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MMG LIMITED

五礦資源有限公司

(Incorporated in Hong Kong with limited liability)

(HKEX STOCK CODE: 1208)

(ASX STOCK CODE: MMG)

PROFIT WARNING

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

The board of directors of the Company (Board) wishes to inform the shareholders and potential investors of the Company that the Company is expected to record a net loss after tax for the financial year ended 31 December 2016 (FY2016) of approximately US\$100 million, as compared to the loss of US\$1,048.7 million recorded for the financial year ended 31 December 2015.

The expected FY2016 result represents substantial improvement in underlying operating conditions in the second half with commodity prices increasing, the addition of Las Bambas to the operating portfolio and record production levels for the Company. Factors contributing to the expected FY2016 loss include end of year inventory and deferred tax asset writedowns totalling US\$116 million after tax. The loss for the first half of FY2016 was US\$93 million and accordingly the expected FY2016 loss of US\$100 million reflects improved performance in the second half of FY2016.

The Company is still in the process of finalising its financial results of the Group for FY2016. The information contained in this announcement is only based on the preliminary assessment made by the Board and information currently available and may be subject to adjustment and change.

By order of the Board

MMG Limited

Jiao Jian

CEO and Executive Director

Hong Kong, 24 February 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.