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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)

CHANGE TO LAS BAMBAS PRODUCTION GUIDANCE

This announcement is made by MMG Limited (MMG or Company, together with its subsidiaries, the Group) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (Listing Rules) and the Inside Information Provisions (as defined under the Listing Rules).

MMG advises that as a result of localised wall instability restricting access to mining in sections of the Ferrobamba pit at the Las Bambas mine, copper in concentrate production in the September quarter will be below forecast rates.

The wall instability is localised and in the same wall as the instability that occurred in late 2017. Continued instability is delaying access to these sections of the Ferrobamba pit. This is partly offset by mining in other areas at lower grades. In addition, whilst mill throughput rates have increased substantially and are above design rates, they have not increased to plan.

As a result, Las Bambas copper in concentrate production in 2018 is now likely to be in the range of 375,000 tonnes to 395,000 tonnes, down from previous guidance of 410,000 tonnes to 430,000 tonnes. C1 costs are also expected to rise slightly on the lower volumes to US\$1.10 to US\$1.20 per pound, up from previous guidance of US\$1.00 to US\$1.10 per pound.

Whilst these issues will impact on 2018 production, they are not expected to impact the medium term.

Actions are currently underway to restore mining in the impacted area and MMG will provide a further update on progress at Las Bambas at the release of the third quarter production report in October 2018.

By order of the Board
MMG Limited
Gao Xiaoyu
CEO and Executive Director

Hong Kong, 18 September 2018

As at the date of this announcement, the Board comprises nine directors, of which two are executive directors, namely Mr Gao Xiaoyu and Mr Xu Jiqing; three are non-executive directors, namely Mr Guo Wenqing (Chairman), Mr Jiao Jian 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.