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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)

ANNOUNCEMENT RELATING TO RULE 13.18 OF THE LISTING RULES

This announcement is made pursuant to Rule 13.18 of the Listing Rules.

The board of directors of the Company (Board) announces certain details relating to the US\$550 million facility agreement entered into between members of the Group and China Development Bank Corporation (CDB) and Bank of China, Sydney Branch (BOC (Sydney)) in relation to the financing of the Dugald River Project.

INTRODUCTION

This announcement is made pursuant to Rule 13.18 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (Listing Rules).

DUGALD RIVER FACILITY AGREEMENT

Reference is made to the announcement of the Company dated 27 June 2016 that MMG Dugald River Pty Ltd (MMG Dugald River) (a wholly owned subsidiary of MMG Limited (Company or MMG)) as borrower, the Company and other members of the MMG Group (in their capacity as guarantors of the loan) entered into an amended facility agreement with CDB and BOC (Sydney) pursuant to which the lenders agreed to provide a term debt facility of up to US\$550 million (2016 Dugald River Facility).

The Board is pleased to announce that the parties to the 2016 Dugald River Facility have today entered into certain security release documentation and an agreement amending and restating the 2016 Dugald River Facility (2018 Dugald River Facility), for the purpose of reducing the security arrangements relating to the 2016 Dugald River Facility including releasing all guarantors other than 中國五礦集團有限公司 (China Minmetals Corporation) (CMC) (the ultimate controlling shareholder of the Company) and making other amendments as required to reflect this, including but not limited to the removal of certain undertakings, representations, warranties and covenant compliance requirements.

The 2018 Dugald River Facility will continue to have the support of the guarantee provided by CMC pursuant to the guarantee agreement entered into by CMC and CDB and BOC (Sydney) in 2016.

The 2016 Dugald River Facility was secured by a mortgage over the share capital of wholly owned MMG Group subsidiary Album Investment Private Limited and certain of its subsidiaries including MMG Laos Holdings Limited, together with a share charge over 70% of the share capital in certain other MMG Group entities; a charge over the shares in and assets of MMG Dugald River, specific security over certain assets owned by MMG Australia Limited and a featherweight charge over all of MMG Australia's other assets. As a result of this transaction, the security over the shares in and assets of MMG Dugald River, will be the only substantive remaining security.

Pursuant to the terms of the 2018 Dugald River Facility, on the occurrence of the following events (amongst others), CDB and BOC (Sydney) may declare all outstanding loans under the 2018 Dugald River Facility immediately due and payable:

- (i) China Minmetals Corporation Limited (中國五礦股份有限公司) (CMCL), a controlling shareholder of the Company, indirectly holding approximately 73.40% of the issued share capital of the Company as at the date of this announcement, ceases to legally and beneficially own, directly or indirectly, at least 51% of the issued share capital of the Company; or
- (ii) CMCL ceases to have the power to (a) cast, or control the casting of, more than one half of the maximum number of votes that might be cast at a general meeting of the Company; or (b) appoint or remove all, or the majority, of the directors or other equivalent officers of the Company; or (c) give directions with respect to the operating and financial policies of the Company with which the directors or other equivalent officers of the Company are obliged to comply.

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

Hong Kong, 9 January 2018

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.