
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect about this Prospectus or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your securities in MMG Limited, you should at once hand this Prospectus and the accompanying PAL and the EAF to the purchaser or transferee, or to the bank or stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Dealings in the Shares of the Company and the Rights Shares in their nil-paid form and fully-paid form may be settled through CCASS and you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

A copy of each of the Prospectus Documents, together with copies of the documents specified in the paragraph headed "Documents delivered to the Registrar of Companies" in Appendix IV to this Prospectus, has been registered with the Registrar of Companies in Hong Kong as required by section 38D of the Companies (WUMP) Ordinance. The Registrar of Companies in Hong Kong, HKEx and the SFC take no responsibility for the contents of any of these documents.

Shareholders with registered addresses in any of the Specified Territories and Beneficial Owners who are resident in any of the Specified Territories or any other jurisdiction outside Hong Kong are referred to the important information set out in the sections headed "Notices", "Non-Qualifying Shareholders" and "Limited categories of persons in the Specified Territories who may be able to take up their Nil Paid Rights and subscribe for the Rights Shares under the Rights Issue". For the entitlement of the PRC Stock Connect Investors to participate in the Rights Issue, please refer to the section headed "Letter from the Board – PRC Stock Connect Investors" in this Prospectus.

The securities described herein have not been registered under the U.S. Securities Act or the laws of any state in the United States, and may not be offered or sold within the United States, absent registration or an exemption from the registration requirements of the U.S. Securities Act and applicable state laws. There is no intention to register any portion of the Rights Issue or any securities described herein in the United States or to conduct a public offering of securities in the United States.

Distribution of this Prospectus into jurisdictions other than Hong Kong may be restricted by law. Persons into whose possession this Prospectus comes should inform themselves of and observe any such restrictions. This Prospectus is not for release, publication or distribution, directly or indirectly, in or into the United States. This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, the Rights Shares in their nil-paid or fully-paid form or to take up any entitlements to the Rights Shares in their nil-paid or fully-paid form in any jurisdiction in which such an offer or solicitation is unlawful. This Prospectus will not be registered or filed under any applicable securities or equivalent legislation of any jurisdictions other than (i) Hong Kong and (ii) the PRC (in accordance with the notice of CSRC "Filing Requirement for Hong Kong Listed Issuers Making Rights Issues to Mainland Shareholders through Shanghai-Hong Kong Stock Connect" (Announcement [2016] No. 21). No action has been taken to permit the offering of the Rights Shares, or the distribution of the Prospectus Documents in any territory or jurisdiction outside of Hong Kong.

Hong Kong Exchanges and Clearing Limited and HKEx take no responsibility for the contents of this Prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus.



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)

RIGHTS ISSUE ON THE BASIS OF 1 RIGHTS SHARE FOR EVERY 2 SHARES HELD ON THE RECORD DATE

Underwriter to the Rights Issue



Sub-Underwriter to the Rights Issue



The latest time for acceptance of, and payment for, the Rights Shares is 4:00 p.m. (HKT) on Wednesday, 7 December 2016 (or 4:00 p.m. (AEDT) on Wednesday, 7 December 2016 for CDI Holders). The procedure for acceptance and payment or transfer of Rights Shares is set out in the section headed "Letter from the Board - Procedure for Acceptance or Transfer" of this Prospectus.

The Shares have been dealt 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 Rights Issue does not become unconditional, the Rights Issue will not proceed. Any dealings in the Shares or Nil Paid Rights during the period from the date hereof to the date on which all the conditions to which the Rights Issue is subject are fulfilled, which is currently expected to be 4:00 p.m. (HKT) on Tuesday, 13 December 2016, will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

It should be noted that the Underwriting Agreement contains provisions granting the Underwriter the right, in its absolute discretion, to terminate its obligations thereunder with immediate effect by written notice at any time at or prior to the Latest Time for Termination on the occurrence of certain events including force majeure events. These events are set out in the section headed "Termination of the Underwriting Agreement" on pages 13 to 16 of this Prospectus. If the Underwriter exercises such right, the Rights Issue will not become unconditional and the Rights Issue will not proceed. Upon the giving of written notice of termination, all the obligations of the Underwriter and the Company under the Underwriting Agreement shall cease and no party shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement (other than in respect of any antecedent breaches) provided that the Company shall remain liable to pay the Underwriter's reasonable costs, fees and expenses in accordance with the Underwriting Agreement.

Any Shareholder or other person contemplating selling or purchasing Shares or Nil Paid Rights during this period is advised to exercise caution when dealing in the Shares or Nil Paid Rights and those who are in any doubt about their position are recommended to consult their professional advisers.

23 November 2016

NOTICES

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 Rights Issue does not become unconditional, the Rights Issue will not proceed and the Company will make an announcement at the relevant time. It should also be noted that the Shares have been dealt on an ex-rights basis from Wednesday, 9 November 2016 and that the Nil Paid Rights are expected to be dealt from Friday, 25 November 2016 to Friday, 2 December 2016 (both days inclusive). Such dealings will take place when the conditions of the Rights Issue remain unfulfilled. Any person dealing in the securities of the Company up to the date on which such conditions are fulfilled or waived and any person dealing in the Nil Paid Rights from Friday, 25 November 2016 to Friday, 2 December 2016 (being the first and last day of dealings in the Nil Paid Rights respectively) will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed and should exercise caution. Any person dealing or contemplating any dealing in the securities of the Company and/or the Nil Paid Rights during this period who is in any doubt about his or her or its position is recommended to consult his or her or its own professional adviser.

EXCEPT AS OTHERWISE SET OUT HEREIN, THE RIGHTS ISSUE DESCRIBED IN THIS PROSPECTUS IS NOT BEING MADE TO SHAREHOLDERS, BENEFICIAL OWNERS OR INVESTORS IN THE SPECIFIED TERRITORIES. This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, the Nil Paid Rights or Rights Shares or to take up any entitlements to the Nil Paid Rights or Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful. None of the Nil Paid Rights, the Rights Shares, this Prospectus, the PAL and the EAF will be registered under the securities laws of any of the Specified Territories (other than in the PRC pursuant to the Announcement [2016] No. 21) and none of the Nil Paid Rights, the Rights Shares, this Prospectus, the PAL and the EAF will qualify for distribution under any of the relevant securities laws of any of the Specified Territories (other than pursuant to any applicable exceptions as agreed by the Company). Accordingly, the Nil Paid Rights and the Rights Shares may not be offered, sold, pledged, taken up, resold, renounced, transferred or delivered, directly or indirectly, into or within any of the Specified Territories absent registration or qualification under the respective securities laws of such Specified Territories, or exemption from the registration or qualification requirements under applicable rules of such Specified Territories.

Shareholders with registered addresses in any of the Specified Territories and Beneficial Owners who are resident in any of the Specified Territories or any other jurisdiction outside Hong Kong are referred to the section headed “Notices”, and the paragraphs headed “Non-Qualifying Shareholders” and “Limited categories of persons in the Specified Territories who may be able to take up their Nil Paid Rights and subscribe for the Rights Shares under the Rights Issue” under the section headed “Letter from the Board” of this Prospectus.

Each person acquiring the Nil Paid Rights and/or Rights Shares under the Rights Issue will be required to confirm, or be deemed by his or her or its acquisition of the Nil Paid Rights and/or Rights Shares to confirm, that he or she or it is aware of the restrictions on offers and sales of Nil Paid Rights and/or Rights Shares as described in this Prospectus.

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NOTICE TO INVESTORS IN AUSTRALIA

This Prospectus does not constitute a disclosure document under Part 6D.2 of the Corporations Act 2001 of the Commonwealth of Australia. Accordingly, this Prospectus does not necessarily contain all of the information a prospective investor would expect an offering document to contain or which he/she/it may be required to make an investment decision. The offer to which this Prospectus relates is being made in Australia in reliance upon ASIC Corporations (Foreign Rights Issues) Instrument 2015/356 and ASIC Class Order [CO 14/827] Offers of CHESSE Depository Interests. This Prospectus only constitutes an offer in Australia to persons who are recorded as Shareholders or CDI Holders on the Record Date.

This Prospectus is intended to provide general information only and has been prepared by the Company without taking into account any particular person's objectives, financial situation or needs. Recipients should, before acting on this information, consider the appropriateness of this information having regard to their personal objectives, financial situation or needs. Recipients should review and consider the contents of this Prospectus and obtain financial advice (or other appropriate professional advice) specific to their situation before making any decision to accept the offer of the Nil Paid Rights and/or Rights Shares.

NOTICE TO INVESTORS IN CANADA

The Rights Issue is not being extended to Canadian Shareholders at this time. This Prospectus is being sent to Canadian Shareholders for their information only.

NOTICE TO INVESTORS IN THE EUROPEAN ECONOMIC AREA

This Prospectus has not been prepared in accordance with the Prospectus Directive or any measures made under the Prospectus Directive or the laws of any Member State of the European Economic Area (the "EEA") or EEA treaty adherent state that implements the Prospectus Directive or those measures and therefore may not contain the information required where a document is prepared pursuant to the Prospectus Directive or those measures.

This Prospectus and any other offering material relating to the Nil Paid Rights and/or the Rights Shares have been prepared on the basis that all offers of Rights Shares in any Member State of the EEA which has implemented the Prospectus Directive (each, a "Relevant Member State") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Nil Paid Rights and/or Rights Shares. Accordingly, any person making or intending to make any offer in that Relevant Member State of Nil Paid Rights and/or Rights Shares which are the subject of the offering contemplated in this Prospectus may only do so in circumstances in which no obligation arises for the Company to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. The Company has not authorised, nor does it authorise, the making of any offer of the Nil Paid Rights and/or Rights Shares in circumstances in which an obligation arises for the Company to publish a prospectus or supplement a prospectus for such offer.

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In relation to each Relevant Member State which has implemented the Prospectus Directive, an offer to the public of any Nil Paid Rights or Rights Shares may not be made in that Relevant Member State except that an offer to the public in that Relevant Member State of Nil Paid Rights and/or Rights Shares may be made at any time under the following exemptions under the Prospectus Directive:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive, and in compliance with Article 3.2(a) of the Prospectus Directive as amended, if applicable, by the implementation of the 2010 PD Amending Directive in the Relevant Member State;
- (b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Nil Paid Rights and/or Rights Shares shall require the Company or any initial purchaser to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Nil Paid Rights and/or Rights Shares to the public” in relation to any Nil Paid Rights or Rights Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Nil Paid Rights and/or Rights Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Nil Paid Rights and/or Rights Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

NOTICE TO INVESTORS IN ITALY

The offering of the Nil Paid Rights and/or Rights Shares has not been registered with the Italian Securities Exchange Commission (*Commissione Nazionale per le Società e la Borsa* or “CONSOB”) pursuant to Italian securities legislation. Accordingly, the Nil Paid Rights and/or Rights Shares may not, and will not, be offered, sold or delivered, nor may or will copies of this Prospectus or of any other document relating to the Nil Paid Rights and/or Rights Shares be distributed in the Republic of Italy (“Italy”), except:

- (i) to qualified investors (*investitori qualificati*), as defined in Article 26, paragraph 1, letter d) of CONSOB Regulation No. 16190 of October 29, 2007, as amended (the “Intermediaries Regulation”), pursuant to Article 34-ter, paragraph 1, letter b) of CONSOB Regulation No. 11971 of May 14, 1999, as amended (the “Issuers Regulation”), implementing Article 100, paragraph 1, letter a) of Legislative Decree No. 58 of February 24, 1998, as amended (the “Financial Services Act”); or

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- (ii) in any other circumstances where an express exemption from compliance with the restrictions on offers to the public applies, including, without limitation, as provided under Article 100 of the Financial Services Act and Article 34-ter of the Issuers Regulation.

In addition, and subject to the foregoing, any offer, sale or delivery of the Nil Paid Rights and/or Rights Shares or distribution of copies of this Prospectus or any other document relating to the Nil Paid Rights and/or Rights Shares in Italy under (i) or (ii) above must be effected in accordance with all Italian securities, tax, exchange control and other applicable laws and regulations, and, in particular, must be carried out:

- (a) by investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with the Financial Services Act, Legislative Decree No. 385 of September 1, 1993 (the “Banking Act”), the Issuers Regulation and the Intermediaries Regulation, each as amended from time to time;
- (b) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and
- (b) in compliance with any other applicable laws and regulations or requirements that may be, from time to time, imposed by the Bank of Italy, CONSOB or other Italian authority.

Any investor purchasing the Nil Paid Rights and/or Rights Shares in this offering is exclusively responsible for ensuring that any offer or resale of the Nil Paid Rights and/or Rights Shares he/she/it purchased in this offering occurs in compliance with applicable laws and regulations. No person resident or located in Italy other than the original addressees of this Prospectus may rely on this Prospectus or its contents.

This Prospectus, any other document relating to the Nil Paid Rights and/or Rights Shares, and the information contained therein are intended only for the use of its recipient and, unless in circumstances which are exempted from the rules governing offers of securities to the public pursuant to Article 100 of the Financial Services Act and Article 34-ter of the Issuers Regulation, are not to be distributed, for any reason, to any third party resident or located in Italy.

NOTICE TO INVESTORS IN MACAU

The Nil Paid Rights and/or the fully-paid Rights Shares may not be promoted, distributed, sold, delivered or offered to any Macau residents or entities in breach of the Macau Financial System Act and any other laws in Macau that may apply to the promotion, distribution, sale, delivery or offer of the Nil Paid Rights and/or the fully-paid Rights Shares in Macau. The Nil Paid Rights and/or the fully-paid Rights Shares are not registered or otherwise authorised for public offer under the Macau Financial System Act, thus may not be promoted, distributed, sold, delivered or offered in Macau, unless such actions are made by credit or other financial institutions duly licensed in Macau and upon their communication to the Macau Monetary Authority.

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NOTICE TO INVESTORS IN MALAYSIA

This Prospectus has not been and will not be registered as a prospectus with the Malaysian Securities Commission (“SC”) under the Capital Markets and Services Act 2007 (“CMSA”). This Prospectus will not be deposited as an information memorandum with the SC.

Accordingly, this Prospectus and any other document or material in connection with the making available, issue or offer for subscription or purchase, or invitation to subscribe for or purchase the Nil Paid Rights and/or the fully-paid Rights Shares, shall not be circulated nor distributed in any manner, nor may the Nil Paid Rights or the fully-paid Rights Shares, be made available, issued, offered for subscription or purchase, or be made the subject of an invitation to subscribe for or purchase, whether directly or indirectly, to any person in Malaysia.

NOTICE TO INVESTORS IN SINGAPORE

This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of (A) the Nil Paid Rights or Rights Shares may not be circulated or distributed, nor may the Nil Paid Rights or Rights Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than existing holders of Shares pursuant to Section 273(1)(cd) of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”) and (B) Rights Shares may not be circulated or distributed, nor may Rights Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than to an institutional investor pursuant to Section 274 of the SFA or to a relevant person pursuant to Section 275(1) or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA.

This Prospectus has been given to you on the basis that you are an existing registered Shareholder. In the event that you are not an existing registered Shareholder, please return this Prospectus immediately.

You may not forward or circulate this Prospectus to any other person in Singapore. Any offer is not made to you with a view to the Nil Paid Rights and/or Rights Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire the Nil Paid Rights and/or Rights Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to on-sale restrictions in Singapore and comply accordingly.

NOTICE TO INVESTORS IN SOUTH AFRICA

The Rights Issue will only be made in circumstances where it does not constitute an ‘offer to the public’, as envisaged in Chapter 4 of the South African Companies Act, 2008.

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NOTICE TO INVESTORS IN SWITZERLAND

The Nil Paid Rights and/or Rights Shares may not be publicly offered, sold or advertised, directly or indirectly, in or from Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the Nil Paid Rights and/or Rights Shares constitutes a prospectus as such term is understood pursuant to Article 652a or Article 1156 of the Swiss Federal Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange Ltd, and neither this Prospectus nor any other offering or marketing material relating to the Nil Paid Rights and/or Rights Shares may be publicly distributed or otherwise made publicly available in Switzerland.

NOTICE TO INVESTORS IN THE U.K.

Neither this Prospectus nor any other document relating to the Rights Issue has been delivered for approval to the Financial Conduct Authority in the U.K. and no prospectus (within the meaning of section 85 of the U.K. Financial Services and Markets Act 2000, as amended (“FSMA”)) has been published or is intended to be published in respect of the Rights Issue. This Prospectus is directed only at (i) persons outside the U.K.; or (ii) persons having professional experience in matters relating to investments who fall within the definition of “investment professionals” in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”); (iii) high net worth bodies corporate, unincorporated associations and partnerships and trustees of high value trusts as described in Article 49(2) of the Order or (iv) persons to whom it may lawfully be communicated in accordance with Article 43 of the Order (all such persons together being referred to as “Relevant Persons”). Any investment or investment activity to which this or any related document relates is only available to and will only be engaged in with such persons and persons within the U.K. who receive this Prospectus or any related document (other than Relevant Persons) should not rely on or act upon this communication.

NOTICE TO INVESTORS IN THE U.S.

This Prospectus may not be circulated, distributed, forwarded, delivered or redistributed, electronically or otherwise, to persons within the U.S. The Prospectus Documents do not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. The Nil Paid Rights, Rights Shares and the PAL(s) have not been and will not be registered under the U.S. Securities Act or under any securities laws of any state or other jurisdictions of the United States and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with applicable laws. There will be no public offer of the Nil Paid Rights, the Rights Shares or the PAL(s) in the United States.

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The Nil Paid Rights, the Rights Shares and the PAL(s) are being offered outside the United States in offshore transactions in reliance on Regulation S. The Underwriter may arrange for the offer of the Rights Shares not taken up in the Rights Issue only outside the United States in offshore transactions in reliance on Regulation S. Each purchaser or subscriber of the Rights Shares being offered and sold outside the U.S. will be deemed to have represented and agreed, among other things, that the purchaser or subscriber is acquiring the Rights Shares in an offshore transaction meeting the requirements of Regulation S.

In addition, until 40 days after the commencement of the offering of the Nil Paid Rights, the Rights Shares and the PAL(s), or the procurement of purchasers by the Underwriter of the Rights Shares not initially taken up, any offer, sale or transfer of the Nil Paid Rights, the Rights Shares or the PAL(s) in or into the United States by a dealer (whether or not participating in the Rights Issue) may violate the registration requirements of the U.S. Securities Act.

NOTICE TO PRC STOCK CONNECT INVESTORS

For the avoidance of doubt, the PRC Stock Connect Investors can participate in the Rights Issue through ChinaClear. ChinaClear will provide nominee services for the PRC Stock Connect Investors to (i) sell (in full or in part) their Nil Paid Rights on HKEx under the Shanghai-Hong Kong Stock Connect; and/or (ii) subscribe (in full or in part) 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. The PRC Stock Connect Investors (or the relevant ChinaClear participants as the case may be) whose stock accounts in the ChinaClear are credited with Nil Paid Rights can only sell those Nil Paid Rights on HKEx under Shanghai-Hong Kong Stock Connect and can neither purchase any Nil Paid Rights nor transfer such Nil Paid Rights to other PRC Stock Connect Investors.

NOTICE TO INVESTORS IN THE PRC (OTHER THAN A PRC STOCK CONNECT INVESTOR)

If a Shareholder resides in the PRC (other than a PRC Stock Connect Investor) and/or any other PRC resident (including both individuals and companies) (other than a PRC Stock Connect Investor) wishes to invest in Nil Paid Rights or Rights Shares, he/she/it shall be responsible for complying with relevant laws of the PRC. The Company will not be responsible for verifying the PRC legal qualification of such Shareholder and/or resident and thus, should the Company suffer any losses and damages due to non-compliance with the relevant laws of the PRC by any such Shareholder and/or resident, the Shareholder and/or other resident shall be responsible to compensate the Company for the same. The Company shall not be obliged to issue the Nil Paid Rights or Rights Shares to any such Shareholder and/or other resident, if in the Company's absolute discretion issuing the Nil Paid Rights or Rights Shares to them does not comply with the relevant laws of the PRC.

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REPRESENTATIONS AND WARRANTIES

Each subscriber of Rights Shares will be deemed (by accepting delivery of this Prospectus) to have given each of the following representations and warranties to the Company and the Underwriter and to any person acting on its or their behalf, unless in their sole discretion, the Company and the Underwriter waive such requirement:

- he/she/it was a Shareholder as at 5:00 p.m. (HKT) on the Record Date, or he/she/it lawfully acquired or may lawfully acquire the Nil Paid Rights, directly or indirectly, from such a person;
- he/she/it may lawfully be offered, take up, obtain, subscribe for and receive the Nil Paid Rights and/or the Rights Shares in the jurisdiction in which he/she/it resides or is currently located;
- he/she/it is not resident or located in, or a citizen of: (a) the U.S., or (b) any Specified Territory (excluding the U.S.) or any other territory where, in each case, it would be unlawful to extend the Rights Issue;
- he/she/it is not accepting an offer to acquire or take up the Nil Paid Rights or Rights Shares on a non-discretionary basis for a person who is resident or located in, or a citizen of: (a) the U.S.; or (b) any Specified Territory (excluding the U.S.) or any other territory where, in each case, it would be unlawful to extend the Rights Issue at the time the instruction to accept was given;
- he/she/it is not taking up for the account of any person who is located in the U.S., unless (a) the instruction to purchase or take up the Nil Paid Rights or to subscribe for or accept Rights Shares was received from a person outside the U.S. and (b) the person giving such instruction has confirmed that it (x) has the authority to give such instruction and (y) either (A) has investment discretion over such account or (B) is an investment manager or investment company that is acquiring the Nil Paid Rights and/or the Rights Shares in an “offshore transaction” within the meaning of Regulation S;
- he/she/it is acquiring the Nil Paid Rights and/or the Rights Shares in an “offshore transaction” as defined in Regulation S;
- he/she/it has not been offered the Rights Shares by means of any “directed selling efforts” as defined in Regulation S;
- he/she/it is not acquiring the Nil Paid Rights and/or Rights Shares with a view to the offer, sale, allotment, taking up, exercise, resale, renouncement, pledge, transfer, delivery or distribution, directly or indirectly, of such Nil Paid Rights or Rights Shares into: (a) the U.S.; or (b) any Specified Territory (excluding the U.S.) or any other territory where, in each case, it would be unlawful to extend the Rights Issue; and

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- he/she/it understands that neither the Nil Paid Rights nor the Rights Shares have been or will be registered under the U.S. Securities Act or with any securities regulatory authority of any state, territory, or possession of the U.S. and the Nil Paid Rights and/or Rights Shares are being distributed and offered only outside the U.S. in reliance on Regulation S. Consequently, he/she/it understands the Nil Paid Rights and/or Rights Shares may not be offered, sold, pledged or otherwise transferred in or into the U.S., except in reliance on an exemption from, or in transactions not subject to, the registration requirements of the U.S. Securities Act.

For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties above.

FORWARD-LOOKING STATEMENTS

All statements in this Prospectus other than statements of historical fact are forward-looking statements. In some cases, forward-looking statements may be identified by the use of words such as “might”, “may”, “could”, “would”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “plan”, “seek”, “continue”, “illustration”, “projection” or similar expressions and the negative thereof. Forward-looking statements in this Prospectus include, without limitation, statements in respect of the Group’s business strategies, product offerings, market position, competition, financial prospects, performance, liquidity and capital resources, as well as statements regarding trends in the relevant industries and markets in which the Group operates, technological advances, financial and economic developments, legal and regulatory changes and their interpretation and enforcement.

The forward-looking statements in this Prospectus are based on management’s present expectations about future events. Management’s present expectations reflect numerous assumptions regarding the Group’s strategy, operations, industry, developments in the credit and other financial markets and trading environment. By their nature, they are subject to known and unknown risks and uncertainties, which could cause actual results and future events to differ materially from those implied or expressed by forward-looking statements. Should one or more of these risks or uncertainties materialise, or should any assumptions underlying forward-looking statements prove to be incorrect, the Group’s actual results could differ materially from those expressed or implied by forward-looking statements. Additional risks not known to the Group or that the Group does not currently consider material could also cause the events and trends discussed in this Prospectus not to occur, and the estimates, illustrations and projections of financial performance not to be realised.

Prospective investors are cautioned that forward-looking statements speak only as at the date of publication of this Prospectus. Except as required by applicable law, the Group does not undertake, and expressly disclaims, any duty to revise any forward-looking statement in this Prospectus, be it as a result of new information, future events or otherwise.

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DEFINITIONS

In this Prospectus, 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
“AEDT”	Australian Eastern Daylight Time
“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 Latest Practicable Date
“Announcement”	the announcement of the Company dated Tuesday, 1 November 2016 relating to, inter alia, the Rights Issue and the Underwriting Agreement
“Annual Report”	the annual report of the Company for the year ended 31 December 2015
“associate”	has the meaning ascribed to it in the Listing Rules
“ASX”	Australian Securities Exchange Limited
“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 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
“CCASS Clearing Participant”	a person admitted by HKSCC to participate in CCASS as a direct clearing participant/broker participant or general clearing participant
“CCASS Custodian Participant”	a person admitted by HKSCC to participate in CCASS as a custodian participant

DEFINITIONS

“CCASS Investor Participant”	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
“CCASS Participant”	a CCASS Clearing Participant or a CCASS Custodian Participant or a CCASS Investor Participant
“CDI(s)”	CHES Depository Interest issued over Shares in the ratio of 1 CDI for each 10 Shares
“CDI Holder(s)”	holder(s) of CDIs
“CDI Register”	the Australian register of CDI Holders in respect of the Shares
“CDN”	CHES Depository Nominees Pty Limited
“Century”	an open-pit zinc mine located in North-West Queensland, Australia
“CEO”	Chief Executive Officer
“CFO”	Chief Financial Officer
“ChinaClear”	China Securities Depository and Clearing Corporation Limited
“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
“CMC Group”	CMC and its subsidiaries
“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 had an attributable interest of approximately 88.384% in CMCL as at the Latest Practicable Date

DEFINITIONS

“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 Latest Practicable Date. CMN is the controlling shareholder of the Company, holding indirectly approximately 73.69% of the total number of Shares in issue as at the Latest Practicable Date
“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 Latest Practicable Date
“Committed Shareholder”	CMC
“Committed Shareholder Irrevocable Undertaking”	the irrevocable undertaking given by the Committed Shareholder in favor 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 were interested as at the Latest Practicable Date
“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
“Copper Partners Investment”	Copper Partners Investment Co., Ltd, a subsidiary of CMC

DEFINITIONS

“CSRC”	the China Securities and Regulatory Commission
“CSRC Notice”	the notice of the CSRC “Filing Requirements for Hong Kong Listed Issuers Making Rights Issues to Mainland Shareholders through Shanghai-Hong Kong Stock Connect” (Announcement [2016] No. 21)
“Deloitte”	Deloitte Touche Tohmatsu
“Director(s)”	the director(s) of the Company
“Dugald River”	a zinc, silver and lead mine located in North-West Queensland, Australia
“EAF(s)”	the excess application form(s) to be issued to the 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 cash equivalents) 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
“HNG”	Hunan Nonferrous Metals Holding Group Co., Ltd
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Intermediary”	in relation to a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, means the Beneficial Owner’s broker, custodian, nominee or other relevant person who is a CCASS Participant or who has deposited the Beneficial Owner’s Shares with a CCASS Participant

DEFINITIONS

“JORC Code”	the 2012 edition of the Australasian Code for Reporting on Mineral Resources and Ore Reserves, as prepared and published from time to time by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia
“Kinsevere”	an open-pit copper mining operation located in the Katanga Province of the Democratic Republic of Congo
“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 the Announcement
“Latest Practicable Date”	Friday, 18 November 2016, being the latest practicable date prior to the printing of the Prospectus for ascertaining certain information contained herein
“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, 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
“Minerals and Metals Group”	the collective brand name of the portfolio of international mining assets held by acquired by CMN in 2009

DEFINITIONS

“Mineral Resources”	as defined under the JORC Code, the concentration or occurrence of material of intrinsic economic interest in or on the Earth’s crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction
“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, as more fully described under “Non-Qualifying Shareholders” under the section headed “Letter from the Board” of this Prospectus
“Ore Reserve”	as defined under the JORC Code, the economically mineable part of a Measured and/or Indicated Mineral Resource (as defined under the JORC Code)
“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

DEFINITIONS

“PRC”	the People’s Republic of China, which for the purpose of the Prospectus, excludes Hong Kong, Macau and Taiwan
“PRC Stock Connect Investor(s)”	the PRC southbound trading investors through Shanghai-Hong Kong Stock Connect who hold the Shares through ChinaClear as nominee
“Prospectus”	this prospectus issued in connection with the Rights Issue
“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 entitlements to participate in the Rights Issue were determined
“Registered Owner”	in respect of a Beneficial Owner, a nominee, trustee, depository or any other authorised custodian or third party which is the registered holder in the register of members of the Company of the Shares in which the Beneficial Owner is beneficially interested
“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.
“Regulation S”	Regulation S under the U.S. Securities Act
“Rights Issue”	the proposed offer by way of rights by the Company of the Rights Shares to Qualifying Shareholders on the basis of 1 Rights Share for every 2 existing Shares held at 5:00 p.m. (HKT) on the Record Date payable in full on acceptance and subject to the terms set out in this Prospectus and the other Prospectus Documents
“Rights Share(s)”	the new Share(s) proposed to be allotted and issued under the Rights Issue
“Sepon”	an open-pit copper mining operation located in southern Laos
“SFC”	the Securities and Futures Commission of Hong Kong

DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), as amended and supplemented 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 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 pursuant to the Long Term Incentive Equity Plan
“Specified Territories”	Canada, Ireland, Italy, Malaysia, Norway, South Africa, the U.K., the U.S. and the PRC
“Subscription Price”	the subscription price of HK\$1.50 per Rights Share pursuant to the Rights Issue (or AU\$0.2541 per Rights Share (equivalent to AU\$2.541 per CDI) for CDI Holders) 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 the Announcement)
“subsidiary”	has the meaning ascribed to it under the Companies Ordinance
“Sub-Underwriter”	Fosun Hani Securities Limited, a company established in 1995 which is a participant member of HKEx (Broker No. 0820 and 0829), a member of the Hong Kong Securities and Investment Institute (Member 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 Hong Kong Codes on Takeovers and Mergers and Share Buy-backs
“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 Latest Practicable Date
“U.K.”	the United Kingdom
“Underwriter”	Macquarie Capital

DEFINITIONS

“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”	695,979,486 Rights Shares underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement, being 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 accept, or procure to accept (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
“US\$”	U.S. dollar, the lawful currency of the U.S.
“%”	per cent

In this Prospectus, unless the context otherwise requires, any reference to the singular includes the plural and vice versa and any reference to a gender includes a reference to the other gender and the neuter.

For the purposes of this Prospectus and the other Prospectus Documents, 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 the Announcement).

Unless otherwise specified, conversion of US\$ into HK\$ in this Prospectus is based on the exchange rate of US\$1.00 = HK\$7.80 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.

SUMMARY OF THE RIGHTS ISSUE

The following information is derived from, and should be read in conjunction with, the full text of the Prospectus:

Number of Rights Shares to be issued:	2,645,034,944
Amount to be raised:	HK\$3,967,552,416
Subscription Price:	HK\$1.50 (or AU\$0.2541 per Rights Share (equivalent to AU\$2.541 per CDI) for CDI Holders)
Latest time for payment and acceptance:	4:00 p.m. (HKT) (or 4:00 p.m. (AEDT) for CDI Holders) on 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)
Basis of Rights Issue:	1 Rights Share for every 2 Shares held at 5:00 p.m. (HKT) on the Record Date
Excess applications:	Qualifying Shareholders (other than the PRC Stock Connect Investors) may apply for Rights Shares in excess of their provisional allotments
CDI Holders	If you are a CDI Holder, you will receive a PAL enclosed with this Prospectus which entitles you to subscribe for the number of Rights Shares shown thereon (and as a consequence CDIs) and an EAF which entitles you to apply for excess Rights Shares (and as a consequence additional CDIs)

EXPECTED TIMETABLE

2016

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

EXPECTED TIMETABLE

Share certificates for Rights Shares to be posted

on or before Thursday, 15 December

First day of dealings in

fully-paid Rights Shares 9:00 a.m., Friday, 16 December

Note: All times and dates herein 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 Prospectus, 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 the Shareholders and HKEx as and when appropriate.

EFFECT OF BAD WEATHER ON LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR RIGHTS SHARES (INCLUDING EXCESS RIGHTS SHARES)

The latest time for acceptance of, and payment for, the Rights Shares and for application of, and payment for, excess Rights Shares will not take place as shown in the expected timetable above 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; and
- (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 for 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 any 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 this section headed “Expected Timetable” above may be affected. The Company will notify Shareholders by way of announcement(s) of any change to the expected timetable as soon as practicable.

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 headed “Conditions of the Rights Issue and the Underwriting Agreement” below) 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 the 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 the 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;

TERMINATION OF THE UNDERWRITING AGREEMENT

- (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 U.K., 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 U.K., 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;

TERMINATION OF THE UNDERWRITING AGREEMENT

- (D) the declaration of a banking moratorium by the PRC, Hong Kong, Australia, Peru, the U.K., 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 U.K., Europe, the United States or Japan), or any major disruption of any securities settlement or clearing services in Hong Kong, Australia, the PRC, the U.K., 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 U.K., 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 U.K., 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;

TERMINATION OF THE UNDERWRITING AGREEMENT

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.

WARNING OF THE RISKS OF DEALING IN SHARES AND RIGHTS SHARES

The Shares have been dealt 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 the Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled 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.

LETTER FROM THE BOARD



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)

Chairman:

JIAO Jian (*Non-Executive Director*)

Executive Directors:

Andrew MICHELMORE (CEO)

XU Jiqing (Executive General Manager

— China and Strategy)

Registered Office:

Units 8501–8503, Level 85

International Commerce Centre

1 Austin Road West

Kowloon

Hong Kong

Non-Executive Directors:

GAO Xiaoyu

Independent Non-Executive Directors:

Peter CASSIDY

LEUNG Cheuk Yan

Jennifer SEABROOK

PEI Ker Wei

23 November 2016

*To the Qualifying Shareholders, CDI Holders,
PRC Stock Connect Investors and, for information only,
certain Non-Qualifying Shareholders*

Dear Sir or Madam,

**RIGHTS ISSUE ON THE BASIS OF
1 RIGHTS SHARE FOR EVERY 2 SHARES
HELD ON THE RECORD DATE**

INTRODUCTION

On Tuesday, 1 November 2016, the Company announced, inter alia, the Rights Issue. Subject to the fulfilment of the conditions of the Rights Issue, the Company proposes to raise approximately HK\$3,967,552,416, before expenses, by way of the Rights Issue of 2,645,034,944 Rights Shares 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).

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The Company has provisionally allotted 1 Nil Paid Right for every 2 Shares held by each Qualifying Shareholder on the Record Date. Fractional entitlements have not been provisionally allotted but will be aggregated and sold for the benefit of the Company.

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

PRC Stock Connect Investors can subscribe for their pro rata entitlements in the Rights Issue, but may not make any applications for excess Rights Shares. The Company will comply with the relevant requirements stipulated in the CSRC Notice.

As at the Latest Practicable Date, the Company had 5,290,069,889 Shares in issue.

Pursuant to the Underwriting Agreement, the Underwritten Shares are fully underwritten by the Underwriter, subject to the conditions set out in the Underwriting Agreement. If the Rights Issue does not become unconditional, the Rights Issue will not proceed.

The Underwriter has entered into a sub-underwriting agreement on 1 November 2016 with the Sub-Underwriter to sub-underwrite the Underwritten Shares.

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

The purpose of this Prospectus is to provide you with further details of the Rights Issue, including information on dealings in and transfers of Nil Paid Rights and the procedure for the acceptance of provisional allotments of Rights Shares and certain financial and other information of the Company.

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1. RIGHTS ISSUE

(A) TERMS OF THE 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, on a pro rata basis
Number of existing Shares in issue as at the Latest Practicable Date:	5,290,069,889 Shares
Number of Rights Shares to be issued:	2,645,034,944 Rights Shares
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)
Excess applications:	Qualifying Shareholders (other than the PRC Stock Connect Investors) may apply for Rights Shares in excess of their provisional allotment. Any Rights Shares available for excess application would be those Rights Shares (if any) representing unsold aggregated fractional entitlements and any Rights Shares provisionally allotted but not accepted by Qualifying Shareholders or otherwise subscribed for by renounees or transferees of Nil Paid Rights and any Rights Shares representing any unsold entitlements of the Non-Qualifying Shareholders
Status:	The Rights Shares, when allotted, issued and fully paid, will rank pari passu in all respects with the then existing Shares, such that holders of 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

As at the Latest Practicable Date, the Company had granted:

- (i) outstanding vested Share Options under the Share Option Scheme, which are exercisable by the holders in respect of the subscription of up to 91,745,606 Shares when the Company's Share price exceeds the exercise price (which is HK\$2.62); and
- (ii) 74,303,500 outstanding unvested Performance Awards.

As of the Record Date, no vested Share Options had been exercised and no Performance Awards had been vested. Accordingly, the total number of Rights Shares to be issued under the Rights Issue is 2,645,034,944 Rights Shares.

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Save for the outstanding vested Share Options and outstanding unvested Performance Awards as mentioned above, the Company had no other outstanding share options, performance awards, convertible securities, options, derivatives or warrants in issue which conferred any right to subscribe for, convert or exchange into Shares as at the Latest Practicable Date.

Subscription Price

The Subscription Price for the Rights Shares is 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 renouncee 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 after arm's length negotiation between the Company and the Underwriter with reference to, among other things, the funding needs for the development of the Group's business, the market price and trading liquidity of the Shares under the prevailing market conditions, the financial position of the Group and the discount levels adopted by comparable listed issuers in relation to the subscription prices of new shares issued by way of rights issues.

Given each Qualifying Shareholder (and CDI Holder) is 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 Subscription Price has been set at a discount level (as indicated above) with a view to encourage the Qualifying Shareholders (and CDI Holders) to take up their entitlements so as to maintain their shareholdings in the Company and participate in the future growth of the Group.

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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.

Qualifying Shareholders

To qualify for the Rights Issue, a Shareholder must have been registered as a member of the Company at 5:00 p.m. (HKT) on the Record Date and not be a Non-Qualifying Shareholder (please refer to the section headed “Non-Qualifying Shareholders” below).

In order to be registered as members of the Company by 5:00 p.m. (HKT) on the Record Date, the Shareholders must have already lodged any transfer documents of the Shares (together with the relevant share certificates) with the Registrar by no later than 4:30 p.m. (HKT) on Thursday, 10 November 2016.

Holders of outstanding vested Share Options who wish to participate in the Rights Issue should have already exercised their Share Options in accordance with the terms and conditions of the Share Option Scheme so as to enable them to be registered as members of the Company before 5:00 p.m. (HKT) on the Record Date.

Qualifying Shareholders who take up their pro-rata entitlements in full will not suffer any dilution to their interests in the Company (save in respect of fractions). If a Qualifying Shareholder does not take up his or her or its entitlement under the Rights Issue in full, his or her or its proportionate shareholding in the Company will be diluted.

For the entitlement of the PRC Stock Connect Investors to participate in the Rights Issue (please refer to the section headed “PRC Stock Connect Investors” below).

Basis of Provisional Allotment of Rights Shares

Qualifying Shareholders will receive a PAL in respect of the Rights Issue. The Rights Shares have been provisionally allotted on the basis of 1 Rights Share, in nil-paid form, for every 2 existing Shares held by a Qualifying Shareholder at 5:00 p.m. (HKT) on the Record Date. The board lot of the Nil Paid Rights will be 4,000 Shares.

Application for all or any part of a Qualifying Shareholder’s provisional allotment of Rights Shares should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for. Please refer to the section headed “Procedures for Acceptance or Transfer” below for further details.

If a Qualifying Shareholder (excluding a CDI Holder) wishes to accept only part of, or transfer a part of, the Nil Paid Rights provisionally allotted to him/her/it under the PAL or to transfer those Nil Paid Rights to more than one person, please refer to the paragraphs headed “Transfer and “splitting” of Nil Paid Rights” under the section headed “Procedures for Acceptance or Transfer” below.

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Distribution of this Prospectus and the other Prospectus Documents

The Company will only send this Prospectus accompanied by the other Prospectus Documents to the Qualifying Shareholders. However, to the extent reasonably practicable and legally permitted, the Company will send this Prospectus, for information purposes only, to the Non-Qualifying Shareholders (other than Non-Qualifying Shareholders within the United States and the PRC). The Company will not send any PALs or EAFs to the Non-Qualifying Shareholders.

This Prospectus will not be sent to any Shareholders in the Specified Territories except to those Shareholders who fulfil, to the satisfaction of the Company, the relevant requirements specified in the section headed “Limited categories of persons in the Specified Territories who may be able to take up their Nil Paid Rights and subscribe for the Rights Shares under the Rights Issue” below.

Distribution of this Prospectus and the other Prospectus Documents into jurisdictions other than Hong Kong may be restricted by law. Persons who come into possession of the Prospectus Documents (including, without limitation, agents, custodians, nominees and trustees) should inform themselves of and observe any such restriction. Any failure to comply with such restriction may constitute a violation of the securities laws of any such jurisdiction. Any Shareholder or Beneficial Owner who is in any doubt as to his/her/its position should consult an appropriate professional adviser without delay. In particular, subject to certain exceptions as determined by the Company, this Prospectus should not be distributed, forwarded to or transmitted in, into or from any of the Specified Territories (other than those overseas jurisdictions stated in the section headed “Limited categories of persons in the Specified Territories who may be able to take up their Nil Paid Rights and subscribe for the Rights Shares under the Rights Issue” below) with the PAL or the EAF.

It is the responsibility of any person (including but not limited to any agent, custodian, nominee or trustee) outside Hong Kong wishing to make an application for the Rights Shares to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant territory or jurisdiction, including obtaining any governmental or other consents and to pay any taxes, duties and other amounts required to be paid in such territory or jurisdiction in connection therewith. Any acceptance of the offer of the Rights Shares by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been fully complied with. Such persons should consult their professional advisers if in doubt.

For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to the representations and warranties above.

The Prospectus Documents will not be registered under the applicable securities legislation of any jurisdiction other than (i) the PRC, in accordance with the CSRC Notice with the approval from HKEx for the listing of the Rights Shares (in nil-paid and fully-paid forms) having been obtained; and (ii) Hong Kong.

Non-Qualifying Shareholders

Non-Qualifying Shareholders are:

- (i) those Overseas Shareholders; and

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- (ii) those Shareholders and Beneficial Owners who are known by the Company to be residents of places outside Hong Kong,

in respect of whom the Directors, based on relevant enquiries made by the Directors, consider it necessary or expedient not to offer the Rights Shares on account either of the legal restrictions under the laws of the relevant place in which the Shareholder or Beneficial Owner (as the case may be) is located, or the requirements of the relevant regulatory body or stock exchange in that place.

The Board has made due enquiries pursuant to Rule 13.36(2)(a) of the Listing Rules as to the applicable securities legislation of the Specified Territories and in relation to the PRC Stock Connect Investors, and the requirements of any relevant regulatory body or stock exchange for the issue of the Rights Shares in those territories. Having considered the circumstances, the Directors have formed the view that, other than certain limited exceptions as described below and the PRC Stock Connect Investors, it is necessary or expedient not to offer the Rights Shares (in both nil-paid and fully-paid forms) to Shareholders or Beneficial Owners in the Specified Territories due to the time and costs involved in the registration or filing of this Prospectus and/or approval required by the relevant authorities in those territories and/or additional steps the Company and/or Shareholders and/or Beneficial Owners need to take to comply with the local legal requirements and/or other requirements to be satisfied in order to comply with relevant local legal or regulatory requirements in those territories.

Accordingly, for the purposes of the Rights Issue, Non-Qualifying Shareholders are:

- (a) Shareholders whose name(s) appeared in the register of members of the Company at 5:00 p.m. (HKT) on the Record Date and whose address(es) as shown in such register is/are in any of the Specified Territories, except for those Overseas Shareholders with addresses in Ireland, Italy, Norway and the U.K. who fulfil the requirements specified in the section headed “Limited categories of persons in the Specified Territories who may be able to take up their Nil Paid Rights and subscribe for the Rights Shares under the Rights Issue” below to the satisfaction of the Company; and
- (b) any Shareholders or Beneficial Owners (other than PRC Stock Connect Investors) at 5:00 p.m. (HKT) on the Record Date who are otherwise known by the Company to be residing in any of the Specified Territories, except for those Shareholders or Beneficial Owners residing in Ireland, Italy, Norway and the U.K. who fulfil the requirements specified in the section below headed “Limited categories of persons in the Specified Territories who may be able to take up their Nil Paid Rights and subscribe for the Rights Shares under the Rights Issue” below to the satisfaction of the Company.

Notwithstanding any other provision in this Prospectus or the PAL or EAF, the Company reserves the right to permit any Shareholder to take up his/her/its rights if the Company, in its absolute discretion, is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations giving rise to the restrictions in question.

Receipt of this Prospectus and/or a PAL and/or an EAF or the crediting of Nil Paid Rights to a stock account in CCASS does not and will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Prospectus and/or a PAL and/or

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an EAF must be treated as sent for information only and should not be copied or redistributed. Persons (including, without limitation, agents, custodians, nominees and trustees) who receive a copy of this Prospectus and/or a PAL and/or an EAF or whose stock account in CCASS is credited with Nil Paid Rights should not, in connection with the Rights Issue, distribute or send the same in, into or from, or transfer Nil Paid Rights to any person in, into or from, any of the Specified Territories (other than those overseas jurisdictions stated in the section headed “Limited categories of persons in the Specified Territories who may be able to take up their Nil Paid Rights and subscribe for the Rights Shares under the Rights Issue” below). If a PAL or an EAF or a credit of Nil Paid Rights in CCASS is received by any person in any such territory, or by his/her/its agent or nominee, he/she/it should not seek to take up the rights referred to in the PAL or transfer the PAL (or apply for any excess Rights Shares under the EAF) or transfer the Nil Paid Rights in CCASS unless the Company determines that such actions would not violate applicable legal or regulatory requirements. Any person (including, without limitation, agents, custodians, nominees and trustees) who does forward this Prospectus, a PAL or an EAF in, into or from any of the Specified Territories (whether under a contractual or legal obligation or otherwise) should draw the recipient’s attention to the contents of this section.

Arrangements will be made for the Nil Paid Rights of Non-Qualifying Shareholders who hold their existing Shares in certificated form to be provisionally allotted to the Underwriter for the benefit of such Non-Qualifying Shareholders and, if a premium (net of expenses) can be obtained, to be sold by the Underwriter on such Non-Qualifying Shareholders’ behalf on HKEx after the commencement of the dealings in the Nil Paid Rights and in any event before the last day of dealings in Nil Paid Rights. The proceeds of such sale, less expenses, will be divided on a pro rata basis and paid to such Non-Qualifying Shareholders, provided that individual amounts of less than HK\$100 will be retained by the Company for its own benefit. Any Rights Shares in respect of unsold entitlements of Non-Qualifying Shareholders, together with any Rights Shares (if any) representing unsold aggregated fractional entitlements and Rights Shares in respect of Nil Paid Rights not taken up by the Qualifying Shareholders or otherwise not subscribed for by renouncees or transferees of Nil Paid Rights, will be made available for excess application on EAFs by Qualifying Shareholders (other than the PRC Stock Connect Investors).

The arrangements described in the above paragraph will not apply to any Non-Qualifying Shareholder who is a Shareholder or Beneficial Owner residing in any of the Specified Territories but (in the case of a Shareholder) whose address, or (in the case of a Beneficial Owner) who holds his/her/its interest in Shares through a Registered Owner whose address is shown in the register of members of the Company on the Record Date as not being in one of the Specified Territories. Such Shareholders and Beneficial Owners are referred to herein as “Non-Qualifying Beneficial Owners” and may include Beneficial Owners holding interests in Shares through CCASS (which Shares are registered in the register of members of the Company in the name of HKSCC Nominees Limited, a company incorporated in Hong Kong). The Company is unable to extend those arrangements to such Non-Qualifying Beneficial Owners as the Company does not have the necessary information in relation to such Non-Qualifying Beneficial Owners to make a unilateral determination as to whether those Shareholders or Beneficial Owners are Non-Qualifying Shareholders for the purposes of the Rights Issue. Instead of the arrangements described above, the Nil Paid Rights which would otherwise have been available to be taken up by those Non-Qualifying Beneficial Owners will not be sold in the market and the relevant Non-Qualifying Beneficial Owners will not receive the proceeds of any such sale. All Non-Qualifying Beneficial Owners are advised to seek their own legal advice as to whether or not they may be permitted, having regard to their own particular circumstances (including the laws

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and regulations of the relevant jurisdiction in which they are resident), to sell their Nil Paid Rights in the market. Any such Nil Paid Rights which are not sold in the market by Non-Qualifying Beneficial Owners will be made available for excess applications on EAFs by Qualifying Shareholders. PRC Stock Connect Investors can subscribe for their pro rata entitlements in the Rights Issue, but may not make any applications for excess Rights Shares.

With respect to Non-Qualifying Shareholders who hold interests in Shares through CCASS, their nominees, custodians or other Intermediaries may sell, on such Non-Qualifying Shareholders' behalf, their entitlements to the Nil Paid Rights in compliance with applicable securities laws and distribute the proceeds thereof as appropriate.

Limited categories of persons in the Specified Territories who may be able to take up their Nil Paid Rights and subscribe for the Rights Shares under the Rights Issue

Notwithstanding what is said in the section headed "Non-Qualifying Shareholders" above, the following limited categories of persons in the Specified Territories may be able to take up their Nil Paid Rights and subscribe for Rights Shares under the Rights Issue.

Shareholders and Beneficial Owners being Qualified Investors in Ireland and Norway

Shareholders and Beneficial Owners in Ireland and Norway who are beneficial owners of Shares, or recorded as holders of Shares on the Record Date may take up their Nil Paid Rights and subscribe for Rights Shares in reliance on the EU Prospectus Directive (2003/71/EC) on the basis that the Rights Shares are offered to qualified investors (as defined under Article 2.1.(e) of the EU Prospectus Directive (2010/73/EC)).

Shareholders and Beneficial Owners being Institutional Investors in Italy

Shareholders and Beneficial Owners in Italy who are beneficial owners of Shares, or recorded as holders of Shares on the Record Date may take up their Nil Paid Rights and subscribe for Rights Shares in reliance on Article 34-ter, paragraph 1(a) of CONSOB Regulation n. 11971 of May 14, 1999 on the basis that the Rights Shares are offered to institutional investors (as defined under Article 100, paragraph 1(a), of the Italian Financial Act, and Article 34-ter, paragraph 1(b), of CONSOB Regulation n. 11971 of May 14, 1999).

Shareholders and Beneficial Owners being Qualified Investors in the U.K.

Shareholders and Beneficial Owners in the U.K. who are beneficial owners of Shares, or recorded as holders of Shares on the Record Date may take up their Nil Paid Rights and subscribe for Rights Shares in reliance on Section 86(1)(b) of the Financial Services and Markets Act 2000 on the basis that the Rights Shares are offered to qualified investors (as defined under section 86(7) of the Financial Services and Markets Act 2000).

The Company reserves the right to treat as invalid any acceptance of or application for the Nil Paid Rights where it believes that such acceptance or application would violate the applicable securities laws 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 Rights Shares and/or the Nil Paid Rights.

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General

Based on the register of members of the Company as of the Record Date, there were three Shareholders (holding an aggregate of 0.95% shareholding in the Company) residing in the Specified Territories (being (i) one Shareholder with a registered address in the U.K. who does not fulfil the requirements specified in this section headed “Limited categories of persons in the Specified Territories who may be able to take up their Nil Paid Rights and subscribe for the Rights Shares under the Rights Issue” to the satisfaction of the Company; and (ii) two Shareholders with registered addresses in Malaysia) who are regarded as Non-Qualifying Shareholders.

PRC Stock Connect Investors

According to the “CCASS Shareholding Search” available on HKEx’s website (<http://www.hkexnews.hk>), as at the Latest Practicable Date, ChinaClear held 69,360,000 Shares, representing approximately 0.87% of the total number of Shares in issue. ChinaClear is a CCASS Participant.

The Directors have made the relevant enquiries with its PRC legal advisers and were advised that the PRC Stock Connect Investors can participate in the Rights Issue through ChinaClear. ChinaClear will provide nominee services for the PRC Stock Connect Investors to (i) sell (in full or in part) their Nil Paid Rights on HKEx under Shanghai-Hong Kong Stock Connect; and/or (ii) subscribe (in full or in part) 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. In addition, according to the PRC legal adviser of the Company, the PRC Stock Connect Investors (or the relevant ChinaClear participants as the case may be) whose stock accounts in ChinaClear are credited with Nil Paid Rights can only sell those Nil Paid Rights on HKEx under Shanghai-Hong Kong Stock Connect and can neither purchase any Nil Paid Rights nor transfer such Nil Paid Rights to other PRC Stock Connect Investors.

PRC Stock Connect Investors can subscribe for their pro rata entitlements in the Rights Issue, but may not make any applications for excess Rights Shares.

The PRC Stock Connect Investors should seek advice from their Intermediary (including broker, custodian, nominee or ChinaClear participant) and/or other professional advisers for details of the logistical arrangements as required by ChinaClear, and provide instructions to such Intermediary in relation to the acceptance and/or sale of the Nil Paid Rights. Such instructions should be given in advance of the relevant dates stated in the section headed “Expected Timetable” of this Prospectus and otherwise in accordance with the requirements of the Intermediary of the PRC Stock Connect Investors and/or ChinaClear in order to allow sufficient time to ensure that such instructions are given effect.

According to the PRC legal adviser of the Company, as the Prospectus Documents have not been and are not intended to be filed with or approved by the CSRC other than in accordance with the CSRC Notice, the Rights Shares (in both their nil-paid and fully-paid forms) shall not be offered and may not be offered or sold directly or indirectly in the PRC to any person or entity, unless such person

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or entity is a PRC Stock Connect Investor (subject to certain limitations in relation to its rights to participate in the Rights Issue as explained in this Prospectus), or it has otherwise been exempt by or has obtained the necessary and appropriate approvals from the relevant PRC authorities in accordance with the applicable PRC laws and regulations. The Company will comply with the relevant requirements stipulated in the CSRC Notice.

As such, the Prospectus Documents may not be distributed in or forwarded to the PRC or used in connection with any offer for subscription or sale of the Rights Shares (in nil-paid and fully-paid forms) in the PRC, except that the same may be despatched to ChinaClear in the PRC or to the extent in compliance with applicable PRC laws and regulations, and the Prospectus Documents may not be made publicly available in the PRC. Save and except for the PRC Stock Connect Investors, based on the legal advice of the PRC legal adviser of the Company, other Shareholders in the PRC are not entitled to participate in the Rights Issue.

The Company reserves the absolute discretion in determining whether to allow such participation as well as the identity of the persons who may be allowed to do so.

Procedures for Acceptance or Transfer

General

Any person (including, without limitation, agents, nominees and trustees) wishing to take up his/her/its rights under the Rights Issue must satisfy himself/herself/itself as to full observance of the applicable laws of any relevant territory including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories. The attention of Shareholders with registered addresses in any of the Specified Territories or holding Shares on behalf of persons with such addresses is drawn to the sections headed “Notices”, “Non-Qualifying Shareholders” and “Limited categories of persons in the Specified Territories who may be able to take up their Nil Paid Rights and subscribe for the Rights Shares under the Rights Issue” above.

Each subscriber of the Rights Shares will be deemed (by accepting delivery of this Prospectus) to have given each of the following representations and warranties to the Company and the Underwriter and to any person acting on its or their behalf, unless in their sole discretion, the Company and the Underwriter waive such requirement:

- he/she/it was a Shareholder as at 5:00 p.m. (HKT) on the Record Date, or he/she/it lawfully acquired or may lawfully acquire the Nil Paid Rights, directly or indirectly, from such a person;
- he/she/it may lawfully be offered, take up, obtain, subscribe for and receive the Nil Paid Rights and/or the Rights Shares in the jurisdiction in which he/she/it resides or is currently located;
- he/she/it is not resident or located in, or a citizen of: (a) the U.S.; or (b) any Specified Territory (excluding the U.S.) or any other territory where, in each case, it would be unlawful to extend the Rights Issue;

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- he/she/it is not accepting an offer to acquire or take up the Nil Paid Rights or Rights Shares on a non-discretionary basis for a person who is resident or located in, or a citizen of: (a) the U.S.; or (b) any Specified Territory (excluding the U.S.) or any other territory where, in each case, it would be unlawful to extend the Rights Issue at the time the instruction to accept was given;
- he/she/it is not taking up for the account of any person who is located in the U.S., unless (a) the instruction to purchase or take up the Nil Paid Rights or to subscribe for or accept Rights Shares was received from a person outside the U.S. and (b) the person giving such instruction has confirmed that it (x) has the authority to give such instruction and (y) either (A) has investment discretion over such account or (B) is an investment manager or investment company that is acquiring the Nil Paid Rights and/or the Rights Shares in an “offshore transaction” within the meaning of Regulation S;
- he/she/it is acquiring the Nil Paid Rights and/or the Rights Shares in an “offshore transaction” as defined in Regulation S;
- he/she/it has not been offered the Rights Shares by means of any “directed selling efforts” as defined in Regulation S;
- he/she/it is not acquiring the Nil Paid Rights and/or Rights Shares with a view to the offer, sale, allotment, taking up, exercise, resale, renouncement, pledge, transfer, delivery or distribution, directly or indirectly, of such Nil Paid Rights or Rights Shares into: (a) the U.S.; or (b) and Specified Territory (excluding the U.S.) or any other territory where, in each case, it would be unlawful to extend the Rights Issue; and
- he/she/it understands that neither the Nil Paid Rights nor the Rights Shares have been or will be registered under the U.S. Securities Act or with any securities regulatory authority of any state, territory, or possession of the U.S. and the Nil Paid Rights and/or Rights Shares are being distributed and offered only outside the U.S. in reliance on Regulation S. Consequently, he/she/it understands the Nil Paid Rights and/or Rights Shares may not be offered, sold, pledged or otherwise transferred in or into the U.S., except in reliance on an exemption from, or in transactions not subject to, the registration requirements of the U.S. Securities Act.

For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties above.

Action to be taken by Qualifying Shareholders (excluding CDI Holders)

Subscription for all Rights Shares provisionally allotted

For each Qualifying Shareholder, a PAL is enclosed with this Prospectus which entitles the Qualifying Shareholder to whom it is addressed to subscribe for the number of the Rights Shares shown thereon. If a Qualifying Shareholder wishes to take up his/her/its right to subscribe for any or all of the Rights Shares provisionally allotted to him/her/it as specified in the PAL, he/she/it must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the

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full amount payable on acceptance, with the Registrar at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, by no later than 4:00 p.m. (HKT) on Wednesday, 7 December 2016, i.e. the Acceptance Date. All remittances must be made in Hong Kong dollars and cheques must be drawn on a bank account with, or cashier's orders issued by, a licensed bank in Hong Kong and made payable to "**MMG Limited - Rights Issue Account**" and crossed "**Account Payee Only**". It should be noted that unless the PAL, together with the appropriate remittance, has been lodged with the Registrar at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong by 4:00 p.m. (HKT) on Wednesday, 7 December 2016, i.e. the Acceptance Date, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. The Company may, at its discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if not completed in accordance with the relevant instructions.

The PAL contains further information regarding the procedure to be followed for acceptance of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders.

All cheques and cashier's orders will be presented for payment following receipt and all interest earned on such monies will be retained for the benefit of the Company. Any PAL in respect of which the cheque or cashier's order is dishonoured on first presentation is liable to be rejected, and in that event, the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. Completion and return of a PAL together with a cheque or cashier's order in payment for the Rights Shares accepted will constitute a warranty by the applicant(s) that the cheque or cashier's order will be honoured on first presentation. If the Rights Issue does not proceed, the monies received in respect of the relevant provisional allotments will be refunded to the Qualifying Shareholders or such other persons to whom the Nil Paid Rights have been validly transferred or, in the case of joint acceptances, to the first-named person, without interest and by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders or such other persons to their registered addresses by the Registrar on or before Thursday, 15 December 2016.

Transfers and "splitting" of Nil Paid Rights

The Nil Paid Rights can be traded on HKEx. A Qualifying Shareholder can accept all of his/her/its provisional allotment of Rights Shares, or sell all of his/her/its provisional allotment on HKEx or accept only part of his/her/its provisional allotment and sell the remaining part on HKEx. A CDI Holder can accept all or some of his/her/its provisional allotment of Rights Shares but may not sell any of his/her/its provisional allotment on HKEx.

If a Qualifying Shareholder (other than a CDI Holder) wishes to accept only part of, or transfer part of, the Rights Shares provisionally allotted to him/her/it under the PAL or to transfer his/her/its rights to more than one person, the entire PAL must be surrendered and lodged for cancellation together with a covering letter stating clearly the number of split PALs required and the number of Nil Paid Rights to be comprised in each split PAL (which, in aggregate, should be equal to the number of Rights Shares provisionally allotted to such holder as stated in Box B of the original PAL), by no later than 4:30 p.m. (HKT) on Tuesday, 29 November 2016 to the Registrar at Shops 1712-1716, 17th

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Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong. The Registrar will cancel the original PAL and issue new PALs in the denominations required, which will be available for collection from the Registrar at the above address after 9:00 a.m. (HKT) on the second Business Day after the surrender of the original PAL. This process is commonly known as "splitting" the Nil Paid Rights.

Having "split" the Nil Paid Rights, a Qualifying Shareholder (other than a CDI Holder) who wishes to accept the provisional allotment of Rights Shares represented by a new PAL should do so in accordance with the instructions given above in relation to the subscription for the Rights Shares provisionally allotted.

If a Qualifying Shareholder (other than a CDI Holder) wishes to transfer all of his/her/its Nil Paid Rights under a PAL (or a split PAL, as the case may be) to another person, he/she/it should complete and sign the "Form of Transfer and Nomination" (Form B) in the PAL and hand the PAL to the person to or through whom he/she/it is transferring his/her/its Nil Paid Rights. The transferee must then complete and sign the "Registration Application Form" (Form C) in the PAL and lodge the PAL intact, together with a remittance for the full amount payable on acceptance with the Registrar at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, to effect the transfer by no later than 4:00 p.m. (HKT) Wednesday, 7 December 2016.

It should be noted that Hong Kong stamp duty is payable in connection with the transfer of Nil Paid Rights to the transferee(s) and the acceptance by the transferee(s) of such rights.

The PAL contains further information regarding the procedures to be followed for transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders.

The Company reserves the right to refuse to register any transfer in favour of any person in respect of which the Company believes such transfer may violate applicable legal or regulatory requirements.

Important notice and representations and warranties relating to Qualifying Shareholders in the Specified Territories

As described above, Shareholders with registered addresses in the Specified Territories are only permitted to take up their rights under the Rights Issue if they fulfil, to the satisfaction of the Company, the relevant requirements specified in the section headed "Limited categories of persons in the Specified Territories who may be able to take up their Nil Paid Rights and subscribe for the Rights Shares under the Rights Issue" above.

Any Shareholder accepting and/or transferring a PAL or requesting registration of the Rights Shares comprised therein represents and warrants to the Company that, except where proof has been provided to the satisfaction of the Company that such person's use of the PAL will not result in the contravention of any applicable legal requirement in any jurisdiction, he/she/it: (i) is not accepting and/or transferring the PAL, or requesting registration of the relevant Nil Paid Rights or Rights Shares from within (a) the U.S.; or (b) any of the Specified Territories (excluding the U.S.) or any other territory where, in each case, it would be unlawful to extend the Rights Issue; (ii) is not in (a) the U.S.; or (b) any of the Specified Territories (excluding the U.S.) or any other territory where, in each case, it would be unlawful to extend the Rights Issue or to make or accept an offer to acquire the Nil Paid

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Rights or the Rights Shares or to use the PAL in any manner in which such person has used or will use it; (iii) is not acting on a non-discretionary basis for a person who is a resident or located in, or a citizen of (a) the U.S.; or (b) any of the Specified Territories (excluding the U.S.) or any other territory where, in each case, it would be unlawful to extend the Rights Issue at the time the instruction to accept or transfer was given; and (iv) is not acquiring the Nil Paid Rights or the Rights Shares with a view to the offer, sale, allotment, taking up, exercise, resale, renouncement, pledge, transfer, delivery or distribution, directly or indirectly, of any such Nil Paid Rights or Rights Shares into (a) the U.S.; or (b) any of the Specified Territories (excluding the U.S.) or any other territory where, in each case, it would be unlawful to extend the Rights Issue.

For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties above.

The Company may treat as invalid any acceptance or purported acceptance of the allotment of Rights Shares comprised in, or transfer or purported transfer of, a PAL if it: (a) appears to the Company to have been executed in, or despatched from, any of the Specified Territories and the acceptance or transfer may involve a breach of the laws of the relevant Specified Territory, or the acceptance or transfer is otherwise in a manner which may involve a breach of the laws of any jurisdiction, or if it or its agents believe the same may violate any applicable legal or regulatory requirement; (b) provides an address in any of the Specified Territories for delivery of definitive share certificates for Rights Shares and such delivery would be unlawful or provides an address for delivery of definitive share certificates in any other jurisdiction outside Hong Kong in which it would be unlawful to deliver such certificates; or (c) purports to exclude the representation and/or warranty required by the paragraph above.

Action to be taken by Beneficial Owners whose Shares are held by a Registered Owner (other than Shares deposited in CCASS)

Subscription for Rights Shares provisionally allotted and transfers and “splitting” of Nil Paid Rights

If you are a Beneficial Owner whose Shares are registered in the name of a Registered Owner and you wish to subscribe for the Rights Shares provisionally allotted to such Registered Owner in respect of your Shares, or sell the respective Nil Paid Rights or “split” those Nil Paid Rights and accept part of the provisional allotment and sell the remaining part, you should contact the Registered Owner and provide the Registered Owner with instructions or make arrangements with the Registered Owner in relation to the acceptance, transfer and/or “splitting” of the Nil Paid Rights.

Such instructions and/or arrangements should be given or made in advance of the relevant dates stated in the section headed “Expected Timetable” above and otherwise in accordance with the requirements of the Registered Owner in order to allow the Registered Owner sufficient time to ensure that your instructions are given effect.

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Important notice and representations and warranties relating to Beneficial Owners in the Specified Territories whose Shares are held by a Registered Owner (other than HKSCC Nominees Limited)

As described above, Beneficial Owners resident in the Specified Territories are only permitted to take up their rights under the Rights Issue if they fulfil, to the satisfaction of the Company, the relevant requirements specified in the section headed “Limited categories of persons in the Specified Territories who may be able to take up their Nil Paid Rights and subscribe for the Rights Shares under the Rights Issue” above.

Any Beneficial Owner instructing a Registered Owner to accept and/or transfer a PAL or request registration of the Rights Shares comprised therein, and the Registered Owner accepting and/or transferring or requesting registration, represents and warrants to the Company that, except where proof has been provided to the satisfaction of the Company that such person’s use of the PAL will not result in the contravention of any applicable legal requirement in any jurisdiction, that he/she/it: (i) is not accepting and/or renouncing the PAL, or requesting registration of the relevant Nil Paid Rights or Rights Shares from within (a) the U.S.; or (b) any of the Specified Territories (excluding the U.S.) or any other territory where, in each case, it would be unlawful to extend the Rights Issue; (ii) is not in (a) the U.S.; or (b) any of the Specified Territories (excluding the U.S.) or any other territory where, in each case, it would be unlawful to extend the Rights Issue or to make or accept an offer to acquire the Nil Paid Rights and/or the Rights Shares or to use the PAL in any manner in which such person has used or will use it; (iii) is not acting on a non-discretionary basis for a person who is a resident or located in, or a citizen of (a) the U.S.; or (b) any of the Specified Territories (excluding the U.S.) or any other territory where, in each case, it would be unlawful to extend the Rights Issue at the time the instruction to accept or transfer was given; and (iv) is not acquiring Nil Paid Rights and/or the Rights Shares with a view to the offer, sale, allotment, take up, exercise, resale, renouncement, pledge, transfer, delivery or distribution, directly or indirectly, of any such Nil Paid Rights and/or Rights Shares into (a) the U.S.; or (b) any of the Specified Territories (excluding the U.S.) or any other territory where, in each case, it would be unlawful to extend the Rights Issue.

The Company may treat as invalid any acceptance or purported acceptance of the allotment of Rights Shares comprised in, or transfer or purported transfer of, a PAL if it: (a) appears to the Company to have been executed in, or despatched from, any of the Specified Territories and the acceptance or transfer may involve a breach of the laws of the relevant Specified Territory, or the acceptance or transfer is otherwise in a manner which may involve a breach of the laws of any jurisdiction, or if it or its agents believe the same may violate any applicable legal or regulatory requirement; (b) provides an address in any of the Specified Territories for delivery of definitive share certificates for Rights Shares and such delivery would be unlawful or provides an address for delivery of definitive share certificates in any other jurisdiction outside Hong Kong in which it would be unlawful to deliver such certificates; or (c) purports to exclude the representation and/or warranty required by the paragraph immediately above.

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Action to be taken by Beneficial Owners holding interests in Shares through CCASS

Subscription for Rights Shares provisionally allotted and transfers and “splitting” of Nil Paid Rights

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, and you wish to subscribe for the Rights Shares provisionally allotted to HKSCC Nominees Limited in respect of your Shares, or sell the respective Nil Paid Rights or “split” those Nil Paid Rights and accept part of the provisional allotment and sell the remaining part, you should (unless you are a CCASS Investor Participant) contact your Intermediary and provide your Intermediary with instructions or make arrangements with your Intermediary in relation to the acceptance, transfer and/or “splitting” of your Nil Paid Rights.

Such instructions and/or arrangements should be given or made in advance of the relevant dates stated in the section headed “Expected Timetable” of this Prospectus and otherwise in accordance with the requirements of your Intermediary in order to allow your Intermediary sufficient time to ensure that your instructions are given effect. The procedure for acceptance, transfer and/or “splitting” by CCASS Participants of the Rights Shares provisionally allotted to CCASS stock accounts in respect of the Shares registered in the name of HKSCC Nominees Limited shall be in accordance with the “General Rules of CCASS”, the “CCASS Operational Procedures” and any other requirements of CCASS.

Beneficial Owners who are CCASS Investor Participants should contact CCASS and provide CCASS with instructions or make arrangements with CCASS in relation to the manner in which such Beneficial Owners’ interests in Rights Shares should be dealt with. The procedures for acceptance, transfer and/or “splitting” of Rights Shares provisionally allotted to Beneficial Owners who have been admitted to participate in CCASS as CCASS Investor Participants shall be in accordance with “An Operating Guide for Investor Participants” and any other requirements of CCASS.

Important notice and representations and warranties relating to Beneficial Owners in the Specified Territories holding interests in Shares through CCASS

As described above, Beneficial Owners resident in any of the Specified Territories are only permitted to take up their rights under the Rights Issue if they fulfil, to the satisfaction of the Company, the relevant requirements specified in the section headed “Limited categories of persons in the Specified Territories who may be able to take up their Nil Paid Rights and subscribe for the Rights Shares under the Rights Issue” above.

Any Beneficial Owner holding interests in Shares through CCASS and any CCASS Participant who instructs its Intermediary to make an acceptance and/or transfer in accordance with the procedures set out above represents and warrants to the Company that, except where proof has been provided to the satisfaction of the Company that his/her/its acceptance or transfer will not result in the contravention of any applicable legal requirement in any jurisdiction, he/she/it: (i) is not accepting or requesting registration of the relevant Nil Paid Rights and/or Rights Shares from within (a) the U.S.; or (b) any of the Specified Territories (excluding the U.S.) or any other territory where, in each case, it would be unlawful to extend the Rights Issue; (ii) is not in (a) the U.S.; or (b) any of the Specified Territories (excluding the U.S.) or any other territory where, in each case, it would be unlawful to extend the Rights Issue or to make or accept an offer to acquire Nil Paid Rights and/or

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Rights Shares; (iii) is not acting on a non-discretionary basis for a person who is a resident or located in, or a citizen of within (a) the U.S.; or (b) any of the Specified Territories (excluding the U.S.) or any other territory where, in each case, it would be unlawful to extend the Rights Issue at the time the instruction to accept was given; and (iv) is not acquiring the Nil Paid Rights and/or Rights Shares with a view to the offer, sale, allotment, take up, exercise, resale, renouncement, pledge, transfer, delivery or distribution, directly or indirectly, of any such Nil Paid Rights and/or Rights Shares into (a) the U.S.; or (b) any of the Specified Territories (excluding the U.S.) or any other territory where, in each case, it would be unlawful to extend the Rights Issue.

The Company may treat as invalid any instruction (a) which appears to the Company to have been despatched from any of the Specified Territories and which may involve a breach of the laws of the relevant Specified Territory or any instruction which otherwise appears to the Company may involve a breach of the laws of any jurisdiction; or (b) if the Company or its agents believes the same may violate any applicable legal or regulatory requirement; or (c) which purports to exclude the representation and/or warranty required by the paragraph immediately above.

For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties above.

Action to be taken by CDI Holders

If you are a CDI Holder, you will receive a PAL enclosed with the Prospectus which entitles you to subscribe for the number of Rights Shares shown thereon (and as a consequence CDIs) and an EAF which entitles you to apply for excess Rights Shares (and as a consequence additional CDIs). If you wish to take up your right and subscribe for any or all of the Rights Shares provisionally allotted to you as specified in the PAL, you 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 at GPO Box 52, Melbourne, Victoria 3001, Australia by no later than 4:00 p.m. (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 and made payable to **"MMG Limited – Rights Issue Account"** and crossed **"Account Payee Only"**. For arrangements in relation to converting Rights Shares to CDIs, please see the section headed "Fractional Entitlements" below.

As a CDI Holder, you will not be able to sell the Nil Paid Rights or "split" the Nil Paid Rights.

Share Certificates and Refund Cheques for the 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 to the applicants by ordinary post at their own risk.

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Status of the 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.

Fractional Entitlements

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 (including the CDI Holders and excluding the PRC Stock Connect Investors) (please refer to the section headed “Application for excess Rights Shares” below for details).

For CDI Holders, fractional entitlements of Rights Shares will be rounded down to the nearest whole number. For the purposes of converting Rights Shares to CDIs, you will be allotted Rights Shares which are in multiples of 10.

Application for excess Rights Shares

Qualifying Shareholders (including the CDI Holders and excluding the PRC Stock Connect Investors) 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 (including the CDI Holders) or otherwise subscribed for by renounees or transferees of Nil Paid Rights.

The Directors will, upon consultation with the Underwriter, allocate the excess Rights Shares at their discretion on a fair and equitable basis on the principle that any excess Rights Shares will be allocated to Qualifying Shareholders (including the CDI Holders and excluding the PRC Stock Connect Investors) 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 (excluding the PRC Stock Connect Investors and including the CDI Holders) 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.

In applying the above principles, reference will only be made to the number of excess Rights Shares being applied for.

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Action to be taken by Qualifying Shareholders who wish to apply for excess Rights Shares (excluding CDI Holders)

Excess Rights Shares application procedures

Applications for excess Rights Shares can be made only by Qualifying Shareholders (excluding the PRC Stock Connect Investors) and only by completing and signing the enclosed EAF in accordance with the instructions printed thereon and lodging it, together with a separate remittance for the amount payable on application in respect of the excess Rights Shares applied for, with the Registrar, by no later than 4:00 p.m. (HKT) on Wednesday, 7 December 2016 or such later time and/or dates as may be agreed between the Company and the Underwriter. All remittances must be made in Hong Kong dollars and must be forwarded either by cheques drawn on an account with, or cashier's orders issued by, a licensed bank in Hong Kong and made payable to "**MMG Limited – Excess Application Account**" and crossed "**Account Payee Only**". For CDI Holders who wish to apply for excess Rights Shares, please see the section headed "Action to be taken by CDI Holders who wish to apply for excess Rights Shares" below.

All cheques or cashier's orders will be presented for payment following receipt and all interest earned on such monies will be retained for the benefit of the Company. Any EAF in respect of which a cheque or cashier's order is dishonoured on first presentation is liable to be rejected. Completion and return of an EAF together with a cheque or cashier's order in payment for the Rights Shares accepted will constitute a warranty by the applicant(s) that the cheque or cashier's order will be honoured on first presentation. The EAF is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including cheques or cashier's orders for amounts due, will be sent at the risk of the persons entitled thereto to their registered addresses by the Registrar. The Company may, at its discretion, treat an EAF as valid and binding on the person(s) by whom or on whose behalf it is lodged even if not completed in accordance with the relevant instructions.

If no excess Rights Shares are allotted and issued to a Qualifying Shareholder, the amount tendered on application is expected to be refunded to that Qualifying Shareholder in full without any interest by means of cheque(s) despatched by ordinary post and at the risk of such Shareholder on or before Thursday, 15 December 2016. If the number of excess Rights Shares allotted and issued to a Qualifying Shareholder is smaller than that applied for, the surplus application monies are also expected to be refunded to such Shareholder without any interest by means of cheque(s) despatched by ordinary post and at the risk of such Shareholder on or before Thursday, 15 December 2016.

If the Rights Issue does not proceed, the monies received in respect of relevant applications for excess Rights Shares will be refunded to the relevant persons without interest, by means of cheque(s) to be despatched by ordinary post at the risk of such persons on or before Thursday, 15 December 2016.

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Important notice and representations and warranties relating to Qualifying Shareholders in the Specified Territories

The matters set out in the paragraphs under the heading “Important notice and representations and warranties relating to Qualifying Shareholders in the Specified Territories” above in the section headed “Procedures for Acceptance or Transfer” also apply to applications for excess Rights Shares, with appropriate changes to reflect that the context is an application for excess Rights Shares.

Important notice to Beneficial Owners

Beneficial Owners whose Shares are held by a Registered Owner, or which are held in CCASS, should note that the Board will regard the Registered Owner (including HKSCC Nominees Limited) as a single Shareholder on the register of members of the Company. Accordingly, Beneficial Owners whose Shares are registered in the name of a Registered Owner, or which are held in CCASS, should note that the aforesaid arrangement in relation to the allocation of excess Rights Shares will not be extended to them individually.

Action to be taken by Beneficial Owners whose Shares are held by a Registered Owner who wish to apply for excess Rights Shares (other than Shares deposited in CCASS)

Excess Rights Shares application procedures

If you are a Beneficial Owner whose Shares are registered in the name of a Registered Owner and you wish to apply for excess Rights Shares, you should contact the Registered Owner and provide the Registered Owner with instructions or make arrangements with the Registered Owner in relation to such application. Such instructions and/or arrangements should be given or made in advance of the latest time for application and payment for excess Rights Shares stated in the section headed “Expected Timetable” above in this Prospectus and otherwise in accordance with the requirements of the Registered Owner, in order to allow the Registered Owner sufficient time to ensure that your instructions are given effect.

Important notice and representations and warranties relating to Beneficial Owners whose Shares are held by a Registered Owner in relation to the Specified Territories (other than HKSCC Nominees Limited)

The matters set out in the paragraphs under the heading “Important notice and representations and warranties relating to Beneficial Owners in the Specified Territories whose Shares are held by a Registered Owner (other than HKSCC Nominees Limited)” in the section headed “Procedures for Acceptance or Transfer” above also apply to applications for excess Rights Shares, with appropriate changes to reflect that the context is an application for excess Rights Shares.

Action to be taken by Beneficial Owners holding interests in Shares through CCASS who wish to apply for excess Rights Shares

Excess Rights Shares application procedures

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, and you wish to apply for excess Rights Shares, you should (unless you

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are a CCASS Investor Participant) contact your Intermediary and provide your Intermediary with instructions or make arrangements with your Intermediary in relation to the application for excess Rights Shares. Such instructions and/or arrangements should be given or made in advance of the latest time for application and payment for excess Rights Shares stated in the section headed “Expected Timetable” in this Prospectus and otherwise in accordance with the requirements of your Intermediary, in order to allow your Intermediary sufficient time to ensure that your instructions are given effect.

Beneficial Owners who are CCASS Participants should contact CCASS and provide CCASS with instructions or make arrangements with CCASS in relation to any applications for excess Rights Shares. HKSCC Nominees Limited will allocate the excess Rights Shares it receives to the relevant CCASS Participants pro rata to the number of excess Rights Shares each has applied for, or in such other manner as HKSCC Nominees Limited considers fair and appropriate which is pursuant to the allocation basis stipulated in Rule 8.10.4(ix) of the CCASS Operational Manual. The procedures for application for excess Rights Shares shall be in accordance with the “General Rules of CCASS”, the “CCASS Operational Procedures” and any other requirements of CCASS.

For the avoidance of doubt, ChinaClear, a CCASS Participant, will not support applications by the PRC Stock Connect Investors for excess Rights Shares under the Rights Issue through Shanghai-Hong Kong Stock Connect.

Important notice and representations and warranties relating to Beneficial Owners in the Specified Territories holding interests in Shares through CCASS

Please note that the contents of the paragraphs under the heading “Important notice and representations and warranties relating to Beneficial Owners in the Specified Territories holding interests in Shares through CCASS” in the section headed “Procedures for Acceptance or Transfer” above also apply to applications for excess Rights Shares, with appropriate changes to reflect that the context is an application for excess Rights Shares.

Action to be taken by CDI Holders who wish to apply for excess Rights Shares

If you are a CDI Holder and wish to apply for excess Rights Shares (and as a consequence additional CDIs), you must nominate the number of excess Rights Shares (in multiples of 10 Rights Shares) you 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 at GPO Box 52, Melbourne, Victoria 3001, 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 and made payable to “**MMG Limited – Excess Application Account**” and crossed “**Account Payee Only**”.

Any number of excess Rights Shares either (i) applied for by CDI Holders, or (ii) prior to allocation but after the relevant scale back, proposed to be allotted and issued to CDI Holders, which are not divisible by 10 (if any), shall be disregarded and become available for excess application by the other Shareholders who applied for excess Rights Shares. As a CDI Holder, you will not be able to sell the Nil Paid Rights or “split” the Nil Paid Rights.

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Application for Listing and Dealings of the Rights Shares

The Company has applied to the Listing Committee of HKEx for the listing of, and permission to deal in, the Rights Shares on HKEx, in both their nil- paid and fully-paid forms. It is expected that dealings in the Nil Paid Rights will take place from Friday, 25 November 2016 to Friday, 2 December 2016 (both days inclusive). 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 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 Nil Paid Rights and the Rights Shares on HKEx as well as compliance with the stock admission requirements of HKSCC, the Nil Paid Rights and the Rights Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Nil Paid Rights and the Rights Shares 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.

(B) UNDERWRITING ARRANGEMENTS FOR THE RIGHTS ISSUE

Committed Shareholder Irrevocable Undertaking

As at the Latest Practicable Date, the Committed Shareholder was interested in 3,898,110,916 Shares, representing approximately 73.69% of the issued Shares. The Committed Shareholder has 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;

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- (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, the 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 the 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

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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 the 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 Underwritten Shares:	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.
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 independent third parties and 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.

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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 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

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(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 the 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

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and the Underwriter may agree) and no indication having been received before 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.

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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 headed “Conditions of the Rights Issue and the Underwriting Agreement” above) 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 the 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 the 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;

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- (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 U.K., 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 U.K., 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;

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- (D) the declaration of a banking moratorium by the PRC, Hong Kong, Australia, Peru, the U.K., 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 U.K., Europe, the United States or Japan), or any major disruption of any securities settlement or clearing services in Hong Kong, Australia, the PRC, the U.K., 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 U.K., 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 U.K., 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;

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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 headed "Termination of the Underwriting Agreement" above.

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 and Fosun International Limited (as the

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guarantor of the Sub-Underwriter's obligations). Under the sub-underwriting agreement, in the event that the Underwriter is required to take up any Underwritten Shares in accordance with the Underwriting Agreement, the Sub-Underwriter shall subscribe, or procure one or more of Fosun International Limited and its subsidiaries to subscribe, for such number of Rights Shares in aggregate as is notified by the Underwriter (in its sole discretion) up to the lower of (a) the total number of the Underwritten Shares and (b) one share less than 10% of the Company's total number of issued Shares immediately following completion of the Rights Issue, being approximately 695,979,486 Shares (taking into the account the Rights Shares which the Committed Shareholder has agreed to subscribe for pursuant to the Committed Shareholder Irrevocable Undertaking). The obligations of the Sub-Underwriter under the sub-underwriting agreement are guaranteed by Fosun International Limited.

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

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

The Shares have been dealt 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 Nil Paid Rights. 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.

2. 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 this 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. Net proceeds of the Rights Issue will be used to repay existing debt and to support project development.

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The estimated gross proceeds of the Rights Issue will be approximately HK\$3,967.5 million. 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 US\$7.5 million (approximately HK\$58.5 million) and will be borne by the Company. The net proceeds of the Rights Issue are estimated to be HK\$3,909 million 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, the Company 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 (including further mine development, installation of processing equipment and construction of essential infrastructure such as power lines and the tailings storage facility); 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.

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;

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- (ii) debt servicing capacity benefits from the Company's attractive interest rates and a high proportion of long dated principal repayments in its debt facilities;
- (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, the Group has the support of CMC. In this circumstance, support may be in the 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 as at 30 June 2016. Additionally, the Company's external financiers have waived compliance with certain financial covenants as at 31 December 2016. 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 ASX given that Australia is an attractive market for natural resources companies and the Company's head office is located in Melbourne, Australia.

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3. EFFECT ON SHAREHOLDINGS IN THE COMPANY

Set out below is the shareholding structure of the Company as at the Latest Practicable Date and immediately after completion of the Rights Issue, assuming there is no change in the shareholding structure of the Company from the Latest Practicable Date to immediately before completion of the Rights Issue.

Scenario 1 - Assuming all Rights Shares are fully subscribed for by Qualifying Shareholders

Shareholder	As at the Latest Practicable Date		Immediately after completion of the Rights Issue	
	No. of Shares	% of issued Shares	No. of Shares	% of issued Shares
		(%)		(%)
The Committed Shareholder and its associates	3,898,110,916	73.69	5,847,166,374	73.69
Andrew Michelmore	1,463,000	0.028	2,194,500	0.028
The public	<u>1,390,495,973</u>	<u>26.29</u>	<u>2,085,743,959</u>	<u>26.29</u>
Total	<u>5,290,069,889</u>	<u>100</u>	<u>7,935,104,833</u>	<u>100</u>

Scenario 2 - Assuming no Qualifying Shareholders other than the Committed Shareholder subscribes for Rights Shares pursuant to the Committed Shareholder Irrevocable Undertaking

Shareholder	As at the Latest Practicable Date		Immediately after completion of the Rights Issue	
	No. of Shares	% of issued Shares	No. of Shares	% of issued Shares
		(%)		(%)
The Committed Shareholder and its associates	3,898,110,916	73.69	5,847,166,374	73.69
Andrew Michelmore	1,463,000	0.028	1,463,000	0.018
The Underwriter/The Sub-Underwriter	0	0	695,979,486	8.77
The public	<u>1,390,495,973</u>	<u>26.29</u>	<u>1,390,495,973</u>	<u>17.52</u>
Total	<u>5,290,069,889</u>	<u>100</u>	<u>7,935,104,833</u>	<u>100</u>

Notes:

- (a) As at the Latest Practicable Date, the Company had 5,290,069,889 Shares in issue.
- (b) Certain percentage figures included in Scenario 1 and Scenario 2 above have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

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- (c) Scenario 1 and Scenario 2 above are for illustrative purpose only.
- (d) The figures in Scenario 1 and Scenario 2 above assume that all Shareholders are Qualifying Shareholders.
- (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 and Fosun International Limited (as the guarantor of the Sub-Underwriter's obligations), as described in the section headed "Sub-underwriting arrangements" above. None of the Sub-Underwriter, Fosun International Limited and any subsidiary of Fosun International Limited will be a substantial shareholder of the Company holding 10% or more of the issued Shares 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.

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

As at the Latest Practicable Date, the Company had:

- (i) outstanding 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.

5. FUND RAISING BY THE COMPANY IN THE PAST TWELVE MONTHS

Save for the Rights Issue, the Company had not raised any funds by an issue of equity securities in the 12 months preceding the Latest Practicable Date.

6. BUSINESS REVIEW, TRENDS AND PROSPECTS OF THE GROUP

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.

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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.

Financial Performance

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

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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 of the management assessment in respect of the 31 December 2016 financial year end procedures.

As at the date of this Prospectus, 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.

Operating Results (three months ended 30 September 2016)

The Company released its quarterly production report for the three months ended 30 September 2016 on 20 October 2016 (which is available at <http://www.hkexnews.hk>).

Key points include:

- (i) 2016 product guidance was maintained – the Group expects to produce 415,000-477,000 tonnes of copper and 120,000-135,000 tonnes of zinc;
- (ii) Las Bambas produced 106,123 tonnes of copper in copper concentrate, demonstrating the capabilities of the operation in the first quarter since commercial production was achieved on 1 July, and the Group confirmed that it has reached the lower end of its production guidance range (250,000-300,000 tonnes of copper in copper concentrate) at Las Bambas;

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- (iii) as at 30 September 2016, Dugald River project is 28% complete, with all major contractors having been mobilised on site and key milestones tracking in line with the schedule; and
- (iv) the quarterly results reflect the shift in 2016 production from zinc to copper with the end of mining and processing at Century and commissioning of Las Bambas in the first half of 2016.

Financial Results (six months ended 30 June 2016)

The Company released its interim results for the six months ended 30 June 2016 on 16 August 2016 (the full interim report released on 22 September 2016 and available at <http://www.hkexnews.hk>).

Key points include:

- (i) revenue decreased by US\$527.7 million (47%) on 2015 to US\$586.1 million in 2016 due to lower zinc sales volumes as a result of the Century mine closure, lower copper production at Sepon and lower average realised prices for all commodities except gold;
- (ii) copper sales volumes decreased by 14% due to lower production from Sepon, Golden Grove and Rosebery. Zinc and lead volumes were impacted by the end of mining and processing at Century;
- (iii) operating expenses decreased by US\$254.3 million (38%) on lower production volumes (including end of production at Century) and a favourable Australian to U.S. dollar exchange rate. Total production expenses across operating sites (excluding Century) decreased by US\$63.0 million as compared to the same period in 2015 due to a continued focus on strategic cost reduction. US\$15.6 million reduction in administration expenses also achieved; and
- (iv) positive net cash generated from operating activities of US\$57.7 million.

Mineral Resources and Ore Reserves (as at 30 June 2016)

The Company released its Mineral Resources and Ore Reserves Statement as at 30 June 2016 on 18 October 2016 (which is available at <http://www.hkexnews.hk>).

Key points include:

- (i) the Group's Mineral Resources (contained metal) has increased for molybdenum (4%), remains unchanged for gold and nickel, and decreased for copper (1%), zinc (2%), lead (6%) and silver (5%);
- (ii) the Group's Ore Reserves (contained metal) has increased for copper (6%), silver (2%) and molybdenum (7%) and decreased for zinc (10%), lead (11%) and gold (5%); and

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- (iii) Mineral Resources and Ore Reserve Tonnes at Las Bambas increased by 117Mt and 7Mt respectively.

Further information relating to the Group's Mineral Resources and Ore Reserves, including all relevant assumptions and estimates, as extracted from the executive summary of the Mineral Resources and Ore Reserves Statement as at 30 June 2016 annexed to the announcement of the Company published on 18 October 2016 on HKEx, is set out on pages V-1 to V-12 of Appendix V to this Prospectus.

Market Outlook

The Company is primarily exposed to copper and zinc, representing (61%) and (18%) of 1H 2016 revenue respectively. As investor sentiment has improved in the commodity markets in 2016, we have seen industrial metals make strong price gains year to date. Zinc continues to be one of the best performers on the London Metals Exchange, with the price increasing 54% year to date (as of 11 November 2016). Similarly, the copper market has also shown strong price appreciation recently and has gained 18% year to date (as of 11 November 2016).

Despite recent market volatility, the Company takes a long-term view of the commodity markets and has used the down cycle to strategically invest and continue to grow its business. The Company believes that the long-term fundamentals of both its core commodities, copper and zinc, remain intact. In particular, the Company believes that increasing supply-side constraints will converge with ongoing consumption demand.

Global demand for both copper and zinc is underpinned by continuing urbanisation and industrialisation in China. However, copper has a number of long-term supply constraints, including: ore grade decline, the availability of power and water, limited project finance to support greenfield projects and ongoing capital and operating cost inflation and the time it takes to develop new projects. Similar to copper, zinc has a number of long-term supply constraints, including: several major recent mine closures (including the Company's Century mine), relatively few recent high grade zinc discoveries, and greater environmental standards being placed on Chinese mine and smelter operations.

7. TAXATION

Qualifying Shareholders are advised to consult their professional advisers if they are in any doubt as to the taxation implications of holding or disposal of, or dealing in the Rights Shares and, as regards the Non-Qualifying Shareholders (if any), their receipt of the net proceeds of sale of the Nil Paid Rights otherwise falling to be issued to them under the Rights Issue. It is emphasised that none of the Company, its Directors, the Underwriter or any other parties involved in the Rights Issue accept responsibility for any tax effects or liability of holders of the Rights Shares resulting from the purchase, holding or disposal of, or dealing in the Rights Shares.

8. SHAREHOLDERS' APPROVAL NOT REQUIRED

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

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9. GENERAL

If you have any questions in relation to the PAL and the EAF, please telephone the Shareholder hotline on (852) 2862 8555 during business hours from 9:00 a.m. to 6:00 p.m. (HKT), Monday to Friday (other than Hong Kong public holidays). If you are a CDI Holder, please telephone the CDI Registrar in Australia on 1300 137 328 from 8:30 a.m. to 5:30 p.m. (AEDT), Monday to Friday (other than Australian public holidays).

10. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in Appendices I to V to this Prospectus.

Yours faithfully,
For and on behalf of the Board of
MMG Limited
Andrew Gordon Michelmore
CEO and Executive Director

Potential investors should consider carefully all the information set out in this Prospectus and, in particular, should consider the following risks and special considerations associated with an investment in the Company or the Group before making any investment decision in relation to the Rights Issue, the Company or the Group. The occurrence of any of the following risks could have a material adverse effect on the business, results of operation, financial condition and future prospects of the Group. This Prospectus contains certain forward-looking statements regarding the Directors' or the Group's plans, objectives, expectations and intentions that involve risks and uncertainties. The Group's actual results could differ materially from those described in this Prospectus. Factors that could cause or contribute to such differences include those described below as well as those described elsewhere in this Prospectus.

1. RISKS FACTORS RELATING TO THE BUSINESS OF THE GROUP

Risks relating to economic and market conditions

The operating and financial performance of the Group is influenced by a variety of general business cycles and economic conditions. Changes in business and economic factors, such as interest rates, exchange rates, inflation, national demographics, government fiscal and monetary policies, and accounting and financial reporting standards, can be expected to have an impact on business. Any future economic downturn that reduces the demand and/or prices for the commodities mined by the Group could materially and adversely affect the Group's business and results of operations and may result in impairment of the Group's assets.

Risks relating to commodity prices

The prices of copper, zinc, lead, gold, silver and molybdenum are affected by numerous factors and events that are beyond the control of the Group. These metal prices change on a daily basis and can vary significantly up and down over time. The factors impacting metal prices include both broader macro-economic developments and micro-economic considerations relating more specifically to the particular metal concerned. Examples of macro-economic factors that can impact metal prices include global economic activity and growth and related future expectations (most notably, of the PRC), changes in currency exchange rates, interest rates, inflationary expectations, the performance of investment markets such as equities and political developments including military and terrorist activity. Micro-economic factors that can impact the price of a specific metal include the current and expected supply and demand for the metal, production disruptions due to factors such as equipment failure, industrial activity and weather, changes to cost structures and forward selling activity. A change in commodity prices could result in the Group reporting a financial loss, and/or an impairment of the Group's assets.

The Group has no commodity price hedging in place at present, however, this position will remain subject to ongoing review in respect of the Group. As disclosed in the Annual Report, from 2016, the impact of commodity price changes will be significantly different with the closure of Century mine and the commencement of production at Las Bambas.

Risks relating to borrowings, financial covenants and cash flow liquidity

Management utilises short and long-term cash flow forecasts and other consolidated information to ensure that appropriate liquidity buffers are maintained to support the Group's activities.

As a percentage of total bank borrowings, the Group's current bank borrowings represented 19% for the year ended 31 December 2013, 2% for the year ended 31 December 2014, 3% for the year ended 31 December 2015 and 10% for the six months ended 30 June 2016, respectively. The Group's ability to make scheduled payments and not breach its financial covenants will depend heavily upon operating performance and cash flow, which in turn will depend upon prevailing economic and political conditions as well as its relationships with external financiers and its major Shareholder and other factors, many of which are beyond the Group's control. 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. While the Company has obtained certain waivers for breach of certain financial covenants as at 30 June 2016, and for compliance with financial covenants as at 31 December 2016, failure to obtain waivers for further potential breaches that may arise in the future and failure to manage financing risks could have a material impact on the Group's cash flows, earnings and financial position as well as reducing the funds available to the Group for working capital, capital expenditure, dividends and other general corporate purposes.

Risks relating to interaction with local communities and potential disputes

Issues with local communities may materially and adversely affect the Group's operations. Issues with the local communities surrounding the areas where the Group operates may arise from the implementation of the Group's business activities, including disputes related to settlement relocation and transportation. These issues may result in community protests, road blockades and third party claims. The failure to successfully settle any local community issues could have a material and adverse effect upon the Group's business, prospects, financial condition and results of operations.

Risks relating to the requirement for significant project and operational capital investment

Mining construction projects and operations require significant and continuous capital investment. The completion of base metals production projects may be delayed or may not be completed as planned, may exceed the original capital expenditure estimate and may not achieve the intended economic results or commercial viability. Thus, the actual capital investment for operation and development of the Group may significantly exceed the anticipated capital expenditure because of factors beyond the Group's control.

Risk related to impairment assessments and the recoverable values of Kinsevere, Golden Grove and Sepon mines

The Company conducts impairment assessments on the non-current assets of the Company annually and make provisions for impairment losses accordingly. 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 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. Many of these assumptions are beyond the Company's control, and as a result the Company cannot assure you that the Company's assessment of and expectations for these assumptions will be accurate. In addition, any adverse movement in the factors described above may result in a non-cash impairment when impairment testing is completed for the 31 December 2016 year end. Any such impairment could have a negative impact on the Company's financial results, the Company's financial ratios and could limit the Company's ability to obtain financing in the future.

Risks relating to potential future acquisitions

As part of its growth plans, the Group may seek to increase its mining inventory, Mineral Resources and/or Ore Reserves through selected acquisitions of companies or mining assets with existing exploration rights and additional mining assets. The Group does not, however, have any specific plans, and there is no assurance that it will be able to identify suitable companies or mining assets for acquisition. The Group may not be in a position to finance an acquisition, it may encounter intense competition during the bid process or fail to identify appropriate acquisition targets. In addition, any such acquisition may be subject to obtaining government or regulatory approvals and/or permits, and there can be no assurance that any such approvals or permits will be obtained in a timely manner or at all. If the Group does make future acquisitions, there can be no assurance that it will be able to obtain the necessary approvals and/or permits required to undertake the development of the Mineral Resources and/or Ore Reserves comprised in any such acquired mining assets. Accordingly, the Group's plans and objectives may change from those described in this Prospectus.

Risks relating to future development plans

Whether the Group ultimately implements the development plans of the Group, as described in this Prospectus, and whether such plans achieve the objectives described in respect of such plans, will depend on a number of factors including, but not limited to: (i) the availability and cost of capital; (ii) current and projected prices of metals; (iii) metal markets; (iv) costs and availability of construction and drilling services, costs and availability of heavy equipment, supplies and personnel; (v) success or failure of activities in similar areas to those in which its projects are situated; and (vi) changes in estimates of project completion costs. The Group will continue to gather information about its projects, and it is possible that additional information will cause the Group to alter its schedule or determine that a project should not be pursued at all. Accordingly, the Group's plans and objectives may change from those described in this Prospectus.

Risks relating to foreign operations and sovereignty

The Group conducts all of its operations outside of Hong Kong and, as such, it is exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties vary from country to country. Material risks include, but are not limited to, regime or policy change,

fluctuation in currency exchange rates; changes to licensing regimes and amendments to concessions, licences, permits and contracts, and changing political conditions and governmental regulations. Changes in any mining or investment policies or shifts in political attitudes in the jurisdictions in which the Group operates may adversely affect the Group's operations and profitability.

Some of the countries in which the Group operates carry higher levels of sovereign risk. Political and administrative changes and reforms in law, regulations or taxation may impact sovereign risk. Political and administrative systems can be slow or uncertain and may result in risks to the Group including the ability to obtain tax refunds in a timely manner. The Group has processes in place to monitor any impact on the Group and implement responses to such changes.

Risks relating to stability agreements and changes in tax law

The Group currently enjoys a number of benefits under several stability agreements between the Group and the governments of Peru and Laos. These are long-term agreements which are subject to renewal and confirmation at prescribed intervals by government authorities. The loss of the benefits granted under the stability agreements may have an adverse impact on the business and results of operations of the Group as the Group will become subject to changes in tax law (and other laws) which it is currently protected from. Any failure to renew or maintain these agreements or any change in the criteria adopted for determining eligibility for these treatments may impose additional burdens and costs on the Group. Any change in government tax regulations or policies in all countries where the Group operates in a manner that is unfavourable to the Group may materially and adversely affect its profitability.

Risks relating to interest rate movements

The Group is exposed to interest rate risk primarily through interest bearing borrowings and investment of surplus cash holdings. Deposits and borrowings at variable rates expose the Group to cash flow interest rate risk. Deposits and borrowings at fixed rates expose the Group to fair value interest rate risk. The Group regularly monitors its interest rate risk to ensure that there are no undue exposures to significant interest rate movements. Any decision to hedge interest rate risk is assessed periodically in light of the Group's overall exposure, the prevailing interest rate market and any funding counterparty requirements.

The Group does not currently use any derivative financial instruments to manage the interest rate risk, however it is currently taking steps that may, within the next 12 months, result in the execution of an interest rate swap with respect to a portion of its floating interest rate exposure, for a period of 3 to 5 years. This position may change and is subject to ongoing review.

Risks relating to foreign currency exchange rate fluctuations

The Group operates internationally and is exposed to foreign currency exchange risk. The Group's reporting currency and the functional currency of the majority of subsidiaries within the Group is U.S. dollars and the majority of Group revenue is generated in U.S. dollars. The Group's foreign currency exchange risk arises predominantly from the currency of the countries in which the Group's operations are located. A significant portion of the Group's operating costs are denominated in Australian dollars and Peruvian soles. Hence, the cost competitiveness, profitability and financial

position of the Group will be affected by appreciation of the Australian dollar and the Peruvian sol against the U.S. dollar without the offsetting improvements in U.S. dollar-denominated commodity prices. Further, mineral resource prices have historically fluctuated widely and have been affected by numerous factors over which the Group does not have any control, including, but not limited to, currency exchange fluctuations. The effect of currency exchange fluctuations is impossible to predict with any degree of certainty and this may materially and adversely affect the Group's operations and financial performance. The Group tries to minimise its foreign exchange risk exposures through natural hedges wherever possible. For Instance, external debt and surplus cash are, to the extent possible, denominated in U.S. dollars. A portion of cash may be held in Peruvian soles, or other relevant currencies to meet operating costs. As disclosed in the Annual Report, any decision to hedge foreign currency risk is assessed periodically in light of the Group's exposure, the prevailing foreign currency market and any funding counterparty requirements. Consistent with this approach and in accordance with a Board approved strategy, during the second half of 2016, the Group entered into a series of forward exchange and options contracts with respect to part of the Australian dollar denominated construction costs associated with the Dugald River project.

Risks relating to the estimates of the Mineral Resources and Ore Reserves

The Mineral Resource and Ore Reserve estimates of the Group and the competent person's report comply with the JORC Code, but no assurance can be given that an identified Mineral Resource will continue to contain reasonable prospects for eventual economic extraction or that the particular level of metal recovery from the Ore Reserves will be realised.

The estimation of Mineral Resources involves interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results. The process of producing annual estimates takes some time to complete. Therefore, Mineral Resource estimations are not timely or precise calculations and are only referred to as estimations. The estimation of Ore Reserves involves interpretation of limited information to determine the economic portion of the Mineral Resource.

There can be differences between a Mineral Resource estimate or an Ore Reserve estimate and the actual extraction performance of the deposits encountered, leading to material changes in economic viability from estimates. The exploration of mineral tenements can be speculative in nature and is frequently unsuccessful. Mineral tenements are sometimes unable to be accessed when required due to ongoing occupation by third parties and delays in, or the inability to, negotiate or secure access arrangements and therefore exploration or exploitation of Mineral Resources or Ore Reserves may be delayed or restricted.

Estimated Mineral Resources and Ore Reserves may have to be re-estimated based on changes in metals prices, further exploration or development activity or actual production experience. This could have a material adverse effect on estimates of the volume or grade of mineralisation, estimated recovery rates or other important factors that influence Mineral Resource or Ore Reserve estimates. Market price fluctuations for metals, increased production costs, reduced recovery rates or other factors may render the present proved Ore Reserves and probable Ore Reserves of the Group uneconomical or unprofitable to develop, hence removing their JORC classification as Ore

Reserves. The reserve estimates are key assumptions that are input into the Group's discounted cash flow models which are used to perform financial planning and forms a base of the value of each asset when considering impairment. Material negative deviations from planned assumptions may result in an impairment of the Group's assets.

Risks relating to inclement weather and natural disasters

The operations of the Group are at risk from inclement weather, earthquakes, floods, droughts and other natural disasters in the regions where it operates. Inclement weather and natural disasters may affect the supply of fresh water required for mining operations, cause evacuation of personnel, curtailment of operations and damage to mineral properties, transportation routes and loading facilities. This could in turn result in temporary suspension of the operations, a general reduction in productivity or an increase in the budget for the projects. There is no assurance that inclement weather and natural disasters will not cause significant losses to the Group in the future. Any damage to the Group's projects or delays to its operations by prolonged periods of inclement weather or any kind of natural disaster could materially affect its business and results of its operations.

Risks relating to competition

The markets for the commodities mined or contemplated to be mined by the Group, including copper, zinc, lead and molybdenum are intensely competitive and the Group faces competition from other miners. Competition in these markets is based on many factors, including, among others, price, production, capacity, quality, transportation capabilities and costs, blending capability and brand name. Some of the Group's competitors may have greater production capacity as well as greater financial, marketing, distribution and other resources, and may benefit from more established brand names in the international market.

The mineral commodities industry is also characterised by technological advancements and the introduction of new production process using new technologies. Some of the Group's competitors may develop new technologies and processing methods that are more effective or less costly than those currently used by the Group.

Competitive activities in the markets served by the Group could have a significant impact on the prices realised for its products and can therefore have a material adverse effect on its results of operations and financial condition. The Group's future success will depend on its ability to respond in an effective and timely manner to competitive pressure.

Risks relating to credit

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to counterparty credit risk through sales of metal products on normal terms of trade, through deposits of cash and settlement risk on foreign exchange transactions. The credit risk on investments in cash, short-term deposits and similar assets is with approved counterparty banks and the intermediate holding company of the Company. Counterparties are assessed prior to, during and after the conclusion of transactions to ensure exposure to credit risk is limited to acceptable levels. The limits are set to minimise the concentration of risks and therefore mitigate the potential for financial loss through counterparty failure.

Risks relating to suppliers

The Group has exposure to movements in prices charged by external suppliers, including those that provide inputs to production such as electricity and other energy providers, explosives suppliers, sea freight and transport service providers. A significant increase in one or more of these cost items for a sustained period could have an adverse impact on the financial performance of the Group, especially in circumstances where alternative suppliers are not available. In addition, unforeseen adverse changes in quality or reductions in the quantity of supplies provided may also have an adverse impact on operations.

If the suppliers to the Group's sites cannot provide the service to the required standard for a sustained period, this may adversely affect the Group's production and financial performance, to the extent that the Group is unable to perform the services itself, or does not have sufficient product reserves or access to alternative providers.

Risks relating to a concentrated shareholder base

CMC held indirectly approximately 73.69% of the total number of Shares on issue as at the Latest Practicable Date. As the Company's largest Shareholder, CMC is able to influence the Company's major policy decisions through its voting rights, including the Company's overall strategic and investment decisions, dividend plans, issuances of securities and adjustments to the Company's capital structure and other actions that require the approval of Shareholders. As a result, CMC is able to exert significant influence over the Company's actions and may have the ability to require the Company to effect corporate transitions irrespective of the desires of other Shareholders. The interests of CMC may not coincide with those of the other Shareholders. If the interests of CMC conflict with the interests of other Shareholders, or if CMC chooses to cause the Group's business to pursue strategic objectives that conflict with the interests of other Shareholders, those Shareholders could be disadvantaged by the actions that CMC chooses to pursue. Due to the concentrated Shareholder base, the Company has lower share market trading liquidity, and daily trading in Shares may not be readily available to other Shareholders.

Risks relating to limited insurance coverage

The Group currently maintains insurance to protect itself against certain risks and in such amounts as it considers appropriate. Its insurance, however, does not cover all potential risks associated with a mining company's operations. The Group is therefore not fully insured against all risks to which it is subject in development projects and ongoing operations. Exploration, development and production operations on mineral properties involve numerous risks and hazards, including rock bursts, slides, earthquakes or other adverse environmental occurrence, industrial accidents, labour disputes, political and social instability, technical difficulties due to unusual or unexpected geological formation, failure of pit walls, and flooding and periodic interruptions due to inclement or hazardous weather conditions. These risks can result in, among others, damage to and destruction of mineral properties or production facilities, personal injuries, environmental damages, delays in mining, monetary losses and legal liability.

Should any liabilities arise for which the Group is not insured or for which insurance coverage is inadequate to cover the entire liability, the Group may have to pay out of its funds for such liabilities, which could result in a reduction or elimination of its actual or prospective profitability, increasing costs and a decline in the value of the Shares, and could materially and adversely affect the Group's business and results of operations.

The Group does not have political risk insurance for any country in which it currently operates.

Risks relating to disputes and litigation

As with any company, the Group is and will be exposed to risks of disputes and litigation. To the extent such risks are not covered by insurance, an adverse outcome in litigation or the cost of responding to potential or actual litigation may have a material adverse impact on financial performance or, the operations of the Group. This risk is heightened for the Group in particular foreign jurisdictions in which it operates which are highly litigious and have unstable or uncertain legal frameworks.

Risks relating to the ability to attract, retain and train key personnel

The future performance of the Group depends, to a significant extent, upon its ability to attract, retain and motivate key qualified personnel, key senior management and other employees in the business. There is no assurance that these key qualified personnel will continue to provide services to the Group or will honour the agreed terms and conditions of their employment or service contracts. Any loss of key qualified personnel or failure to recruit and retain personnel may have a material adverse effect on the Group's mining business, financial condition, results of operations and future prospects.

In addition, the Group's ability to train operating and maintenance personnel is a key factor for the success of its mining business activities. If the Group is not successful in recruiting, training and retaining such personnel, its business and results of operations could be materially and adversely affected.

Risks relating to not being able to detect and prevent fraud or other misconduct

The Group may not be able to detect and prevent fraud or other misconduct committed by their respective employees, representatives, agents, customers or other third parties. Consequently, the Group may be exposed to fraud or other misconduct committed by its employees, representatives, agents, customers or other third parties that could subject it to litigation, financial losses and sanctions imposed by governmental authorities, as well as affect its reputation.

2. RISKS FACTORS RELATING TO THE MINING INDUSTRY

Risks relating to mining development and operation

Mining operations generally involve a high degree of risk. Mining operations by nature involve significant risks and hazards, including the potential for harm (e.g. injury or fatality/ies), environmental pollution, accidents or spills, industrial and transportation accidents, unexpected

labour shortages and compensatory claims, disputes with employees or local community members, strikes, blockades and protests at or in the area of its sites, cost increases for contracted and/or purchased goods and services, shortages of required materials and supplies, infrastructure disruptions such as to water supply, electrical power or logistical or access interruptions, mechanical and electrical equipment failures, changes in the regulatory environment, natural phenomena such as inclement weather conditions, floods, droughts and earthquakes, encountering unusual or unexpected climatic conditions which may or may not result from global warming, and encountering unusual or unexpected geological conditions or unforeseen technical issues associated with development or construction works. The occurrence of any of these hazards can delay or interrupt production leading to a reduction in sales, increased production costs, breach of licenses and permits or, adverse impacts on the community, which may impact the continuing operations of the Group and result in the Group being liable. The Group could become subject to liability for pollution, community unrest or other hazards against which it has no insurance coverage or cannot obtain insurance coverage, including those in respect of past activities for which it was not responsible.

Risks relating to mining exploration

Exploration drilling to establish Mineral Resources is inherently speculative. The techniques presently available to technical specialists to identify the existence and location of Mineral Resources are indirect and subject to a wide variety of variables that are subjective in nature. The exploration projects undertaken by the Group involve many risks. Success in exploration is dependent upon a number of factors, including, but not limited to, quality of management, quality and availability of geological expertise and availability of exploration capital. The Group cannot give any assurance that the future exploration efforts of the Group will result in the discovery of a Mineral Resource or Ore Reserve, or that any current and future exploration programmes will result in the expansion or replacement of current production with new Mineral Resources and Ore Reserves. The Group cannot give assurance that its exploration programmes will be able to extend the life of its existing mines or result in the discovery of new producing mines.

Mining operations have a limited life and the Group is responsible for the eventual closure and rehabilitation of its mines

The Group's mining operations have a limited life. The key costs and risks for mine closures are (i) long-term management of permanent engineered structures; (ii) achievement of environmental closure standards (such as rehabilitation requirements); (iii) orderly retrenchment of employees and third-party contractors; and (iv) relinquishment of the sites with associated permanent structures and community development infrastructure and programs to new owners.

The Group may experience difficulties associated with the closure of any of its mines, the consequences of which include increased closure costs, handover delays and conflicts with local communities in relation to ongoing monitoring and environmental rehabilitation costs that may damage the Group's reputation if desired outcomes cannot be achieved. In the event of a difficult closure, the Group's business, financial condition and results of operations could be materially and adversely affected.

Risks relating to the environment, health and safety

The Group's mining and development operations are subject to the environmental risks inherent in the exploration and production industry and the environmental laws and regulations in connection with all of its operations.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events such as unpredictable rainfall or bushfires may have an impact on the Group's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Group for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.

Environmental regulations and health guideline standards for certain products and by-products produced by the Group are generally becoming more onerous and will likely require stricter standards and enforcement and more stringent environmental assessments of proposed projects, involve increased fines and penalties for non-compliance, and impose a heightened degree of responsibility for mining companies and officers. Any future changes in the environmental regulations, could significantly increase the operating costs of the Group and materially and adversely affect its financial condition, business and results of operations.

Further, the Group may require approval from the relevant authorities before it can undertake activities that are likely to have an impact on the environment. Failure to obtain such approvals or such approval only being available on uneconomic terms will prevent the Group from undertaking its desired activities. The Group is unable to predict the effect of additional environmental laws and regulations that may be adopted in the future, including whether any such laws or regulations would materially increase the cost of carrying on business by the Group or affect the Group's operations in any aspect. The Group is also unable to predict whether its activities will disturb or uncover new species of flora or fauna that may become subject to environmental laws and regulations.

Risks relating to government policies and regulations

Mining operations are subject to various applicable laws and regulations and require compliance with extensive governmental approvals, licences, regulations, policies and controls. There can be no assurance that the relevant government will not change such laws and regulations or impose additional or more stringent laws or regulations. Failure to comply with certain relevant laws and regulations and failure to or delay in obtaining certain approvals or licences for the Group's business may prevent the Group from completing its exploration and development work programs or beginning commercial production of the commodities, which may adversely affect the Group. In addition, there can be no certainty that any approvals or licences, once granted, will not be withdrawn or that they will be renewed. Certain changes to government policies may materially increase the operating costs and adversely affect the operating results of the Group.

Risks relating to mining investments in a new business and country risks

There are risks beyond the control of the Group associated with investing in mineral exploration, mine development and mining in developing and other foreign jurisdictions. These risks include, but are not limited to: health and safety issues; unexploded ordnance; civil instability; terrorism; religious, ethnic or tribal issues; social unrest; standard of living and wealth distribution; crime; business and regulatory environment and changes to that environment; political instability; government policy changes; expropriation of assets; ability to repatriate funds; corruption; quality and comprehensiveness of the legal regimes in relation to mining or generally; the effectiveness of the legal system or judiciary; the rights of indigenous people; actions of non-government organisations; adverse changes in attitude by host governments or host communities; transportation and infrastructure failure (e.g., road, transmission lines and air services) and associated safety and production impact; energy supply and availability; increased negative social issues in the local area; and tension regarding the government's and host communities' revenue share.

1. FINANCIAL RESULTS

Financial information of the Group for each of the three years ended 31 December 2015 and for the six months to 30 June 2016 are disclosed in the following documents which have been published on the Company's website at <http://www.mmg.com/en/Investors-and-Media/Reports-and-Presentations/Annual-Reports.aspx> and on HKEx's website at www.hkexnews.hk.

- (a) interim report of the Company for the six months ended 30 June 2016 (pages 28 – 52);
- (b) annual report of the Company for the year ended 31 December 2013 (pages 100 - 162);
- (c) annual report of the Company for the year ended 31 December 2014 (pages 80 - 165); and
- (d) the Annual Report (pages 67 -131).

In addition, please refer to:

- (a) the statement of Mineral Resources and Ore Reserves of the Company as at 30 June 2016 released on 18 October 2016; and
- (b) the Q3 2016 production report of the Company released on 20 October 2016.

2. INDEBTEDNESS

At the close of business on 30 September 2016, being the latest practicable date for the purpose of this indebtedness statement, the Group had outstanding borrowings of approximately US\$10,431.7 million (equivalent to approximately HK\$81,367.26 million), which comprised (i) unsecured and guaranteed bank borrowings of approximately US\$400.0 million (equivalent to approximately HK\$3,120.0 million); (ii) unguaranteed bank borrowings of approximately US\$525.7 million (equivalent to approximately HK\$4,100.5 million) which were secured by first-ranking equitable mortgages and share charges over the share capital of certain subsidiaries of the Company; (iii) guaranteed bank borrowings of approximately US\$7,244.7 million (equivalent to approximately HK\$56,508.7 million) which were secured by first-ranking equitable mortgages and share charges over the share capital of certain subsidiaries of the Company and other securities over the assets of certain subsidiaries of the Company; and (iv) unsecured and guaranteed borrowings from a related party of approximately US\$2,261.3 million (equivalent to approximately HK\$17,638.1 million).

In addition, at the close of business on 30 September 2016, the Group had on issue unguaranteed convertible redeemable preference shares of US\$338.0 million (equivalent to approximately HK\$2,636.4 million) issued by a subsidiary.

As at the close of business on 30 September 2016, the Group had bank guarantees on issue to the value of approximately US\$406.5 million (equivalent to approximately HK\$3,170.7 million). These bank guarantees have been largely issued out of two separate bank guarantee facilities, to support the operations of certain subsidiaries of the Group. One of these facilities is secured by a

second-ranking equitable mortgage and a share charge over the share capital of certain subsidiaries of the Company, and another is secured by first-ranking equitable mortgages and share charges over the share capital of certain subsidiaries of the Company and other securities over the assets of certain subsidiaries of the Company as well as a corporate guarantee.

Save as aforesaid or otherwise disclosed herein, and apart from the intra-group liabilities and normal trade payables, the Group did not have any outstanding loan capital issued or agreed to be issued, bank overdrafts, loans, debt securities, borrowing or other similar indebtedness, finance leases or hire purchase commitments, liabilities under acceptances or acceptance credits, debentures, mortgages, charges or guarantees or other material contingent liabilities as at the close of business on 30 September 2016.

3. WORKING CAPITAL

The Directors, after due and careful consideration, are of the opinion that based on the expected operating cash flows, expected proceeds from the Rights Issue, internal resources of the Group and alternative funding options, the working capital available to the Group is sufficient for the Group's requirements for at least 12 months from the date of this Prospectus.

The alternative funding options available to the Group include but are not limited to:

- refinancing current debt facilities – the group has commenced discussions with its existing lenders with the objective of refinancing part of the US\$788 million of debt which falls due under facilities that mature in 2017;
- execution of debt capital market transactions with a view to diversifying the Company's debt portfolio;
- sale of assets - the Group has formally commenced asset sale processes for Golden Grove and Century; and/or
- ongoing portfolio review – if required, the Group may consider sales of other assets in 2017.

The Group may not need to pursue all options listed above to meet its working capital requirements, however, in the event that they do prove insufficient, the Group has the support of CMC. In this circumstance, the support may be in the form of providing additional debt facilities, deferral of debt service and repayment obligations in relation to existing loans from CMC or further equity or convertible equity contributions.

**APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION
IN RESPECT OF THE RIGHTS ISSUE**

For illustrative purposes, the financial information prepared in accordance with paragraph 4.29 of the Listing Rules is set out here to provide prospective investors with further information about how the financial information of the Group might be affected by completion of the Rights Issue as if the Rights Issue had been completed on 30 June 2016. The statement has been prepared for illustrative purposes only and because of its nature, it may not give a true picture of the Group's financial condition on the completion of the Rights Issue.

(A) UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company (the "Unaudited Pro Forma Financial Information") has been prepared by the Directors in accordance with paragraph 4.29 of the Listing Rules to illustrate the effect of the Rights Issue on the consolidated net tangible assets of the Group attributable to owners of the Company as if the Rights Issue had been completed on 30 June 2016 and taking into account of certain assumptions.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purpose only and, because of its hypothetical nature, it may not reflect a true picture of the consolidated net tangible assets of the Group attributable to owners of the Company upon completion of the Rights Issue as at 30 June 2016 or at any future date.

The Unaudited Pro Forma Financial Information is prepared based on the consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2016, as extracted from the published interim report of the Company for the six months ended 30 June 2016, and is adjusted for the effect of the Rights Issue described below.

	Unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2016	Estimated net proceeds from the Rights Issue	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2016 immediately after the completion of the Rights Issue
	<i>US\$ million (Note1)</i>	<i>US\$ million (Note2)</i>	<i>US\$ million</i>
Based on Rights Shares (2,645,034,944 Shares) to be issued 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	154.9	501.2	656.1

**APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION
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US cents

Unaudited consolidated net tangible assets of the Group per Share attributable to the owners of the Company as at 30 June 2016 before the completion of the Rights Issue (Note 3)	2.93
Unaudited pro forma adjusted consolidated net tangible assets of the Group per Share attributable to the owners of the Company immediately after completion of the Rights Issue (Note 4)	8.27

Notes:

- (1) The consolidated net tangible assets of the Group attributable to owners of the Company of US\$154.9 million (equivalent to approximately HK\$1,208.2 million) as at 30 June 2016 is calculated based on the consolidated net assets attributable to the owners of the Company of approximately US\$577.4 million (equivalent to approximately HK\$4,503.7 million) as at 30 June 2016 (as extracted from the published interim report of the Group for the six months ended 30 June 2016) after deducting intangible assets of the Group attributable to the owners of the Company of approximately US\$422.5 million (equivalent to approximately HK\$3,295.5 million).
- (2) The estimated net proceeds from the Rights Issue are based on number of Rights Shares of 2,645,034,944 to be issued 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) after deduction of the estimated related expenses, which are directly attributable to the Right Issue, of approximately US\$7.5 million (equivalent to approximately HK\$58.5 million). The net proceeds from full exercise of the Remaining Share Options and Performance Awards have not been reflected in the net proceeds from the Rights Issue as set out in the above table.
- (3) The calculation of the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2016 per Share is determined based on the consolidated net tangible assets of the Group attributable to owners of the Company of US\$154.9 million (equivalent to approximately HK\$1,208.2 million) divided by the number of Shares in issue of 5,290,069,889 as at 30 June 2016.
- (4) The unaudited pro forma adjusted consolidated net tangible assets of the Group per share attributable to the owners of the Company immediately after the completion of the Rights Issue is determined based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2016 immediately after the completion of the Rights Issue of approximately US\$656.1 million (equivalent to approximately HK\$5,117.6 million) divided by 7,935,104,833 Shares, which represents (i) 5,290,069,889 Shares in issue as at 30 June 2016, and (ii) 2,645,034,944 Rights Shares to be issued pursuant to the Right Issue, assuming the Share Options and the Performance Awards outstanding as at 30 June 2016 will not be exercised prior to the completion of the Right Issue.
- (5) No adjustments have been made to the Unaudited Pro Forma Financial Information to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2016.
- (6) The translation between US\$ and HK\$ has been made at the rate of US\$1 to HK\$7.8. No representation is made that the HK\$ amounts have been, could have been or could be converted to US\$, or vice versa, at that rate or at any other rates or at all.

**APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION
IN RESPECT OF THE RIGHTS ISSUE**

**(B) REPORT FROM THE REPORTING ACCOUNTANT ON THE UNAUDITED PRO FORMA
FINANCIAL INFORMATION OF THE GROUP**

The following is the text of a report received from the reporting accountant, Deloitte, Certified Public Accountants, Hong Kong, prepared for the purpose of incorporation in this Prospectus, in respect of the unaudited pro forma financial information of the Group.

Deloitte.

德勤

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF THE UNAUDITED PRO FORMA FINANCIAL INFORMATION**

TO THE DIRECTORS OF MMG LIMITED

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of MMG Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2016 and related notes as set out in part A of Appendix III to the prospectus issued by the Company dated 23 November 2016 (the "Prospectus"). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages III-1 to III-2 of Appendix III to the Prospectus.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed rights issue on the basis of 1 rights share for every 2 shares held on the Record Date (as defined in the Prospectus) ("Rights Issue") on the Group's net tangible assets attributable to the owners of the Company as at 30 June 2016 as if the Rights Issue had taken place at 30 June 2016. As part of this process, information about the Group's net tangible assets has been extracted by the Directors from the Group's unaudited condensed consolidated interim financial statements for the six months ended 30 June 2016, on which a review report has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

**APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION
IN RESPECT OF THE RIGHTS ISSUE**

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 “Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants’ Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 June 2016 would have been as presented.

**APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION
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A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

23 November 2016

1. RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regards to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Prospectus misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' and CEO's interests in the Company or its associated corporations

As at the Latest Practicable Date, the interests of the Directors, the CEO of the Company and their associates in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and HKEx pursuant to Divisions 7 and 8 of Part XV of the SFO or required to be recorded pursuant to section 352 of the SFO or required to be notified to the Company and HKEx pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in the Listing Rules were as follows:

Name of Director	Nature of interest	Number of Shares held	Number of underlying Shares held		Approximate percentage of total number of issued Shares as at the Latest Practicable Date (%) ³
			Share Options ¹	Performance Awards ²	
Andrew MICHELMORE	Personal	1,463,000	18,767,738	15,100,000	0.67
XU Jiqing	Personal	—	—	1,800,000	0.03

Notes:

1. The Directors' interests in the underlying Shares are through Share Options, details of which are set out under the section headed '2013 Share Option Scheme' on page 46 of the Annual Report.
2. The Directors' interests in the underlying Shares are through Performance Awards, details of which are set out under the section headed '2015 Performance Awards' on page 48 of the Annual Report.
3. The calculation is based on the number of Shares and/or underlying Shares as a percentage of the total number of issued Shares (that is, 5,290,069,889 Shares) as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or CEO of the Company had an interest or short position in any Shares, underlying Shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which was required to be (i) notified to the Company and HKEx pursuant to Divisions 7 and 8 of Part XV of the

SFO (including interests and short positions which he or she was taken or deemed to have under such provisions of the SFO); (ii) pursuant to section 352 of the SFO, entered in the register referred to therein; or (iii) notified to the Company and HKEx pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in the Listing Rules.

(b) Substantial shareholders and other persons' interests in Shares and underlying Shares

As at the Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of the SFO, and so far as is known to the Directors or senior executives of the Company, the following persons (other than a Director or the CEO of the Company) had, or were deemed or taken to have, interests in the Shares which would fall to be disclosed to the Company and HKEx under the provisions of Divisions 2 and 3 of Part XV of the SFO and the amount of each of such person's interests in such Shares, are as follows:

Name	Capacity	Number of Shares held	Approximate percentage of total number of issued Shares as at the Latest Practicable Date (%) ¹
CMC	Interest of controlled corporations ^{2,3,4}	3,898,110,916	73.69
CMCL	Interest of controlled corporations ^{2,3,4}	3,898,110,916	73.69
CMNH	Interest of controlled corporations ^{2,3,4}	3,898,110,916	73.69
CMN	Interest of controlled corporations ^{2,3,4}	3,898,110,916	73.69
Album Enterprises	Beneficial owner ^{2,4}	2,276,800,860	43.04
Top Create	Beneficial owner ^{3,4}	1,621,310,056	30.65
Minmetals HK	Beneficial owner ⁴	3,898,110,916	73.69

Notes:

- The calculation is based on the number of Shares that each person is interested in (whether directly/indirectly interested or deemed to be interested) as a percentage of the total number of issued Shares (that is, 5,290,069,889 Shares) as at the Latest Practicable Date.
- Album Enterprises is a wholly owned subsidiary of CMN, which in turn is owned as to approximately 99.999% by CMNH and approximately 0.001% by CMCL. CMNH is a wholly owned subsidiary of CMCL. CMCL is owned as to approximately 87.5% by CMC and approximately 0.8% by China National Metal Products Co. Ltd., which in turn is a wholly owned subsidiary of CMC. Accordingly, CMN, CMNH, CMCL and CMC were by virtue of the SFO deemed to be interested in the 2,276,800,860 Shares held by Album Enterprises as at the Latest Practicable Date.
- Top Create is a wholly owned subsidiary of CMN. Accordingly, CMN, CMNH, CMCL and CMC were by virtue of the SFO deemed to be interested in the 1,621,310,056 Shares held by Top Create as at the Latest Practicable Date.

4. As disclosed in the Company's announcement dated 7 January 2016, a conditional sale and purchase agreement (the "**SP Agreement**") dated 31 December 2015 was entered into among Album Enterprises and Top Create as vendors and Minmetals HK as purchaser in relation to the share transfer under which each of Album Enterprises and Top Create has agreed to transfer all its Shares, that is, approximately 43.04% and 30.65% of the issued Shares, respectively, to Minmetals HK (the "**Share Transfer**"). The consideration for the Share Transfer will be settled by Minmetals HK issuing new shares to Album Enterprises and Top Create in proportion to their respective existing shareholdings in the Company. After the Share Transfer, Minmetals HK will hold in total approximately 73.69% of the Shares and be owned by Album Enterprises, Top Create and CMCL as to approximately 34.59%, 24.63% and 40.78%, respectively. The Share Transfer is subject to, among other conditions precedent, waiver by the SFC of the mandatory general offer obligation of Minmetals HK and persons acting in concert with it for the Shares as a result of the Share Transfer pursuant to Note 6 to Rule 26.1 of the Takeovers Code having been obtained. Such condition cannot be waived by the parties to the SP Agreement.

Save as disclosed above, so far as is known to the Directors or the senior executives of the Company, as at the Latest Practicable Date, no other person (other than the Director or the CEO of the Company as disclosed in the above) had or were deemed or were taken to have an interest or a short position in any Shares, underlying Shares or debentures of the Company or its associated corporations as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO, or was, directly or indirectly, interested in 10% or more of any class of the share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group or had any option in respect of such capital.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into any service agreement with any member of the Group, nor were there any service agreements proposed which would not expire or be determinable by the members of the Group within one year without payment of compensation (other than statutory compensation).

4. DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS

As at the Latest Practicable Date, there was no contract or arrangement subsisting in which any Director was materially interested and which was significant in relation to any business of the Group. As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been since 31 December 2015 (being the date to which the latest published audited financial statements of the Group were made up) acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

5. COMPETING INTERESTS

The interests of Directors in a business that competes or is likely to compete with the businesses of the Group, as defined in the Listing Rules, are as follows:

(1) Mr Jiao Jian, a Non-Executive Director and Chairman of the Company, is:

- a Vice-President of CMC;
- the Chairman and a director of CMN; and
- a director of HNG.

(2) Mr Gao Xiaoyu, a Non-Executive Director of the Company, is:

- a director and the President of CMN;
- a director of Top Create;
- the Chairman of Album Enterprises; and
- the Chairman of Copper Partners Investment.

(3) Mr Xu Jiqing, an Executive Director of the Company is:

- a director of CMN.

Although the Group and the above companies are involved in businesses in the same industry, they are separate companies operated by separate and independent management. The Company is therefore capable of carrying on its business independently of, and at arm's length from, the CMC Group, HNG and Copper Partners Investment.

Save as disclosed above and other than being appointed as directors to represent the interests of the Company and/or the Group, none of the Directors or their respective associates had an interest in any business which competed or was likely to compete, either directly or indirectly, with the businesses of the Group as at the Latest Practicable Date.

6. PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

Chairman

Mr Jiao Jian (Non-executive Director)

Mr Jiao, aged 48, was appointed as the Chairman of the Company in August 2014. He is the Chairman of the Company's Governance and Nomination Committee and Risk Management Committee and a member of the Company's Remuneration Committee.

Prior to his appointment as the Chairman, Mr Jiao served as a Non-Executive Director of the Company from December 2010. He has also served as a director of a subsidiary of the Company. Mr Jiao was appointed as a Vice-President of CMC in December 2015 and the Chairman of CMN in February 2016. He has been a director of CMN since December 2009. Mr Jiao has been a director of HNG since July 2010.

Mr Jiao holds a Bachelor's degree in International Economics from the Nankai University in the PRC and a Master of Business Administration degree from Saint Mary's University in Canada. He has extensive experience in international trade, investment and corporate management.

Mr Jiao joined the CMC Group in 1992. He was the Vice-President of CMN from 2007 to May 2010. Mr Jiao was the President of CMN from May 2010 to January 2016. He was a director and the President of CMNH from December 2009 to February and January 2016, respectively. Mr Jiao was the Chairman of China Minmetals Rare Earth Co., Ltd (a company listed on the Shenzhen Stock Exchange) and China Tungsten and Hightech Materials Co., Ltd. (a company listed on the Shenzhen Stock Exchange) from April 2010 to April 2014 and from April 2013 to March 2014 respectively. He was a director of Jiangxi Tungsten Industry Group Co., Ltd. (Jiangxi Tungsten) and China Minmetals Rare Earth Group Co. Ltd from November 2009 to August 2014 and from December 2011 to September 2016 respectively. Mr Jiao was also a Chairman of Album Enterprises and a director of Top Create from November 2011 to May 2016 and from February 2012 to May 2016 respectively. He resigned from being Chairman of Copper Partners Investment in July 2016.

Executive Directors

Mr Andrew Michelmores (CEO)

Mr Michelmores, aged 64, was appointed as CEO and an Executive Director of the Company in December 2010.

He is also a director of a number of subsidiaries of the Company. He was the managing director and CEO of Minerals and Metals Group from its formation in June 2009 until its acquisition by the Company in December 2010. Prior to joining Minerals and Metals Group, Mr Michelmores was the CEO of Zinifex Limited followed by OZ Minerals Limited. He was a director of Century Aluminum Company (a company listed on the NASDAQ and the Iceland Stock Exchange). Prior to his role as the CEO of Zinifex Limited, Mr Michelmores spent two years working in London and Russia as the CEO of En+ Group.

Mr Michelmore has more than 30 years' experience in the metals and mining industry including 12 years at WMC Resources Limited, where he was the CEO, and prior to that, he held senior roles in the company's nickel, gold, alumina, copper, uranium and fertiliser businesses.

He holds a First Class Honours degree in Engineering (Chemical) from the University of Melbourne and a Master of Arts in Politics, Philosophy and Economics from Oxford University. He is a fellow of the Institution of Chemical Engineers and the Australian Academy of Technological Sciences and Engineering.

Mr Michelmore is also Chairman of the International Council on Mining and Metals, Chairman of the Jean Hailes Foundation for Women's Health and Chairman of the Council of Ormond College at the University of Melbourne. He is also a member of the Business Council of Australia.

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.

Mr Xu Jiqing (Executive General Manager – China and Strategy)

Mr Xu, aged 48, was appointed as an Executive Director and Executive General Manager – Strategic Planning of the Company in May 2013. His role title changed to Executive General Manager – China and Group Strategy in August 2014. In July 2015, Mr Xu's role title changed to Executive General Manager – China and Strategy. Prior to that, he served as a Non-Executive Director of the Company from May 2009 until May 2013 and a member of the Company's Audit Committee from July 2009 until May 2013. Mr Xu is a director of a number of subsidiaries of the Company. He was also appointed as a director of CMN in February 2016.

Mr Xu holds a Bachelor's degree in Accounting from the University of International Business and Economics in the PRC, and a Master of Business Administration degree from Saint Mary's University in Canada. He is a qualified senior accountant in the PRC, a fellowship member of the Certified General Accountants Association of Canada and a chartered professional accountant member of the Chartered Professional Accountants of British Columbia, Canada. Mr Xu has extensive experience in accounting and corporate financial management.

Mr Xu joined the CMC Group in 1991. He was appointed as the Manager of Finance at Minmetals Development Co. Ltd. in 1997, and was promoted to Vice General Manager in 1999 and General Manager in 2000. Mr Xu was also the General Manager of Finance at China National Nonferrous Metals Industry Trading Group Corporation from July 2001 to April 2002, and the General Manager of Finance at CMN from April 2002 to December 2007. He was the CFO of CMN from December 2005 to November 2007 and the Vice-President and CFO of CMN from December 2007 until May 2013. Mr Xu was the Vice-President and CFO of CMNH from January 2011 until May 2013. He was the director of Album Enterprises and Top Create from December 2005 to October 2013 and

from February 2012 to October 2013 respectively. Mr Xu was the director of Copper Partners Investment and HNG from March 2009 to December 2013 and from July 2010 to October 2013 respectively. He was also the director of CMNH and Jiangxi Tungsten from December 2009 to December 2014 and from April 2010 to August 2014 respectively.

Non-Executive Directors

Mr Gao Xiaoyu

Mr Gao, aged 46, was appointed as a Non-Executive Director of the Company in April 2011. He is a member of the Company's Audit Committee, Remuneration Committee and Risk Management Committee.

Mr Gao was appointed as the President and a director of CMN in February 2016. He has been a director of Top Create since February 2012. Mr Gao was also appointed as the Chairman of Copper Partners Investment and Album Enterprises in July 2016 and May 2016 respectively. He is also a director of certain subsidiaries of the CMC Group.

He holds a Master's degree in Business Management from The Renmin University of China in the PRC. He has extensive experience in enterprise risk management and control.

Mr Gao joined the CMC Group in 1993. He worked in the Futures department of China Nonferrous Metals Import and Export Corporation from 1993 to 1997. He was the General Manager of the Risk Management department of CMN from 2000 to 2009 and Vice-President of CMNH from January 2011 to January 2016. He was also Vice-President of CMN from January 2008 to February 2016.

Independent Non-Executive Directors

Dr Peter Cassidy

Dr Cassidy, aged 70, was appointed as an Independent Non-Executive Director of the Company in December 2010. He is the Chairman of the Company's Remuneration Committee. Dr Cassidy is also a member of the Company's Governance and Nomination Committee and Risk Management Committee. He was a member of the Audit Committee of the Company from February 2011 to August 2016.

He has also been an independent non-executive director of Kerry Gold Mines Limited since September 2010.

Dr Cassidy is a metallurgical engineer with more than 40 years' experience in the resource and energy sectors, including more than 20 years as a director of major public companies. He was an independent non-executive director of Oxiana Limited (2002 to 2007); Zinifex Limited (2004 to 2008); Sino Gold Mining Limited (2002 to 2009); Lihir Gold Limited (2003 to 2010); OZ Minerals Limited (2008 to 2009); and Energy Developments Limited (2003 to 2009).

Dr Cassidy was also non-executive Chairman of Allegiance Mining NL (April to July 2008) and a director of Eldorado Gold Corporation (2009 to 2010). He was CEO of Goldfields Limited from 1995 until its merger with Delta Gold Limited in 2002 to form Aurion Gold Limited where he remained a director until 2003. Prior to 1995, Dr Cassidy was executive director – Operations of RGC Limited. He was also a member of the Board of Advice of the Monash University Division of Mining and Resources Engineering.

Dr Cassidy has most recently been involved in the development and operation of major mining and processing projects in Australia, the PRC, Laos, Papua New Guinea and the Cote d'Ivoire.

Mr Leung Cheuk Yan

Mr Leung, aged 65, was appointed as an Independent Non-Executive Director of the Company in July 2012. He is a member of the Company's Audit Committee, Governance and Nomination Committee and Risk Management Committee.

Mr Leung has also been an independent non-executive director of Bank of China Limited (a company listed on HKEx and the Shanghai Stock Exchange) since September 2013.

Mr Leung is a solicitor admitted to practise law in Hong Kong, England and Wales, and Victoria and the Australian Capital Territory, Australia. He holds a Bachelor of Social Science (First Class Honours) degree from the Chinese University of Hong Kong, and a Master of Philosophy degree from the University of Oxford. Mr Leung, a corporate finance and capital markets specialist, was a partner at Baker & McKenzie and for many years the head of its securities practice group in Hong Kong. He retired from Baker & McKenzie in 2011.

Ms Jennifer Seabrook

Ms Seabrook, aged 59, was appointed as an Independent Non-Executive Director of the Company in July 2015. She is the Chair of the Company's Audit Committee and a member of the Company's Remuneration Committee. Ms Seabrook holds a Bachelor's degree in Commerce from the University of Western Australia and is a chartered accountant (fellow) admitted by the Institute of Chartered Accountants in Australia, a fellow of the Australian Institute of Company Directors and a senior fellow of the Financial Services Institute of Australia (Finsia).

Ms Seabrook qualified as a chartered accountant with Touche Ross, after which she worked at senior levels in chartered accounting, capital markets and investment banking businesses. She is an experienced independent non-executive director across a wide range of industries, including mining and metals, and has significant experience as the chair and as a member of audit and risk committees for listed and unlisted public, private and government corporations. Ms Seabrook has also been a member of several advisory groups and panels including ASIC's External Advisory Group (2009 to 2013) and the Australian Takeovers Panel (2000 to 2012).

Ms Seabrook is currently an independent non-executive director of Iluka Resources Limited, a company listed on the ASX, chairing its Audit and Risk Committee and being a member of its People and Performance Committee and Nominations Committee. She joined the Iluka Board in May 2008. Ms Seabrook is also an independent non-executive director of IRESS Limited, also listed on ASX,

chairing its People and Performance Committee and being a member of its Audit Committee. She joined the IRESS Limited Board in August 2008. Ms Seabrook has been a special adviser to Gresham Partners Limited since 2008 after being an executive director with Gresham Partners Limited from 1998 to 2008. She has been an independent non-executive director of Western Australia Treasury Corporation since October 2015 and is a member of its Audit Committee.

Professor Pei Ker Wei

Professor Pei, aged 59, was appointed as an Independent Non-Executive Director of the Company in July 2015. He is a member of the Company's Audit Committee, Remuneration Committee and Risk Management Committee.

Professor Pei holds a PhD degree in Accounting from University of North Texas, a Master's degree in Accountancy from Southern Illinois University and a Bachelor's degree in Accounting from National Chung-Hsing University (Taipei University). Professor Pei is a member of American Accounting Association.

Professor Pei is a Professor of Accountancy at W.P. Carey School of Business at Arizona State University. He has also acted as a consultant for a number of multi-national companies, including Motorola Inc., Intel Corporation, Bank of America Corporation, Dial Corporation, Raytheon Company, Cisco Systems Inc. and Honeywell International Inc. Professor Pei was the Executive Dean of China Programs at W.P. Carey School of Business at Arizona State University from January 2013 to June 2016 and Associate Dean from June 2003 to June 2013. He was also director of the W.P. Carey EMBA program in Shanghai and MiM Custom Corporate Program in China from June 2003 to June 2013, and Co-director of W.P. Carey DBA in Global Financial Management from June 2013 to June 2016.

Professor Pei has also been a Director of Baoshan Iron & Steel Co, Ltd (a company listed on the Shanghai Stock Exchange) since April 2012 and an external director of Baosteel Group Corporation (the holding company of Baoshan Iron & Steel Co, Ltd) since February 2012, chairing its Audit Committee and is a member of its Strategy Committee and Nomination Committee. Prior to this, he served as an independent director, the Chairman of the Audit Committee and a member of the Compensation Committee of Baoshan Iron & Steel Co. Ltd. from 2006 to 2012.

Professor Pei has also acted as an independent non-executive director of Want Want China Holdings Limited (a company listed on HKEx) since November 2007, chairing its Nomination Committee and is a member of its Audit Committee, Remuneration Committee and Strategy Committee. He has been an independent non-executive director of Zhong An Real Estate Limited (a company listed on HKEx) since October 2007, chairing its Remuneration Committee and is a member of its Audit Committee, Nomination Committee and Governance Committee; and an independent non-executive director of Zhejiang Expressway Co., Ltd. (a company listed on HKEx) since June 2012, chairing its Remuneration Committee and is a member of its Audit Committee and Nomination Committee. Professor Pei is also an external director of China Merchants Group.

SENIOR MANAGEMENT**Mr Ross Carroll, CFO**

Mr Carroll, aged 52, was appointed as CFO and a member of the Executive Committee of the Company in December 2015, with responsibility for Commercial and Finance, Mergers and Acquisitions, Project Delivery and Exploration. He is also a director of a number of subsidiaries of the Company.

Prior to joining the Company, Mr Carroll was CEO and managing director of Macmahon Holdings Limited (a company listed on ASX), and previously held the positions of CFO and director of International Mining, and Chief Operating Officer of Mining at Macmahon Holdings Limited. Prior to that, he was CFO of Woodside Petroleum Limited, and also worked in senior financial roles within BHP Billiton Limited and Foster's Brewing Group.

Mr Carroll has extensive experience in the mining industry and in corporate finance, capital management and business development. He holds a Bachelor of Commerce from the University of Melbourne and is a Certified Public Accountant with the Australian Society of Certified Practising Accountants. Mr Carroll is a member of the Australian Institute of Company Directors, and was previously a member of the Executive Committee of the Western Australian Chamber of Mines.

Mr Marcelo Bastos, Chief Operating Officer

Mr Bastos, aged 53, has served on the Executive Committee of the Company since June 2011 in his capacity as the Chief Operating Officer with responsibility for all operating assets. He is also a director of a number of subsidiaries of the Company.

Prior to joining the Company, Mr Bastos was CEO of BHP Billiton Mitsubishi Alliance from 2008 to 2011 and before that, President of BHP Billiton Nickel West from 2007 to 2008. He was also President of Cerro Matoso Nickel, a BHP Billiton company in Colombia, from 2004 to 2006.

Mr Bastos began his career at Vale and worked with iron ore, gold and copper from 1985 to 2004. His most senior roles at Vale were General Manager at the Carajas mines complex in Brazil and director of Non-ferrous Operations.

He has 30 years' international mining experience in the iron ore, gold, copper, nickel and coal sectors. He holds a Bachelor's degree in Mechanical Engineering from Federal University of Minas Gerais State, and a Master of Business Administration in Management from Fundação Dom Cabral – INSEAD associated, both in Brazil.

Mr Bastos has also been a non-executive director and a member of the Audit Committee of Iluka Resources Limited (a company listed on ASX) since February 2014.

Mr Bastos has trained at the Columbia Business School and Kellogg School of Management in the United States, Cranfield Business School in the U.K. and INSEAD in France. He was a member of the Western Australia Chamber of Mines and Energy from 2007 to 2008 and was the Vice-President of the Queensland Resources Council from 2008 to 2010, both in Australia. Mr Bastos was a non-executive director of Golding Contractors Pty Ltd in Queensland, Australia, from 2012 to 2013.

Mr Greg Travers, Executive General Manager – Business Support

Mr Travers, aged 58, has served on the Executive Committee of the Company since May 2014 in his capacity as Executive General Manager – Business Support. In this role, he is responsible for Human Resources, Remuneration and Benefits, Shared Business Services, Information Technology, Legal, Supply Chain, Enterprise Risk, Safety, Health, Environment and Community functions.

Mr Travers previously worked at Myer Limited from 2006 to 2014. He was director of Strategic Planning and Human Resources before being appointed Executive General Manager Business Services and Strategic Planning in 2010, responsible for a range of business areas similar to his current position (including throughout his time at Myer, Procurement, Human Resources, Occupational Health and Safety, Sustainability, Shared Services, Corporate Affairs and the company's Program Management Office) as well as leading the Office of the CEO from 2012, where he was responsible for the review and delivery of new business opportunities and strategy.

Mr Travers has experience in the mining sector, having worked with BHP in the Minerals division for seven years, mostly in human resources roles in manganese, coal and iron ore. Following this he worked for six years at Pratt Group, a privately owned paper and packaging business, and subsequently 11 years at WMC Resources.

He is a former director of the Institute of Public Affairs and the Australian Mines and Metals Association.

Mr Travers holds a Bachelor of Arts degree majoring in Economics from the University of Adelaide.

Mr Troy Hey, Executive General Manager – Stakeholder Relations

Mr Hey, aged 46, has served on the Executive Committee of the Company since August 2013 in his capacity as the Executive General Manager – Stakeholder Relations.

Prior to joining the Company as General Manager – Stakeholder and Investor Relations in April 2011, Mr Hey was the General Manager – Media and Reputation at Foster's Group since 2005. He was previously the Group Manager – Public Affairs for WMC Resources Limited, up to its acquisition by BHP Billiton in 2005. He began his career in economic and public policy consultancy at the Allen Consulting Group and Australian Centre for Corporate Public Affairs, before working across the aviation, entertainment and mining sectors.

Mr Hey has over 20 years' experience in government, media, community and investor relations, economic and public policy, industry association and communications management and is current Chair of the Principal Liaisons' Committee of the International Council on Mining and Metals.

He has dual degrees in Law and Commerce from the University of Melbourne and is the recipient of an Australia-Japan Foundation Language Scholarship at Kwansai Gakuin University, Nishinomiya, Japan.

Addresses of Directors and senior management

The business address of the Directors and senior management of the Company is at Level 23, 28 Freshwater Place, Southbank, Victoria 3006, Australia.

7. CORPORATE INFORMATION

Registered office:	Units 8501–8503 Level 85 International Commerce Centre 1 Austin Road West Kowloon Hong Kong
Company secretary:	LEUNG Suet Kam Lucia Fellow of The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators
Legal advisers to the Company:	As to Hong Kong law: Herbert Smith Freehills 23rd Floor Gloucester Tower 15 Queen's Road Central Hong Kong As to Australian law: Herbert Smith Freehills 101 Collins Street Melbourne Vic 3000 Australia As to PRC law: Fangda Partners 27/F North Tower Beijing Kerry Centre 1 Guanhua Road Beijing 100020 PRC
Auditors:	Deloitte Certified Public Accountants 35/F One Pacific Place 88 Queensway Hong Kong

Share registrar and transfer office:	<p><i>Hong Kong</i> Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17th Floor Hopewell Centre 183 Queen's Road East Wan Chai Hong Kong</p> <p><i>Australia</i> Computershare Investor Services Pty Limited GPO Box 52 Melbourne Victoria 3001 Australia</p>
Principal bankers:	<p>China Development Bank Corporation (Beijing) Room 1223 No. 16 Taipingqiao Street Xicheng District Beijing 100032 PRC</p> <p>Industrial and Commercial Bank of China (ICBC) Limited, Melbourne Branch Level 3 379 Collins Street Melbourne VIC 3000 Australia</p> <p>Bank of China Limited (Australia) Level 12 39 – 41 York Street Sydney NSW 2000 Australia</p> <p>The Export-Import Bank of China (Beijing) No. 30 Fuxingmennei Street Xicheng District Beijing 100031 PRC</p> <p>Bank of America Merrill Lynch Limited Level 19 120 Collins Street Melbourne VIC 3000 Australia</p>

Australia and New Zealand Banking Group Limited
Level 13
100 Queen's Street
Melbourne VIC 3000
Australia

Banco Bilbao Vizcaya Argentaria, S.A
Av. República de Panamá 3055
San Isidro
Lima
Peru

Underwriter: Macquarie Capital Limited
Level 18
One International Finance Centre
1 Harbour View Street
Central
Hong Kong

Legal advisers to the Underwriter: As to Hong Kong and U.S. law:
Linklaters
10th Floor
Alexandra House
18 Chater Road
Hong Kong

As to Australian law:
Allens
Level 37
101 Collins Street
Melbourne
Victoria 3000
Australia

Authorised representatives: Andrew MICHELMORE
XU Jiqing
Level 23
28 Freshwater Place
Southbank
Victoria 3006
Australia

8. SHARE CAPITAL, SHARE OPTIONS AND PERFORMANCE AWARDS**(a) Share capital**

As at the Latest Practicable Date, the number of issued Shares was, and immediately following completion of the Rights Issue (assuming no further issue of Shares from the Latest Practicable Date to the completion of the Rights Issue) would be, as follows:

5,290,069,889	Shares in issue as at the Latest Practicable Date
<u>2,645,034,944</u>	Rights Shares to be allotted and issued under the Rights Issue
<u>7,935,104,833</u>	Shares in issue immediately after completion of the Rights Issue

All of the Shares currently in issue rank pari passu in all respects with each other, including, in particular, as to dividends, voting rights and capital. The Shares in issue are primarily listed on the Main Board of HKEx and secondarily listed on ASX in the form of CDIs.

All of the Rights Shares to be allotted and issued will, subject to the articles of association of the Company, rank pari passu in all respects with each other, including, in particular, as to dividends, voting rights and capital, and with all Shares in issue as at the date of allotment and issue of Rights Shares such that holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions the record dates of which are on or after the date of allotment of the Rights Shares.

Dealings in the Shares may be settled through CCASS and Shareholders should consult their stockbrokers or other registered dealers in securities, bank managers, solicitors, professional accountants or other professional advisers for details of these settlement arrangements and how such arrangements may affect their rights and interests.

(b) Share Options and Performance Awards

Details of the Share Options and the Performance Awards, outstanding as at the Latest Practicable Date, are set out in section headed “Disclosure of Interests” under the heading “Directors’ and CEO’s interests in the Company or its associated corporations” above in this Appendix IV.

Upon the Rights Issue becoming unconditional, the exercise price of and the number of Shares issuable upon exercise in full of the Share Options, and the number of Shares issuable upon exercise in full of the Performance Awards may be subject to adjustments. Further announcements will be made in this regard in due course.

Save for the Share Options and Performance Awards disclosed above, the Company did not have any other options and other convertible securities or rights affecting the Shares and no capital of any member of the Group was under option, or agreed conditionally or unconditionally to be put under option as at the Latest Practicable Date.

9. LITIGATION

As disclosed in the interim report of the Company dated 30 June 2016, the Group has been granted warranties and indemnities in relation to certain tax matters arising from the previous ownership of the Las Bambas, i.e. up to 31 July 2014. During the period ended 30 June 2016, the Group sought to enforce those indemnities, commencing litigation in respect of claims totalling US\$31.5 million (including penalties and interest). There are a number of other potential claims where losses may be suffered by the Company in the future arising from adverse tax audit determinations by the Peruvian tax authorities for the period prior to 31 July 2014, in respect of which the Group may also seek to enforce these indemnities.

Save as disclosed above in relation to the litigation that has been commenced, as at the Latest Practicable Date, neither the Company nor any of its subsidiaries was involved in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against the Company or any of its subsidiaries.

10. MATERIAL ADVERSE CHANGE

The Directors confirm that, as at the Latest Practicable Date and save as disclosed otherwise in this Prospectus, there had been no material adverse changes in the financial or trading positions of the Company since 31 December 2015, the date to which the latest published audited financial statements of the Company were made up.

11. EXPERT'S CONSENT AND QUALIFICATION

The following is the qualification of the expert who has given opinion or advice which is contained in this Prospectus:

Name	Qualifications
Deloitte	Certified Public Accountants

Deloitte has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its reports or letters or its name in the form and context in which they respectively appear.

Deloitte does not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

Deloitte does not have any direct or indirect interests in any assets which have been, since 31 December 2015 (being the date to which the latest published audited consolidated accounts of the Group were made up), acquired or disposed of by or leased to, any member of the Group, or which are proposed to be acquired or disposed of by or leased to, any member of the Group.

12. MATERIAL CONTRACTS

Save for the agreements set out below, no contract (not being contract in the ordinary course of business), which was or may be material, had been entered into by the Company or any of its subsidiaries within the two years immediately preceding the date of the Announcement and up to the Latest Practicable Date:

- (a) the Underwriting Agreement; and
- (b) the Committed Shareholder Irrevocable Undertaking.

13. EXPENSES

The expenses in connection with the Rights Issue, including underwriting commission, financial advisory fees, printing, registration, translation, legal and accountancy charges payable by the Company are estimated to be approximately US\$7.5 million (HK\$58.5 million).

14. BINDING EFFECT

The Prospectus Documents, and all acceptances of any offer or application contained in such documents, are governed by and shall be construed in accordance with the laws of Hong Kong. Where an application is made in pursuance of any such documents, the relevant document(s) shall have the effect of rendering all persons concerned bound by the provisions, other than the penal provisions, of sections 44A and 44B of the Companies (WUMP) Ordinance, so far as applicable.

15. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of each of the Prospectus, the PAL and the EAF, having attached thereto the written consent referred to under the paragraph headed “Expert’s Consent and Qualification” above in this Appendix IV and each of the material contracts as referred to in the section headed “Material Contracts” above in this Appendix IV, have been registered with the Registrar of Companies in Hong Kong pursuant to section 38D of the Companies (WUMP) Ordinance.

16. LANGUAGE

The English text of this Prospectus, the PAL and the EAF shall prevail over the Chinese text for the purpose of interpretation.

17. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the office of the Company at Units 8501-8503, Level 85, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong during normal business hours from 9:30 a.m. to 5:30 p.m. (HKT) on any weekday, except Hong Kong public holidays during the period of 14 days from the date of this Prospectus.

- (a) the articles of association of the Company;
- (b) the annual reports of the Company for the two years ended 31 December 2014 and 2015;
- (c) the material contracts (including the Underwriting Agreement and the Committed Shareholder Irrevocable Undertaking) as referred to in the section headed “Material Contracts” above in this Appendix IV;
- (d) the written consent referred to in the section headed “Expert’s Consent and Qualification” above in this Appendix IV;
- (e) the independent reporting accountants’ assurance report on the compilation of unaudited pro forma financial information of the Group issued by Deloitte, the text of which is set out in Appendix III to this Prospectus; and
- (f) this Prospectus.

The information referred to in this Appendix has been extracted from the executive summary of the Mineral Resources and Ore Reserves Statement as at 30 June 2016 annexed to the announcement of the Company published on 18 October 2016 on HKEx.

EXECUTIVE SUMMARY

Mineral Resources and Ore Reserves for the Company have been estimated as at 30 June 2016, and are reported in accordance with the guidelines in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 JORC Code) and Chapter 18 of the Listing Rules. Mineral Resources and Ore Reserves tables are provided on pages V-2 to V-12 below, which include the 30 June 2016 and 2015 estimates for comparison. The Measured and Indicated Mineral Resources are inclusive of those Mineral Resources that convert to Ore Reserves. All supporting data is provided within the Technical Appendix, available on the Company's website.

Key changes to the Mineral Resources (contained metal) since the 30 June 2015 estimate include an increase in molybdenum, no change for gold and nickel, and reductions in copper, zinc, lead and silver. Metal reductions are mostly due to depletion¹, cut-off grade changes and drilling results at the Company's operations that have been partly offset by Mineral Resources additions, especially at Las Bambas.

The Ore Reserves (contained metal) of the Company have increased since the 30 June 2015 statement for copper, molybdenum and silver principally due to increases at Las Bambas along with additions at Kinsevere. Decreases in Ore Reserves contained metal for lead, zinc and gold are mostly the result of depletion at Century, Golden Grove and Rosebery.

Tonnes of Mineral Resources and Ore Reserves have increased in total, more than replacing depletion. Las Bambas Mineral Resources and Ore Reserves have increased by 117Mt and 7Mt respectively.

¹ Depletion in this Appendix refers to material treated by the mill and depleted from the Mineral Resources and Ore Reserves.

MINERAL RESOURCES²

All data reported here is on a 100% asset basis, with the Company's attributable interest shown against each asset within brackets.

Deposit	2016							2015						
	Tonnes (Mt)	Cu (%)	Zn (%)	Pb (%)	Ag (g/t)	Au (g/t)	Mo (ppm)	Tonnes (Mt)	Cu (%)	Zn (%)	Pb (%)	Ag (g/t)	Au (g/t)	Mo (ppm)
Las Bambas (62.5%)														
Ferrobamba														
Oxide Copper														
Indicated	16.8	2.0						21.3	1.9					
Inferred	0.7	1.9						5.7	1.7					
Total	17.4	2.0						27.0	1.8					
Ferrobamba														
Primary Copper														
Measured	529	0.68			3.3	0.06	198	388	0.76			3.7	0.07	204
Indicated	527	0.59			2.7	0.05	191	490	0.65			2.9	0.05	209
Inferred	397	0.57			2.1	0.03	146	452	0.56			2.2	0.03	148
Total	1,453	0.62			2.7	0.05	181	1,330	0.65			2.9	0.05	187
Ferrobamba Total	1,471							1,357						
Chalcobamba														
Oxide Copper														
Indicated	6.5	1.5						5.9	1.4					
Inferred	0.9	1.5						0.5	1.5					
Total	7.3	1.5						6.4	1.4					
Chalcobamba														
Primary Copper														
Measured	94	0.40			1.2	0.01	148	96	0.4			1.3	0.02	151
Indicated	196	0.63			2.4	0.03	145	190	0.6			2.3	0.03	138
Inferred	48	0.47			1.6	0.02	131	41	0.5			1.5	0.02	122
Total	338	0.55			1.9	0.02	144	327	0.5			1.9	0.02	140
Chalcobamba Total	345							334						
Sulfobamba														
Oxide Copper														
Inferred								0.02	2.8					
Total								0.02	2.8					
Sulfobamba														
Primary Copper														
Indicated	103	0.60			4.1	0.02	162	102	0.6			4.4	0.02	164
Inferred	201	0.44			4.0	0.02	119	214	0.5			4.2	0.02	117
Total	304	0.50			4.0	0.02	133	315	0.5			4.3	0.02	132
Sulfobamba Total	304							315						
Oxide Copper														
Stockpile														
Indicated	3.4	0.86												
Total	3.4	0.86												
Sulphide Stockpile														
Measured	0.37	0.72			3.1	214								
Total	0.37	0.72			3.1	214								
Las Bambas Total	2,124							2,007						

² S.I. units used for metals of value; Cu=copper, Zn=zinc, Pb=lead, Ag=silver, Au=gold, Mo=molybdenum, Ni=nickel.

APPENDIX V
**FURTHER INFORMATION RELATING TO THE
MINERAL RESOURCES AND ORE RESERVES**
MINERAL RESOURCES

Deposit	2016							2015						
	Tonnes (Mt)	Cu (%)	Zn (%)	Pb (%)	Ag (g/t)	Au (g/t)	Mo (ppm)	Tonnes (Mt)	Cu (%)	Zn (%)	Pb (%)	Ag (g/t)	Au (g/t)	Mo (ppm)
Kinsevere (100%)														
Oxide Copper														
Measured	3.1	4.6						3.7	4.5					
Indicated	13.7	3.1						11.9	3.4					
Inferred	3.5	2.4						4.2	3.3					
Total	20.3	3.2						19.8	3.6					
Transition Mixed Copper Ore														
Measured	0.7	3.4												
Indicated	2.0	3.0												
Inferred	0.2	2.2												
Total	2.9	3.0												
Primary Copper														
Measured	0.4	3.1						1.6	3.2					
Indicated	18.5	2.6						10.9	2.2					
Inferred	2.2	2.0						14.6	2.4					
Total	21.2	2.5						27.1	2.3					
Stockpiles														
Measured								6.4	2.3					
Indicated	6.8	2.4												
Total	6.8	2.4						6.4	2.3					
Kinsevere Total														
	51.2							53.3						
Sepon (90%)														
Oxide Gold														
Indicated	1.6					3.0		1.1					3.0	
Inferred	0.4					2.1		0.2					2.1	
Total	2.0					2.8		1.2					2.9	
Partial Oxide Gold														
Indicated	1.3					4.2		0.6					5.4	
Inferred	0.1					2.9		0.01					4.1	
Total	1.3					4.1		0.6					5.4	
Primary Gold														
Indicated	7.8					4.0		7.5					3.4	
Inferred	0.1					3.5		0.3					2.5	
Total	7.9					4.0		7.8					3.4	
Supergene Copper														
Indicated	12.9	3.5						13.4	3.3					
Inferred	0.3	3.5						1.0	2.5					
Total	13.3	3.5						14.4	3.2					
Primary Copper														
Indicated	5.0	1.2						7.6	1.0					
Inferred	3.3	1.1						3.8	1.5					
Total	8.4	1.2						11.4	1.1					
Copper Stockpiles														
Measured								5.9	2.1					
Indicated	5.7	1.6												
Total	5.7	1.6						5.9	2.1					
Sepon Total														
	38.6							41.4						

APPENDIX V
**FURTHER INFORMATION RELATING TO THE
MINERAL RESOURCES AND ORE RESERVES**
MINERAL RESOURCES

Deposit	2016							2015						
	Tonnes (Mt)	Cu (%)	Zn (%)	Pb (%)	Ag (g/t)	Au (g/t)	Mo (ppm)	Tonnes (Mt)	Cu (%)	Zn (%)	Pb (%)	Ag (g/t)	Au (g/t)	Mo (ppm)
Dugald River (100%)														
Primary Zinc														
Measured	5.5		14.2	2.0	64			5.7		14.5	2.0	63		
Indicated	27.1		12.9	2.2	50			25.9		13.3	2.2	51		
Inferred	28.5		12.0	1.7	13			25.7		12.7	1.8	13		
Total	61.1		12.6	1.9	34			57.3		13.2	2.0	35		
Primary Copper														
Inferred	4.4	1.8				0.2		4.4	1.8				0.2	
Total	4.4	1.8				0.2		4.4	1.8				0.2	
Dugald River Total	66.0							61.7						
Golden Grove (100%)														
Oxide Gold														
Indicated	0.7				61	3.2		0.6				89	3.2	
Inferred	0.01					1.5		0.04				55	2.8	
Total	0.7				60	3.1		0.6				87	3.2	
Partial Oxide														
Gold														
Indicated	0.01				115	5.1		0.1				130	2.6	
Inferred								0.01				71	2.0	
Total	0.01				115	5.1		0.1				123	2.5	
Primary Gold														
Indicated								0.1				54	2.2	
Inferred								0.01				49	2.1	
Total								0.1				53	2.2	
Primary Zinc														
Measured	1.8	0.52	14.7	1.8	109	2.8		2.7	0.54	11.3	1.3	89	1.7	
Indicated	1.8	0.57	14.4	1.5	96	1.8		2.0	0.33	11.0	1.5	108	1.5	
Inferred	4.3	0.27	14.7	0.7	50	0.6		3.7	0.45	13.7	0.5	40	0.6	
Total	7.9	0.39	14.6	1.1	74	1.4		8.4	0.45	12.3	1.0	72	1.1	
Partial Oxide														
Copper														
Indicated								0.3	2.2					
Inferred								0.004	2.1					
Total								0.3	2.2					
Primary Copper														
Measured	3.1	3.7			22	0.8		6.2	2.9			33	1.3	
Indicated	2.6	4.1			31	1.0		2.0	2.8			29	1.2	
Inferred	3.5	3.7			26	0.5		8.4	3.3			26	0.2	
Total	9.2	3.8			26	0.8		16.7	3.1			29	0.7	
Golden Grove Total	17.8							26.2						

MINERAL RESOURCES

Deposit	2016							2015						
	Tonnes (Mt)	Cu (%)	Zn (%)	Pb (%)	Ag (g/t)	Au (g/t)	Ni (%)	Tonnes (Mt)	Cu (%)	Zn (%)	Pb (%)	Ag (g/t)	Au (g/t)	Ni (%)
Rosebery (100%)														
Rosebery														
Measured	5.4	0.25	8.1	2.9	107	1.3	9.0	0.25	8.6	2.8	96	1.2		
Indicated	5.7	0.25	7.6	2.6	102	1.2	6.4	0.25	7.3	2.5	103	1.1		
Inferred	11.2	0.26	8.0	2.7	95	1.4	7.0	0.29	7.4	2.8	96	1.4		
Total	22.3	0.26	7.9	2.7	100	1.3	22.4	0.26	7.9	2.7	98	1.2		
South Hercules														
Measured							0.1	0.15	4.6	2.5	151	3.8		
Indicated							0.02	0.13	3.7	1.8	161	4.3		
Total							0.2	0.15	4.5	2.4	152	3.9		
Rosebery Total	22.3						22.6							
Century (100%)														
Century Pit														
Indicated							0.7		9.7	1.4	36			
Total							0.7		9.7	1.4	36			
Stockpiles														
Measured							1.9		6.1	1.7	42			
Total							1.9		6.1	1.7	42			
Century Total							2.6							
High Lake (100%)														
Measured														
Indicated	7.9	3.0	3.5	0.3	83	1.3	7.9	3.0	3.5	0.3	83	1.3		
Inferred	6.0	1.8	4.3	0.4	84	1.3	6.0	1.8	4.3	0.4	84	1.3		
Total	14.0	2.5	3.8	0.4	84	1.3	14.0	2.5	3.8	0.4	84	1.3		
High Lake Total	14.0						14.0							
Izok Lake (100%)														
Measured														
Indicated	13.5	2.4	13.3	1.4	73	0.2	13.5	2.4	13.3	1.4	73	0.2		
Inferred	1.2	1.5	10.5	1.3	73	0.2	1.2	1.5	10.5	1.3	73	0.2		
Total	14.6	2.3	13.1	1.4	73	0.2	14.6	2.3	13.1	1.4	73	0.2		
Izok Lake Total	14.6						14.6							
Avebury (100%)														
Measured	3.8						3.8							1.1
Indicated	4.9						4.9							0.9
Inferred	20.7						20.7							0.8
Total	29.3						29.3							0.9
Avebury Total	29.3						29.3							

ORE RESERVES³

All data reported here is on a 100% asset basis, with MMG's attributable interest shown against each asset within brackets.

Deposit	2016							2015						
	Tonnes (Mt)	Cu (%)	Zn (%)	Pb (%)	Ag (g/t)	Au (g/t)	Mo (ppm)	Tonnes (Mt)	Cu (%)	Zn (%)	Pb (%)	Ag (g/t)	Au (g/t)	Mo (ppm)
Las Bambas (62.5%)														
Ferrobamba														
Primary Copper														
Proved	492	0.71			3.4	0.07	201	424	0.71			3.4	0.08	187
Probable	340	0.71			3.5	0.06	202	360	0.64			2.8	0.06	187
Total	832	0.71			3.5	0.06	201	784	0.68			3.2	0.07	187
Chalcobamba														
Primary Copper														
Proved	53	0.51			1.7	0.02	151	77	0.46			1.5	0.02	155
Probable	136	0.75			2.8	0.03	135	150	0.70			2.6	0.03	137
Total	188	0.68			2.5	0.03	140	227	0.62			2.2	0.03	143
Sulfobamba														
Primary Copper														
Probable	66	0.78			5.5	0.03	176	68	0.76			5.5	0.03	176
Total	66	0.78			5.5	0.03	176	68	0.76			5.5	0.03	176
Sulphide														
Stockpile														
Proved	0.37	0.72			3.1		214							
Total	0.37	0.72			3.1		214							
Las Bambas Total	1,086							1,079						
Kinsevere (100%)														
Oxide Copper														
Proved	2.9	4.5						2.9	4.7					
Probable	9.8	3.5						6.6	3.9					
Total	12.7	3.7						9.4	4.1					
Oxide Copper														
Stockpiles														
Proved								1.4	3.7					
Probable	4.9	2.2						3.4	1.4					
Total	4.9	2.2						4.8	2.1					
Kinsevere Total	17.6							14.3						
Sepon (90%)														
Supergene														
Copper														
Probable	8.0	3.5						8.3	3.6					
Total	8.0	3.5						8.3	3.6					
Primary Copper														
Probable	2.3	0.8						2.9	1.1					
Total	2.3	0.8						2.9	1.1					
Copper Stockpiles														
Proved								5.7	2.1					
Probable	4.6	1.7												
Total	4.6	1.7						5.7	2.1					
Sepon Total	14.9							16.9						

³ S.I. units used for metals of value; Cu=copper, Zn=zinc, Pb=lead, Ag=silver, Au=gold, Mo=molybdenum.

ORE RESERVES

Deposit	2016							2015						
	Tonnes (Mt)	Cu (%)	Zn (%)	Pb (%)	Ag (g/t)	Au (g/t)	Mo (ppm)	Tonnes (Mt)	Cu (%)	Zn (%)	Pb (%)	Ag (g/t)	Au (g/t)	Mo (ppm)
Dugald River (100%)														
Primary Zinc														
Proved	4.6		12.3	1.7	55			0.5		15.5	1.4	38		
Probable	17.8		12.1	2.0	48			22.1		12.3	2.0	50		
Dugald River Total	22.5							22.5						
Golden Grove (100%)														
Primary Zinc														
Proved	1.0	0.72	12.1	1.7	97	3.4		1.1	0.54	12.0	1.6	103	3.2	
Probable	0.8	0.86	11.6	1.3	98	2.3		0.9	0.26	11.1	1.9	148	1.4	
Total	1.9	0.78	11.8	1.5	98	2.9		2.0	0.41	11.6	1.7	123	2.4	
Partial Oxide														
Copper														
Proved								0.1	2.8					
Probable								0.2	2.1					
Total								0.3	2.3					
Primary Copper														
Proved	1.3	3.5			21	1.1		1.8	3.1			24	1.3	
Probable	0.7	3.1			26	1.6		1.0	2.7			31	2.2	
Total	2.0	3.4			22	1.2		2.7	2.9			27	1.6	
Oxide Gold														
Probable	0.2				56	2.6								
Total	0.2				56	2.6								
Golden Grove Total	4.1							5.1						
Rosebery (100%)														
Proved	3.2	0.25	8.8	3.1	110	1.3		4.8	0.25	8.3	2.6	85	1.0	
Probable	2.2	0.22	7.5	3.0	118	1.3		2.6	0.18	6.0	2.4	100	1.0	
Rosebery Total	5.4							7.4						
Century (100%)														
Proved								1.9		6.1	1.7	42		
Probable								0.7		8.7	1.1	34		
Century Total								2.7						

KEY ASSUMPTIONS

PRICES AND EXCHANGE RATES

The following price and foreign exchange assumptions, set according to the relevant Standard of the Company as at January 2016, have been applied to all Mineral Resources and Ore Reserves estimates. Price assumptions remain unchanged from the 2015 Mineral Resources and Ore Reserves statement except for gold, which was US\$1010/oz.

Table 1 : Price (real) and foreign exchange assumptions

	Ore Reserves	Mineral Resources
Cu (US\$/lb)	2.95	3.50
Zn (US\$/lb)	1.20	1.45
Pb (US\$/lb)	1.12	1.35
Au US\$/oz	1,031	1,212
Ag US\$/oz	21.10	25.50
Mo (US\$/lb)	11.1	15.0
AUD:USD	0.82	
USD:PEN	3.30	As per Ore Reserves

CUT-OFF GRADES

Mineral Resources and Ore Reserves cut-off values are shown in Table 2 and Table 3 respectively.

Table 2: Mineral Resources cut-off grades

Site	Mineralisation	Likely Mining Method ^a	Cut-Off Value	Comments
Las Bambas	Oxide Copper	OP	1% Cu	Cut-off is applied as a range that varies for each deposit and mineralised rock type at Las Bambas. <i>In-situ</i> Copper Mineral Resources constrained within US\$3.5/lb Cu pit shell.
	Primary Copper	OP	0.17-0.5% Cu	
Sepon	Oxide Gold	OP	1.1-1.2 g/t Au	Approximate cut-off grades shown in this table. Variable cut-off grade based on net value script accounting for costs, recoveries and metal prices within US\$1,212/oz pit shells.
	Partial Oxide	OP	1.7-2.0 g/t Au	
	Primary Gold	OP	1.6-1.9 g/t Au	
	Supergene Copper — Carbonate	OP	1.3-1.5% Cu	Approximate cut-off grades shown in this table. Variable cut-off grade based on net value script accounting for costs, recoveries and metal prices within US\$3.5/lb pit shells.
	Supergene Copper — Chalcocite	OP	1.3% Cu	
	Primary Copper	OP	0.5% Cu	
Kinsevere	Oxide Copper & Stockpiles	OP	0.6% ASCu ^b	<i>In-situ</i> Copper Mineral Resources constrained within a US\$3.5/lb Cu pit shell.
	Transition Mixed Copper	OP	1.5% TCu ^c	
	Primary Copper	OP	1.1% TCu ^c	
Rosebery	Rosebery (Zn, Cu, Pb, Au, Ag)	UG	A\$153/t NSR ^d	Remnant upper mine areas A\$179/t NSR ^d
Golden Grove	Primary Zinc & Primary Copper (Zn, Cu, Pb, Au, Ag)	UG	A\$163/t NSR ^d	
	Oxide Gold — Scuddles	OP	0.5 g/t Au	<i>In-situ</i> Gold Mineral Resources constrained within a pit shell based on ore sales contract.
	Oxide & Partial Oxide Gold — Gossan Hill	OP	1.1 g/t Au	<i>In-situ</i> Gold Mineral Resources constrained within a US\$1212/oz Au pit shell.

Site	Mineralisation	Likely Mining Method ^a	Cut-Off Value	Comments
Dugald River	Primary Zinc (Zn, Pb, Ag)	UG	A\$125/t NSR ^d	
	Primary Copper	UG	1%Cu	
Avebury	Ni	UG	0.4% Ni	
High Lake	Cu, Zn, Pb, Ag, Au	OP	2.0% CuEq ^f	CuEq = Cu + (Zn×0.30) + (Pb×0.33) + (Au×0.56) + (Ag×0.01): based on Long-Term prices and metal recoveries at Au:75%, Ag:83%, Cu:89%, Pb:81% and Zn:93%
High Lake Izok Lake	Cu, Zn, Pb, Ag, Au Cu, Zn, Pb, Ag, Au	UG OP	4.0% CuEq ^f 4.0% ZnEq ^e	CuEq = Cu + (Zn×0.30) + (Pb×0.33) + (Au×0.56) + (Ag×0.01): based on Long-Term prices and metal recoveries at Au:75%, Ag:83%, Cu:89%, Pb:81% and Zn:93% ZnEq = Zn + (Cu×3.31) + (Pb×1.09) + (Au×1.87) + (Ag×0.033); prices and metal recoveries as per High Lake

a: OP = Open Pit, UG = Underground, ASCub = Acid Soluble Copper, TCuc = Total Copper,

NSRd = Net Smelter Return After Royalty, ZnEqe = Zinc Equivalent, CuEqf = Copper Equivalent, AuEqg = Gold Equivalent.

Table 3: Ore Reserves cut-off grades

Site	Mineralisation	Mining Method	Cut-Off Value	Comments
Las Bambas	Primary Copper Ferrobamba	OP	0.20-0.27%Cu, 0.31-0.64% Cu for marble ore	Range based on rock type recovery.
	Primary Copper Chalcobamba		0.21 – 0.31%Cu	
	Primary Copper Sulfobamba		0.23 – 0.27% Cu	
Sepon	Copper - chalcocite Copper - carbonate LAC ^a Copper - carbonate HAC ^b Copper - scubber carbonate HAC ^b Copper - low grade float Copper - Primary	OP	1.2-1.3% Cu 1.5-1.6% Cu 1.5-1.6% Cu 1.4-1.8% Cu 0.6-0.8% Cu 0.5-0.6% Cu	Variable cut-off grade based on net value script. Low grade float refers to stockpile reclaim. Approximate cut-off grades shown in this table.
Kinsevere	Copper Oxide		OP	
		OP	0.8% ASCu	Stockpile reclaim
Rosebery	(Zn, Cu, Pb, Au, Ag)	UG	A\$153 NSR ^e /t	
Golden Grove	Primary Zinc and Primary Copper (Zn, Cu, Pb, Au, Ag)	UG	A\$163 NSR ^e /t	
	Oxide Gold	OP	0.5g/t Au	
Dugald River	Primary Zinc	UG	A\$125 NSR ^e /t	

LAC^a = Low Acid Consuming; HAC^b = High Acid Consuming, GAC^c = Gangue Acid Consuming, ASCu^d = Acid Soluble Copper, NSR^e = Net Smelter Return, ZnEq^f = Zinc Equivalent

PROCESSING RECOVERIES

Output average processing recoveries are shown in Table 4. More detailed processing recovery relationships are provided in the Technical Appendix.

Table 4: Processing Recoveries

Site	Product	Recovery						Concentrate Moisture Assumptions
		Copper	Zinc	Lead	Silver	Gold	Mo	
Las Bambas	Copper Concentrate	82%	—	—	64%	60%		10%
	Molybdenum Concentrate						55%	5%
Century	Zinc Concentrate	—	79%	—	56%	—		—
	Lead Concentrate	—	—	68%	10%	—		—
Golden Grove — Underground	Zinc Concentrate		88%	—	—	13%		8.5%
	Lead Concentrate	60%	—	70%	74%	66%		8.5%
	Copper Concentrate	87%	—	—	67%	52%		8.5%
Golden Grove — Open Cut	Oxide Copper Concentrate	55%	—	—	—	—		16%
	Transition Copper Concentrate	55%	—	—	51%	64%		16%
Rosebery	Zinc Concentrate		87%	9%	9%	6%		8%
	Lead Concentrate		6%	79%	39%	12%		6%
	Copper Concentrate	66%	1%	3%	42%	37%		9%
	Gold Doré ^a				0.2%	26%		
Dugald River	Zinc Concentrate	—	87%		30%	—		10%
	Lead Concentrate					—		12%
Sepon	Copper Cathode	86%	—	—	—	—		—
Kinsevere	Copper Cathode	85%	—	—	—	—		—
		(96% ASCu)						

^a: Silver for Rosebery gold doré is calculated as a constituent ratio to gold in the doré. Silver is set to 0.17 against gold being 20.7.

The Technical Appendix published on the MMG website contains additional Mineral Resources and Ore Reserves information (including the Table 1 disclosure).