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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)

VOLUNTARY ANNOUNCEMENT FINANCIAL UPDATE

MMG Limited (Company or MMG) is pleased to provide an update in relation to changes to funding arrangements the Company and its subsidiaries (Group) has in place with each of Alber Holdings Company Limited and Top Create Resources Limited.

REDEMPTION OF CONVERTIBLE REDEEMABLE PREFERENCE SHARES

Reference is made to the announcement of the Company dated 30 July 2013 in relation to the issue of 338,000,000 Convertible Redeemable Preference Shares in Topstart Limited, a wholly owned subsidiary (save for the Convertible Redeemable Preference Shares on issue) of the Company, for a total consideration of US\$338,000,000 (Announcement).

The terms of the Convertible Redeemable Preference Shares conferred a right on the holder, Alber Holdings Company Limited, to receive dividends at a rate of 5% per annum for the first eight years after their issue payable in cash semi-annually in arrears. The maturity date of the Convertible Redeemable Preference Shares is the date falling 25 years after their date of issue in July 2013.

The Company announces that Topstart Limited has today issued a notice to Alber Holdings Company Limited confirming that, in accordance with their terms, Topstart Limited has elected to redeem all of the Convertible Redeemable Preference Shares. The redemption payment will be made within 10 days of the date of the notice and will be made out of existing liquidity sources available to the Company. The redemption of the CRPS simplifies the capital structure of the Group and will result in a reduction in funding costs for MMG.

LAS BAMBAS SHAREHOLDER LOAN AGREEMENT

Reference is made to the circular of the Company dated 30 June 2014 in relation to the acquisition by the Company of the Las Bambas Project (Circular). In the Circular the Company advised that the 62.5% share of equity contribution to be made by MMG South America Company Limited, a wholly owned subsidiary of the Company, to the Las Bambas joint venture entity MMG South America Management Company Limited would be financed by a four-year term loan of up to US\$2,262,000,000 from Top Create Resources Limited where no security over the assets of the Group was granted on normal commercial terms (or better to the Company) (Las Bambas Shareholder Loan Agreement). Top Create Resources Limited is a shareholder of MMG and a wholly owned subsidiary of China Minmetals Non-ferrous Metals Company Limited, a controlling shareholder of the Company. The Las Bambas Shareholder Loan Agreement constituted a connected transaction for the Company which was fully exempt from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.90.

The Company is pleased to announce that the parties to the Las Bambas Shareholder Loan Agreement have today entered into an agreement amending and restating the Las Bambas Shareholder Loan Agreement, for the purpose of:

- (i) extending the term of the agreement from four years to eleven years, with loan repayments, now falling due in three separate tranches in July 2021 (US\$700,000,000), July 2023 (US\$700,000,000), and July 2025 (balance) (originally due in one lump-sum in July 2018);
- (ii) further postponing interest payments, the first of which will now fall due in July 2018 (originally July 2017), and annually thereafter; and
- (iii) with effect from 25 July 2018, changing the existing single floating interest rate to a separate all-in fixed rate for each of the repayment tranches of between 3.70% and 4.50% per annum.

Each of the directors (including each of the independent non-executive directors but excluding the interested directors) is satisfied that the terms of the amended and restated Las Bambas Shareholder Loan Agreement continue to be on normal commercial terms (or better to the Company) and continue to provide no security over the assets of the Group to Top Create Resources Limited. The interested directors, holding position(s) at China Minmetals Corporation (the ultimate controlling shareholder of the Company) and/or China Minmetals Non-ferrous Metals Company Limited, including Guo Wenqing, Zhang Shuqiang, Gao Xiaoyu, Jiao Jian and Xu Jiqing, have abstained from voting on the resolution approving the amendment and restatement agreement of the Las Bambas Shareholder Loan Agreement in order to avoid any possible conflict of interest issue.

By order of the Board
MMG Limited
Jiao Jian
CEO and Executive Director

Hong Kong, 29 December 2017

As at the date of this announcement, the Board comprises nine directors, of which two are executive directors, namely Mr Jiao Jian and Mr Xu Jiqing; three are non-executive directors, namely Mr Guo Wenqing (Chairman), Mr Gao Xiaoyu and Mr Zhang Shuqiang; and four are independent non-executive directors, namely Dr Peter William Cassidy, Mr Leung Cheuk Yan, Ms Jennifer Anne Seabrook and Professor Pei Ker Wei.