordinary post to the applicants at their own risk.

Status of Rights Shares

The Rights Shares, when allotted, issued and fully-paid, will, subject to the articles of association of the Company, rank pari passu in all respects with the then existing Shares. Holders of the fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are

declared, made or paid on or after the date of issue and allotment of the Rights Shares in their fully-paid form.

Overseas Shareholders

If there are Overseas Shareholders at 5:00 p.m. (HKT) on the Record Date, such Overseas Shareholders may not be eligible to take part in the Rights Issue as explained below.

The Directors will make enquiries, to be based on legal opinions provided by legal advisers if the Directors consider necessary, as to whether the issue of Rights Shares to any Overseas Shareholders may contravene the applicable securities legislation of the relevant overseas jurisdictions or the requirements of any relevant regulatory body or stock exchange pursuant to Rule 13.36(2)(a) of the Listing Rules. If, after making such enquiries, the Directors are of the opinion that it would be necessary or expedient, on account either of the legal restrictions under the laws of the relevant place or any requirement of the relevant regulatory body or stock exchange in that place, not to offer Rights Shares to any such Overseas Shareholders, no provisional allotment of Nil Paid Rights or allotment of fully-paid Rights Shares will be made to such Overseas Shareholders.

The Rights Issue will not be extended to the Non-Qualifying Shareholders and no Rights Shares will be provisionally allotted to them. The Company will, to the extent reasonably practicable and legally permitted, send the Prospectus to the Non-Qualifying Shareholders (other than Non-Qualifying Shareholders within the United States and the PRC) on the date of despatch for their information only but will not send PALs or EAFs to them. The Prospectus Documents are not intended to be registered or filed under the applicable securities legislation of any jurisdiction other than (i) the PRC, in accordance with the notice issued by CSRC of "*Filing Requirements for Hong Kong Listed Issuers Making Rights Issues to Mainland Shareholders through Shanghai-Hong Kong Stock Connect*" (Announcement [2016] No. 21) and (ii) Hong Kong.

The basis of exclusion of the Non-Qualifying Shareholders, if any, from the Rights Issue will be disclosed in the Prospectus.

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders, had they been Qualifying Shareholders, to be provisionally allotted (in nil-paid form) to the Underwriter or a nominee, and will be sold in the market in their nil-paid form after dealings in the Nil Paid Rights commence on HKEx and in any event before the last day of dealings in Nil Paid Rights, if a premium (net of expenses) can be obtained. The proceeds of sale, less expenses and stamp duty, will be paid to the relevant Non-Qualifying Shareholder(s) (pro rata to their entitlements at 5:00 p.m. (HKT) on the Record Date) in Hong Kong dollars, provided that the Company will retain individual amounts of HK\$100 or less for the benefit of the Company. Any unsold entitlement of Non-Qualifying Shareholders, together with any Rights Shares provisionally allotted but not accepted by Qualifying Shareholders or otherwise subscribed for by renounees or transferees of Nil Paid Rights, will be made available to meet excess applications on EAFs by the Qualifying Shareholders (other than the PRC Stock Connect Investors).

Overseas Shareholders and Beneficial Owners who are residing outside Hong Kong should note that they may or may not be entitled to the Rights Issue subject to the results of the enquiries made by the Directors pursuant to Rule 13.36(2)(a) of the Listing Rules. The Company reserves the right to treat as invalid any acceptances of or applications for the Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, Overseas Shareholders and Beneficial Owners who are residing outside Hong Kong should exercise caution when dealing in the Shares.

Application for excess Rights Shares

Qualifying Shareholders (including the CDI Holders and excluding the PRC Stock Connect Investor(s)) may apply, by way of excess applications, for any unsold entitlements of the Non-

Qualifying Shareholders (if any), any unsold Rights Shares created by adding together fractions of the Rights Shares, and any Rights Shares provisionally allotted but not accepted by Qualifying Shareholders or otherwise subscribed for by renounees or transferees of Nil Paid Rights.

Applications for excess Rights Shares can be made only by Qualifying Shareholders (including the CDI Holders and excluding the PRC Stock Connect Investor(s)) and only by completing an EAF and lodging the same with a separate remittance for the excess Rights Shares being applied for with the Registrar at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by 4:00 p.m. (HKT) on Wednesday, 7 December 2016, or such later time and/or date as may be agreed between the Company and the Underwriter.

If CDI Holders wish to apply for excess Rights Shares, CDI Holders must nominate the number of excess Rights Shares (in multiples of 10 Rights Shares) they wish to apply for in the EAF and lodge the EAF in accordance with the instructions printed thereon, together with a remittance for the amount payable in respect of the excess Rights Shares applied for, with the Registrar in Australia by no later than 4:00 pm (AEDT) on Wednesday, 7 December 2016. For CDI Holders, remittances must be made in Australian dollars and cheques must be drawn on a bank account with an Australian Authorised Deposit-Taking Institution.

The Directors will, upon consultation with the Underwriter, allocate the excess Rights Shares at their discretion on a fair and equitable basis according to the principle that any excess Rights Shares will be allocated to Qualifying Shareholders (including the CDI Holders and excluding the PRC Stock Connect Investor(s)) who apply for them on a pro rata basis by reference to the number of the excess Rights Shares applied for, but no reference will be made to the number of Rights Shares applied for under a PAL or the existing number of Shares held by such Qualifying Shareholders. If the aggregate number of Rights Shares not taken up by the Qualifying Shareholders under PALs is greater than the aggregate number of excess Rights Shares applied for through EAFs, the Directors will allocate in full to each Qualifying Shareholder (including the CDI Holders and excluding the PRC Stock Connect Investor(s)) the number of excess Rights Shares applied for under the EAFs. No preference will be given to topping up odd lots to whole board lots.

Investors with their Shares held by a nominee (or which are held in CCASS) should note that the Directors will regard the nominee (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Beneficial Owners with their Shares held by a nominee (or which are held in CCASS) are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names prior to 4:30 p.m. (HKT) on Thursday, 10 November 2016.

Investors whose Shares are held by a nominee (or which are held in CCASS) and who would like to have their names registered on the register of members of the Company, must lodge all necessary documents with the Registrar at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for completion of the relevant registration by 4:30 p.m. (HKT) on Thursday, 10 November 2016. The register of members of the Company will be closed from Friday, 11 November 2016 to Wednesday, 16 November 2016, both days inclusive.

Application for listing

The Company will apply to the Listing Committee of HKEx for the listing of, and permission to deal in, the Rights Shares on HKEx, in both nil-paid and fully-paid forms. No part of the securities of the Company in issue or for which listing or permission to deal is being or is proposed to be sought is listed or dealt with in or on any other stock exchange other than HKEx and ASX. The Nil Paid Rights shall have the same board lot size as the Shares (i.e. 4,000 Shares in one board lot).

Dealings in the Rights Shares in their nil-paid and fully-paid forms will be subject to the payment of stamp duty and any other applicable fees and charges in Hong Kong.

Rights Shares will be eligible for admission into CCASS

Subject to the granting of listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms on HKEx as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Nil Paid Rights and the Rights Shares (respectively) on HKEx or such other date as determined by HKSCC. Settlement of transactions between participants of HKEx on any trading day is required to take place in CCASS on the second settlement day thereafter.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their stockbroker or other professional adviser for details of those settlement arrangements and how such arrangements will affect their rights and interests.

UNDERWRITING ARRANGEMENTS FOR RIGHTS ISSUE

Committed Shareholder Irrevocable Undertaking

As at the date of this announcement, the Committed Shareholder is interested in 3,898,110,916 Shares, representing approximately 73.69% of the issued shares of the Company. The Committed Shareholder has irrevocably undertaken to the Company:

- (i) to procure that the Committed Shareholder Irrevocable Undertaking Shares remain registered in the name of one or more of Album Enterprises, Top Create and Minmetals HK until 5:00 p.m. (HKT) on the Record Date, and that the Committed Shareholder continues to be the ultimate beneficial owner of the entire issued shares of each of Album Enterprises, Top Create and Minmetals HK (as the case may be) until completion of the Rights Issue;
- (ii) to accept or procure the acceptance of the 1,949,055,458 Rights Shares to be provisionally allotted to Album Enterprises, Top Create and/or Minmetals HK in respect of the 3,898,110,916 Shares registered in the names of Album Enterprises, Top Create and/or Minmetals HK (as the case may be) pursuant to the Rights Issue;
- (iii) to procure that the PAL(s) in respect of the Committed Shareholder Irrevocable Undertaking Shares shall be lodged with the Registrar, Computershare Hong Kong Investor Services Limited, with full payment therefor in accordance with the terms of the Prospectus Documents, by no later than 4:00 p.m. (HKT) on the Business Day immediately before the last day the Rights Issue is open for acceptance, and to deliver promptly to the Underwriter a certified true copy of such PAL(s) or such other documentation evidencing that the PAL(s) has/have been lodged and duly paid for;
- (iv) to waive any rights, if any, and whether by virtue of the constitutional documents of the Company, operation of applicable laws, regulations, rules of HKEx, contractual arrangements or otherwise, to withdraw the acceptance of the Committed Shareholder, Album Enterprises, Top Create and/or Minmetals HK, in respect of the Committed Shareholder Irrevocable Undertaking Shares;
- (v) to procure that, for the period from the date of the Committed Shareholder Irrevocable Undertaking until the first day of trading of the Rights Shares in their fully-paid form on HKEx, no action shall be taken and no statement shall be made to the public which is or may be prejudicial to the successful completion of the Rights Issue, unless otherwise required or caused by any law or regulation, HKEx, SFC, or any other regulatory, judicial, governmental or other authorities or court having jurisdiction over the Committed Shareholder, Album Enterprises, Top Create and/or Minmetals HK in each case subject to

prior consent from the Underwriter and the Company unless prohibited by any of the applicable laws and/or regulators;

- (vi) without first having obtained the prior written consent of the Underwriter, not to, and to procure Album Enterprises, Top Create and Minmetals HK (as the case may be) not to, transfer or otherwise dispose of (including, without limitation, through entering into any agreement to dispose of, or the creation of any option or derivative over) or acquire (except by taking up Rights Shares provisionally allotted to Album Enterprises, Top Create and/or Minmetals HK pursuant to the Rights Issue or acquiring Nil Paid Rights or submitting EAFs or acquiring Shares in circumstances which do not contravene the rules of HKEx and/or the Takeovers Code and do not render information submitted to HKEx and/or SFC to become untrue, inaccurate or misleading in any material respect (whether by omission or otherwise) any Share or any interest therein from the date of the Committed Shareholder Irrevocable Undertaking until and including the completion of the Rights Issue; and
- (vii) from the date of the completion of the Rights Issue until 90 days from the date of completion of the Rights Issue, except with the prior written consent of the Underwriter, not to, and to procure Album Enterprises, Top Create and/or Minmetals HK (as the case may be) not to, (whether individually or together and whether directly or indirectly):
 - (a) offer, lend, pledge, issue, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of or create any encumbrance over (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares (including the Rights Shares provisionally allotted to Album Enterprises, Top Create and/or Minmetals HK or any interests therein beneficially owned or held by the Committed Shareholder, Album Enterprises, Top Create and/or Minmetals HK or such controlled companies or any securities convertible into or exercisable or exchangeable for or substantially similar to any such Shares or interests;
 - (b) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares;
 - (c) enter into any transaction with the same economic effect as any transaction described in paragraphs (vii)(a) and (b); or
 - (d) offer to or agree to or announce any intention to enter into or effect any such transaction described in paragraphs (vii)(a), (vii)(b) or (vii)(c) above,

in each case, whether any such transaction described in paragraphs (vii)(a), (vii)(b) or (vii)(c) is to be settled by delivery of Shares or such other securities, in cash or otherwise.

The undertakings in paragraphs (i) to (vii) above are conditional upon such undertakings not resulting in the Company's non-compliance with the public float requirements under the Listing Rules, and, in addition, subject to: (i) the publication of this announcement by the Company; and (ii) the Underwriter not exercising its right to terminate the Underwriting Agreement in accordance with its terms.

Principal terms of the Underwriting Agreement

Date: Tuesday, 1 November 2016

Issuer: the Company

Underwriter:	the Underwriter		
Number of Rights Shares underwritten:			All of the Rights Shares (excluding in aggregate the 1,949,055,458 Rights Shares to be subscribed (or procured to be subscribed) by the Committed Shareholder pursuant to the Committed Shareholder Irrevocable Undertaking), being 695,979,486 Rights Shares (assuming that no Shares have been allotted and issued or allotted on or before 5:00 p.m. (HKT) on the Record Date pursuant to the exercise of Share Options vested or scheduled to vest on or before 4:30 p.m. (HKT) on Thursday, 10 November 2016) and 741,852,289 Rights Shares (assuming Shares have been allotted and issued before 5:00 p.m. (HKT) on the Record Date pursuant to the exercise of all Share Options vested or scheduled to vest on or before 4:30 p.m. (HKT) on Thursday, 10 November 2016)
Underwriter's commission:	2.75% of the aggregate subscription price of the Underwritten Shares		

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Underwriter and its ultimate holding company are not connected persons of the Company.

The Directors consider that the Underwriting Agreement is (i) on normal commercial terms; and (ii) fair and reasonable so far as the Shareholders are concerned.

Conditions of the Rights Issue and the Underwriting Agreement

The Rights Issue is conditional upon (i) the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms; and (ii) there not having occurred any event which would prevent the Rights Issue from becoming unconditional.

The obligations of the Underwriter to underwrite the Rights Issue are conditional upon:

- (i) permission to deal in and for the listing of all the Rights Shares (in their nil-paid and fully-paid forms) being granted (subject only to allotment and despatch of the appropriate documents of title) by HKEx by no later than the Business Day (as defined in the Underwriting Agreement) prior to the commencement of trading of the Rights Shares (in their nil-paid and fully-paid forms, respectively), and such permission not being withdrawn, revoked or amended prior to the Latest Time for Termination;
- (ii) all relevant consents and approvals being obtained from the regulatory authorities, including HKEx and the SFC, as the case may require, in connection with the Rights Issue by the relevant time that each consent and approval is required, including without limitation, clearance of the timetable for the Rights Issue by HKEx;
- (iii) the delivery to HKEx and registration by the Registrar of Companies in Hong Kong, respectively, not later than the Business Day (as defined in the Underwriting Agreement) prior to the Prospectus Date (or such later time and/or date as the Company and the Underwriter may agree in writing) of one copy of each of the Prospectus Documents (and any other documents required to be submitted by the HKEx or any applicable law or

- regulation), each duly certified in compliance with the Companies (WUMP) Ordinance, and the Registrar of Companies in Hong Kong issuing a confirmation of registration letter not later than the Business Day (as defined in the Underwriting Agreement) prior to the Prospectus Date (or such later time and/or date as the Company and the Underwriter may agree in writing);
- (iv) HKEx issuing a certificate authorising registration of the Prospectus with the Registrar of Companies in Hong Kong under section 38D of the Companies (WUMP) Ordinance not later than the Business Day (as defined in the Underwriting Agreement) prior to the Prospectus Date (or such later time and/or date as the Company and the Underwriter may agree in writing) and, following registration of the Prospectus, a copy of the Prospectus having been submitted to HKEx for publication on its website not later than the Prospectus Date (or such later time and/or date as the Company and the Underwriter may agree in writing);
 - (v) the despatch, on the date of the Prospectus, of copies of the Prospectus Documents to the Qualifying Shareholders;
 - (vi) each condition to enable the Nil Paid Rights to be admitted as eligible securities for deposit, clearance and settlement in CCASS being satisfied on or before the Business Day (as defined in the Underwriting Agreement) prior to the commencement of trading of the Rights Shares (in their nil-paid and fully-paid forms, respectively) and no notification having been received by the Company from HKSCC by such time that such admission or facility for holding and settlement has been or is to be refused;
 - (vii) the representations, warranties or undertakings referred to in Clause 15 of the Underwriting Agreement being true and accurate and not misleading in any respect on and as of the date of the Underwriting Agreement and at any time before the Latest Time for Termination, as though they had been given and made at such time by reference to the facts and circumstances then subsisting;
 - (viii) compliance with and performance of all the obligations of the Company taking place by the times specified in the Underwriting Agreement in connection with the Rights Issue, including, without limitation:
 - (a) to publish this announcement in accordance with Clause 3 of the Underwriting Agreement by the time specified therein;
 - (b) to provisionally allot the Rights Shares in accordance with Clause 6.1(a) of the Underwriting Agreement by the time specified therein;
 - (c) to despatch the Prospectus Documents to the Qualifying Shareholders in accordance with Clause 6.1 of the Underwriting Agreement by the time specified therein;
 - (d) to deliver to the Underwriter the documents as set out in Part A, Part B, Part C and Part D of Schedule 2 of the Underwriting Agreement in accordance with the timing set out in the relevant Part of Schedule 2 of the Underwriting Agreement and, if applicable, the documents as set out in Part E of Schedule 2 of the Underwriting Agreement in accordance with the timing set out therein; and
 - (e) to deliver to the Underwriter at the Time of Sale a certificate duly signed by an authorised representative of the Board, dated as of the date on which the Time of Sale occurs, in the form set out in Exhibit A of the Underwriting Agreement;
 - (ix) compliance with, and performance of all the material obligations of the Committed Shareholder (including, without limitation, its obligations to (i) continue to beneficially

own the 3,898,110,916 Shares beneficially owned by it as at the date of the Underwriting Agreement and (ii) procure the acceptance of all the Rights Shares to be provisionally allotted in respect of those 3,898,110,916 Shares pursuant to the Rights Issue) taking place by the times specified in the Underwriting Agreement and the Committed Shareholder Irrevocable Undertaking, and the Committed Shareholder Irrevocable Undertaking remaining in full force and effect; and

- (x) the Shares (other than the Rights Shares) remaining listed on HKEx at all times prior to the Latest Time for Termination and the current listing of the Shares not having been withdrawn or the trading of the Shares not having been suspended or materially limited for a consecutive period of more than three trading days (or such longer period as the Company and the Underwriter may agree) and no indication having been received before 4:00 p.m. (HKT) on the date of the Latest Time for Termination from HKEx to the effect that such listing may be withdrawn or objected to (or conditions will or may be attached thereto) including but not limited to as a result of the Rights Issue or in connection with the terms of the Underwriting Agreement or for any other reason.

The Company shall use its best endeavours to procure the fulfilment of each of the conditions set out above on or before the relevant time or date specified, and, in particular, shall furnish such information, supply such documents, pay such fees, give such undertakings and do all such acts and things as are required in compliance with the Listing Rules, the Companies (WUMP) Ordinance, the Companies Ordinance, the SFO, the ASX Listing Rules, the Corporations Act or the Foreign Acquisitions and Takeovers Act 1975 (Cth) of Australia (in the case of the Committed Shareholder's obligations under the Committed Shareholder Irrevocable Undertaking), or as may reasonably be required by the Underwriter, the SFC, HKEx, the Registrar of Companies in Hong Kong or HKSCC in connection with the Rights Issue (including obtaining the grant of permission to deal in, and the listing of, the Rights Shares on HKEx) and the arrangements contemplated under the Underwriting Agreement.

If any of the conditions set out above (which has not previously been waived by the Underwriter if capable of being waived under the Underwriting Agreement) is not fulfilled, or becomes incapable of fulfilment, on or prior to the relevant time and date specified in that Clause or, if no such date is so specified or referred to, is not fulfilled on or prior to the Latest Time for Termination (or such later date or dates as the Underwriter may agree with the Company in writing), the Underwriting Agreement ((i) save in respect of any breach of Clause 2.1(j) of the Underwriting Agreement (disclosed as condition (x) above), and (ii) save for the provisions of Clauses 1, 2.4, 16, 24 and 25 of the Underwriting Agreement which shall remain in full force and effect and (iii) save further that the Company shall pay the fees and expenses specified in Clause 12 of the Underwriting Agreement (subject as provided in Clause 12.2 of the Underwriting Agreement)) shall terminate and no party will have any claim against any other for costs, damages, compensation or otherwise, provided that such termination shall be without prejudice to the rights of the parties in respect of any breach of the Underwriting Agreement occurring prior to such termination.

If the Underwriting Agreement does not become unconditional or is terminated, the Rights Issue will not proceed.

The Underwriter shall have the right, in its absolute discretion, by giving notice to the Company on or before the latest time at which, or the latest day on which, any of the above conditions may be fulfilled to:

- (a) waive any such conditions (other than conditions (i) to (vi) in the section above), or
- (b) extend the time or date for fulfilment of any of such conditions (in which case a reference in the Underwriting Agreement to the satisfaction of such condition shall be to its

fulfilment by the time or date as so extended), and such waiver or extension may be made subject to such terms and conditions as are reasonably determined by the Underwriter.

Termination of the Underwriting Agreement

The Underwriting Agreement contains provisions granting the Underwriter the right, which may be exercised by the Underwriter at any time prior to the Latest Time for Termination, to terminate the obligations of the Underwriter if any of the following occurs:

- (i) any matter or circumstance arises as a result of which any of the conditions set out in Clause 2.1 of the Underwriting Agreement (please refer to the section above headed "Conditions of the Rights Issue and the Underwriting Agreement") has become incapable of satisfaction as at the required time;
- (ii) the fact that any of the representations, warranties or undertakings contained in Clause 15 of the Underwriting Agreement is untrue, inaccurate, misleading in any respect comes to the knowledge of the Underwriter, or there has been a breach on the part of the Company of any other provision of the Underwriting Agreement or a breach on the part of the Committed Shareholder of the Committed Shareholder Irrevocable Undertaking, or the Underwriter has cause to believe that any such breach has occurred;
- (iii) any event occurs or matter arises or is discovered, which, if it had occurred before the date of the Underwriting Agreement or before any of the dates or before any time on which the representations, warranties and undertakings are deemed to be given pursuant to Clause 15.2 of the Underwriting Agreement would have rendered any of those representations, warranties or undertakings untrue, inaccurate, incomplete or misleading in any respect;
- (iv) any statement contained in this announcement and/or a Prospectus Document and/or the Investor Presentation has become or been discovered to be untrue, incorrect, incomplete or misleading in any material respect, or matters have arisen or have been discovered which would, if this announcement, a Prospectus Document or the Investor Presentation was to be issued at the time, constitute a material omission therefrom;
- (v) the Company: (A) withdraws the Prospectus (and/or documents issued or used in connection with the Rights Issue) or the Rights Issue; or (B) is required to produce a supplementary prospectus (unless the Underwriter acquiesces to such supplementary prospectus); or (C) is required to include in the final Prospectus to be despatched on the Prospectus Date information which is not included in the draft Prospectus as at the date of the Underwriting Agreement and which is or may be materially adverse to the Company or the Rights Issue, as a result of either a significant change affecting any matter contained in such draft Prospectus or a significant new matter that has arisen (unless the Underwriter acquiesces to the inclusion of such information);
- (vi) the Company's application to the Main Board of HKEx for permission for the listing of the Rights Shares (nil-paid and fully-paid) and permission to deal in the Rights Shares (nil-paid and fully-paid) on HKEx is withdrawn by the Company and/or rejected by HKEx;
- (vii) any condition to enable the Nil Paid Rights to be admitted as eligible securities for deposit, clearance and settlement in CCASS is not satisfied or notification is received by the Company from HKSCC that such admission or facility for holding and settlement has been or is to be refused;
- (viii) any expert, who has given advice which is contained in the Prospectus, has withdrawn its respective consent to the issue of the Prospectus with the inclusion of its reports, letters, opinions, advices or references to its name included in the form and context in which it respectively appears prior to the issue of the Prospectus;

- (ix) any event, act or omission occurs which gives or is likely to give rise to any liability of the Company pursuant to the indemnities referred to in Clause 16 of the Underwriting Agreement; or
- (x) there has occurred, happened, come into effect or become public knowledge any event, series of events or circumstances concerning or relating to (whether or not foreseeable):
 - (A) there is any adverse change or prospective adverse change in the condition, results of operations, management, business, stockholders' equity, the financial or trading position and/or prospects of any member of the Group, but excluding any unscheduled or unanticipated suspension of mining operations at, or the transport of copper concentrate from, the Company's mining project situated at Las Bambas, Peru as a result of protests or blockages or the consequences of any such suspension unless such suspension results in: (x) the cancellation of, or the declaration of force majeure in respect of, at least three scheduled shipments (after the date of the Underwriting Agreement) of copper concentrate by the Company from Matarani Port; or (y) the amount of copper concentrate produced or transported by trucking from the Las Bambas mining project being, or being reasonably expected to be, less than 45,000 wet metric tonnes in any calendar month during the three calendar months following the date of the Underwriting Agreement;
 - (B) any change (whether or not permanent) in local, national or international financial, political, military, industrial, economic, legal, fiscal, regulatory or securities market matters or conditions or currency exchange rates or exchange controls in or affecting the PRC, Hong Kong, Australia, Peru, the Democratic Republic of Congo, the United Kingdom, Europe, the United States or Japan;
 - (C) any event of force majeure including, without limitation, economic sanctions, strike or lock-out (whether or not covered by insurance), civil protest, riot, fire, explosion, flooding, earthquake, civil commotion, act or declaration of war, outbreak or escalation of hostilities (whether or not war is or has been declared), act of terrorism (whether or not responsibility has been claimed), act of God, pandemic, epidemic, outbreak of infectious disease, declaration of a state of emergency or calamity or crisis, in or affecting the PRC, Hong Kong, Australia, Peru, the Democratic Republic of Congo, the United Kingdom, Europe, the United States or Japan, but excluding any strike action, employee lock-out, road haulage blockage or civil protest (except where it is a significant escalation from that existing as at the date of the Underwriting Agreement, or which has existed in the previous month, and it results in serious harm to persons or significant property damage) in connection with the Company's mining project situated at Las Bambas, Peru;
 - (D) the declaration of a banking moratorium by the PRC, Hong Kong, Australia, Peru, the United Kingdom, Europe, the United States or Japan authorities occurring due to exceptional financial circumstances or otherwise;
 - (E) any moratorium, suspension or restriction on trading in shares or securities generally, or the establishment of minimum prices, on HKEx, ASX (or other stock exchanges such as in the PRC, the United Kingdom, Europe, the United States or Japan), or any major disruption of any securities settlement or clearing services in Hong Kong, Australia, PRC, the United Kingdom, Europe, the United States or Japan;

- (F) any suspension or any material limitation in trading in the Company's securities on HKEx, ASX and/or any other relevant stock exchange for the Group (other than pending publication of announcing the Rights Issue or any other announcement relating to the Rights Issue or where such suspension is temporary or routine in nature for not more than two trading days);
- (G) any new law or regulation or any change, or any development involving a prospective change, in existing laws or regulations in Hong Kong or any other place in which any member of the Group conducts or carries on business;
- (H) a change or development occurs involving a prospective change in taxation in Hong Kong, the PRC, Australia, Peru, the Democratic Republic of Congo, the United Kingdom, Europe, the United States, Japan or any other jurisdiction(s) to which any member of the Group is subject or the implementation of any exchange controls;
- (I) any litigation or claim of material impact to the business, financial or operations of the Group being threatened or instituted against any member of the Group;
- (J) the imposition of economic sanctions, in whatever form, directly or indirectly, in Hong Kong, the PRC, Australia, Peru, the Democratic Republic of Congo, the United Kingdom, Europe, the United States, Japan or any other jurisdiction(s) relevant to the Group;
- (K) any governmental or regulatory commission, body, authority or agency, or any stock exchange, self-regulatory organisation or other non-government regulatory authority or any court, tribunal or arbitrator, whether national, central, federal, provincial, state, regional, municipal, in any relevant jurisdiction commencing any investigation, or formally announcing to investigate or take other legal actions, against the Group or any of the Directors in respect of any matter related to the Group's business, which investigation has or would have material adverse effect on the traded price of the Shares or the Group (taken as a whole); or
- (L) order or petition for the winding up of any members of the Group or any composition or arrangement made by any members of the Group with its creditors or a scheme of arrangement entered into by any members of the Group or any resolution for the winding up of any members of the Group or the appointment of a provisional liquidator, receiver or manager over all or part of the material assets or undertaking of any members of the Group or anything analogous thereto occurring in respect of any members of the Group;

the effect of which events or circumstances referred to in (x) above, individually or in the aggregate (in the reasonable opinion of the Underwriter after consultation with the Company): (i) is, or would be, or is likely to be, materially adverse to, or materially prejudicially affects, or would materially and prejudicially affect, the Group as a whole or the Rights Issue; or (ii) will make or is likely to make the Underwriting Agreement incapable of performance in accordance with its terms or prevent the processing of applications and/or payments pursuant to the Rights Issue or pursuant to the underwriting thereof.

If the Underwriter exercises such right and a notice to terminate the Underwriting Agreement is given by the Underwriter prior to the Latest Time for Termination, the obligations of all parties under the Underwriting Agreement (save for the clauses referred to in Clause 17.2 of the Underwriting Agreement) shall terminate forthwith and the Rights Issue will not proceed.

Lock up

The Company has undertaken to the Underwriter that for the period from the date of the Underwriting Agreement and ending on the date which is 90 days from the date on which the Rights Issue becomes unconditional (which is expected to be on Tuesday, 13 December 2016), it shall not (except for the Rights Shares):

- (i) undertake any consolidation or subdivision of its share capital, allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to any Shares or interest in Shares (other than the issue, offer to issue or grant of any option or right pursuant to any employee share option scheme or employee share scheme adopted in accordance with the Listing Rules or allotment or issue of any Shares upon the exercise of such options or rights);
- (ii) buy back, cancel, retire, reduce, redeem, amalgamate, re-purchase, purchase or otherwise acquire any Shares;
- (iii) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in (i) or (ii); or
- (iv) announce any intention to enter into or effect any such transaction described in (i), (ii) or (iii) above,

unless with the prior written consent of the Underwriter; provided that the above restrictions shall cease to apply if the Underwriting Agreement (i) does not become unconditional and is terminated; or (ii) is terminated by the Underwriter pursuant to the termination events set out in the section above headed "Termination of the Underwriting Agreement".

Sub-underwriting arrangements

The Underwriter has entered into a sub-underwriting agreement dated 1 November 2016 with Fosun Hani Securities Limited as the Sub-Underwriter.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Sub-Underwriter is not a connected person of the Company.

WARNING OF THE RISKS OF DEALING IN SHARES AND NIL PAID RIGHTS

The Shares will be dealt in on an ex-rights basis from Wednesday, 9 November 2016. Dealings in the Nil Paid Rights are expected to take place from Friday, 25 November 2016 to Friday, 2 December 2016, (both days inclusive). The Rights Issue is conditional upon (i) the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms; and (ii) there not having occurred any event which would prevent the Rights Issue from becoming unconditional. If the conditions of the Rights Issue are not fulfilled, or if the Underwriter terminates the Underwriting Agreement, the Rights Issue will not proceed.

Any Shareholder or other person contemplating selling or purchasing Shares and/or Nil Paid Rights is advised to exercise caution when dealing in the Shares and/or Rights Shares. Any person who is in any doubt about his or her or its position is recommended to consult his or her or its own professional adviser. Any Shareholder or other person dealing in Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases) and any person dealing in the Nil Paid Rights during the period from Friday, 25 November 2016 to Friday, 2 December 2016 (both days inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

EXPECTED TIMETABLE (unless otherwise specified, all references below are to HKT)

The expected timetable for the proposed Rights Issue is set out below:

Latest time to convert CDIs into Shares	4:00 p.m. (AEDT), Monday, 7 November 2016
Last day of dealings in Shares on a cum-rights basis.....	Tuesday, 8 November 2016
First day of dealings in Shares on an ex-rights basis	Wednesday, 9 November 2016
Latest time for lodging transfers of Shares and related documents in order to qualify for the Rights Issue	4:30 p.m., Thursday, 10 November 2016
Register of members closes	Friday, 11 November 2016 toWednesday, 16 November 2016 (both days inclusive)
Record Date	Wednesday, 16 November 2016
Register of members reopens.....	Thursday, 17 November 2016
Despatch of the Prospectus Documents	Wednesday, 23 November 2016
First day of dealings in Nil Paid Rights	Friday, 25 November 2016
Latest time for splitting of Nil Paid Rights	4:30 p.m., Tuesday, 29 November 2016
Last day of dealings in Nil Paid Rights.....	Friday, 2 December 2016
Latest time for payment for and acceptance of Rights Shares and the application and payment for excess Rights Shares	4:00 p.m., Wednesday, 7 December 2016
Latest time for payment and acceptance by CDI holders.....	4:00 p.m. (AEDT), Wednesday, 7 December 2016
Rights Issue expected to become unconditional after.....	4:00 p.m., Tuesday, 13 December 2016
Announcement of results of acceptances of and excess applications for the Rights Issue	Wednesday, 14 December 2016
Despatch of refund cheques for wholly and partially unsuccessful excess applications on or before	Thursday, 15 December 2016
Share certificates of Rights Shares to be posted on or before	Thursday, 15 December 2016
First day of dealings in fully-paid Rights Shares.....	9:00 a.m., Friday, 16 December 2016

Note: All times and dates in this announcement refer to Hong Kong local times and dates unless stated otherwise. Shareholders should note that the dates or deadlines specified in the expected timetable of the Rights Issue as set out above, and in other parts of this announcement, are indicative only and may be varied by agreement between the Company and the Underwriter. In the event any special circumstances arise, the board may extend, or make adjustment to, the timetable if it considers appropriate. Any such extension or adjustment to the expected timetable will be published or notified to Shareholders and HKEx as and when appropriate.

Effect of bad weather on latest time for acceptance of and payment for Rights Shares and excess Rights Shares

The latest time for acceptance of and payment for the Rights Shares will not take place as shown if there is a tropical cyclone warning signal no. 8 or above, or a “black” rainstorm warning:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Wednesday, 7 December 2016. Instead the latest time for acceptance of and payment for the Rights Shares and excess Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Wednesday, 7 December 2016. Instead the latest time of acceptance of and payment for the Rights Shares and excess Rights Shares will be rescheduled to 4:00 p.m. on the next following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m..

If the latest time for acceptance of and payment for the Rights Shares and excess Rights Shares does not take place on Wednesday, 7 December 2016, the dates mentioned in the section headed “Expected timetable” above may be affected. The Company will notify Shareholders by way of announcements of any change to the expected timetable as soon as practicable.

USE OF PROCEEDS AND REASONS FOR THE RIGHTS ISSUE

Use of Proceeds

The Directors are of the opinion that, under present circumstances, raising funds by way of the Rights Issue (outlined in the Prospectus) is in the interests of the Shareholders and the Company as a whole. A Rights Issue is the most equitable means of raising funds as it provides all Shareholders with an opportunity to participate in the offer. The net proceeds of the Rights Issue will be used to repay existing debt and to support project development.

The estimated gross proceeds of the Rights Issue will be between approximately HK\$3,968 million (assuming that no Shares have been allotted and issued or allotted on or before 5:00 p.m. (HKT) on the Record Date pursuant to the exercise of Share Options vested or scheduled to vest on or before 4:30 p.m. (HKT) on Thursday, 10 November 2016) and HK\$4,036 million (assuming Shares have been allotted and issued before 5:00 p.m. (HKT) on the Record Date pursuant to the exercise of all Share Options vested or scheduled to vest on or before 4:30 p.m. (HKT) on Thursday, 10 November 2016) at the Subscription Price. The estimated expenses of the Rights Issue (including the underwriting commission, financial advisory fees, printing, registration, translation, legal and accounting charges and other related expenses) amount to approximately HK\$58.5 million and will be borne by the Company. The net proceeds of the Rights Issue are estimated to be between approximately HK\$3,909.5 million (assuming that no Shares have been allotted and issued or allotted on or before 5:00 p.m. (HKT) on the Record Date pursuant to the exercise of Share Options vested or scheduled to vest on or before 4:30 p.m. (HKT) on Thursday, 10 November 2016) and HK\$3,977.5 million (assuming Shares have been allotted and issued before 5:00 p.m. (HKT) on the Record Date pursuant to the exercise of all Share Options vested or scheduled to vest on or before 4:30 p.m. (HKT) on Thursday, 10 November 2016) after the deduction of all estimated expenses. The net proceeds will be utilised as follows:

- up to US\$300 million (approximately HK\$2,340 million) to be used for repayment of amounts outstanding under the US\$300 million term and revolving facility between Industrial and Commercial Bank of China Limited, MMG Limited and MMG Finance Limited, which matures in May 2017; and
- out of the remaining proceeds (i) approximately 45% will be used to fund capital expenditure associated with the ongoing development of the Dugald River project; and (ii) approximately 55% will be used in repayment of amounts outstanding under the term debt

facility between China Development Bank Corporation, Bank of China Limited (Sydney Branch), Album Resources Private Limited and MMG Management Pty Ltd, which matures in June 2017.

The net subscription price per Rights Share upon full acceptance of the relevant provisional allotment of Rights Shares (assuming no Shares have been allotted and issued before 5:00 p.m. (HKT) on the Record Date pursuant to the exercise of the Share Options) is expected to be approximately HK\$1.50 per Rights Share (or AU\$0.2541 per Rights Share (equivalent to AU\$2.541 per CDI) for CDI Holders).

Reasons for the Rights Issue

After careful consideration, the Directors are of the opinion that the Rights Issue represents a meaningful step as the Company seeks to reduce Gearing. The Company has an objective of reducing Gearing with the aim of achieving this objective through:

- (i) net proceeds of approximately HK\$3,200 million of the Rights Issue to be used to repay existing debt;
- (ii) operating cash flow generated by the Company's flagship asset, Las Bambas, which has reached commercial production;
- (iii) portfolio optimisation and selectively considering asset sales, including formally commencing sales processes for the Golden Grove mine and the Century mine assets; and
- (iv) continued focus on productivity and cost saving initiatives.

Access to long-term capital from its majority shareholder and Chinese investors and banks is a core competitive advantage of the Company and has assisted in achieving its growth ambitions to date. The Company's capital structure has a number of key advantages, including:

- (i) long dated and cost effective debt financing sourced from PRC Government-supported financial institutions;
- (ii) debt servicing capacity benefits from the Company's attractive interest rates and long dated principal repayments;
- (iii) support from its major shareholder, CMC, including loans and guarantees (and, if required, deferral of debt service and repayment obligations in relation to existing loans or further equity contributions); and
- (iv) capital markets flexibility through its primary listing on HKEx and secondary listing on ASX.

Having regard to maturing debt repayments and ongoing capital requirements, the Group is also considering various further alternate funding options available to it should the need arise, including refinancing current debt facilities, executing debt capital market transactions and portfolio optimisation through the sale of assets and productivity and cost savings initiatives. In the event that the Group is unsuccessful in respect of any of these options (to the extent they are required), the Group has the support of CMC. In this circumstance, support may be in form of providing additional debt facilities, deferral of debt service and repayment obligations in relation to existing loans from CMC or further equity contributions.

As disclosed in the Company's interim report for the six months ended 30 June 2016, the Company has ongoing discussions with its external financiers in relation to waivers from compliance with and amendment of certain financial covenants which may be breached within the next 12 months based on internal projections. The Company has positive relationships with its external financiers, who waived the breach of certain financial covenants at 30 June 2016. Additionally, some of the external financiers have already agreed to waive compliance with certain financial covenants as at

31 December 2016, and the Company is confident it will receive the remaining waivers for the potential breaches. These relationships are supported and enhanced by guarantees provided by CMC in respect of certain debt facilities and CMC's own relationships with the Group's external financiers.

Additionally, the Directors believe that there are substantial benefits from the Company's dual-listing structure and are seeking to continue to develop strong institutional and retail investor support in both jurisdictions. The Company remains committed to its primary listing in Hong Kong given it is an attractive market for its major investors and to source Chinese investment and also to its secondary listing on the ASX given that Australia is an attractive market for natural resources companies and the Company's head office is located in Melbourne, Australia.

BUSINESS OVERVIEW

The Company is a leading international metals and mining company with a vision of being valued as one of the world's top mid-tier miners by 2020. The Company holds interests in five operating mines and one development project, which are located across four continents. The Company primarily produces copper and zinc, but with smaller quantities of gold, silver and lead. The Group intends to produce molybdenum concentrate from Las Bambas in 2017.

Headquartered in Melbourne, Australia, the Company is managed by a team with significant international experience in the mining sector. The corporate strategy is to deliver value for all stakeholders through four strategic drivers:

- (i) growth – acquiring and discovering base metals assets that transform its business and unlocking the potential value of the Company's project pipeline;
- (ii) operations transformation – developing effective plans to deliver innovative growth opportunities and improve returns;
- (iii) people and organisation – providing a healthy, secure and safe workplace and a culture that values collaboration, accountability and respect; and
- (iv) reputation – the Company is valued for its commitment to progress, long-term partnerships and international management.

The Company's flagship asset is a 62.5% operating interest in Las Bambas, which is a large-scale open-pit copper mine located in Peru. The Company's other operating interests include the wholly-owned Kinsevere copper mine in the Democratic Republic of Congo, a 90% interest in the Sepon copper mine in Laos, and the wholly-owned Rosebery and Golden Grove polymetallic mines in Australia. The Company is also developing the Dugald River zinc deposit in Queensland, Australia, which is targeting first production in the first half of 2018. The wholly-owned Century zinc mine in Australia ceased operations in late 2015 and is currently in care and maintenance with rehabilitation activities underway.

As recently disclosed, following a period of regional unrest in the communities along the Las Bambas transport corridor, the Company confirms that concentrate transport logistics have been progressively resumed. Further to previous disclosure in the Third Quarter Production Report, it is anticipated that the transport disruptions which have occurred since July 2016 will result in end of year inventory at Las Bambas of approximately 150,000 tonnes of copper concentrate or 45,000 to 60,000 tonnes of copper in copper concentrate at 31 December 2016, which will be progressively sold down in 2017. Transport logistics have been identified as a risk for the Company since the time of the Las Bambas acquisition and the Company remains confident in its ability to manage the transport corridor with the support of the Peru Government. Temporary disruptions to the logistics chain from time to time are expected. The Company is committed to working together with

government and communities in Peru to engage in dialogue and build enduring solutions for the region.

As also previously disclosed, the Company is selectively considering asset sales as it seeks to optimise its portfolio. In response to a number of informal approaches from external parties, the Company has formally commenced sales processes for Golden Grove and Century and/or assets comprising Century. Further announcements will be made by the Company as and when appropriate in relation to these sales processes and in accordance with the Listing Rules.

As disclosed in the Company's interim report, for the six months ended 30 June 2016, no impairment was required for the carrying values of the Kinsevere, Golden Grove and Sepon mines, although some impairment indicators were present in relation to those assets. These operations remain highly sensitive to movements in the key assumptions impacting discounted cash flow models which include commodity prices, cost assumptions and the ability to convert resources and reserves, as well as the success of production efficiency improvement initiatives and other factors which are normal benchmarks of recoverable values. An adverse movement in these assumptions may result in a non-cash impairment when impairment testing is completed for the 31 December 2016 year end. The Dugald River development project which was previously impaired continues to progress as planned. As disclosed in the interim report there is a possibility that the prior impairment may require reversal should the Dugald River project continue to progress favourably and zinc prices continue to improve. The asset valuation review will be completed in the ordinary course in respect of the 31 December 2016 financial year end procedures.

As at the date of this announcement, the Company can re-confirm its full year production guidance. In 2016, the Group expects to produce 415,000 – 477,000 tonnes of copper and 120,000 – 135,000 tonnes of zinc. Additionally, the Company can confirm guidance for Las Bambas of 250,000 – 300,000 tonnes of copper in copper concentrate in 2016 (which includes production from commissioning and start up activities in December 2015), with C1 costs expected to be within the range of US\$1.00 – US\$1.10/lb for the second half of 2016.

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance practices emphasising sound internal controls, transparency and accountability to all Shareholders and consistent track record of compliance with the Listing Rules. The Company is governed by an experienced Board of eight Directors, comprising two Executive Directors, two Non-Executive Directors and four Independent Non-Executive Directors.

On 27 September 2016, the Company announced that Mr Andrew Michelmore had advised the Board of his intention to retire from his position as CEO and Executive Director of the Company during 2017. The Board will review its succession process and following that will formally commence the identification of a suitable replacement CEO and Executive Director. Mr Michelmore has agreed that he will stay on until mid-2017 to oversee the ongoing ramp up of Las Bambas and implementation of other key strategic initiatives. This will ensure continuity and an orderly succession.

EFFECT OF RIGHTS ISSUE ON SHAREHOLDINGS IN THE COMPANY

Set out below is the shareholding structure of the Company as at the date of this announcement and immediately after completion of the Rights Issue assuming:

- (i) there is no change in the shareholding structure of the Company from the date of this announcement to immediately before completion of the Rights Issue; and
- (ii) the only change in the shareholding structure of the Company from the date of this announcement to immediately before completion of the Rights Issue is due to/on account of Shares having been allotted and issued before 5:00 p.m. (HKT) on the Record Date

pursuant to the exercise of all Share Options vested or scheduled to vest on or before 4:30 p.m. (HKT) on Thursday, 10 November 2016:

Scenario 1 - Assuming all Rights Shares are fully subscribed for by Qualifying Shareholders^(a)

Shareholder	Immediately after completion of Rights Issue					
	As at the date of this announcement		Assuming no vested Share Options ^(b) are exercised on or before completion of Rights Issue		Assuming all vested Share Options ^(b) are exercised on or before completion of Rights Issue	
	No. of Shares	% of issued Shares (%)	No. of Shares	% of issued Shares (%)	No. of Shares	% of issued Shares (%)
The Committed Shareholder and certain of its associates	3,898,110,916	73.69	5,847,166,374	73.69	5,847,166,374	72.43
Director(s) of the Company ^(c)	1,463,000	0.028	2,194,500	0.028	2,194,500	0.027
Holders of the vested Share Options ^(d)	0	0	0	0	137,618,409	1.70
Public	1,390,495,973	26.29	2,085,743,959	26.29	2,085,743,959	25.84
Total:	5,290,069,889	100.00	7,935,104,833	100.00	8,072,723,242	100.00

Scenario 2 – Assuming no Qualifying Shareholders other than the Committed Shareholder subscribes for Rights Shares^(a)

Shareholder	Immediately after completion of Rights Issue					
	As at the date of this announcement		Assuming no vested Share Options ^(b) are exercised on or before completion of Rights Issue		Assuming all vested Share Options ^(b) are exercised on or before completion of Rights Issue	
	No. of Shares	% of issued Shares (%)	No. of Shares	% of issued Shares (%)	No. of Shares	% of issued Shares (%)
The Committed Shareholder and certain of its associates	3,898,110,916	73.69	5,847,166,374	73.69	5,847,166,374	72.43
Director(s) of the Company ^(c)	1,463,000	0.028	1,463,000	0.018	1,463,000	0.018
Holders of the vested Share Options ^(d)	0	0	0	0	91,745,606	1.14
The Underwriter ^{(e)(f)}	0	0	695,979,486	8.77	741,852,289	9.19
Public	1,390,495,973	26.29	1,390,495,973	17.52	1,390,495,973	17.22
Total:	5,290,069,889	100.00	7,935,104,833	100.00	8,072,723,242	100.00

Notes:

- (a) Certain percentage figures included in the table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.
- (b) As at the date of this announcement, the Company has issued and vested Share Options (both vested and unvested) to subscribe for up to an aggregate of 91,745,606 Shares, all of which can be freely exercised on or before 5:00pm of the Record Date provided that the share price of the Company exceeds the exercise price of HK\$2.62.

- (c) As at the date of this announcement, Mr Andrew Michelmore, CEO and executive Director of the Company, has holdings in vested Share Options to subscribe for 18,767,738 Shares. These Share Options form part of Share Options mentioned in note (b) above.
- (d) Holders of the vested Share Options presented in this table represent holders of the vested Share Options other than Mr Andrew Michelmore mentioned in note (c) above.
- (e) Pursuant to its underwriting obligations and excluding any other interests.
- (f) The Underwriter has entered into a sub-underwriting agreement dated 1 November 2016 with Fosun Hani Securities Limited as the Sub-Underwriter. The Sub-Underwriter will not be a substantial shareholder of the Company holding 10% or more of the issued shares in the Company immediately after the completion of the Rights Issue. Accordingly, the Company will continue to comply with the public float requirement under Rule 8.08 of the Listing Rules upon completion of the Rights Issue.

ADJUSTMENTS IN RELATION TO THE SHARE OPTIONS AND PERFORMANCE AWARDS AS A RESULT OF THE RIGHTS ISSUE

As at the date of this announcement, the Company has:

- (i) vested Share Options granted under the Share Option Scheme, entitling holders to subscribe for up to an aggregate of 91,745,606 Shares; and
- (ii) 74,303,500 outstanding unvested Performance Awards.

Pursuant to the terms of the Long Term Incentive Equity Plan, which governs the Share Option Scheme and the Performance Awards, the Rights Issue is an event which may cause an adjustment to the exercise price of the Share Options and/or the number of Shares issuable upon exercise of the Share Options, and the number of Shares issuable upon exercise of the Performance Awards. Any adjustment will be made in compliance with the terms of the Long Term Incentive Equity Plan and the Listing Rules and the applicable guidance and/or interpretation of the Listing Rules issued by HKEx from time to time, including but not limited to the "Supplemental Guidance on Main Board Listing Rule 17.03(13) and the Note immediately after the Rule".

Further announcement will be made by the Company in relation to the actual adjustments upon completion of the Rights Issue and the effective date of the adjustments as and when appropriate.

FUND RAISING BY THE COMPANY IN THE PAST TWELVE MONTHS

Save for the Rights Issue, the Company has not raised any funds by an issue of equity securities in the 12 months preceding the date of this announcement.

SHAREHOLDER APPROVAL IS NOT REQUIRED

There is no requirement under the Listing Rules for the Rights Issue to be approved by Shareholders in general meeting.

GENERAL

The Prospectus containing further information in relation to the Rights Issue and financial and other information relating to the Group is expected to be despatched by the Company, together with the PALs and EAFs, to Qualifying Shareholders on or before Wednesday, 23 November 2016. A copy of the Prospectus will also be made available on the websites of the Company (<http://www.mmg.com>) and HKEx (<http://www.hkexnews.hk>). To the extent reasonably practicable and subject to the advice of legal advisers in the relevant jurisdictions in respect of applicable local laws and regulations, the Company will send copies of the Prospectus to Non-

Qualifying Shareholders (other than Non-Qualifying Shareholders within the United States and the PRC) for their information only but will not send any PALs or EAFs to them. The Prospectus will not be distributed, and the Rights Shares will not be sold, in the United States.

EXCHANGE RATE

For the purposes of this announcement, unless otherwise specified, any amounts converted into AU\$ were calculated by reference to the HK\$:AU\$ exchange rate of HK\$1 : AU\$0.1694, being the exchange rate published by Reuters at approximately 4:00 a.m. (HKT) on Tuesday, 1 November 2016 (being the last Business Day prior to the release of this announcement).

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.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

"Acceptance Date"	Wednesday, 7 December 2016, or such other date as the Underwriter may agree in writing with the Company as the last date for acceptance of, and payment for the Rights Shares
"Album Enterprises"	Album Enterprises Limited, a company incorporated in Hong Kong with limited liability and a direct wholly owned subsidiary of CMN, holding approximately 43.04% of the total number of Shares in issue as at the date of this announcement
"associate"	has the meaning ascribed thereto under the Listing Rules
"AEDT"	Australian Eastern Daylight Time
"ASX"	ASX Limited (ACN 008 624 691) and, as the context requires, the Australian Securities Exchange it operates
"ASX Listing Rules"	"ASX Listing Rules" means the Listing Rules of ASX as waived or modified by ASX in respect of the Company or the Rights Issue in any particular case
"ASIC"	Australian Securities & Investments Commission
"AU\$"	Australian dollar, the lawful currency of Australia
"Beneficial Owner"	any beneficial owner of Shares whose Shares are registered in the name of a Registered Owner
"Board"	the board of directors of the Company or a duly constituted and authorised committee thereof
"Business Day"	any day (other than a Saturday and Sunday) on which licensed banks are open for normal banking business in Hong Kong
"CCASS"	the Central Clearing and Settlement System established and

	operated by HKSCC
"CDI(s)"	CHESSE Depository Interest issued over Shares in the ratio of 1 CDI for each 10 Shares
"CDI Holder(s)"	holder(s) of CDIs
"Century"	an open-pit zinc mine located in North-West Queensland Australia
"CEO"	Chief Executive Officer
"ChinaClear"	China Securities Depository and Clearing Corporation Limited
"Closing Date"	the date falling on the fourth Business Day after the latest time for acceptance or such later date as the Company and the Underwriter may agree in writing
"CMC"	中國五礦集團公司 (China Minmetals Corporation), a state-owned enterprise incorporated on 7 April 1950 under the laws of the PRC and the ultimate controlling shareholder of the Company
"CMCL"	中國五礦股份有限公司 (China Minmetals Corporation Limited), a joint stock limited company incorporated on 16 December 2010 under the laws of the PRC and owned as to approximately 87.538% directly by CMC and as to approximately 0.846% directly by 中國五金製品有限公司 (China National Metal Products Co., Ltd.), a wholly owned subsidiary of CMC. CMC has an attributable interest of approximately 88.384% in CMCL as at the date of this announcement
"CMN"	五礦有色金屬股份有限公司 (China Minmetals Non-ferrous Metals Company Limited), a joint stock limited company incorporated on 27 December 2001 under the laws of the PRC and owned as to approximately 99.999% directly by CMNH and approximately 0.001% directly by CMCL as at the date of this announcement. CMN is the controlling shareholder of the Company, holding indirectly approximately 73.69% of the total number of Shares in issue as at the date of this announcement
"CMNH"	五礦有色金屬控股有限公司 (China Minmetals Non-ferrous Metals Holding Company Limited), a joint stock limited company incorporated on 22 December 2009 under the laws of the PRC and a wholly owned subsidiary of CMCL. CMNH is a controlling shareholder of CMN, holding directly approximately 99.999% of CMN as at the date of this announcement
"Committed Shareholder"	CMC

"Committed Shareholder Irrevocable Undertaking"	the irrevocable undertaking given by the Committed Shareholder in favour of the Company and the Underwriter to subscribe, and to procure certain subscriptions, for 1,949,055,458 Rights Shares provisionally allotted in respect of the Committed Shareholder Irrevocable Undertaking Shares
"Committed Shareholder Irrevocable Undertaking Shares"	3,898,110,916 Shares in which the Committed Shareholder and certain of its associates are interested as at the date of this announcement
"Companies Ordinance"	the Companies Ordinance (Cap. 622 of the Laws of Hong Kong), as amended from time to time
"Companies (WUMP) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong), as amended from time to time
"Company"	MMG Limited, a company incorporated on 29 July 1988 in Hong Kong with limited liability, the securities of which have a primary listing on the main board of HKEx (Stock Code: 1208) and a secondary listing of CDIs on ASX (Stock Code: MMG)
"connected person"	has the meaning ascribed thereto under the Listing Rules
"Corporations Act"	the Corporations Act 2001 (Cth) of Australia
"CSRC"	the China Securities and Regulatory Commission
"Director(s)"	the director(s) of the Company
"Dugald River"	a zinc, silver and lead mine located in North-West Queensland
"EAF(s)"	the excess application form(s) to be issued to Qualifying Shareholders (other than the PRC Stock Connect Investors) in respect of applications for excess Rights Shares in connection with the Rights Issue
"Gearing"	net debt (total borrowings excluding finance charge prepayments, less cash and bank deposits) divided by the aggregate of net debt plus total equity
"Golden Grove"	an underground and open-pit base and precious metals mining operation located in Western Australia's mid-west
"Group"	the Company and its subsidiaries, from time to time
"HK\$"	Hong Kong dollar, the lawful currency of Hong Kong
"HKEx"	the Stock Exchange of Hong Kong Limited
"HKSCC"	Hong Kong Securities Clearing Company Limited
"HKT"	Hong Kong time

"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Investor Presentation"	any investor presentation materials published, or used at any investor meetings, by the Company in connection with the Rights Issue
"Las Bambas"	the development, construction and operation of the copper mines, processing facilities and associated infrastructure at the Las Bambas site located in the Apurimac region in Peru, together with all activities and infrastructure associated with the transportation and export of products from such mines
"Last Trading Day"	Tuesday, 1 November 2016, being the last full trading day for the Shares before the release of this announcement
"Latest Time for Termination"	4:00 p.m. (HKT) on Tuesday, 13 December 2016, or such later date as the Company and the Underwriter may agree in writing
"Listing Rules"	the Rules Governing the Listing of Securities on HKEx from time to time
"Long Term Incentive Equity Plan"	the long-term incentive equity plan adopted by the Company, which enables the Company to grant awards of conditional awards, options, cash, forfeitable shares or a combination thereof to selected employees as incentives or rewards for contribution or potential contributions to the Group
"Macquarie Capital"	Macquarie Capital Limited, a licensed corporation holding a license under the SFO for type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 7 (providing automated trading services) regulated activities under the SFO
"Minmetals HK"	China Minmetals H.K. (Holdings) Limited, a company incorporated on 16 April 1996 in Hong Kong and a wholly owned subsidiary of CMCL
"MMG Group"	the Company and all of its subsidiaries except for MMG South America Management Company and its subsidiaries
"MMG South America Management Company"	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
"Nil Paid Rights"	rights to subscribe for Rights Shares (in the form of Rights Shares in nil-paid form) before the Subscription Price is paid
"Non-Qualifying Shareholder(s)"	those Overseas Shareholder(s) and other person(s) whom the Directors, after making relevant enquiries, consider it necessary or expedient not to offer the Rights Shares or Nil Paid Rights to on account of either the legal restrictions under the laws of a place outside Hong Kong or the requirements of the relevant

	regulatory body or stock exchange in that place
"Overseas Shareholder(s)"	the Shareholder(s) on the Record Date whose address(es) as shown on the register of members of the Company is/are outside Hong Kong (other than a PRC Stock Connect Investor or a CDI Holder)
"PAL(s)"	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in respect of their assured entitlements in connection with the Rights Issue
"Performance Awards"	the performance awards granted by the Company to the eligible participants pursuant to the Long Term Incentive Equity Plan on 19 May 2015
"PRC"	the People's Republic of China, which, for the purpose of this announcement and the Prospectus, excludes Hong Kong, Macau and Taiwan
"PRC Stock Connect Investor(s)"	the PRC southbound trading investor(s) through Shanghai-Hong Kong Stock Connect who hold the Shares through ChinaClear as nominee
"Prospectus"	the prospectus to be issued in connection with the Rights Issue
"Prospectus Date"	the date of issue of the Prospectus
"Prospectus Documents"	the Prospectus, the PAL(s) and the EAF(s)
"Qualifying Shareholder(s)"	Shareholder(s), other than the Non-Qualifying Shareholder(s), whose name(s) appear on the register of members of the Company at 5:00 p.m. (HKT) on the Record Date
"Record Date"	Wednesday, 16 November 2016, the date by reference to which entitlement to participate in the Rights Issue will be determined
"Registrar"	the Company's share registrar and transfer office, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong in respect of Shares and Computershare Investor Services Pty Limited at GPO Box 52, Melbourne, Victoria 3001 Australia in respect of CDIs
"Rights Issue"	the proposed offer by way of rights issue by the Company of the Rights Shares to Qualifying Shareholders on the basis of 1 Rights Share for every 2 existing Shares held on the Record Date payable in full on acceptance and subject to the terms set out in the Prospectus and in the Prospectus Documents
"Right Share(s)"	the new Share(s) proposed to be allotted and issued under the Rights Issue

"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), as amended from time to time
"Share(s)"	ordinary share(s) in the capital of the Company
"Shareholder(s)"	holder(s) of the Shares
"Share Options"	the outstanding share option(s) granted by the Company pursuant to the Share Option Scheme
"Share Option Scheme"	the share option scheme adopted by the Company on 26 March 2013
"Subscription Price"	the subscription price of HK\$1.50 per Rights Share pursuant to the Rights Issue or, for CDI Holders, AU\$0.2541 per Rights Share (equivalent to AU\$2.541 per CDI) pursuant to the Rights Issue (being the AU\$ equivalent of HK\$1.50 by reference to the HK\$:AU\$ exchange rate of HK\$1 : AU\$0.1694, being the exchange rate published by Reuters at approximately 4:00 a.m. (HKT) on Tuesday, 1 November 2016 (being the last Business Day prior to the release of this announcement)).
"subsidiary"	has the meaning ascribed to it under the Companies Ordinance
"Sub-Underwriter"	established in 1995, Fosun Hani Securities Limited is a participant member of HKEx (Broker No. 0820 and 0829), a member of the Hong Kong Securities and Investment Institute (Member number C00029), licensed by the SFC with licences under the SFO for types 1, 4, 6 and 9 regulated activities under the SFO, and a wholly-owned subsidiary of Fosun International Limited (HKEx: 00656)
"Takeovers Code"	The Codes on Takeovers and Mergers and Share Buy-backs
"Time of Sale"	7:00 a.m. (HKT) on the second Business Day (as defined in the Underwriting Agreement) following the Acceptance Date or such other time falling within the period commencing on the second Business Day (as defined in the Underwriting Agreement) following the Acceptance Date and ending on the third Business Day (as defined in the Underwriting Agreement) following the Acceptance Date, as is notified to the Company by the Underwriter as the time of sale with respect to its endeavours to procure subscribers for the Underwritten Shares not taken up
"Top Create"	Top Create Resources Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly owned subsidiary of CMN, holding approximately 30.65% of the total number of Shares in issue as at the date of this announcement

"Underwriter"	Macquarie Capital
"Underwriting Agreement"	the underwriting agreement dated 1 November 2016 entered into between the Company and the Underwriter in relation to the underwriting of the Rights Shares and certain other arrangements in respect of the Rights Issue
"Underwritten Shares"	such number of Rights Shares as is equal to the total number of Rights Shares less the aggregate number of the Rights Shares which the Committed Shareholder has irrevocably undertaken to subscribe, or procure subscriptions for (as the case may be), pursuant to the Committed Shareholder Irrevocable Undertaking
"U.S." or "United States"	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
"U.S. Securities Act"	the U.S. Securities Act of 1933, as amended
"% "	per cent

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

Hong Kong, 1 November 2016

As at the date of this announcement, the executive directors of the Company are Mr Andrew Gordon Michelmore and Mr Xu Jiqing; the non-executive directors of the Company are Mr Jiao Jian (Chairman) and Mr Gao Xiaoyu; and the independent non-executive directors of the Company are Dr Peter William Cassidy, Mr Leung Cheuk Yan, Ms Jennifer Anne Seabrook and Professor Pei Ker Wei.