MMG LIMITED
五礦資源有限公司

(Incorporated in Hong Kong with limited liability)

(HKEX STOCK CODE: 1208)
(ASX STOCK CODE: MMG)

ANNOUNCEMENT ON ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2016

The Board of Directors (Board) of MMG Limited (Company) is pleased to announce the consolidated results of the Company and its subsidiaries (Group) for the year ended 31 December 2016.

The financial information set out in this announcement does not constitute the Group's complete set of the consolidated financial statements for the year ended 31 December 2016, but represents an extract from those consolidated financial statements.

The financial information has been reviewed by the Company's Audit Committee.

The consolidated results of the Group are annexed to this announcement.

MMG RESULTS FOR THE YEAR ENDED 31 DECEMBER 2016

HIGHLIGHTS

- Revenue up 28% to US$2,489 million and EBITDA up 126% to US$949 million, driven by a six month contribution from Las Bambas. Record copper production was partially offset by lower average realised prices for copper. Average London Metal Exchange (LME) price for copper was 12% lower compared to 2015.
- A Profit Before Tax of US$65.8 million in the second half of 2016, compared to a Loss Before Tax of US$114.1 million in the first half 2016 as we transitioned our production profile from zinc to copper and maintained a strong focus on operating cost reductions.
- Las Bambas ramp-up was ahead of schedule, with 330,227 tonnes of copper in copper concentrate produced in 2016, against guidance of 250,000 to300,000 tonnes.
- Las Bambas delivered revenue of US$1,224 million and EBITDA of US$638.1 million in the second half of 2016 after commercial production was achieved on 1 July 2016.
- Total copper sales volumes were 139% higher than 2015 due to first production at Las Bambas and continued strong production at Kinsevere. This was partially offset by lower production at Sepon (declining grade and more complex ores) and Golden Grove (strategic throughput reduction).
- Zinc sales volumes were 71% lower than the previous year due to Century processing final ore at the start of 2016.
- A focus on operating efficiencies and cost reductions drove operating costs 17% lower by $58 million for the Australian operations compared with 2015. Headline operating costs at Kinsevere and Sepon were impacted by write-downs of low grade stockpiled ore. Excluding these write-downs, there was a significant reduction in cash operating expenses and solid productivity gains.
- Net interest costs were US$228 million (268%) above 2015 due to Las Bambas achieving commercial production and project interest expense no longer being capitalised from 1 July 2016.
- Net loss (after tax) of US$98.7 million, including a one-off write-down of deferred tax assets of US$63 million in the current year and write-downs of low grade stockpiled ore at Sepon and Kinsevere of US$52 million ($US35 million post-tax) and US$35 million (US$25 million post-tax) respectively.
- Net operating cash flow of US$722.3 million, including US$664.6 million generated in the second half of 2016.
- 2017 production guidance is 420,000 to 460,000 tonnes of copper in copper concentrate at Las Bambas and 560,000 to 615,000 tonnes of copper at the MMG group level. Zinc production guidance is 65,000 to 72,000 tonnes.
- Successful Rights Issue of US$511 million was approximately six times oversubscribed. The proceeds have and will be used to pay down debt facilities and partially fund the Dugald River project.
- Dugald River zinc project on track for first production in the first half of 2018. At an estimated annual production rate of 170,000 tonnes, this will be a world top 10 zinc mine coming on stream at a time of declining global supply.
- Portfolio optimisation delivered in early 2017 – the sale of Golden Grove operations resulting in an estimated net profit after tax of between US$10 million and US$30 million and the sale of the assets and infrastructure associated with the Century mine resulting in an estimated net loss after tax of between US$5 million and US$20 million in the Group’s 2017 financial year.
- The Board does not recommend the payment of a dividend for the year.

MMG RESULTS FOR THE YEAR ENDED 31 DECEMBER 2016 CONTINUED

YEAR ENDED 31 DECEMBER	2016 US$ MILLION	2015 US$ MILLION	CHANGE % FAV/(UNFAV)
Revenue	2,488.8	1,950.9	28%
EBITDA	949.2	420.9	126%
EBIT	264.7	(1,125.5)	124%
Loss after tax	(98.7)	(1,048.7)	91%
EBITDA margin	38%	22%	-
Net cash generated from operating activities	722.3	282.4	156%
Dividend per share	-	-	n/a
Basic and diluted loss per share	(US 2.5 cents)	(US 17.0 cents)	85%

CHAIRMAN'S REVIEW

Dear Shareholder

I would like to extend my heartfelt thanks to shareholders for their support of MMG.

On behalf of the Board, I present the Company's 2016 annual report to shareholders.

Management and Board Changes

In February 2017 we announced the appointment of a new Chief Executive Officer, changes to the Board of Directors and I was appointed Chairman. The appointment of former Chairman Mr Jerry Jiao as the new CEO demonstrates the Board's strong desire to ensure the continuity of MMG's unique and successful business model. Mr Shuqiang Zhang, currently the General Manager of the Finance Department of China Minmetals Corporation, was also appointed to the Board. These appointments highlight the continuing and increasing importance of MMG to major shareholder China Minmetals Corporation (CMC). We have a stronger and more complementary mix of skills on the Board and I feel a weight of responsibility and commitment to deliver to all shareholders. I express my full support and great confidence in Mr Jerry Jiao and my heartfelt thanks to former CEO Mr Andrew Michelmore for his significant contribution to MMG.

Our performance

While 2016 was a year of challenges for commodities, the price for copper and zinc started to improve by year's end. More importantly the Company has become a leading international mining Company with strong support from its major shareholder. The Company actively optimised its portfolio, improved its operational efficiencies, and set the stage for greater, more rapid growth, with its international operational experience, high-quality assets, diversity of customers and outstanding people achieving the promises made to the market and shareholders.

The achievement of commercial production at Las Bambas in July and a focus on cost reductions across the organisation contributed to revenue growth, which was 28% higher at US$2,489 million. Earnings before tax, depreciation, amortisation and impairment (EBITDA) were 126% higher at US$949 million. Total copper sale volumes were 139% higher than in 2015 due to the contribution of Las Bambas and continued strong production at Kinsevere. Primary copper production exceeded 500,000 tonnes, the largest for Asia. This result was impacted by lower production at Sepon as well as Golden Grove, where we implemented a strategic throughput reduction.

During the past year we were focused on actively advancing our major project at Las Bambas. Las Bambas was successfully constructed and ramped up on schedule and budget, with commercial production reached in July. While we have experienced some community disruptions along our logistics corridor, we have optimised the operation and are focussed on building on strong relationships with government and communities along the transportation corridor. We continue to be committed to social development and active dialogue with the communities in which we operate.

As part of our portfolio management strategy, in December we entered into a conditional share sale agreement with EMR Golden Grove Holdings Pty Ltd, an entity owned by EMR Capital, for the purchase of MMG Golden Grove Ltd for $US210 million. Golden Grove has strongly contributed to MMG while part of the broader Australian operations portfolio and the site is now in the hands of an experienced operator with strong ties to the mining industry in Western Australia.

In November, we launched a Rights Issue to raise over US$500 million. The offer was significantly oversubscribed by approximately 6.5 times, when including excess applications, demonstrating investor confidence in being part of MMG's continuing success. The proceeds raised will be used to strengthen our balance sheet and fund the development of the Dugald River project.

CHAIRMAN'S REVIEW CONTINUED

Strengthening position of the Major Shareholder, China Minmetals Corporation

There have also been some important changes within the Company's major shareholder during 2016, following a strategic merger with China Metallurgical Group. The larger group, a combination of two Fortune 500 companies, aims to become a Chinese leader and world class metals mining group. MMG's role as China Minmetals Corporation's flagship platform for overseas development is increasingly important. The major shareholder will continue to fully support the Company as it continues to strengthen and grow rapidly to a leading position in the global mining industry.

Commitment to strategy

Metal prices have stabilised into 2017 and we are seeing positive signs from the market. This year the Company will continue to focus on safety, volume and cost, including seeking further operating efficiencies across the business and delivering the Dugald River project on schedule. Your board is confident in the future and committed to continued Company growth.

I look forward to leading the Board and supporting the MMG team to find new growth opportunities as we mine for progress and seek to deliver superior returns for all of our Shareholders. We remain committed to our objective of being valued as one of the world's top mid-tier miners by 2020.

I thank our Shareholders, our communities and our partners for your great support and I express my sincere appreciation for the invaluable contribution made by all our employees.

GUO Wenqing
CHAIRMAN

CHIEF EXECUTIVE OFFICER'S REPORT

Dear Shareholder

At MMG, one of our values is 'We do what we say' and 2016 has been a year of delivering on our promises. We successfully completed, commissioned and ramped up one of the wold's largest copper mines, Las Bambas. We also started construction of the Dugald River Project which is expected to be a global top 10 zinc mine when in production.

Following the announcement of Andrew Michelmore's resignation as CEO and Executive Director on 15 February 2017, I am excited to accept the offer to become MMG's next Chief Executive Officer. I am also pleased that Andrew will continue with MMG through to 1 July this year to provide ongoing advice and assist in the leadership transition.

Safety

Key to our culture is safety, it is our first value. While we have made significant progress in reducing our Total Recordable Injury Frequency (TRIF) tragically in 2016 two of our colleagues lost their lives in separate accidents at Las Bambas.

In July Felipe Leon Chavez, who was employed through our logistics contractor Transaltisa died following a road incident in Peru's Cotabambas province. In December Henri Aldana Chanca who was employed through our contractor Serpetbol was fatally injured by an uncontrolled release of water under pressure while working in the tailings thickener area of the concentrator plant. The thoughts of everyone at MMG are with their families, friends and all those who knew and miss them.

Both accidents serve as a reminder that we must continue to hold safety above all other objectives and priorities. These sad events overshadowed a year in which we saw strong reductions in our injury rates across the organisation. MMG operations ended 2016 with a TRIF of 1.90 for the full year which represents an average 9.6% year-on-year reduction in injury rates since the end of 2012. The Lost Time Injury Frequency was 0.52 for the full year 2016.

Volume

2016 was a milestone year for our Company. We completed construction of Las Bambas and started commercial production following an industry-leading ramp up. Across MMG we produced 503,510 tonnes of copper exceeding our guidance range of 415,000 to 477,000 tonnes for the year. This result was predominantly driven by the strong production at Las Bambas.

Las Bambas' progress towards steady state production has been remarkable and it has already delivered two consecutive quarters of production above design capacity. The operation produced 330,227 tonnes of copper in copper concentrate in 2016 significantly exceeding its guidance range of 250,000–300,000 tonnes. The challenges associated with the ramp-up of an asset of this scale were exceptionally well managed.

In 2016 MMG's production profile continued to shift from zinc to copper following the end of mining and processing at Century and the commissioning of Las Bambas in the first half. Zinc production at 119,575 was slightly below our guidance range of 120,000-135,000 tonnes.

We are committed to growing our zinc exposure at a time of declining global supply. In June we confirmed our support for the Dugald River Project. The construction of Dugald River remains on target with almost half of the project now completed. Production of first concentrate is expected in the first half of 2018.

Costs

Ongoing volatility and softer demand for our key commodities for much of 2016 continued to challenge our earnings. Throughout the year we placed significant focus on reducing costs and driving efficiencies by extracting more value from our assets.

With Las Bambas commencing commercial production at the beginning of the third quarter we saw a strong improvement in operating profitability between the first and second half of the reporting year. We achieved an annual net operating cash flow of US$722.3 million which includes US$664.6 million generated during the second half of 2016.

Across all operations and the corporate office we have implemented cost reduction initiatives. A focus on strategic cost reductions in our Australian Operations portfolio yielded a 17% reduction in operating costs when compared to same reporting period in 2015. Similarly, Kinsevere and Sepon operations achieved strong efficiency improvements and reductions in overall operating expenses. At Kinsevere we focused on extracting value from the MMG Operating Model by implementing Shared Business Services delivering savings in contractor and employee costs. At Sepon, a disciplined approach to cost management enabled us to maintain steady total operating costs despite the 61% increase in ore mined due to lower grade ore. We continue to focus on improving our asset utilisation and maximising efficiencies throughout MMG.

CEO succession and strategy

After eight years at the helm of MMG Limited, Andrew Michelmore has handed over a business in very good health. He has set the platform for future growth and continued success and established a culture with safety at its core.

Andrew has led MMG from its beginnings as Minerals and Metals Group in 2009, public listing as Minmetals Resources Limited, rebranding as MMG, as well as the acquisitions of Kinsevere and Las Bambas. The Board, management and MMG team thank him for his inspirational and tireless leadership. I offer my personal thanks to Andrew for his faith in pursuing our shared vision from the time we met in 2009 when we first discussed establishing MMG and his significant contribution to ensuring our success.

Our strategy has not changed. MMG is increasingly important to China Minmetals and our unique model of international experience backed by a major Chinese shareholder is key to our growth.

The Board, together with the Executive Committee and Management, will continue to drive the ongoing success of our business.

Thank you to all our Shareholders, communities, and our people for your ongoing support. We look forward to a prosperous 2017 as we continue to mine for progress.

JIAO Jian
CHIEF EXECUTIVE OFFICER

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS FOR THE YEAR ENDED 31 DECEMBER 2016

For the purpose of the management discussion and analysis, the Group's results for the 12 months ended 31 December 2016 are compared to results for the 12 months ended 31 December 2015.

YEAR ENDED 31 DECEMBER	2016 US$ MILLION	2015 US$ MILLION	CHANGE % FAV/(UNFAV)
Revenue	**2,488.8**	**1,950.9**	**28%**
Operating expenses	(1,457.1)	(1,313.2)	(11%)
Other income	40.3	1.7	2,271%
Exploration expenses	(38.8)	(42.4)	8%
Administration expenses	(57.9)	(90.8)	36%
Other expenses	(26.1)	(85.3)	69%
EBITDA	**949.2**	**420.9**	**126%**
Depreciation and amortisation expenses	(684.5)	(649.4)	(5%)
Impairment expenses	-	(897.0)	100%
EBIT	**264.7**	**(1,125.5)**	**124%**
Net finance costs	(313.0)	(85.0)	(268%)
Loss before income tax	**(48.3)**	**(1,210.5)**	**96%**
Income tax (expense)/credit	(50.4)	161.8	(131%)
Loss after income tax	**(98.7)**	**(1,048.7)**	**91%**

The Group's operations comprise Las Bambas, Sepon, Kinsevere, and Australian Operations (including Rosebery and Golden Grove mines). Century is no longer in operation following the end of processing operations at the start of 2016. Exploration, development projects (including Dugald River) and corporate activities are classified as 'Other'.

	REVENUE			EBITDA		
YEAR ENDED 31 DECEMBER	2016 US$ MILLION	2015 US$ MILLION	CHANGE % FAV/(UNFAV)	2016 US$ MILLION	2015 US$ MILLION	CHANGE % FAV/(UNFAV)
Las Bambas	1,224.2	-	n/a	655.0	(72.1)	1,008%
Sepon	390.8	496.9	(21%)	101.5	248.8	(59%)
Kinsevere	400.4	418.1	(4%)	116.3	131.8	(12%)
Australian Operations	448.6	422.3	6%	179.4	98.6	82%
Century	23.9	613.6	(96%)	(10.1)	159.8	(106%)
Other	0.9	-	n/a	(92.9)	(146.0)	36%
Total	**2,488.8**	**1,950.9**	**28%**	**949.2**	**420.9**	**126%**

The following discussion and analysis of the financial information and results should be read in conjunction with the financial information.

Revenue

The Group's operational revenue increased by US$537.9 million to US$2,488.8 million mainly due to increased copper sales volumes following the achievement of commercial production at Las Bambas on 1 July 2016. This was partially offset by lower zinc and lead sales volumes following the closure of the Century mine and lower realised prices for copper. Specifically, favourable sales volumes for copper (US$952.8 million), gold (US$101.5 million), and silver (US$33.4 million) were partly offset by unfavourable sales volumes for zinc (US$440.5 million) and lead (US$105.2 million). Lower realised prices for copper (US$70.7 million) were partly offset by favourable realised prices for zinc (US$43.5 million), gold (US$12.2 million), lead (US$6.2 million) and silver (US$4.7 million).

REVENUE BY COMMODITY YEAR ENDED 31 DECEMBER	2016 US$ MILLION	2015 US$ MILLION	CHANGE % FAV/(UNFAV)
Copper	1,913.1	1,031.0	86%
Zinc	221.3	618.3	(64%)
Lead	45.3	144.3	(69%)
Gold	177.8	64.1	177%
Silver	131.3	93.2	41%
Total	**2,488.8**	**1,950.9**	28%

Price

With the exception of copper, LME base metals prices were higher in 2016 compared to 2015. Zinc and lead average realised prices were favourably impacted by a decline in zinc concentrate treatment charges and refinement charges (TC/RC), while higher TC/RC for copper unfavourably impacted the average realised price.

AVERAGE LME CASH PRICE YEAR ENDED 31 DECEMBER	2016	2015	CHANGE % FAV/(UNFAV)
Copper (US$/tonne)	4,863	5,495	(12%)
Zinc (US$/tonne)	2,095	1,928	9%
Lead (US$/tonne)	1,872	1,784	5%
Gold (US$/ounce)	1,250	1,160	8%
Silver (US$/ounce)	17.14	15.68	9%

Sales volumes

PAYABLE METAL IN PRODUCT SOLD YEAR ENDED 31 DECEMBER	2016	2015	CHANGE % FAV/(UNFAV)
Copper (tonnes)	471,617	197,338	139%
Zinc (tonnes)	134,126	459,715	(71%)
Lead (tonnes)	31,369	105,710	(70%)
Gold (ounces)	144,907	61,405	136%
Silver (ounces)	7,978,410	6,005,765	33%

PAYABLE METAL IN PRODUCT SOLD YEAR ENDED 31 DECEMBER 2016	COPPER TONNES	ZINC TONNES	LEAD TONNES	GOLD OUNCES	SILVER OUNCES
Las Bambas	296,982	-	-	78,940	4,036,498
Sepon	78,714	-	-	-	-
Kinsevere	80,491	-	-	-	-
Australian Operations	15,430	112,438	29,756	65,967	3,915,315
Century	-	21,688	1,613	-	26,597
Total	**471,617**	**134,126**	**31,369**	**144,907**	**7,978,410**

PAYABLE METAL IN PRODUCT SOLD YEAR ENDED 31 DECEMBER 2015	COPPER TONNES	ZINC TONNES	LEAD TONNES	GOLD OUNCES	SILVER OUNCES
Sepon	88,752	-	-	-	-
Kinsevere	80,236	-	-	-	-
Australian Operations	28,350	116,606	24,696	61,405	3,402,258
Century	-	343,109	81,014	-	2,603,507
Total	**197,338**	**459,715**	**105,710**	**61,405**	**6,005,765**

Copper sales volumes increased by 139% compared to 2015 following the achievement of commercial production at Las Bambas on 1 July 2016, with the first concentrate shipment in January 2016. Kinsevere also delivered an annual production record whilst production was lower at Sepon (11%) and Australian operations (46%).

Zinc and Lead sales volumes were 71% and 70% lower respectively for the year ended 2016 following the final production from the Century mine in late 2015.

Operating expenses include expenses of operating sites, excluding depreciation and amortisation. Site expenses include mining and processing expenses, changes in inventories, royalty expenses, selling expenses and other operating expenses. Total operating expenses increased by US$143.8 million (11%) in 2016. Las Bambas achieved commercial production on 1 July 2016, following which operating costs of US$583.5 million were reflected in the income statement. This was partly offset by reduced operating costs (US$420.9 million) at Century following the end of processing operations in early 2016.

In addition, operating costs at Sepon increased by US$61.1 million (26%), mainly attributable to a US$52 million write-down in the value of low grade stockpiled ore. Operating costs at Kinsevere decreased by US$5.5 million (2%) compared to 2015, despite a US$35 million write-down of stockpiled ore and record production volumes. Australian Operations' operating costs decreased by US$57.5 million (17%) as a result of the restructuring of the Australian operations and the reduced throughput strategy at Golden Grove.

Exploration expenses decreased by US$3.6 million (8%) compared to the year ended 2015.

The Group invested US$20.3 million in mine district exploration, a decrease of US$2.4 million compared to the year ended 2015. Exploration in 2016 focused on sustaining Mineral Resources and increasing the mine life of existing assets with particular focus on Kinsevere and Sepon, and developing exploration programs at Las Bambas. New discovery spend was down US$2.0 million (11%) across all exploration targets.

Administrative expenses decreased by US$32.9 million (36%) compared to 2015. This was primarily as a result of a Group-wide focus on controlling costs. The weaker Australian dollar also contributed to reducing administrative expenses.

Other income increased by US$38.6 million to US$40.3 million for the year ended 2016. The increase was driven by fair value gains on commodity price contracts of US$21.5 million (2015: US$nil), receipt of insurance claim of US$10.1 million at Sepon and gains on disposal of financial assets of US$6.3 million (2015: US$0.2 million).

Other expenses were US$26.1 million in 2016 compared to US$85.3 million in 2015. The decrease in other expenses by US$59.2 million (69%) was mainly due to net foreign exchange gains of US$12.1 million (2015: net foreign exchange losses of US$56.4 million), relating to the translation of Peruvian value-added tax (VAT) receivables. This was partly offset by Century care and maintenance expenses of US$19.4 million (2015: US$nil).

Depreciation and amortisation expenses increased by US$35.1 million (5%) to US$684.5 million for the year ended 2016. The increase was primarily driven by Las Bambas achieving commercial production on 1 July 2016 (US$249.8 million), partly offset by Century mine moving into care and maintenance in 2016 and therefore nil depreciation and amortisation (2015: US$224.6 million).

Net finance costs increased by US$228.0 million (268%) in 2016. The increase was mainly due to Las Bambas achieving commercial production on 1 July 2016, following which interest expense on borrowings was no longer capitalised to the assets.

Income tax expense increased by US$212.2 million (131%) reflecting the decrease in the Group's loss before income tax by US$1,162.2 million. The effective tax rate for 2016 was negative 104% (2015: 13%), which included the unfavourable impacts of non-creditable Peruvian Withholding Tax of US$24.6 million (2015: US$22.3 million) and a one-off write-down of deferred tax assets of US$62.8 million (2015: nil).

SEGMENT ANALYSIS

Las Bambas

YEAR ENDED 31 DECEMBER	2016	2015	CHANGE % FAV/(UNFAV)
Production			
Ore mined (tonnes)	46,910,080	-	n/a
Ore milled (tonnes)	46,502,808	-	n/a
Copper in copper concentrate (tonnes)	330,227	-	n/a
Payable metal in product sold			
Copper (tonnes)	296,982	-	n/a

YEAR ENDED 31 DECEMBER	2016 US$ MILLION	2015 US$ MILLION	CHANGE % FAV/(UNFAV)
Revenue	**1,224.2**	**-**	**n/a**
Operating expenses			
Production expenses			
Mining	(165.4)	-	n/a
Processing	(156.6)	-	n/a
Other	(125.0)	-	n/a
Total production expenses	**(447.0)**	**-**	**n/a**
Freight (transportation)	(33.3)	-	n/a
Royalties	(34.3)	-	n/a
Other (i)	(68.9)	-	n/a
Total operating expenses	**(583.5)**	**-**	**n/a**
Other income/(expenses)	14.3	(72.1)	120%
EBITDA	**655.0**	**(72.1)**	**1,008%**
Depreciation, and amortisation expenses	(249.8)	-	n/a
EBIT	**405.2**	**(72.1)**	**662%**
EBITDA margin	**54%**	**n/a**	**-**

(i) Other operating expenses include changes in inventories, corporate recharges and other costs of operations.

Las Bambas achieved commercial production on 1 July 2016, from which time the project was accounted for as an operation. As a result, the 2016 financial results take into account sales, operating expenses and depreciation and amortisation for the second half of 2016. Revenue of US$1,224.2 million derived from payable metal in product sold of 223,542 tonnes of copper in copper concentrate. C1 costs of the second half of 2016 were US$1.02/lb and EBITDA for the six month period was US$638.1 million.

Sepon

YEAR ENDED 31 DECEMBER	2016	2015	CHANGE % FAV/(UNFAV)
Production			
Ore mined (tonnes)	2,967,991	1,847,828	61%
Ore milled (tonnes)	2,547,564	2,116,501	20%
Copper cathode (tonnes)	78,492	89,253	(12%)
Payable metal in product sold			
Copper (tonnes)	78,714	88,752	(11%)

YEAR ENDED 31 DECEMBER	2016 US$ MILLION	2015 US$ MILLION	CHANGE % FAV/(UNFAV)
Revenue	**390.8**	**496.9**	**(21%)**
Operating expenses			
Production expenses			
Mining	(63.3)	(28.9)	(119%)
Processing	(129.7)	(140.4)	8%
Other	(43.4)	(44.4)	2%
Total production expenses	**(236.4)**	**(213.7)**	**(11%)**
Freight (transportation)	(4.8)	(5.6)	14%
Royalties	(17.2)	(22.1)	22%
Other (i)	(39.7)	4.4	(1,002%)
Total operating expenses	**(298.1)**	**(237.0)**	**(26%)**
Other income/(expenses)	8.8	(11.1)	179%
EBITDA	**101.5**	**248.8**	**(59%)**
Depreciation, and amortisation expenses	(138.2)	(114.4)	(21%)
EBIT	**(36.7)**	**134.4**	**(127%)**
EBITDA margin	**26%**	**50%**	**-**

(i) Other operating expenses include changes in inventories, corporate recharges and other costs of operations.

Sepon produced 78,492 tonnes of copper cathode in 2016, down 12% on the corresponding period in 2015. Production was impacted by the continued transition to lower grade and more complex ores, with ore milled grades of 3.7% compared to 4.9% in 2015.

The combined impact of lower production and a lower average realised copper price resulted in revenue decreasing by US$106.1 million (21%).

The $61.1 million unfavourable movement in operating expenses is attributable to a $52 million write-down in the value of low grade stockpiled ore. Other than this inventory write-down, a focus on operational efficiencies and cost controls resulted in total cash operating costs remaining broadly flat in 2016 despite total ore mined increasing by 61% to combat the lower grade ore. A further cost reduction program was initiated in late 2016 to deliver further efficiencies including a reduction in 321 FTE roles. EBITDA margins were significantly lower at 26%, compared to 50% in the same period in 2015.

Depreciation and amortisation expenses increased by US$23.8 million (21%) due to the significantly higher quantity of ore mined and milled.

Kinsevere

YEAR ENDED 31 DECEMBER	2016	2015	CHANGE % FAV/(UNFAV)
Production			
Ore mined (tonnes)	2,009,298	2,207,304	(9%)
Ore milled (tonnes)	2,294,530	2,183,905	5%
Copper cathode (tonnes)	80,650	80,169	1%
Payable metal in product sold			
Copper (tonnes)	80,491	80,236	1%

YEAR ENDED 31 DECEMBER	2016 US$ MILLION	2015 US$ MILLION	CHANGE % FAV/(UNFAV)
Revenue	**400.4**	**418.1**	**(4%)**
Operating expenses			
Production expenses			
Mining	(35.3)	(28.0)	(26%)
Processing	(78.9)	(114.2)	31%
Other	(80.2)	(81.3)	1%
Total production expenses	**(194.4)**	**(223.5)**	**13%**
Freight (transportation)	(39.1)	(45.1)	13%
Royalties	(16.9)	(18.5)	9%
Other (i)	(32.5)	(1.3)	(2,400%)
Total operating expenses	**(282.9)**	**(288.4)**	**2%**
Other income/(expenses)	(1.2)	2.1	(157%)
EBITDA	**116.3**	**131.8**	**(12%)**
Depreciation and amortisation expenses	(184.4)	(190.1)	3%
EBIT (Underlying)	**(68.1)**	**(58.3)**	**(17%)**
Impairment expenses	-	(263.9)	100%
EBIT (Statutory)	**(68.1)**	**(322.2)**	**79%**
EBITDA margin	**29%**	**32%**	**-**

(i) Other operating expenses include changes in inventories, corporate recharges and other costs of operations.

Kinsevere production was up 1% on the prior period to 80,650 tonnes of copper cathode, representing the third consecutive annual production record, as the operation continues to drive efficiencies and produce well above plant nameplate.

Revenue decreased by US$17.7 million (4%) compared to 2015 as a result of lower average realised copper prices, partly offset by an increase in copper sales volumes.

Operating costs decreased by US$5.5 million (2%) compared to 2015 despite a $35 million write-down stockpiled ore. Excluding this write-down, cash operating expenses were significantly lower, driven by a significant reduction in employee and contractor costs resulting from the implementation of the MMG operating model and roll out of Shared Business Services. Consumables costs were also lower as part of a focus on reducing C1 costs. Energy costs benefited from a better mix of energy generated from grid. Only 10% of power requirements were met from electricity sourced via diesel generation during 2016.

EBITDA margins declined slightly to 29%, with cost controls partly offsetting the impact of lower revenue from weaker copper prices.

Depreciation and amortisation expenses decreased by US$5.7 million (3%), corresponding to the lower quantity of ore mined in 2016.

Australian Operations

YEAR ENDED 31 DECEMBER	2016	2015	CHANGE % FAV/(UNFAV)
Production			
Ore mined (tonnes)	1,870,032	2,459,748	(24%)
Ore milled (tonnes)	1,893,917	2,706,439	(30%)
Copper in copper concentrate (tonnes)	14,142	28,984	(51%)
Zinc in zinc concentrate (tonnes)	119,575	147,235	(19%)
Lead in lead concentrate (tonnes)	29,968	28,159	6%
Gold contained in gold dore (ounces)	12,178	13,340	(9%)
Silver contained in gold dore (ounces)	6,779	6,991	(3%)
Payable metal in product sold			
Copper (tonnes)	15,430	28,350	(46%)
Zinc (tonnes)	112,438	116,606	(4%)
Lead (tonnes)	29,756	24,696	20%
Gold (ounces)	65,967	61,405	7%
Silver (ounces)	3,915,315	3,402,258	15%

YEAR ENDED 31 DECEMBER	2016 US$ MILLION	2015 US$ MILLION	CHANGE % FAV/(UNFAV)
Revenue	**448.6**	**422.3**	**6%**
Operating expenses			
Production expenses			
Mining	(115.9)	(137.9)	16%
Processing	(70.9)	(90.5)	22%
Other	(22.8)	(43.6)	48%
Total production expenses	**(209.6)**	**(272.0)**	**23%**
Freight (transportation)	(12.7)	(13.6)	7%
Royalties	(19.8)	(13.7)	(45%)
Other (i)	(29.7)	(30.0)	1%
Total operating expenses	**(271.8)**	**(329.3)**	**17%**
Other income	2.6	5.6	(54%)
EBITDA	**179.4**	**98.6**	**82%**
Depreciation and amortisation expenses	(103.5)	(111.2)	7%
EBIT	**75.9**	**(12.6)**	**702%**
EBITDA margin	**40%**	**23%**	**-**

(i) Other operating expenses include changes in inventories, corporate recharges and other costs of operations.

Total revenue increased US$26.3 million (6%) due to higher realised sales prices and sales volumes for zinc, lead, gold and silver at Rosebery. This was partly offset by lower revenue at Golden Grove due to the strategy to reduce throughput from 1.6mtpa to 1mtpa and introduce campaign milling to reduce costs.

Ore mined and milled reduced by 24% and 30% respectively, compared to 2015, largely due to a reduced throughput strategy at Golden Grove.

The restructuring of the Australian operations resulted in reduced employee, contractor and energy costs which were the main contributor to total operating expenses being US$57.5 million (17%) below 2015.

EBITDA contribution of US$179.4 million, 82% above 2015, was the result of the higher revenue and lower production expenses, partially offset by higher royalties due to the higher profitability in 2016.

Depreciation and amortisation expenses decreased by US$7.7 million (7%) due to an increase in the reserve base at Rosebery, partly offset by a decline in the reserve base at Golden Grove.

Century

YEAR ENDED 31 DECEMBER	2016	2015	CHANGE % FAV/(UNFAV)
Production			
Ore mined (tonnes)	-	4,589,601	n/a
Ore milled (tonnes)	118,951	6,811,181	(98%)
Zinc in zinc concentrate (tonnes)	16,457	392,667	(96%)
Lead in lead concentrate (tonnes)	1,181	79,153	(99%)
Payable metal in product sold			
Zinc (tonnes)	21,688	343,109	(94%)
Lead (tonnes)	1,613	81,014	(98%)
Silver (ounces)	26,597	2,603,507	(99%)

YEAR ENDED 31 DECEMBER	2016 US$ MILLION	2015 US$ MILLION	CHANGE % FAV/(UNFAV)
Revenue	**23.9**	**613.6**	**(96%)**
Operating expenses			
Production expenses			
Mining	-	(38.3)	100%
Processing	(17.8)	(205.6)	91%
Other	(1.0)	(66.7)	99%
Total production expenses	**(18.8)**	**(310.6)**	**94%**
Freight (transportation)	(1.7)	(33.5)	95%
Royalties	-	(29.1)	100%
Other (i)	(17.7)	(85.9)	79%
Total operating expenses	**(38.2)**	**(459.1)**	**92%**
Other income	4.2	5.3	(21%)
EBITDA	**(10.1)**	**159.8**	**(106%)**
Depreciation and amortisation expenses	-	(224.6)	100%
EBIT	**(10.1)**	**(64.8)**	**84%**
EBITDA margin	**(42%)**	**26%**	**-**

(i) Other operating expenses include changes in inventories, corporate recharges and other costs of operations.

Final ore was mined at Century in August 2015, with the mine operations having transitioned to care and maintenance. The US$23.9 million in revenue relates to processed ore from the Dugald River trial stoping program. The ore was processed at the Century mill and sales were completed during the first quarter of 2016.

CASH FLOW ANALYSIS

Net cash flow

YEAR ENDED 31 DECEMBER	2016	2015
Net operating cash flows	722.3	282.4
Net investing cash flows	(847.2)	(1,997.5)
Net financing cash flows	79.3	2,062.2
Net cash (outflows)/inflows	**(45.6)**	**347.1**

Net operating cash inflows increased by US$439.9 million (156%) to US$722.3 million mainly reflecting higher EBITDA following the achievement of commercial production at Las Bambas on 1 July 2016.

Net investing cash outflows were largely associated with capital expenditures relating to the construction of Las Bambas and the Dugald River Project.

Net financing cash flows included repayments of borrowings of US$664.4 million, and payments of interest and financing costs of US$403.6 million in line with contractual terms in 2016. In addition, dividends of US$3.5 million were paid to Sepon minority shareholder the Government of Laos.

These were partially offset by drawdowns of US$263.4 million under the US$5,988.0 million Las Bambas Project Facility with China Development Bank Corporation (CDB), Industrial and Commercial Bank of China Limited (ICBC), Bank of China Limited (Sydney Branch) (BOC) and The Export-Import Bank of China (EXIM), US$200.0 million under the US$350.0 million working capital facility with ICBC, US$80.0 million under the US$550 million Dugald River facility with BOC and CDB, and US$100.0 million under US$300.0 million facility with ICBC. Additionally, in December 2016 the Group successfully completed the Rights Issue of 2,645,034,944 rights shares at HK$1.50 per share with proceeds of US$504.2 million, net of share issue costs.

Financing cash inflows in 2015 included the drawdown of US$1,540.5 million under the US$5,988.0 million Las Bambas Project Facility with CDB, ICBC, BOC and EXIM and US$189.0 million under the US$300.0 million facility with ICBC. Year 2015 inflows also included capital contribution from non-controlling shareholders of Las Bambas of US$250.5 million, US$417.5 million drawn under the US$2,262.0 million facility with MMG shareholder Top Create. These were partially offset by repayments of borrowings and payments of interest and financing costs in line with contractual terms. Dividends of US$8.0 million were paid to Sepon minority shareholder the Government of Laos.

FINANCIAL RESOURCES AND LIQUIDITY

FOR THE YEAR ENDED 31 DECEMBER	2016 US$ MILLION	2015 US$ MILLION	CHANGE US$ MILLION
Total assets	15,230.0	14,660.0	570.0
Total liabilities	12,640.4	12,484.8	155.6
Total equity	**2,589.6**	**2,175.2**	**414.4**

Total equity increased by US$414.4 million to US$2,589.6 million as at 31 December 2016, mainly reflecting the US$504.2 million net proceeds from the Rights Issue completed in December 2016, which was partially offset by the US$98.7 million net loss after tax for the year.

The Group's objectives on managing capital are to safeguard the Group's ability to continue as a going concern, support the Group's sustainable growth, enhance Shareholder value and provide capital for potential acquisitions and investment.

The gearing ratio for the MMG Group is set out below, with gearing defined as net debt (total borrowings excluding finance charge prepayments, less cash and cash equivalents) divided by the aggregate of net debt plus total equity.

MMG GROUP	2016 US$ MILLION	2015 US$ MILLION
Total borrowings (excluding prepayments) [1]	10,339.5	10,357.8
Less: cash and cash equivalents	552.7	598.3
Net debt	**9,786.8**	**9,759.5**
Total equity	2,589.6	2,175.2
Net debt + Total equity	**12,376.4**	**11,934.7**
Gearing ratio	**0.79**	**0.82**

1. Borrowings at an MMG Group level reflect 100% of MMG SAM borrowings. MMG SAM's Borrowings have not been reduced to reflect MMG's 62.5% equity interest in the Las Bambas Joint Venture Company. This is consistent with the basis of preparation of MMG's financial statements.

Under the terms of relevant debt facilities held by the MMG Group, the gearing ratio for covenant compliance purposes is calculated exclusive of US$2,261.3 million (2015: US$2,261.3 million) of shareholder debt that was used to fund the MMG Group's equity contribution to the Las Bambas Joint Venture Company, MMG SAM. For the purpose of the above, it has however been included as borrowings.

Available debt facilities

As at 31 December 2016, the Group (excluding the MMG South America Management Group) had available undrawn bank debt facilities of US$320.0 million (2015: US$850.0 million), including:

- US$220.0 million available under the amended US$550.0 million exclusive Dugald River facility, which can only be used for the purpose of funding the Dugald River project; and
- US$100.0 million available under the existing US$300.0 million ICBC term and revolving facility, which is only available for drawing until 20 April 2017, being the date which falls one month prior to the maturity of the facility.

In addition, as at 31 December 2016, US$0.7 million of the facility provided by Top Create Resources Limited, a Shareholder of the Company, remained undrawn (2015: US$0.7 million).

As at 31 December 2016, the MMG South America Management Group had available undrawn bank debt facilities of US$252.3 million (2015: US$265.7 million), which is available exclusively for the MMG South America Management Group, including:

- US$250.0 million available under the existing US$350.0 million BOC Sydney Working Capital Revolving Facility, which was first established during the year; and
- US$2.3 million available under the existing Las Bambas Project Facility with syndicate lenders led by China Development Bank Corporation.

PROJECT UPDATE

An update on the Company's major development projects is below:

Las Bambas, Peru

Las Bambas achieved commercial production on 1 July 2016, at which time it ceased being reported as a development project and has since been accounted for as an operation. Las Bambas is a large, long-life copper mine located in the Apurimac region of Peru. It produced its first copper concentrate from commissioning activities in the fourth quarter 2015, with the first shipment of approximately 10,000 tonnes of copper concentrate departing the Port of Matarani in January 2016. Total production of copper in copper concentrate was 330,227 tonnes in 2016.

MMG expects to produce 420,000–460,000 tonnes of copper in copper concentrate in 2017, the first full year of operation. C1 costs are expected to be within the range of US$0.85-US$0.95/lb in 2017, placing the mine in the first quartile of the cost curve.

Total project cost was confirmed as US$9.7 billion, at the lower end of budget guidance range of US$9.7–$10.2 billion, including acquisition and construction costs.

Dugald River, Australia

On 27 June 2016 MMG announced it had entered into an amended facility agreement of up to US$550 million in relation to the financing of the development and construction of the Dugald River zinc, lead and silver mine. The expected remaining cost of the project to first shipment of concentrate was reduced by up to US$150 million – down from US$750 million to US$600 - US$620 million[1] plus interest costs. This is the result of an improved development plan and savings secured through strategic sourcing in the mining construction downturn.

Since receiving conditional approval of the updated development plan in July 2015, MMG has further improved project value by:

- reducing the expected project capital cost and ongoing mining unit cost;
- enabling increased production and improved mill utilisation;
- initially targeting ore with higher geological confidence and lower risk; and
- increasing productivity through better mine and operations planning.

As a result, the optimised mine plan will support a 1.7 Mtpa operation with annual production of around 170,000 tonnes of zinc in zinc concentrate, plus by-products. This confirms Dugald River's position within the world's top ten zinc mines when operational. The mine is expected to operate over an estimated 25 years while the ore body remains open at depth. At this stage MMG expects to achieve C1 costs of US $0.68-0.78/lb when at a steady state of operation.

The project remains on target for first concentrate production in the first half of 2018.

[1] US$600-620 million cost to complete from Board approval of the updated development plan in July 2015 to first shipment of concentrate in 2018.

CONTRACTS AND COMMITMENTS

Sepon

New and revised agreements were finalised with regard to various goods and services with improved terms and conditions including inbound logistics, aviation services, drilling services, infrastructure remediation goods and services, sulphuric acid, reagents, explosives, and plant maintenance related parts.

Kinsevere

New and revised agreements were finalised with regard to various goods and services with improved terms and conditions including engineering services, infrastructure development, customs clearance services, mobile equipment (ancillary), power generators, civil works, security and sulphuric acid.

Australian Operations

New and revised agreements were finalised with regard to various goods and services with improved terms and conditions including ground support, tyres, fuel and lubricants, infrastructure remediation services, logistics related services, electrical consumables, maintenance related goods and services and equipment purchases.

Century

Following closure, contracting activity for Century has diminished significantly. Revised agreements were finalised in the reporting period as well as minor agreements for ongoing maintenance and rehabilitation activities.

Dugald River

As the project progressed into the construction phase, a significant number of contracts have been put in place covering both surface infrastructure and ongoing mine development. The most significant contracts included underground mining services, surface infrastructure construction, paste plant, earthworks and civil construction, structural mechanical piping electrical and instrumentation, utilities infrastructure, capital goods and village expansion.

Las Bambas

As the project progressed toward achieving commercial production on 1 July, a significant number of new and revised contracts were put in place across all areas. The most significant contracts included electricity, mobile equipment and associated maintenance components, maintenance services, earthworks and civil construction, labour hire services (shutdown), personnel logistics services, security services, processing reagents and grinding media, drilling services and concentrate logistics (road, rail and shipping). Other capital related agreements were put in place for heavy haul road and water infrastructure projects.

Group

New contracts in corporate group areas were also completed for outsourced network services, IT consultancy services, software licences, external audit services, airlines and insurance renewals.

PEOPLE

As at 31 December 2016, the Group employed a total of 5,210 full-time equivalent employees (31 December 2015: 5,953) in its operations (excluding contractors, casual employees, apprentices and trainees) with the majority of employees based in Australia, Laos, South America and the DRC.

Total employee benefits expenses for the Group's operations for the 12 months ended 31 December 2016, including Directors' emoluments, totalled US$326.0 million, a decrease of 15% (2015: US$381.7 million) due to the lower employee headcount.

The Group has remuneration policies that align with market practice and remunerates its employees based on the responsibilities of their role, their performance, market requirements and the performance of the Group. Employee benefits are provided in accordance with regional market practice and legislative requirement, and include market-competitive fixed remuneration, performance-related incentives, and, in specific cases, a limited equity plan, insurance and medical coverage. A range of targeted training and development programs are provided to employees across the Group that are designed to improve individual capability, and enhance employee and Group performance.

MATERIAL ACQUISITIONS AND DISPOSALS

The Group did not make any material acquisitions or disposals in the 12 months ended 31 December 2016.

EVENTS AFTER THE REPORTING DATE

Sale of Golden Grove

The Group completed the sale of Golden Grove to EMR capital on 28 February 2017 for gross proceeds of US$210.0 million. All completion requirements were met on 28 February 2017 and the Group will cease to consolidate Golden Grove from that date. The sale agreement provides EMR Capital the economic benefit of operations at Golden Grove from 1 January 2017 to 28 February 2017 by a post settlement adjustment to the sale price. An estimated net profit after tax of between US$10.0 million and US$30.0 million will be recognised from the disposal of the Golden Grove in the Group's 2017 financial year.

Sale of Century mine

On 28 February 2017 the Group entered into agreements with Century Mine Rehabilitation Project Pty Ltd, a subsidiary of Century Bull Pty Ltd (Century Bull) who is independent to the Group to effect the disposal of assets and infrastructure associated with the Century mine. The disposal will benefit the Group by allowing it to remain focused on the development and operation of world class mining assets, through transferring the assets and transferring rehabilitation obligations in respect of the Century mine to a specialist in economic rehabilitation of mine sites whilst capping the Groups future expected liabilities related to the Century mine. The sale received unconditional approval from the MMG board in February 2017 and the sale completed on 28 February 2017. Century Bull is a specialist in economic rehabilitation of mine sites while using existing infrastructure and remnant mineralisation (zinc bearing tailings) to generate ongoing economic contribution. As legal owner of the Century mine, Century Bull has assumed overall accountability for rehabilitation and care for country responsibilities, in consultation with Native Title groups.

As at 31 December 2016, the book value of Century amounted to a net liability of US$148.2 million including rehabilitation liabilities of approximately US$317.0 million. As a result of the sales agreements the Group has agreed to provide a bank guarantee facility of A$193 million (approximately US$148.1 million) for the benefit of Century Bull until 31 December 2026. The guarantees have been procured to support certain obligations (Principal Obligations) Century is required to perform in operating the Century Mine business including rehabilitation activities. Century Bull is legally required to punctually meet all obligations and must use best endeavours to ensure that no demand is made under the bank guarantees.

The Group will recognise the fair value of the guarantee as a financial liability until expiry of the guarantee period which is capped at a maximum of A$193 million (approximately US$148.1 million). Century Bull must ensure that, within 90 days of the end of each financial year, the bank guarantee is reduced by not less than 40% of the Century mine's EBITDA in respect of a financial year. In addition the Group will make an additional contribution of A$34.5 million (approximately US$26.5 million) over three years, to provide short term support to Century Bull during their transition period in respect to their obligations around site upkeep and environmental maintenance and monitoring. The Group will also establish a special purpose trust of A$12.1 million (approximately US$9.3 million), managed independently by Equity Trustees to support Century Bull in meeting Century's existing obligations and agreed community projects for the benefit of Lower Gulf communities.

The Group expects an estimated net loss after tax of between US$5.0 million and US$20.0 million in the 2017 financial year as a result of the transaction.

Other than the matters outlined above, there have been no matters that have occurred subsequent to the reporting date which have significantly affected, or may significantly affect the Group's operations, results or state of affairs in future years.

FINANCIAL AND OTHER RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to a variety of financial risks, including commodity price risk, interest rate risk, foreign exchange risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group can use derivative financial instruments such as foreign exchange contracts and commodity swaps to manage certain exposures. The Group does not enter into, and is prohibited from entering into, derivative contracts for speculative purposes.

Financial risk management is carried out by the Group Treasury function under proposals approved by the Board. Group Treasury identifies, evaluates and manages financial risks in close cooperation with the Group's operating units. The Board approves written principles for overall risk management, as well as policies covering specific areas, such as those identified below.

(a) Commodity price risk

The prices of copper, zinc, lead, gold, and silver 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. The Group has entered into a series of commodity price contracts for copper during the reporting period.

The following table outlines the commodity price contracts outstanding at 31 December 2016:

	YEAR ENDED 31 DECEMBER 2016		
Outstanding contracts	TONNES VALUE	NOTIONAL VALUE US$ MILLION	FAIR VALUE ASSETS (LIABILITIES) US$ MILLION
Less than 3 months	59,320.0	341.7	14.7
3 to 6 months	15,532.0	87.7	2.0
Total	**74,852.0**	**429.4**	**16.7**

The following table details the sensitivity of the Group's commodity price contracts balance to movement in commodity prices. At the reporting date, if the commodity prices increased/decreased by 10% and all other variables were held constant, the Group's after loss and other comprehensive income ("OCI") would have changed as follows:

	INCREASE/(DECREASE) IN NET LOSS AFTER TAX[1] 2016	INCREASE/(DECREASE) IN OCI 2016
US$ MILLION		
Copper price +10%	28.9	-
Copper price -10%	(28.9)	-

1. The impact on the net loss after tax is expected to be US$nil when combined with the change in value of those sales covered by the commodity price contracts.

The following table details the sensitivity of the Group's financial assets (excluding commodity price contracts) balance to movements in commodity prices. Financial assets arising from revenue on provisionally priced sales are recognised at the estimated fair value of the total consideration of the receivable and subsequently remeasured at each reporting date. At the reporting date, if the commodity prices increased/(decreased) by 10% and all other variables were held constant, the Group's after tax loss would have changed as set out below.

	2016			2015		
Commodity	Commodity price movement	Decrease loss US$ million	Increase loss US$ million	Commodity price movement	Decrease loss US$ million	Increase loss US$ million
Zinc	10%	(5.1)	5.1	10%	(3.6)	3.6
Copper	10%	(53.8)	53.8	10%	(8.2)	8.2
Lead	10%	(0.1)	0.1	10%	(0.1)	0.1
Total		**(59.0)**	**59.0**		**(11.9)**	**11.9**

(b) Interest rate risk

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. Regular reporting which summarises the Group's debt and interest rates is provided to the Executive Committee. As at 31 December 2016 and 2015, if the interest rate had increased/(decreased) by 100 basis points with all other variables held constant, post-tax profit/(loss) and OCI would have changed as follows:

	2016				2015			
	-100 basis points		+100 basis points		-100 basis points		+100 basis points	
US$ MILLION	Increase/ (Decrease) in Net Loss after Tax	Increase/ (Decrease) in OCI	Increase/ (Decrease) in Net Loss after Tax	Increase/ (Decrease) in OCI	Increase/ (Decrease) in Net Loss after Tax	Increase/ (Decrease) in OCI	Increase/ (Decrease) in Net Loss after Tax	Increase/ (Decrease) in OCI
Financial assets								
Cash and cash equivalents	3.9	-	(3.9)	-	4.2	-	(4.2)	-
Financial liabilities								
Borrowings	(39.8)	-	39.8	-	(6.7)	-	6.7	-
Total	**(35.9)**	**-**	**35.9**	**-**	**(2.5)**	**-**	**2.5**	**-**

Interest on borrowings in relation to development projects is capitalised into Property, Plant and Equipment, and does not impact profit/loss or equity of the Group so it is not included in the sensitivity analysis.

If the sensitivity analysis had included capitalised interest on borrowings in relation to development projects, the rate variation would have increased or decreased Property, Plant and Equipment by US$31.2 million (2015: US$65.0 million) with the corresponding offset in cash and cash equivalents.

(c) Foreign exchange risk

The Group operates internationally and is exposed to foreign currency exchange risk. The Group's reporting currency and functional currency of the majority of subsidiaries within the Group is US dollars. The majority of revenue received by the Group is in US dollars. The Group's foreign currency exchange risk arises predominantly from the currency of the countries in which the Group's operations are located. 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.

The following table outlines the forward foreign exchange contracts outstanding at 31 December 2016:

	YEAR ENDED 31 DECEMBER 2016			
Outstanding contracts	AVERAGE AUD TO USD EXCHANGE RATE	FOREIGN CURRENCY A$ MILLION	NOTIONAL VALUE US$ MILLION	FAIR VALUE ASSETS (LIABILITIES) US$ MILLION
Buy AUD				
Less than 3 months	0.74	43.5	32.4	(1.0)
3 to 6 months	0.74	43.5	32.2	(1.0)
6 to 12 months	0.74	87.0	64.3	(2.1)
Beyond 12 months	0.75	15.0	11.2	(0.5)
Total		**189.0**	**140.1**	**(4.6)**

The following table illustrates the sensitivity of the Group's foreign currency forward contracts to movements in the value of the Australian dollar against the US dollar, taking into account all underlying exposures and related hedges.

Judgements of reasonably possible movements:	2016 (DECREASE)/INCREASE IN NET LOSS AFTER TAX US$ MILLION	2016 (DECREASE)/INCREASE IN OCI US$ MILLION
AUD to USD +10%	-	9.5
AUD to USD -10%	-	(9.5)

Significant assumptions used in the foreign currency exposure sensitivity analysis include:

- The hedging is assumed to be 100% effective.
- A sensitivity of 10% has been selected based on the reasonably possible movements given recent and historical levels of volatility and exchange rates and economic forecast expectations.
- A sensitivity analysis of derivatives has been based on reasonably possible movements of spot rates at reporting dates rather than forward rates.

The following table shows the foreign currency risk arising from the financial assets and liabilities, which are shown by currency of denomination.

US$ MILLION	US$	PEN	A$	HK$	OTHERS	TOTAL
As at 31 December 2016						
Financial assets						
Cash and cash equivalents	521.9	14.7	10.0	2.6	3.5	**552.7**
Trade receivables	406.6	-	-	-	-	**406.6**
Other and sundry receivables	69.9	0.2	-	-	0.6	**70.7**
Derivative assets	16.7	-	-	-	-	**16.7**
Financial liabilities						
Trade and other payables	(468.3)	(117.2)	(59.5)	-	(7.6)	**(652.6)**
Derivative liabilities	(5.8)	-	-	-	-	**(5.8)**
Borrowings (excluding prepayments)	(10,339.5)	-	-	-	-	**(10,339.5)**
	(9,798.5)	**(102.3)**	**(49.5)**	**2.6**	**(3.5)**	**(9,951.2)**
As at 31 December 2015						
Financial assets						
Cash and cash equivalents	583.1	1.7	7.4	-	6.1	**598.3**
Trade receivables	38.1	-	-	-	-	**38.1**
Other and sundry receivables	134.0	2.9	11.4	-	-	**148.3**
Financial liabilities						
Trade and other payables	(398.2)	(43.9)	(85.5)	-	-	**(527.6)**
Derivative liabilities	(0.3)	-	-	-	-	**(0.3)**
Borrowings (excluding prepayments)	(10,357.8)	-	-	-	-	**(10,357.8)**
	(10,001.1)	**(39.3)**	**(66.7)**	**-**	**6.1**	**(10,101.0)**

Based on the Group's net financial assets and liabilities as at 31 December 2016 and 2015, a movement of the US dollar against the principal non-functional currencies as illustrated in the table below, with all other variables held constant, would cause increase /(decrease) in post-tax loss and OCI as follows:

	2016				2015			
	Weakening of US dollar		Strengthening of US dollar		Weakening of US dollar		Strengthening of US dollar	
US$ MILLION	Increase/ (Decrease) in Net Loss after Tax	Increase/ (Decrease) in OCI	Increase/ (Decrease) in Net Loss after Tax	Increase/ (Decrease) in OCI	Increase/ (Decrease) in Net Loss after Tax	Increase/ (Decrease) in OCI	Increase/ (Decrease) in Net Loss after Tax	Increase/ (Decrease) in OCI
10% movement in Australian dollar (2015: 10%)	3.5	-	(3.5)	-	4.7	-	(4.7)	-
10% movement in Peruvian sole (2015: 10%)	7.0	-	(7.0)	-	2.7	-	(2.7)	-
Total	**10.5**	**-**	**(10.5)**	**-**	**7.4**	**-**	**(7.4)**	**-**

(d) Credit risk

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 are 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.

The Group's most significant customers are CMN and Trafigura Pte Ltd. The revenue earned from CMN and Trafigura Pte Ltd are approximately 37.9% and 15.0% respectively (2015: Nyrstar Sales and Marketing AG with 33.4%) of revenue for the year. The largest debtor as at 31 December 2016 is CMN with a balance of US$228.4 million (2015: Trafigura Beheer B.V. with US$9.4 million) and the five largest debtors accounted for 94.2% (2015: 88.2%) of the Group's trade receivables. Credit risk arising from sales to large concentrate customers is managed by contracts that stipulate a provisional payment of at least 90% of the estimated value of each sale. For most sales a second provisional payment is received within 60 days of the vessel arriving at the port of discharge. Final payment is recorded after completion of the quotation period and assaying. The credit risk by geographic region was:

	AS AT 31 DECEMBER	
US$ MILLION	2016	2015
Australia	9.3	5.9
Europe	26.5	26.0
Asia	370.8	6.2
	406.6	**38.1**

(e) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities.

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.

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

US$ MILLION	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
At 31 December 2016					
Financial assets					
Cash and cash equivalents	552.7	-	-	-	**552.7**
Trade and other receivables	413.1	64.2	-	-	**477.3**
Derivative assets – gross settled					
-Inflows	429.4	-	-	-	**429.4**
-Outflows	(412.7)	-	-	-	**(412.7)**
Financial liabilities					
Trade and other payables (including accrued interest)	(652.6)	-	-	-	**(652.6)**
Derivative financial liabilities – (foreign exchange option contracts)	(1.2)	-	-	-	**(1.2)**
Derivative financial liabilities – gross settled					
-Inflows	124.7	10.8	-	-	**135.5**
-Outflows	(128.9)	(11.2)	-	-	**(140.1)**
Borrowings (including unaccrued interest)	(1,361.6)	(3,207.1)	(2,757.4)	(6,100.1)	**(13,426.2)**
	(1,037.1)	**(3,143.3)**	**(2,757.4)**	**(6,100.1)**	**(13,037.9)**
At 31 December 2015					
Financial assets					
Cash and cash equivalents	598.3	-	-	-	598.3
Trade and other receivables	173.2	13.2	-	-	186.4
Financial liabilities					
Trade and other payables (including accrued interest)	(420.2)	(107.4)	-	-	(527.6)
Forward foreign exchange contracts net settled	(0.3)	-	-	-	(0.3)
Borrowings (including unaccrued interest)	(383.1)	(1,350.9)	(5,097.3)	(6,781.5)	(13,612.8)
	(32.1)	**(1,445.1)**	**(5,097.3)**	**(6,781.5)**	**(13,356.0)**

The amounts presented in the tables above comprise the contractual undiscounted cash flows for non-derivative financial instruments, and therefore will not agree with the amounts presented in the consolidated statement of financial position. For derivative financial instruments, the amounts have been drawn up based on the undiscounted gross inflows and outflows that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by the prevailing market rate at the end of the reporting period.

(f) Sovereign risk

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.

CONTINGENT LIABILITIES

Bank guarantees

Certain bank guarantees have been provided in connection with the operations of certain subsidiaries of the Company primarily associated with the terms of mining leases, mining concessions, exploration licences or key contracting arrangements. At the end of the year, no claims have been made under these guarantees. The amount of these guarantees may vary from time to time depending upon the requirements of the relevant regulatory authorities. These guarantees amount to US$383.4 million as at 31 December 2016 (31 December 2015: US$491.2 million).

Contingent Liabilities - tax related contingencies

Tax authorities conduct regular routine tax reviews and audits on the Group. The final outcome cannot be determined with sufficient reliability. The consolidated statement of financial position currently reflects all probable taxation liabilities and reasonable steps are being undertaken in relation to all potential tax uncertainty.

CHARGES ON ASSETS

As at 31 December 2016, the borrowings of the Group were secured as follows:

(a) Approximately US$488.2 million (2015: US$563.3 million) from China Development Bank Corporation and Bank of China Limited (Sydney Branch) was secured by a first-ranking equitable mortgage over each of the entire share capital of Album Investment Private Limited (Album Investment), a wholly owned subsidiary of the Company, and 100% of the share capital of certain wholly owned subsidiaries of Album Investment including MMG Laos Holdings Limited, and a share charge over 70% of the share capital of certain wholly owned subsidiaries of Album Investment including MMG Laos Holdings Limited.

(b) Approximately US$330.0 million (2015: US$250.0 million) from China Development Bank Corporation and Bank of China Limited (Sydney Branch) was secured by a first-ranking equitable mortgage over each of the entire share capital of Album Investment; 100% of the share capital of certain wholly owned subsidiaries of Album Investment including MMG Laos Holdings Limited; a share charge over 70% of the share capital of certain wholly owned subsidiaries of Album Investment including MMG Laos Holdings Limited; a share charge over all of the shares in MMG Dugald River Pty Ltd (MMG Dugald River); a real property mortgage over all of the interests in land of MMG Dugald River; a general security agreement in respect of all of the assets of MMG Dugald River; and specific security over certain assets owned by MMG Australia Limited relating to the Dugald River project and a featherweight charge over all of MMG Australia Limited's other assets (which security may now be released as MMG Australia Limited has completed the transfer of the Dugald River project assets to MMG Dugald River).

(c) Approximately US$6,954.5 million (2015: US$6,691.3 million) from China Development Bank Corporation, Industrial and Commercial Bank of China Limited, Bank of China Limited (Sydney Branch) and The Export-Import Bank of China was secured by share security over the entire share capital of MMG South America Management Co Ltd and each of its subsidiaries including Minera Las Bambas S.A., a debenture over the assets of MMG South America Management Co Ltd, an assets pledge agreement and production unit mortgage in respect of all of the assets of Minera Las Bambas S.A., assignments of shareholder loans between MMG South America Management Co Ltd and its subsidiaries and security agreements over bank accounts of Minera Las Bambas S.A. These borrowings are also guaranteed on several basis by CMNH and CMCL, Guoxin International Investment Corporation Limited and CITIC Corporation Limited (formerly known as CITIC Limited) in proportion to the respective shareholdings of MMG S.A., Elion Holdings Corporation Limited and Citic Metal Peru Investment Limited in MMG SAM.

FUTURE PROSPECTS

MMG expects to produce 560,000–615,000 tonnes of copper and 65,000–72,000 tonnes of zinc in 2017.

Total capital expenditure for 2017 is expected to be between US$850 and US$900 million, including approximately US$330 million of growth capital expenditure for the Dugald River development project. 2017 capital expenditure guidance also includes an elevated level of spending at Las Bambas as ramp up and optimisation activities continue.

MMG currently has no future plans for material investments or capital assets sanctioned by the Board other than those detailed in this report or announced to the market.

OTHER INFORMATION

STRATEGY AND BUSINESS REVIEW

MMG's objective is to be valued as one of the world's top mid-tier miners by 2020.

To achieve this objective, we deliver value through four strategic drivers:

- Growth - we acquire and discover base metals assets that transform our business. We unlock the potential value of our project pipeline;
- Operations Transformation - we develop effective plans to deliver innovative growth opportunities and improve productivity;
- People and Organisation - we provide a healthy, secure and safe workplace and a culture that values collaboration, accountability and respect; and
- Reputation - we are valued for our commitment to progress, long-term partnerships and international management.

The recent changes to the MMG Board and management structure do not change the Company's overarching strategy and the Board, together with the Executive Committee and management, will continue to drive the ongoing success of the Group's business and pursue its growth and financial objectives.

The Board is committed to sustaining the successful model that brings together the best management team from around the world and a strong relationship with China that provides understanding of Chinese markets and access to its sources of funding.

The Company remains committed to its primary listing in Hong Kong given it is an attractive market for its major investors and to source Chinese investment, and also to its secondary listing on the ASX given that Australia is an attractive market for natural resources companies and the Company's head office is located in Melbourne, Australia. The Rights Issue completed in December 2016 was testament to the strong investor appetite for the Company's stock, with the Rights Issue being more than six times over-subscribed and share trading volumes increasing materially since this time.

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held on Wednesday, 24 May 2017 (AGM). The notice of the AGM will be published and despatched to shareholders of the Company in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 19 May 2017 to Wednesday, 24 May 2017, inclusive, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the AGM,

(a) in respect of the shares registered with the share registrar of the Company in Hong Kong, all completed transfer forms accompanied by the relevant share certificates must be lodged with Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 pm (Hong Kong time) on Thursday, 18 May 2017; or

(b) in respect of the CHESS Depositary Instruments (CDI) registered with the share registrar of the Company in Australia, all completed CDI transfer forms accompanied by the sellers identification requirements, must be lodged with Computershare Investor Services Pty Ltd, at Yarra Falls, 452 Johnston Street, Abbotsford, Victoria 3067, Australia not later than 5:00 pm (Australian Eastern Standard Time) on Thursday, 18 May 2017.

The record date for determining Shareholders' eligibility to attend and vote at the AGM will be on Thursday, 18 May 2017.

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance practices by emphasising a quality Board, sound internal controls, and transparency and accountability to all Shareholders.

The Company has complied with all the code provisions set out in the Corporate Governance Code and Corporate Governance Report contained in Appendix 14 of the Listing Rules throughout the year ended 31 December 2016, except for the deviations from code provisions A.4.1 as disclosed below.

Code provision A.4.1 stipulates that Non-executive Directors should be appointed for a specific term and subject to re-election. Each of the Non-executive Directors entered into a service agreement with the Company for a specific term of three years, except for Dr Peter Cassidy. Dr Cassidy's appointment agreement commenced on 31 December 2010 and continues until either the Company or he terminates such agreement by serving on the other not less than one month's prior written notice. In accordance with the Company's articles of association, each Director appointed by the Board shall be subject to re-election by Shareholders at the next general meeting (in the case of filling a casual vacancy) or at the next annual general meeting (in the case of an addition to the Board), and thereafter be subject to retirement by rotation at least once every three years at the annual general meeting. Dr Cassidy, who was appointed by the Board on 31 December 2010 to fill a casual vacancy, is also subject to retirement from the Board by rotation at least once every three years at the annual general meeting. Since Dr Cassidy has been appointed, he has been re-elected by the Shareholders at three annual general meetings of the Company. These annual general meetings were held in 2011, 2013 and 2015.

The Company adopted a Board Charter to outline the manner in which its constitutional powers and responsibilities will be exercised, delegated and/or discharged, having regard to principles of good corporate governance, international best practice and applicable laws. The Board Charter is adopted on the basis that strong corporate governance can add to the performance of the Company, create Shareholder value and engender the confidence of the investment market.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a model code for securities trading by Directors of the Company (Securities Trading Model Code) on terms no less exacting than the required standard of the Model Code for Securities Transactions by Directors of Listed Issuers (Model Code) as set out in Appendix 10 of the Listing Rules.

Specific enquiry was made with all the Directors and all confirmed that they have complied with the requirements set out in the Model Code and the Securities Trading Model Code during the year ended 31 December 2016.

AUDIT COMMITTEE

The Audit Committee comprises five members including three Independent Non-executive Directors, namely Mr Leung Cheuk Yan, Ms Jennifer Seabrook and Professor Pei Ker Wei and two Non-executive Directors, namely Mr Gao Xiaoyu and Mr Zhang Shuqiang. Ms Seabrook is the Chair of the Audit Committee. Dr Peter Cassidy was a member of the Audit Committee until 16 August 2016.

The Audit Committee is accountable to the Board. It focuses primarily on financial reporting related matters, such as reviewing financial information and overseeing financial reporting related systems and controls. The duties of the Audit Committee include to monitor the relationship with the Company's external auditor, review the financial information of the Company (including its treasury and tax functions) and have oversight over the Group's financial reporting system. The Audit Committee has reviewed the consolidated financial statements of the Group for the year ended 31 December 2016.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31 December 2016, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is also published on the websites of the Australian Securities Exchange (www.asx.com.au) and the Company (www.mmg.com). The Company's 2016 Annual Report will be despatched to Shareholders and made available on the websites of the Hong Kong Exchange and Clearing Limited (www.hkexnews.hk), the Australian Securities Exchange and the Company in due course.

FINANCIAL INFORMATION OF THE GROUP

The financial information relating to the years ended 31 December 2016 and 2015 included in this preliminary announcement of annual results 2016 does not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those financial statements.

Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31 December 2015 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance, and will deliver the financial statements for the year ended 31 December 2016 to the Registrar of Companies in due course.

The Company's auditors have reported on these financial statements for both years. The auditor's reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

Scope of work of Messrs. Deloitte Touche Tohmatsu

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and the related notes thereto for the year ended 31 December 2016 as set out in the announcement on annual results have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the announcement on annual results.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	NOTE	YEAR ENDED 31 DECEMBER 2016 US$ MILLION	2015 US$ MILLION
Revenue	3	**2,488.8**	**1,950.9**
Other income	4	40.3	1.7
Expenses (excluding depreciation, amortisation and impairment expenses)	5.1	(1,579.9)	(1,531.7)
Earnings before interest, income tax, depreciation, amortisation and impairment expenses – EBITDA		**949.2**	**420.9**
Depreciation and amortisation expenses	5.1	(684.5)	(649.4)
Impairment expenses	5.2	-	(897.0)
Profit/(loss) before interest and income tax – EBIT		**264.7**	**(1,125.5)**
Finance income	6	3.3	3.8
Finance costs	6	(316.3)	(88.8)
Loss before income tax		**(48.3)**	**(1,210.5)**
Income tax (expense)/credit	7	(50.4)	161.8
Loss for the year		**(98.7)**	**(1,048.7)**
Loss for the year attributable to:			
Equity holders of the Company		(152.7)	(1,026.5)
Non-controlling interests		54.0	(22.2)
		(98.7)	**(1,048.7)**
LOSS PER SHARE FOR LOSS ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE COMPANY			**(RESTATED)**
Basic loss per share	8	(US 2.5 cents)	(US 17.0 cents)
Diluted loss per share	8	(US 2.5 cents)	(US 17.0 cents)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		YEAR ENDED 31 DECEMBER	
	NOTE	2016 US$ MILLION	2015 US$ MILLION
Loss for the year		**(98.7)**	**(1,048.7)**
Other comprehensive income/(expenses)			
Items that may subsequently be reclassified to profit or loss			
Change in fair value of available-for-sale financial assets		13.3	(11.4)
Change in fair value of hedging instruments in cash flow hedges		(4.3)	-
Items reclassified to profit or loss			
Gain on disposal of available-for-sale financial assets		(1.5)	-
Other comprehensive income/(expenses) for the year, net of tax		**7.5**	**(11.4)**
Total comprehensive expenses for the year		**(91.2)**	**(1,060.1)**
Total comprehensive (expenses)/income attributable to:			
Equity holders of the Company		(145.2)	(1,037.9)
Non-controlling interests		54.0	(22.2)
		(91.2)	**(1,060.1)**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTE	AS AT 31 DECEMBER 2016 US$ MILLION	2015 US$ MILLION
ASSETS			
Non-current assets			
Property, plant and equipment		12,084.3	11,873.0
Intangible assets		620.6	628.6
Inventories		29.8	61.2
Deferred income tax assets		291.1	368.5
Other receivables	10	160.2	82.0
Other financial assets		12.5	12.4
Total non-current assets		**13,198.5**	**13,025.7**
Current assets			
Inventories		345.7	281.7
Trade and other receivables	10	755.5	719.2
Loan to a related party		95.0	-
Current income tax assets		5.5	1.4
Derivative financial assets		16.7	-
Other financial assets		0.2	14.9
Cash and cash equivalents	11	552.7	598.3
		1,771.3	1,615.5
Assets of disposal group classified as held for sale	14	260.2	18.8
Total current assets		**2,031.5**	**1,634.3**
Total assets		**15,230.0**	**14,660.0**
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	12	2,863.3	2,359.1
Reserves and retained profits		(1,832.8)	(1,692.5)
		1,030.5	666.6
Non-controlling interests		1,559.1	1,508.6
Total equity		**2,589.6**	**2,175.2**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION CONTINUED

		AS AT 31 DECEMBER	
	NOTE	2016 US$ MILLION	2015 US$ MILLION
LIABILITIES			
Non-current liabilities			
Borrowings		9,516.2	9,986.2
Provisions		831.3	775.8
Other payables	13	-	134.6
Deferred income tax liabilities		683.0	744.0
Total non-current liabilities		**11,030.5**	**11,640.6**
Current liabilities			
Borrowings		737.0	276.9
Provisions		141.6	137.7
Trade and other payables	13	652.6	393.0
Current income tax liabilities		3.1	31.8
Derivative financial instruments		5.8	0.3
		1,540.1	**839.7**
Liabilities of disposal group classified as held for sale	14	69.8	4.5
Total current liabilities		**1,609.9**	**844.2**
Total liabilities		**12,640.4**	**12,484.8**
Net current assets		**421.6**	**790.1**
Total equity and liabilities		**15,230.0**	**14,660.0**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

US$ MILLION	NOTE	SHARE CAPITAL	TOTAL RESERVES	RETAINED PROFITS	NON-CONTROLLING INTERESTS	TOTAL
		ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY				
		(Note 12)				
At 1 January 2016		**2,359.1**	**(1,926.3)**	**233.8**	**1,508.6**	**2,175.2**
(Loss)/profit for the year		-	-	(152.7)	54.0	**(98.7)**
Other comprehensive income		-	7.5	-	-	**7.5**
Total comprehensive expenses for the year		**-**	**7.5**	**(152.7)**	**54.0**	**(91.2)**
Ordinary shares issued, net of share issue costs	12	504.2	-	-	-	**504.2**
Employee share options		-	4.9	-	-	**4.9**
Dividends paid to non-controlling interests		-	-	-	(3.5)	**(3.5)**
Total transactions with owners		**504.2**	**4.9**	**-**	**(3.5)**	**505.6**
At 31 December 2016		**2,863.3**	**(1,913.9)**	**81.1**	**1,559.1**	**2,589.6**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY CONTINUED

US$ MILLION	NOTE	SHARE CAPITAL	TOTAL RESERVES	RETAINED PROFITS	NON-CONTROLLING INTERESTS	TOTAL
		ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY				
		(Note 12)				
At 1 January 2015		**2,358.9**	**(1,932.9)**	**1,260.3**	**1,288.3**	**2,974.6**
Loss for the year		-	-	(1,026.5)	(22.2)	**(1,048.7)**
Other comprehensive expenses		-	(11.4)	-	-	**(11.4)**
Total comprehensive expenses for the year		**-**	**(11.4)**	**(1,026.5)**	**(22.2)**	**(1,060.1)**
Employee share options		0.2	18.0	-	-	**18.2**
Contribution from non-controlling interests		-	-	-	250.5	**250.5**
Dividends paid to non-controlling interests		-	-	-	(8.0)	**(8.0)**
Total transactions with owners		**0.2**	**18.0**	**-**	**242.5**	**260.7**
At 31 December 2015		**2,359.1**	**(1,926.3)**	**233.8**	**1,508.6**	**2,175.2**

CONSOLIDATED STATEMENT OF CASH FLOWS

		YEAR ENDED 31 DECEMBER	
	NOTE	2016 US$ MILLION	2015 US$ MILLION
Cash flows from operating activities			
Receipts from customers		2,875.1	2,289.0
Payments to suppliers		(2,049.3)	(1,875.2)
Payments for exploration expenditure		(38.8)	(42.4)
Income tax paid		(64.7)	(89.0)
Net cash generated from operating activities		**722.3**	**282.4**
Cash flows from investing activities			
Purchase of property, plant and equipment		(771.0)	(1,959.0)
Payment of loan to a related party		(95.0)	-
Proceeds from repayments of loan to a related party		-	80.0
Purchase of intangible assets		(17.0)	(26.0)
Purchase of financial assets		(1.3)	(1.8)
Acquisition of subsidiaries, net of cash acquired		-	(12.2)
Proceeds from disposal of financial assets		34.0	0.2
Proceeds from disposal of property, plant and equipment		3.1	1.3
Net cash used in investing activities		**(847.2)**	**(1,917.5)**

CONSOLIDATED STATEMENT OF CASH FLOWS

CONTINUED

	NOTE	YEAR ENDED 31 DECEMBER 2016 US$ MILLION	2015 US$ MILLION
Cash flows from financing activities			
Proceeds from issue of shares		511.2	-
Payment of share issue costs		(7.0)	-
Proceeds from borrowings		643.4	1,729.5
Repayments of borrowings		(664.4)	(109.5)
Proceeds from related party borrowings		-	417.5
Capital contribution from non-controlling interests		-	250.5
Proceeds from shares issued upon exercise of employee share options		-	0.2
Dividends paid to non-controlling interests		(3.5)	(8.0)
Interest and financing costs paid		(403.6)	(301.4)
Interest received		3.2	3.4
Net cash generated from financing activities		**79.3**	**1,982.2**
Net (decrease)/increase in cash and cash equivalents		**(45.6)**	**347.1**
Cash and cash equivalents at 1 January		598.3	251.2
Cash and cash equivalents at 31 December	11	**552.7**	**598.3**

NOTES TO FINANCIAL INFORMATION

1 GENERAL INFORMATION

MMG Limited (the "Company") is a limited liability company and was incorporated in Hong Kong on 29 July 1988. The address of its registered office is Units 8501–8503, Level 85, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong.

The Company is an investment holding company and is listed on the main board of The Stock Exchange of Hong Kong Limited ("HKEx") and on the Australian Securities Exchange ("ASX"). The Company was admitted to the official list of the ASX on 10 December 2015 as a Foreign Exempt Listing, and commenced trading on 14 December 2015. This is a secondary listing and the Company's primary listing remains with the HKEx.

The Company and its subsidiaries (the "Group") are engaged in the exploration, development and mining of zinc, copper, gold, silver and lead deposits around the world.

The consolidated financial statements for the year ended 31 December 2016 are presented in United States dollars (US$) unless otherwise stated and were approved for issue by the Board of Directors of the Company (the "Board") on 8 March 2017.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") – a collective term that includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKAS") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). These consolidated financial statements have been prepared under the historical cost convention, except for available-for-sale financial assets, financial assets at fair value through profit or loss and derivative financial instruments which are measured at fair value.

Going Concern

This report has been prepared on the going concern basis which assumes the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

For the year ended 31 December 2016, the Group incurred a net loss of US$98.7 million (2015: net loss of US$1,048.7 million). As at 31 December 2016, the Group had net current assets of US$421.6 million (2015: US$790.1 million) and generated operating cashflows of US$722.3 million (2015: US$282.4 million). The Group also completed a successful rights issue during the year raising US$504.2 million net of costs. The Group expects to continue to generate positive operating cashflows for the 12 months following the approval of the annual financial statements, with the benefit of recent and forecast improvements in commodity prices (particularly copper).

Notwithstanding the above, the Group has debt with an aggregate principal amount of US$745.0 million maturing within the next 12 months and forecasts indicate certain covenants may be breached within the next 12 months. While existing cashflow forecasts indicate sufficient cashflows to enable the debt to be repaid the Group continues to progress discussions with external financiers with an objective of refinancing part of the Group's current debt repayable for working capital management purposes. Historically, the financiers have agreed to refinance facilities and in the current year demonstrated their ongoing support by agreeing to waive compliance with certain financial covenants. These relationships are supported and enhanced by guarantees provided by the Group's major shareholder China Minmetals Corporation ("CMC") in respect of certain facilities and CMC's own relationships with the Group's external financiers.

In the event that cashflow forecasts are not met or that the financiers are unwilling to refinance the facilities or waive compliance with certain covenants, the Group has the support of its major shareholder, CMC. In this circumstance, support to the Group may be in the form of providing additional debt facilities, deferral of debt service and repayment obligations in relation to existing shareholder loans from CMC, or through further equity contributions.

As a result the Directors of the Company (the "Directors") are of the view that the Group will be able to meet its debts as and when they fall due and accordingly the Directors have prepared the consolidated financial statements on a going concern basis.

3 SEGMENT INFORMATION

HKFRS 8 *"Operating Segments"* requires operating segments to be identified on the basis of internal reports about operations of the Group that are regularly reviewed by the chief operating decision-maker in order to allocate resources to the segment and assess its performance.

The chief operating decision-maker has been identified as the Company's Executive Committee. They review the Group's internal reporting of these operations in order to assess performance and allocate resources.

The Group restructured its internal organisation to manage its portfolio of Australian operations centrally. In 2016, the Company's Executive Committee commenced reviewing the operations of the Rosebery and Golden Grove mines on an aggregate basis. Accordingly, the Group has combined its previously reported segments of Rosebery and Golden Grove into one "Australian Operations" operating segment. Century mine ceased production in 2016 and is no longer an operating segment, consequently all results and balances for Century have been reclassified to the "Other" reportable segment.

The corresponding items of segment information for comparative periods have been restated to reflect the changes described above.

The Group's reportable segments are as follows:

Las Bambas	The Las Bambas mine is a large open-pit, scalable, long-life mining operation with prospective exploration options. It is located in Cotabambas, Apurimac region of Peru. The Las Bambas mine was commissioned for accounting purposes on and from 1 July 2016.
Sepon	Sepon is an open-pit copper mining operation located in southern Laos.
Kinsevere	Kinsevere is an open-pit copper mining operation located in the Katanga Province of the Democratic Republic of the Congo (DRC).
Australian Operations	Includes Rosebery and Golden Grove. Rosebery is an underground polymetallic base metal mining operation located on Tasmania's west coast. Golden Grove is an underground and open-pit base and precious metals mining operation located in Western Australia's mid-west.
Other	Includes Century mine which is an open-pit zinc mine located in North-West Queensland Australia, which ceased production in 2016. This segment also includes exploration and development projects (including the Dugald River project) as well as the results of corporate entities in the Group. All other segments are immaterial and have been aggregated.

A segment result represents the EBIT by each segment. This is the measure reported to the chief operating decision-maker for the purposes of resource allocation and assessment of segment performance. Other information provided, except as disclosed in the following paragraph, to the Company's Executive Committee is measured in a manner consistent with that in these consolidated financial statements.

Segment assets exclude current income tax assets, deferred income tax assets and net inter-segment receivables. Segment liabilities exclude current income tax liabilities, deferred income tax liabilities and net inter-segment loans. The excluded assets and liabilities are presented as part of the reconciliation to total consolidated assets or liabilities.

NOTES TO FINANCIAL INFORMATION CONTINUED

The segment revenue and results for the years ended 31 December 2016 and 2015 are as follows:

FOR THE YEAR ENDED 31 DECEMBER 2016

US$ MILLION	Las Bambas[1]	Sepon	Kinsevere	Australian Operations	Other unallocated items/ eliminations	Group
External revenue from third parties	536.5	263.3	400.4	423.4	24.8	1,648.4
External revenue from CMC	687.7	127.5	-	25.2	-	840.4
Revenue	**1,224.2**	**390.8**	**400.4**	**448.6**	**24.8**	**2,488.8**
EBITDA	**655.0**	**101.5**	**116.3**	**179.4**	**(103.0)**	**949.2**
Depreciation and amortisation expenses	(249.8)	(138.2)	(184.4)	(103.5)	(8.6)	(684.5)
EBIT	**405.2**	**(36.7)**	**(68.1)**	**75.9**	**(111.6)**	**264.7**
Finance income						3.3
Finance costs						(316.3)
Income tax expense						(50.4)
Loss for the year						**(98.7)**
Other segment information:						
Additions to non-current assets (excluding deferred tax assets, inventories and financial instruments)	704.1	62.2	24.0	78.8	230.4	**1,099.5**

US$ MILLION	Las Bambas[1]	Sepon	Kinsevere	Australian Operations	Other unallocated items/ eliminations	Group
Segment assets	11,378.9	691.3	1,044.4	632.9	1,185.9[1]	14,933.4
Current/deferred income tax assets						296.6
						15,230.0
Segment liabilities	7,454.7	244.7	138.5	193.9	3,922.5[2]	11,954.3
Current/deferred income tax liabilities						686.1
						12,640.4

NOTES TO FINANCIAL INFORMATION CONTINUED

	FOR THE YEAR ENDED 31 DECEMBER 2015					
US$ MILLION	**Las Bambas**	**Sepon**	**Kinsevere**	**Australian Operations (Restated)**	**Other unallocated items/ eliminations (Restated)**	**Group**
External revenue from third parties	-	366.4	418.1	415.4	591.7	1,791.6
External revenue from CMC	-	130.5	-	6.9	21.9	159.3
Revenue	**-**	**496.9**	**418.1**	**422.3**	**613.6**	**1,950.9**
EBITDA	**(72.1)**	**248.8**	**131.8**	**98.6**	**13.8**	**420.9**
Depreciation and amortisation expenses	-	(114.4)	(190.1)	(111.2)	(233.7)	(649.4)
EBIT	**(72.1)**	**134.4**	**(58.3)**	**(12.6)**	**(219.9)**	**(228.5)**
Finance income						3.8
Finance costs						(88.8)
Income tax credit (underlying)						49.1
Loss for the year (underlying)						**(264.4)**
Impairment of assets	-	-	(52.5)	-	(633.1)	(685.6)
Impairment of goodwill	-	-	(211.4)	-	-	(211.4)
Income tax credit on impairment charge	-	-	-	-	112.7	112.7
Loss for the year						**(1,048.7)**
Other segment information:						
Additions to non-current assets (excluding deferred tax assets, inventories and financial instruments)	1,758.0	99.3	100.7	68.3	77.4	**2,103.7**

US$ MILLION	**Las Bambas**	**Sepon**	**Kinsevere**	**Australian Operations (Restated)**	**Other unallocated items/ eliminations (Restated)**	**Group**
Segment assets	10,901.8	787.1	1,244.4	680.8	676.0[1]	14,290.1
Current/deferred income tax assets						369.9
						14,660.0
Segment liabilities	6,913.3	227.2	177.3	177.0	4,214.2[2]	11,709.0
Current/deferred income tax liabilities						775.8
Segment liabilities						**12,484.8**

1. Included in segment assets of US$1,185.9 million (2015: US$676.0 million) for the Other segment are cash of US$280.7 million (2015: US$381.9 million) mainly held at Group treasury entities, property, plant and equipment of US$356.6 million (2015: US$125.6 million) for Dugald River, trade receivables of US$242.8 million (2015: US$nil) for MMG South America Company Limited in relation to copper concentrate sales, loan to a related party of US$95.0 million (2015: US$nil), and other financial assets of US$17.8 million (2015: US$17.0 million).
2. Included in segment liabilities of US$3,922.5 million (2015: US$4,214.2 million) for the Other segment are borrowings of US$3,271.7 million (2015: US$3,649.4 million), which are managed at Group level, and rehabilitation provisions of US$316.9 million (2015: US$330.0 million) at Century.

4 OTHER INCOME

	2016 US$ MILLION	2015 US$ MILLION
Gain on disposal of financial assets	6.3	0.2
Gain on changes in fair value of derivatives financial instruments	21.5	-
Gain on disposal of property, plant and equipment	-	0.1
Other income	12.5	1.4
Total other income	**40.3**	**1.7**

5 EXPENSES

5.1 Loss before income tax includes the following specific expenses:

	2016 US$ MILLION	2015 US$ MILLION
Changes in inventories of finished goods and work in progress	43.5	(16.7)
Write-down of inventories to net realisable value	70.5	27.5
Employee benefit expenses[1]	211.5	269.7
Contracting and consulting expenses	310.9	201.3
Energy costs	207.3	176.7
Stores and consumables costs	330.8	331.4
Depreciation and amortisation expenses[2]	676.1	640.3
Operating lease rental[3]	26.9	31.4
Other production expenses	18.9	9.6
Cost of goods sold	**1,896.4**	**1,671.2**
Other operating expenses	58.6	100.8
Royalty expenses	88.2	83.6
Selling expenses	90.0	97.9
Impairment expenses (Note 5.2)	-	263.9
Operating expenses including depreciation, amortisation and impairment	**2,133.2**	**2,217.4**
Exploration expenses[1,3]	38.8	42.4
Administrative expenses[1,3]	57.9	90.8
Auditor’s remuneration	1.4	1.9
Foreign exchange (gains)/losses – net	(12.1)	56.4
Loss on financial assets at fair value through profit or loss	0.1	2.2
Impairment expenses in non-operating entities (Note 5.2)	-	633.1
Other expenses[1,2,3]	45.1	33.9
Total expenses	**2,264.4**	**3,078.1**

1. In aggregate US$114.5 million (2015: US$112.0 million) employee benefits expense by nature is included in the administrative expenses, exploration expenses and other expenses categories. Total employee benefits expenses were US$326.0 million (2015: US$381.7 million).
2. In aggregate US$8.4 million (2015: US$9.1 million) depreciation and amortisation expenses are included in other expenses categories. Total depreciation and amortisation expenses were US$684.5 million (2015: US$649.4 million).
3. In aggregate, an additional US$9.2 million (2015: US$7.9 million) operating lease rentals are included in administrative expenses, exploration expenses and other expenses categories. Total operating lease rentals were US$36.1 million (2015: US$39.3 million).

5.2 Impairment charges

For the year ended 31 December US$ MILLION	Note	Pre-tax 2016	Tax impact 2016	Post-tax 2016	Pre-tax 2015	Tax impact 2015	Post-tax 2015
Dugald River							
- Property, plant and equipment		-	-	-	573.6	(111.0)	462.6
Izok Corridor[1]							
- Property, plant and equipment		-	-	-	53.9	-	53.9
Avebury							
- Assets held for sale		-	-	-	5.6	(1.7)	3.9
Sub-total other reportable segments	3	**-**	**-**	**-**	**633.1**	**(112.7)**	**520.4**
Kinsevere							
- Intangible assets - goodwill		-	-	-	211.4	-	211.4
- Property, plant and equipment		-	-	-	52.5	-	52.5
Sub-total Kinsevere segment	3	**-**	**-**	**-**	**263.9**	**-**	**263.9**
		-	**-**	**-**	**897.0**	**(112.7)**	**784.3**

1. The impairment write-downs in 2015 were recognised pursuant to detailed assessments of the results of exploration activities at Izok Corridor Development project which indicated unfavourable project economics for further investment in the project, resulting in these assets being fully written off.

Impairment testing of non-current assets and Goodwill

In accordance with the Group's accounting policies and processes, the Group performs its impairment testing annually at 31 December. Cash Generating Units ("CGUs") are reviewed at each reporting period to determine whether there is an indication of impairment or impairment reversal. Where an indicator of impairment or impairment reversal exists, a formal estimate of the recoverable amount is made at the reporting period.

Indicators of impairment and potential impairment reversal were identified as at 31 December 2016. These included volatile commodity prices and changes to Life of Asset ("LOA") mine plans. As a result, the Group identified impairment indicators for Sepon and Kinsevere. The approval of the Dugald River project resulted in an evaluation if a reversal of impairment should be considered.

Las Bambas commenced commercial production on and from 1 July 2016. As a result, Las Bambas was subject to impairment testing due to Goodwill being attributed to the CGU which requires an annual impairment assessment.

Following the Group entering into a conditional share sale agreement to dispose of Golden Grove mine on 30 December 2016, the related assets and liabilities of the mine were classified as held for sale from that date and measured at the lower of carrying value and fair value less costs to sell resulting in no adjustment to the carrying value of the CGU. Refer to Note 14 for more details.

(i) Approach

An impairment is recognised when the carrying amount exceeds the recoverable amount. The recoverable amount of each CGU has been estimated using the higher of its fair value less costs of disposal or its Value in Use ("Fair Value"). In all instances the Fair Values were higher than the carrying values as at 31 December 2016. The Fair Value estimates are considered to be level 3 fair value measurements (as defined by accounting standards) as they are derived from valuation techniques that include inputs that are not based on observable market data. The Group considers the inputs and the valuation approach to be consistent with the approach taken by market participants.

Estimates of quantities of recoverable minerals, production levels, operating costs and capital requirements are sourced from the Group's planning process, including LOA plans, three year budgets, one-year forecasts and CGU specific studies. Expected operating performance improvements reflecting the Group's objectives to maximise free cash flow, optimise and reduce operational activity, apply technology, improve capital and labour productivity and other production efficiencies are also included along with the expected costs to realise the initiatives.

All reserves and resources have been included in the valuations at justifiable reasonable conversion rates, supported by proof of concept studies or, at minimum a resource range analysis for resource potential of a similar ore type within the CGU.

(ii) Key assumptions

The key assumptions impacting the discounted cash flow models used to determine the Fair Value include:

- Commodity prices;
- Operating costs;
- Increased capital requirements;
- Real post-tax discount rates;
- Reserves and resources;
- Foreign exchange rates; and
- Optimisation of operational activity and productivity.

In determining the value assigned to each key assumption, management has used external sources of information and utilised the expertise of both external consultants and experts within the Group to validate entity specific assumptions such as reserves and resources.

Commodity price and exchange rate assumptions are based on the latest internal forecasts benchmarked to analyst consensus forecasts. The long-term cost assumptions are based on experience.

Commodity price estimates included in the 3 year budget cashflows range between the current spot price and broker consensus forecasts. The long term price assumed for copper is US$2.96 per pound (2015: US$2.95 per pound) and for zinc is US$1.19 per pound (2015: US$1.20 per pound).

The long term AUD:USD exchange rate has been included as 0.80 (2015: 0.82).

The real post-tax discount rates used in the Fair Value estimates for each of the CGU's are 7% for Sepon and the Australian assets (2015: 8%), 8% for Las Bambas (2015: 8%), and 9% for Kinsevere (2015: 8%).

(iii) Valuation methodology for CGUs tested for impairment or reversal of impairment

Sepon

The Sepon Fair Value is determined through the 31 December 2016 LOA discounted cashflows. That includes copper processing to 2021 followed by the processing of gold reserves and resources. The Sepon Fair Value also includes cost savings already identified in the near future and assumes additional capital investment in the processing plant to process gold.

Kinsevere

The Kinsevere Fair Value is determined through a combination of the 31 December 2016 LOA discounted cashflows and further regional exploration potential and third party ore processing prospects. The cashflows assume additional capital investment in the processing plant to process sulphide copper.

Las Bambas

The Las Bambas Fair Value is determined through a combination of the 31 December 2016 LOA discounted cashflows and further regional exploration potential. The cashflows assume additional capital investment in the processing plant as well as expected cost reductions as the mine reaches process maturity following the first year of operation.

Dugald River

The Dugald River development project was impaired in December 2015 by US$573.6 million, pre-tax. The impairment was recognised as a result of further weakening in commodity prices, and industry changes in the region having an adverse effect on the valuation of the project.

The Group has revised the Dugald River project plan in 2016 and has identified cost savings and consistent improvements in the operational and technical stability of the project resulting in approval for external funding to complete the project. These factors together with recent increases in the zinc price resulted in an evaluation if a reversal of impairment should be considered as at 31 December 2016.

Following the evaluation it was decided that due to the stage of completion of the project and related risks that no reversal can be recognised as at 31 December 2016. The Group will continue to monitor and assess if a reversal of impairment is required in future periods.

(iv) Conclusion

The impairment testing of all the Group's operations as at 31 December 2016 has not resulted in the recognition of impairment or impairment reversal of the Group's non-current assets and Goodwill (2015: impairment losses of US$897.0 million, pre-tax).

(v) Sensitivity analysis

The level of production activity is a key assumption in the determination of Fair Value, as well as the success of converting reserves and resources. Due to the number of factors that could impact production activity, such as processing throughput, changing ore grade and/or metallurgy and revisions to mine plans in response to physical or economic conditions, no quantified sensitivity has been determined. Changes to these assumptions may however result in an impact on the Fair Value and result in impairment in future.

Each of the below sensitivities assumes that the specific assumption moves in isolation, whilst all other assumptions are held constant. In reality, a change in one of the aforementioned assumptions may accompany a change in another assumption which may have an offsetting impact (for example, a decline in the US dollar commodity price accompanied with a decline in the Australian dollar compared to the US dollar). Action is also usually taken to respond to adverse changes in economic assumptions that may mitigate the impact of any such change.

Sepon

The key assumptions to which the calculation of Fair Value for Sepon is most sensitive are copper price, reduction in operating costs and the ability to mine Gold at the end of the current Copper Life of Mine assumption. An adverse change of 5% in copper prices over the mine life would decrease the recoverable amount by approximately US$52 million and could lead to a recognition of an impairment of approximately US$40 million, and an adverse change of 5% in operating costs would decrease the recoverable amount by approximately US$43 million and could lead to a recognition of an impairment of approximately US$31 million.

Kinsevere

The key assumptions to which the calculation of Fair Value for Kinsevere is most sensitive is the copper price. An adverse change of 5% in copper prices over the mine life would decrease the recoverable amount by approximately US$181 million and could lead to a recognition of an impairment of approximately US$29 million.

The Fair Value is also dependent on the success of proposed improvements to the processing plant to be able to process sulphide ore, further regional exploration success as well as the success of third party ore processing initiatives. These initiatives are at a pre-feasibility stage and non-approval of the projects may result in an impairment of the Mine Property and Development assets.

6 FINANCE INCOME AND FINANCE COSTS

	2016 US$ MILLION	2015 US$ MILLION
Finance income		
Interest income on cash and cash equivalents[1]	3.3	3.8
	3.3	**3.8**
Finance costs		
Interest expense on bank borrowings	(366.2)	(295.2)
Interest expense on convertible redeemable preference shares	(19.7)	(19.7)
Interest expense on related party borrowings	(91.3)	(80.5)
Unwinding of discount on provisions	(28.1)	(33.6)
Other finance cost on external borrowings	(19.9)	(4.9)
Other finance cost on related party borrowings	(9.2)	(7.1)
Finance costs – total	**(534.4)**	**(441.0)**
Less: Borrowing costs capitalised in relation to qualifying assets[2]	**218.1**	**352.2**
Finance costs – net of capitalised borrowing costs	**(316.3)**	**(88.8)**

1. Interest income of US$6.7 million (2015: US$ 0.1 million) was capitalised on qualifying assets, which form part of the additions to the cost of property, plant and equipment.
2. Borrowing costs capitalised include finance costs on borrowings held to specifically fund the assets, and finance costs on general borrowings capitalised at the rate of 4.0% (2015: 3.2%) per annum representing the average interest rate on relevant general borrowings.

7 INCOME TAX (EXPENSE)/CREDIT

Hong Kong profits tax is provided at a rate of 16.5% where there are net assessable profits derived for the year. The income tax rates applicable for the main jurisdictions in which the Group operates are: Australia (30.0%), Laos (33.3%), Peru (32.0%) and the DRC (30.0%). Tax rates for some jurisdictions are covered by historical legal agreements with governments. Taxation on profits arising from other jurisdictions has been calculated on the estimated assessable profits for the year at the rates prevailing in the relevant jurisdictions.

The Group recognises deferred tax assets if it is probable that future taxable amounts will be available to utilise those deductible temporary differences and unused tax losses in the foreseeable future. Management will continue to assess the recognition of deferred tax assets in future reporting periods.

	2016 US$ MILLION	2015 US$ MILLION
Current income tax expense – Overseas income tax	(36.7)	(69.5)
	(36.7)	**(69.5)**
Deferred income tax (expense)/credit – Overseas income tax	(13.7)	231.3
	(13.7)	**231.3**
Income tax (expense)/credit	**(50.4)**	**161.8**

There is no deferred tax impact relating to items of other comprehensive income (2015: US$nil).

The tax on the Group's loss before income tax differs from the prima facie amount that would arise using the applicable tax rate to losses of the consolidated companies as follows:

	2016 US$ MILLION	2015 US$ MILLION
Loss before income tax	(48.3)	(1,210.5)
Calculated at domestic tax rates applicable to profits in the respective countries	(12.0)	353.0
Net non-taxable / (non-deductible) amounts[1]	3.5	(89.6)
Net unrecognised deferred tax assets[2]	(43.0)	(77.5)
Previously unrecognised tax losses now recognised as deferred tax assets	10.8	-
Over/(under) provision in prior years	18.4	(1.8)
Non-recoverable withholding tax[3]	(28.1)	(22.3)
Income tax (expense)/credit	**(50.4)**	**161.8**

1. Non-deductible amounts in 2015 comprise primarily of the tax effect impact of the impairment to goodwill and African evaluation assets.
2. Amounts in 2016 relate to costs not presently deductable in Hong Kong. Amounts in 2015 are mainly due to unrecognised temporary differences arising in relation to MMG's Australian and Canadian assets.
3. Non-recoverable withholding tax paid under Peruvian tax law.

8 LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares on issue during the year.

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the Company's share options and performance awards on issue, a calculation is performed to determine the number of shares that could have been acquired at fair value (determined at the average market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options and performance awards. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options and performance awards.

	NUMBER OF SHARES	
	2016 '000	2015 (Restated[2]) '000
Weighted average number of ordinary shares used in the calculation of the basic loss per share	6,163,972	6,034,124
Weighted average number of ordinary shares used in the calculation of the diluted loss per share[1]	6,163,972	6,034,124

1. Diluted loss per share is the same as basic loss per share for the years ended 31 December 2016 and 31 December 2015. Potential ordinary shares are anti-dilutive as their conversion to ordinary shares will result in a decrease of loss per share. The calculation of diluted loss per share does not assume conversion, exercise, or other issue of potential ordinary shares that would have an anti-dilutive effect on loss per share.
2. On 14 December 2016, the Company announced the completion of a rights issue of 2,645,034,944 rights shares at HK$1.50 per rights share. As the Company's share market price immediately before the close of rights exercise was higher than the rights issue price, this gave rise to a bonus element in the rights issue to existing shareholders. Therefore loss per share is calculated as if the bonus element (but not the total rights issue) arose proportionately at the start of the earliest period for which loss per share is presented in accordance with the requirements under HKAS 33.

Loss per share is calculated as follows:

	2016	2015 (Restated[2])
Basic loss per share	(US 2.5 cents)	(US 17.0 cents)
Diluted loss per share	(US 2.5 cents)	(US 17.0 cents)

The Group has also chosen to present an alternative earnings per share measure, with loss adjusted for non-recurring items because it better reflects the Group's underlying performance.

	2016 US$ MILLION	2015 US$ MILLION
Loss attributable to equity holders of the Company	(152.7)	(1,026.5)
Non-recurring items:		
- Impairment (Note 5.2)	-	897.0
- Tax associated with impairment (Note 5.2)	-	(112.7)
Underlying loss before non-recurring items	**(152.7)**	**(242.2)**

NOTES TO FINANCIAL INFORMATION CONTINUED

	2016	2015 (Restated[2])
Basic loss per share pre impairment charge (net of tax)	(US 2.5 cents)	(US 4.0 cents)
Diluted loss per share pre impairment charge (net of tax)	(US 2.5 cents)	(US 4.0 cents)

9 DIVIDENDS

The Directors did not recommend the payment of an interim or final dividend for the year ended 31 December 2016 (2015: US$nil).

10 TRADE AND OTHER RECEIVABLES

	2016 US$ MILLION	2015 US$ MILLION
Non-current other receivables		
Prepayments	16.1	20.2
Other receivables – government taxes[1]	79.9	48.6
Sundry receivables	64.2	13.2
	160.2	**82.0**

Current trade and other receivables	2016 US$ MILLION	2015 US$ MILLION
Trade receivables[2]	406.6	49.1
Less: Allowance for impairment of trade receivables	-	(11.0)
Trade receivables (net)	406.6	38.1
Prepayments	31.0	47.0
Other receivables – government taxes[1]	311.4	499.0
Sundry receivables	6.5	135.1
	755.5	**719.2**

[1] Other receivables – government taxes:

Non-current other receivable – Government Taxes	2016 US$ MILLION	2015 US$ MILLION
Peru	31.8	38.6
Democratic Republic of the Congo	43.0	-
Other	5.1	10.0
Total government taxes receivables – non-current	**79.9**	**48.6**
Current other receivable – Government Taxes		
Peru	305.5	456.5
Democratic Republic of the Congo	3.9	33.5
Other	2.0	9.0
Total government taxes receivables – current	**311.4**	**499.0**

The government taxes amount mainly consists of VAT receivables.

[2]As at 31 December 2016 and 2015, trade and other receivables of the Group mainly related to the mining operations and development projects. The majority of sales for mining operations were made under contractual arrangements whereby provisional payment is received after delivery and the balance is due within 30 to 120 days from delivery. The ageing analysis of the trade receivables (based on invoice date) is as follows:

	2016		2015	
	US$ MILLION	%	US$ MILLION	%
Current trade receivables				
Less than 6 months	406.6	100.0	49.1	100.0
Current trade receivables	**406.6**	**100.0**	**49.1**	**100.0**

As at 31 December 2016, US$2.2 million (2015: US$nil) trade receivables were past due but not impaired.

As at 31 December 2016, the Group's trade receivables included an amount of US$228.4 million (2015: US$6.6 million), which was due from a related company of the Group. The carrying amounts of the Group's trade receivables are all denominated in US$.

11 CASH AND CASH EQUIVALENTS

	2016 US$ MILLION	2015 US$ MILLION
Cash at bank and in hand	335.9	296.2
Short-term bank deposits[1]	216.8	302.1
Total[2]	**552.7**	**598.3**

1. The weighted average effective interest rate on short-term bank deposits as at 31 December 2016 was 1.86% (2015: 0.82%). These deposits have an average 20 days (2015: 20 days) to maturity from 31 December 2016.
2. Total cash and cash equivalents include US$239.6 million (2015: US$168.7 million) of cash held limited for use by the Las Bambas joint venture group.

The carrying amounts of the cash and cash equivalents are denominated in the following currencies:

	2016 US$ MILLION	2015 US$ MILLION
US dollars	521.9	583.1
Peruvian sol	14.7	1.7
Australian dollars	10.0	7.4
Hong Kong dollars	2.6	-
Other	3.5	6.1
	552.7	**598.3**

12 SHARE CAPITAL

	NUMBER OF ORDINARY SHARES		SHARE CAPITAL	
	2016 '000	2015 '000	2016 US$ MILLION	2015 US$ MILLION
Issued and fully paid:				
At 1 January	5,290,070	5,289,608	2,359.1	2,358.9
Ordinary shares issued[1]	2,645,035	-	504.2	-
Employee share options exercised	-	462	-	0.2
At 31 December	7,935,105	5,290,070	2,863.3	2,359.1

[1] On 15 December 2016, a total 2,645,034,944 new shares were issued as a result of the completion of a rights issue of 2,645,034,944 rights shares at HK$1.50 per rights share on the basis of 1 rights share for every 2 shares held. The gross proceeds from the rights issue was US$511.2 million, excluding share issue costs of US$7.0 million.

13 TRADE AND OTHER PAYABLES

The analysis of the trade and other payables is as follows:

	2016 US$ MILLION	2015 US$ MILLION
Non-current other payables		
Related party interest payable	-	107.4
Other payables and accruals	-	27.2
	-	**134.6**
Current trade and other payables		
Trade payables[1]		
Less than 6 months	291.4	149.5
More than 6 months	10.4	11.3
	301.8	160.8
Related party interest payable	198.7	-
Other payables and accruals	152.1	232.2
	652.6	**393.0**

1. As at 31 December 2016, the Group's trade payables included an amount of US$nil (2015: US$0.2 million), which was due to a related company of the Group. The ageing analysis of the trade payables is based on the creditors' invoice date.

14 ASSETS AND LIABILITIES HELD FOR SALE

	2016 US$ MILLION	2015 US$ MILLION
Assets of disposal group classified as held for sale		
Avebury		
-Property, plant and equipment	18.8	18.8
Golden Grove		
-Property, plant and equipment	208.6	-
-Inventories	20.0	-
-Deferred income tax assets	3.9	-
-Trade and other receivables	8.9	-
Total	**260.2**	**18.8**
Liabilities of disposal group classified as held for sale		
Avebury		
-Mine rehabilitation, restoration and dismantling provisions	4.5	4.5
Golden Grove		
-Mine rehabilitation, restoration and dismantling provisions	39.2	-
-Employee Provisions	6.2	-
-Trade and other payables	18.7	-
-Deferred income tax liabilities	1.2	-
Total	**69.8**	**4.5**
Assets of disposal group classified as held for sale - net	**190.4**	**14.3**

Avebury

The Group continues to classify the Avebury nickel mine, which is on care and maintenance, as held for sale. In September 2016, MMG entered into a sale agreement with Dundas Mining Pty Ltd for the sale of the Avebury nickel mine for a consideration of $25 million Australian dollars, and the expected completion date is 31 March 2017.

Golden Grove

On 30 December 2016, the Group announced it had entered into a conditional share sale agreement to dispose of the Golden Grove mine, and the related assets and liabilities of the mine were classified as held for sale from that date.

On 25 January 2017, the Company announced that all of the conditions precedent to completion had been satisfied and completion would occur on 28 February 2017. Completion occurred on 28 February 2017.

15 COMMITMENTS

(a) Operating leases

The Group leases various warehouses, offices and factory premises under non-cancellable operating leases. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2016 US$ MILLION	2015 US$ MILLION
Within one year	7.5	8.9
Over one year but not more than five years	7.8	14.6
Over five years	-	0.2
	15.3	**23.7**

(b) Capital commitments

Commitments for capital expenditure contracted for at the reporting date but not recognised as liabilities, are set out in the table below:

	2016 US$ MILLION	2015 US$ MILLION
Property, plant and equipment		
Within one year	194.5	707.4
Over one year but not more than five years	11.8	-
	206.3	**707.4**
Intangible assets		
Not later than one year	2.8	3.6
	2.8	**3.6**

Aggregate	2016 US$ MILLION	2015 US$ MILLION
Property, plant and equipment and intangible assets		
Contracted but not provided for	209.1	711.0
	209.1	**711.0**

16 CONTINGENT LIABILITIES

Bank guarantees

Certain bank guarantees have been provided in connection with the operations of certain subsidiaries of the Company primarily associated with the terms of mining leases, mining concessions, exploration licences or key contracting arrangements. At the end of the year, no material claims have been made under these guarantees. The amount of these guarantees may vary from time to time depending upon the requirements of the relevant regulatory authorities. These guarantees amount to US$383.4 million as at 31 December 2016 (31 December 2015: US$491.2 million).

Contingent Liabilities - tax related contingencies

Tax authorities conduct regular routine tax reviews and audits on the Group. The final outcome cannot be determined with sufficient reliability. The consolidated statement of financial position currently reflects all probable taxation liabilities and reasonable steps are being undertaken in relation to all potential tax uncertainty.

17 EVENTS AFTER THE REPORTING PERIOD

Sale of Golden Grove

The Group completed the sale of Golden Grove to EMR capital on 28 February 2017 for gross proceeds of US$210.0 million. All completion requirements were met on 28 February 2017 and the Group will cease to consolidate Golden Grove from that date. The sale agreement provides EMR Capital the economic benefit of operations at Golden Grove from 1 January 2017 to 28 February 2017 by a post settlement adjustment to the sale price. An estimated net profit after tax of between US$10.0 million and US$30.0 million will be recognised from the disposal of the Golden Grove in the Group's 2017 financial year.

Sale of Century mine

On 28 February 2017 the Group entered into agreements with Century Mine Rehabilitation Project Pty Ltd, a subsidiary of Century Bull Pty Ltd ("Century Bull") who is independent to the Group to effect the disposal of assets and infrastructure associated with the Century mine. The disposal will benefit the Group by allowing it to remain focused on the development and operation of world class mining assets, through transferring the assets and transferring rehabilitation obligations in respect of the Century mine to a specialist in economic rehabilitation of mine sites whilst capping the Groups future expected liabilities related to the Century mine. The sale received unconditional approval from the MMG board in February 2017 and the sale completed on 28 February 2017. Century Bull is a specialist in economic rehabilitation of mine sites while using existing infrastructure and remnant mineralisation (zinc bearing tailings) to generate ongoing economic contribution. As legal owner of the Century mine, Century Bull has assumed overall accountability for rehabilitation and care for country responsibilities, in consultation with Native Title groups.

As at 31 December 2016, the book value of Century amounted to a net liability of US$148.2 million including rehabilitation liabilities of approximately US$317.0 million. As a result of the sales agreements the Group has agreed to provide a bank guarantee facility of A$193 million (approximately US$148.1 million) for the benefit of Century Bull until 31 December 2026. The guarantees have been procured to support certain obligations (Principal Obligations) Century is required to perform in operating the Century Mine business including rehabilitation activities. Century Bull is legally required to punctually meet all obligations and must use best endeavours to ensure that no demand is made under the bank guarantees.

The Group will recognise the fair value of the guarantee as a financial liability until expiry of the guarantee period which is capped at a maximum of A$193 million (approximately US$148.1 million). Century Bull must ensure that, within 90 days of the end of each financial year, the bank guarantee is reduced by not less than 40% of the Century mine's EBITDA in respect of a financial year. In addition the Group will make an additional contribution of A$34.5 million (approximately US$26.5 million) over three years, to provide short term support to Century Bull during their transition period in respect to their obligations around site upkeep and environmental maintenance and monitoring. The Group will also establish a special purpose trust of A$12.1 million (approximately US$9.3 million), managed independently by Equity Trustees to support Century Bull in meeting Century's existing obligations and agreed community projects for the benefit of Lower Gulf communities.

The Group expects an estimated net loss after tax of between US$5.0 million and US$20.0 million in the 2017 financial year as a result of the transaction.

Other than the matters outlined above, there have been no matters that have occurred subsequent to the reporting date which have significantly affected, or may significantly affect the Group's operations, results or state of affairs in future years.

GLOSSARY

A$	Australian dollar, the lawful currency of Australia
AGM	annual general meeting of the Company to be held on Wednesday, 24 May 2017
Album Enterprises	Album Enterprises Limited, a company incorporated on 19 January 2005 in Hong Kong with limited liability, a wholly owned subsidiary of CMN
Album Investment	Album Investment Private Limited, a company incorporated on 8 April 2009 in Singapore with limited liability, a wholly owned subsidiary of the Company
Associate	has the meaning ascribed to it under the Listing Rules
ASX	Australian Securities Exchange
Australia	The Commonwealth of Australia
Board	the board of directors of the Company
Board Charter	the Board charter of the Company
BOC	Bank of China Limited, a company listed on the Stock Exchange and the Shanghai Stock Exchange
BOC Sydney	Bank of China Limited, Sydney Branch
CDB	China Development Bank Corporation
CEO	Chief Executive Officer
CFO	Chief Financial Officer
China	has the same meaning as PRC
CMCL	China Minmetals Corporation Limited, a joint stock limited company incorporated on 16 December 2010 under the laws of the PRC
CMN	China Minmetals Non-ferrous Metals Company Limited, a joint stock limited company incorporated on 27 December 2001 under the laws of the PRC
CMNH	China Minmetals Non-ferrous Metals Holding Company Limited, a joint stock limited company incorporated on 22 December 2009 under the laws of the PRC
Company	MMG Limited, a company incorporated on 29 July 1988 in Hong Kong with limited liability, the securities of which are listed and traded on the main board of the Hong Kong Stock Exchange and the ASX
Director(s)	the director(s) of the Company
DRC	Democratic Republic of the Congo
EBIT	earnings before interest (net finance costs) and income tax
EBITDA	earnings before interest (net finance costs), income tax, depreciation, amortisation and impairment expenses
EBITDA margin	EBITDA divided by revenue

Executive Committee	the executive committee of the Group, which consists of all Executive Directors of the Company, Chief Operating Officer, Chief Financial Officer, Executive General Manager – Stakeholder Relations and Executive General Manager – Business Support
EXIM	The Export-Import Bank of China
Gearing ratio	net debt (total borrowings excluding finance charge prepayments, less cash and bank deposits) divided by the aggregate of net debt plus total equity
Group	the Company and its subsidiaries
HK$	Hong Kong dollar, the lawful currency of Hong Kong
Hong Kong	the Hong Kong Special Administrative Region of the People's Republic of China
Hong Kong Stock Exchange	(please refer to the definition of "Stock Exchange")
ICBC	Industrial and Commercial Bank of China Limited
Laos	the Lao People's Democratic Republic
Las Bambas Joint Venture Company	MMG South America Management Company Limited (also referred to as MMG SAM)
Las Bambas Project	the development, construction and operation of the copper mines, processing facilities and associated infrastructure at the Las Bambas copper project located in the Apurimac region in Peru, together with all activities and infrastructure associated with the transportation and export of products from such mines
Listing Rules	the Rules Governing the Listing of Securities on the Stock Exchange
LME	London Metal Exchange
Mineral Resource	as defined under the JORC Code, a 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
MMG Century	MMG Century Limited, a company incorporated on 25 November 1986 in Australia with limited liability and a wholly owned subsidiary of the Company
MMG Dugald River	MMG Dugald River Pty Ltd, a company incorporated on 15 July 1998 in Australia with limited liability and a wholly owned subsidiary of the Company
MMG Golden Grove	MMG Golden Grove Pty Ltd, a company incorporated on 21 June 2005 in Australia with limited liability and a wholly owned subsidiary of the Company
MMG Laos Holdings	MMG Laos Holdings Limited, a company incorporated on 25 May 1993 in the Cayman Islands with limited liability and a wholly owned subsidiary of the Company
MMG or MMG Limited	has the same meaning as the Company
MMG SA	MMG South America Company Limited, a company incorporated on 4 May 1990 in Hong Kong with limited liability and a wholly owned subsidiary of the Company
MMG SAM	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
MMG South America Group	MMG SA and its subsidiaries
MMG South America Management Group	MMG SAM and its subsidiaries

Model Code	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules
Mtpa	million tonnes per annum
PRC	the People's Republic of China excluding, for the purpose of this document only, Hong Kong, the Macao Special Administrative Region of the People's Republic of China and Taiwan, unless the context requires otherwise
Rights Issue	On 1 November 2016, the Company announced a rights issue on the basis of 1 rights issue for every 2 existing shares held by Shareholders. The results of the rights issue was confirmed on 14 December 2016 and 2,645,034,944 rights shares were allotted and issued on 15 December 2016. Details of the Rights Issue are set out in the Prospectus of the Company dated 23 November 2016
Securities Trading Model Code	a model code adopted by the Company for securities trading by Directors of the Company on terms no less exacting than the required standard of the Model Code as set out in Appendix 10 of the Listing Rules
Shareholder(s)	the shareholder(s) of the Company
Stock Exchange	The Stock Exchange of Hong Kong Limited
TC/RC	Treatment Charge (TC) and Refining Charge (RC) are commonly used in the terms of purchase for copper concentrate for refining. They are amounts designed to cover refining costs. For example, copper concentrate contracts may define a purchase price based on the LME price at a certain date, minus the TC or RC being used at the time.
Top Create	Top Create Resources Limited, a company incorporated on 22 January 2004 in the British Virgin Islands with limited liability, a wholly owned subsidiary of CMN
US$	United States dollar, the lawful currency of the United States of America
VAT	value added tax

By order of the Board
MMG Limited
JIAO JIAN
CEO and Executive Director

Hong Kong, 8 March 2017

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

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MMG LIMITED
EXECUTIVE COMMITTEE

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Ross CARROLL, Chief Financial Officer
XU Jiqing, Executive General Manager China and Strategy and Executive Director
Marcelo BASTOS, Chief Operating Officer
Troy HEY, Executive General Manager Stakeholder Relations
Greg TRAVERS, Executive General Manager Business Support

IMPORTANT DATES*

9 March 2017 – 2016 Annual Results Presentation

20 April 2017 – First Quarter 2017 Production Report

24 May 2017 – Annual General Meeting

**This information is subject to change.*

MMG will present its financial results to investors at 2.30pm Hong Kong time at the Mandarin Oriental Hotel on Thursday, 9 March 2017. This presentation will be available to Shareholders via webcast and teleconference for those who are unable to attend. For details please contact Investor Relations.

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