

TRANSCRIPTION

Company: MMG Limited
Title: MMG 2023 Annual Results Webcast
Date: 6 March 2024
Time: 12:00PM AEDT

WELCOME (MR JAROD ESAM)



Jarod ESAM:

- Good morning and welcome to MMG's 2023 Annual results briefing. Presenting today are MMG Interim CEO, Li Liangang and CFO Ross Carroll, together with other Exco members.
- The slides for today's presentation are being webcast in both English and Chinese. They can also be accessed from the investor and media section of the MMG website.

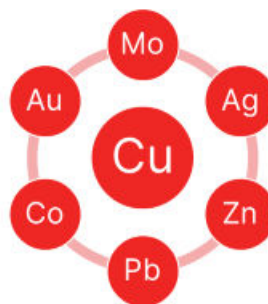
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This presentation should be read in conjunction with MMG Limited's interim results announcement for the twelve months ended 31 December 2023 issued to the Hong Kong Stock Exchange on 5 March 2024.





Jarod ESAM:

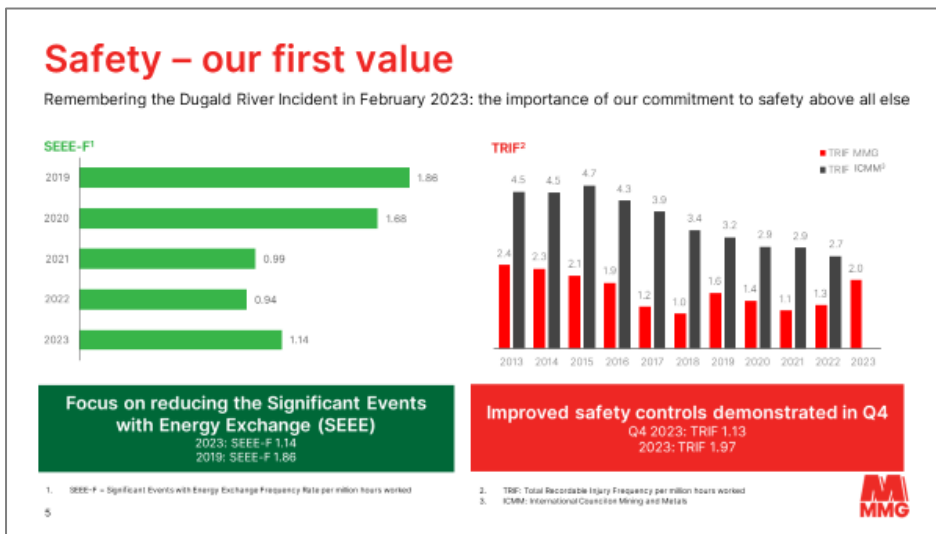
- I will shortly hand over to Liangang, who will present an overview of our performance throughout 2023. Then Ross will provide more detail on our financial results and related analysis. To conclude the presentation, Liangang will share insights on our strategy and the outlook for 2024 and beyond.
- At the end of today's webcast, we will open the line for questions. For those wishing to ask questions, please ensure you're accessing this presentation via the teleconference details that were included in the invitation for today's session and not just the webcast.
- I will now pass over to Liangang.

YEAR IN REVIEW (MR LIANGANG LI)



Liangang LI:

- Thank you, Jarod.
- Good morning to everyone and welcome to MMG's 2023 Annual Results briefing.



Liangang Li:

- Firstly, I want to acknowledge the tragic deaths of two Barmingo contractors Mr Trevor Davis and Mr Dylan Langridge at Dugald River in February 2023. The loss has had a profound impact on us all. We remain committed to eliminating injuries and fatalities across MMG. Nothing is more important than ensuring that our people can return home safely to their loved ones.
- **Let's now turn to our Safety performance for 2023.**
- Our focus remains on reducing the Significant Events with Energy Exchange (SEEE). The SEEE frequency rose from 0.94 per million hours worked in 2022 to 1.14 in 2023. Although this increase is disappointing, we have seen a pleasing downward trend over the last five years.
- MMG's total recordable injury frequency (TRIF) was 1.97 per million hours worked for the full year 2023, which is higher than the full year 2022 result of 1.25. However, we have observed better execution of safety controls across all sites in the fourth quarter of 2023, with a quarterly TRIF of 1.13.
- The safety performance reminds us that there is still significant room for improvement – particularly in reducing significant potential incidents. We have seen an improvement in our reporting culture, which allows us to learn from the incidents and implement actions that will prevent recurrence.
- **Now, let's move on to some of the highlights of our production and financial results.**

2023 highlights

| | | |
|-----------------------------------|--------------------------------------|---|
| Copper production ↑ 14% | Zinc production ↓ 9% | All sites met or outperformed the latest production & C1 guidance |
| Revenue ↑ 34% | NPAT US\$122.1 M | Operation cash flow ↑ 122% |
| Net Debt Reduction US\$783.6 M | First cobalt production at Kinsevere | Early works started at Chalcobamba |



Liangang Li:

- Overall, our sites have delivered strong results with production and cost performance, in line with, or outperforming our updated guidance.
- In 2023, we produced more than 347,000 tonnes of copper and 203,000 tonnes of zinc. Copper production in 2023 was 14% higher than in 2022 driven by uninterrupted operations at Las Bambas.
- Revenue increased by 34% to more than US\$4.3 billion for the period, primarily driven by higher sales volumes from Las Bambas, which more than offset the impact of lower copper and zinc prices.
- In 2023, MMG recorded a net profit after tax of around US\$122 million.
- MMG achieved an increase in net cash flow from operations, totalling US\$1.85 billion, representing growth of 122% compared to 2022.
- Driven by strong cashflows, the Company reduced overall net debt levels by around US\$788 million, reducing the gearing ratio by 5% to 50% at the end of 2023.
- We'll discuss our key development projects and growth opportunities later in more detail but we have made steady progress on the Kinsevere Expansion Project throughout 2023 and have started early works at Chalcobamba.
- I will now provide an update on our organisational changes.

EXCO update

CFO retirement
Ross Carroll to retire on 6 March 2024, with a transition period until 1 July 2024.

EGM Finance
 Executive accountability for finance and managing the relationship with China Minmetals.

Song Qian commenced this role on 1 February 2024.

New EGM Operations Role
 Integration of group operational accountability with excellence and risk capabilities.

Nan Wang, previous EGM Australia and Africa, will perform this new role.

EGM – Americas (Retained)
Jianxian Wei continues in this role and will remain on the Executive Committee, reflecting the scale and importance of MMG's presence in the region.

Expanded EGM Corporate Relations
Troy Hey to oversee legal and company secretary functions alongside existing accountabilities.

New EGM Commercial and Growth Role
 Focus on strategy, projects, M&A, marketing, and supply.

Interim CEO Li Liangang will perform this role until the current recruitment process is completed.



CEO (Interim) and EGM Commercial and Growth
Liangang LI



CFO (retiring)
Ross CARROLL



EGM Finance
Song QIAN



EGM Operations
Nan WANG



EGM – Americas
Jianxian WEI



EGM Corporate Relations
Troy HEY



Liangang Li:

- As you may be aware, Mr Ross Carroll will retire from his role as the CFO of MMG with effect from 6 March 2024, with a transition period until 1 July 2024. I would like to take this opportunity to thank Ross for his

significant contributions to the Company over more than eight years. On behalf of the entire MMG team I wish Ross much success in his new chapter.

- Mr Song Qian has been appointed as the Executive General Manager Finance and brings to the business significant executive experience within China Minmetals Corporation.
- Mr Nan Wang, formerly Executive General Manager Australia and Africa, has commenced his accountabilities in a newly created role of Executive General Manager Operations to integrate group operational accountability and excellence.
- Mr Jianxian Wei, Executive General Manager – Americas, will remain on EXCO, which reflects the scale and importance of MMG's presence in the region.
- Mr Troy Hey, the Executive General Manager Corporate Relations has taken accountability for Legal and Company Secretary alongside his existing accountabilities.
- I believe these changes simplify and focus accountabilities amongst MMG leadership. I am confident that the new structure will enable our leadership to drive successful outcomes as we work towards our vision of creating a leading international company for a low carbon future.
- **I will now continue with an update on community engagement at Las Bambas.**

Las Bambas: restoring stability and building community partnerships

- 1** 
Corazon Program Implementation
New social management model to align community development with the operational success of Las Bambas in Peru
- 2** 
Fuerabamba Community Collaboration
Reached definitive agreements with the Fuerabamba community at the end of 2023
- 3** 
Stable Concentrate Transportation
Ensured consistent transportation flows, supported by active dialogue with communities and government support
- 4** 
Huancuire Community Progress
Advanced negotiations leading to the signing of five contracts with local companies
- 5** 
Early works at Chalcobamba starts
Early works started by community companies



Liangang Li:

- We have made a number of important steps this year as we look to continue to build partnerships with our host communities.
- We implemented the Corazon Program to ensure that the communities we operate in will benefit from the operational success of Las Bambas.
- At the end of 2023, we reached definitive agreements with the Fuerabamba community on outstanding land issues.
- Our efforts to enhance partnerships with communities and government support have helped ensure stable and consistent logistics for concentrate transportation since March 2023.
- Discussions with the Huancuire community have advanced, with the signing of five contracts with community companies and these companies have now commenced early works at Chalcobamba. The Las Bambas team is working with the Huancuire community towards an enduring agreement for the development of the Chalcobamba deposit.
- **Let's now turn to the progress of the Kinsevere Expansion Project.**

Kinsevere Expansion Project

First Production of Cobalt Hydroxide
Q4 2023

Sulphide processing system ongoing
Construction on track

Production at full capacity
~80kt of Cu & 4-6kt of Co

Higher production and cobalt credits
Driving C1 costs down

| Board Approved | TSF 3 Earthwork started | Concentrator Earthwork started | Sokotoye II pit Preparation work commenced | Reactor & Acid plant Construction started | Cobalt plant Majority of structural mechanical/electrical completed | Cobalt First cobalt | Copper First copper from sulphide |
|----------------|-------------------------|--------------------------------|--|---|---|---------------------|-----------------------------------|
| March 2022 | November 2022 | March 2023 | March 2023 | June 2023 | July 2023 | Oct 2023 | H2 2024 |
| ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |



Photo: Sulphide concentrator in construction

Liangang LI:

- The Project remains on track and has achieved good progress.
- The cobalt plant was commissioned and achieved first production of cobalt hydroxide in the fourth quarter of 2023.
- The construction of the sulphide processing system continued with the majority of civil work complete. Mechanical and structural installation has also commenced. Moving forward, the focus will be on the ramp-up of the cobalt plant and completing the installation of the key work packages.
- The Project will extend the mine life to at least 2035 and bring the annual production to approximately 80,000 tonnes of copper cathode and 4,000-6,000 tonnes of cobalt in cobalt hydroxide. We expect the first copper cathode from sulphide ore in the second half of 2024 and a full ramp-up in 2025.
- The combination of higher copper production and cobalt by-product credits is expected to significantly reduce the C1 costs.
- Now let me proceed with an overview of the acquisition of Khoemacau Mine.

Khoemacau – exceptionally good strategic fit

C1 cost post-expansion¹
US\$1.55/lb

high-grade mine with attractive financial metrics, bottom half of cost curve

Near-term expansion² to
~130 ktpa Cu

Delivered through increased processing capacity and additional mining fronts

Low-capital intensity³
~US\$8,000/t CuEq


Long-life project
>20 years

Supported by 3.7Mt CuEq Resource⁴ in the Zone 5 Group

Increased scale potential
>200 ktpa Cu

Supported by 7.1Mt CuEq Total Resource⁵ and substantial exploration upside

Dominant landholding across the emerging, highly prospective Kalahari Copper Belt
~4,040 km²



¹ Based on the Kinsevere expansion project as of 2023 and based on the C1 cost of production of the Kinsevere expansion project. ² Based on the Kinsevere expansion project as of 2023 and based on the C1 cost of production of the Kinsevere expansion project. ³ Based on the Kinsevere expansion project as of 2023 and based on the C1 cost of production of the Kinsevere expansion project. ⁴ Based on the Kinsevere expansion project as of 2023 and based on the C1 cost of production of the Kinsevere expansion project. ⁵ Based on the Kinsevere expansion project as of 2023 and based on the C1 cost of production of the Kinsevere expansion project.

Liangang LI:

- As announced in November 2023, MMG entered into a Share Purchase Agreement to acquire the Khoemacau Mine in Botswana.
- Khoemacau is a scarce, high-grade, low-cost, producing copper asset in the world class mining jurisdiction of Botswana.
- An expansion project will deliver production of around 130,000 tonnes of copper per annum.

- The expansion is a cost-efficient pathway to achieve production at scale with a low capital intensity.
- Khoemacau is a long-life asset with a greater than 20-year mine life based on the Zone 5 Group deposits alone, with potential for further increases in scale and life from other known resources.
- In addition to the mine and the existing resources, we are also acquiring a dominant 4,040 square kilometres landholding in the emerging and highly prospective Kalahari Copper Belt.
- I will now hand over to Ross to take you through our 2023 financial results in detail.

FINANCIAL RESULTS (ROSS CARROLL)



- Thank you Liangang.

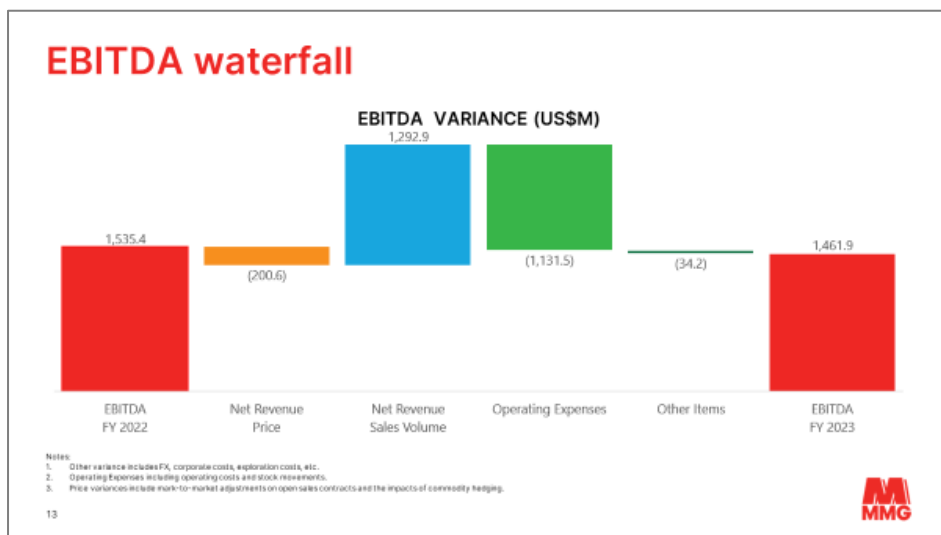
A presentation slide with a red background. The title 'Financial performance' is in white. Below it is a 'Summary Income Statement' table comparing 2023 and 2022. To the right is a photo of a female worker in an orange high-visibility shirt and a white hard hat.

| YEAR ENDED 31 DECEMBER | 2023 (US\$ M) | 2022 vs. 2022 |
|--|------------------|------------------|
| Revenue | 4,346.5 | 34% |
| EBITDA | 1,461.9 | (5%) |
| Profit for the year | 122.1 | (50%) |
| EBITDA margin | 34% | |
| Net cash generated from operating activities | 1,849.9 | 122% |
| Basic earnings per share | US 0.10 cents | |

Ross CARROLL:

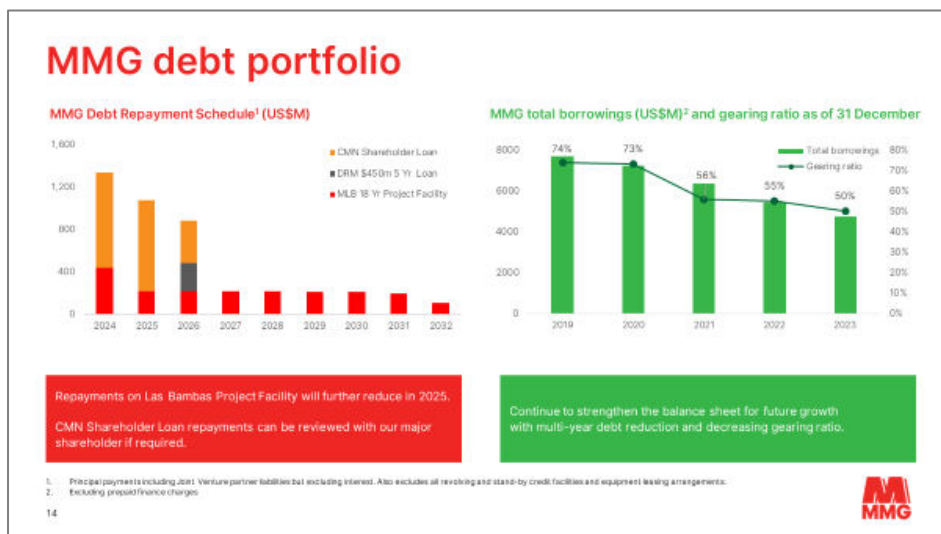
- Our revenue increased by 34% to over US\$4.3 billion in 2023. This is primarily driven by higher sales volumes from Las Bambas, which more than offset the impact of lower copper and zinc prices.
- The Company’s total EBITDA of US\$1.46 billion was 5% lower than 2022. This decline was attributed to lower prices for copper and zinc, lower sales at Kinsevere and Dugald River and higher consumption of third-party ores at Kinsevere to offset reduced oxide ore mined during the transition to mining sulphide ores. Higher sales volumes at Las Bambas contributed positively but were partly offset by an unfavourable stock movement.
- In 2023, MMG recorded a net profit after tax of US\$122.1 million, including a profit of US\$9.0 million attributable to equity holders of the Company.

- MMG achieved an increase in net cash flow from operations, totalling US\$1.85 billion, representing growth of 122% compared to 2022. This performance is primarily attributed to favourable working capital movements with a copper concentrate inventory drawdown at Las Bambas compared to a build-up in 2022. Lower tax payments for Las Bambas and Kinsevere also contributed positively.
- Driven by strong cashflows, the Company reduced overall net debt levels by US\$783.6 million, lowering the overall gearing ratio by 5% to 50% at the end of 2023.
- **Now, let's take a closer look at the drivers of the EBITDA movement.**



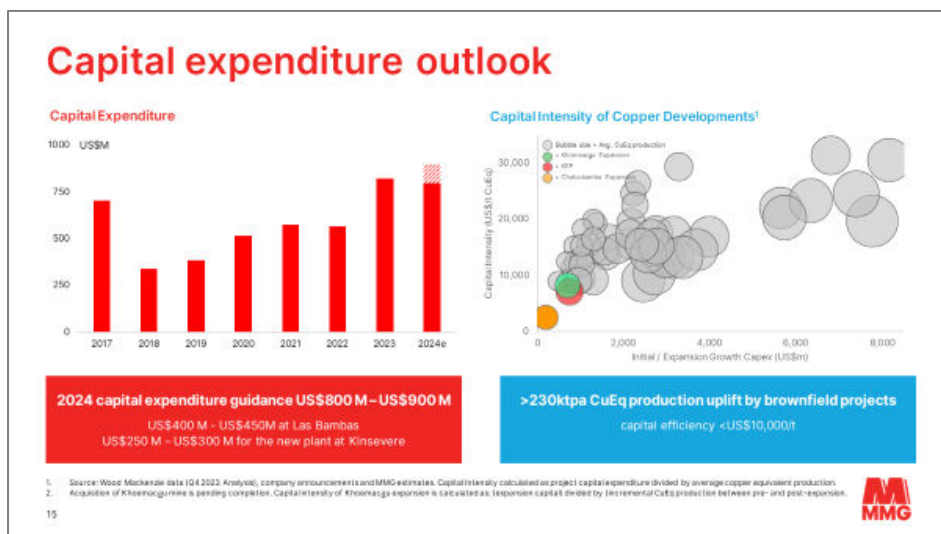
Ross CARROLL:

- This waterfall chart shows the key factors that drove the change of EBITDA as compared to 2022.
- Lower copper and zinc prices provided a negative impact of just over US\$200 million.
- Higher sales volumes had a favourable contribution of almost US\$1.3 billion. Total payable copper in products sold was almost 420,000 tonnes, representing a 54% increase compared to 2022, primarily driven by uninterrupted operations and transportation in Las Bambas since March 2023.
- We had an unfavourable impact of operating expenses of around US\$1.13 billion. Total operating expenses increased by 67% in 2023, primarily driven by an unfavourable stock movement resulting from the drawdown of Las Bambas copper concentrate stockpiles, compared to a build-up in 2022. Additionally, higher production expenses were mainly attributable to higher costs at Las Bambas in line with higher material mined and milled volumes and higher copper concentrate volumes transported. Additionally, there was higher consumption of third-party ores at Kinsevere to offset the reduced oxide ore mined during the transition to mining sulphide ores.
- **Let's now move on to our debt portfolio.**



Ross CARROLL:

- The chart on the left-hand side sets out our updated term debt repayment profile.
- Although we have some significant debt repayments due on the loan from our major shareholder over the next 3 years, these can be reviewed with our major shareholder if required, to optimise the Company’s funding cash flows.
- Repayments due on the Las Bambas Project Facility will reduce in 2024, before further reducing in 2025 and onwards.
- Turning to the chart on the right-hand side, it demonstrates the continuous reduction in overall debt level and gearing ratio over the last five years as a result of the Company’s efforts to strengthen our balance sheet. We have now better positioned ourselves for future growth.
- Also, importantly, we maintain strong relationships with our funding partners from China and rest of the world. These partners are very supportive and flexible in their approach to funding MMG and helping us to grow.
- I’ll continue to discuss our capital expenditure outlook.



Ross CARROLL:

- Total capital expenditure for 2023 was US\$790 million, in line with our guidance, including US\$269 million on the Kinsevere Expansion Project and US\$333 million at Las Bambas.
- Total capital expenditure in 2024 is expected to be between US\$800 million and US\$900 million. To break this down,


- US\$400-450 million is attributable to Las Bambas, including the expansion of the Las Bambas tailings dam facility, Ferrobamba pit infrastructure and Chalcobamba execution.
- Capital expenditure related to the Kinsevere Expansion Project is expected to be between US\$250-300 million.
- The chart on the right demonstrates that our projects are extremely competitive relative to recent and future copper projects globally. Our brownfield projects – KEP, Chalcobamba and the Khoemacau Expansion will deliver incremental production with capital intensity under US\$10,000 per tonne of annual Copper Equivalent production, while the average of global copper development projects is above US\$15,000 per tonne of annual production.
- Our brownfield expansions are an important part of our ambition to grow and represent a cost-efficient way to achieve production at scale.
- I'll now talk about the sensitivity analysis on earnings.

2024 earnings sensitivity to commodity price & FX

High earnings and cash flow leverage to copper and zinc prices

| | | Sensitivity | EBIT Impact (US\$M) |
|----------------------------|------------|-------------------------|---------------------|
| Copper | US\$/lb | \$0.10/lb / (\$0.10/lb) | 71/(71) |
| Zinc | US\$/lb | \$0.10/lb / (\$0.10/lb) | 43/(43) |
| Lead | US\$/lb | \$0.10/lb / (\$0.10/lb) | 8/(8) |
| Gold | US\$/oz | \$100/oz / (\$100/oz) | 8/(8) |
| Silver | US\$/oz | \$1.00/oz / (\$1.00/oz) | 7/(7) |
| AUD:USD¹ | AUD | (10%) / 10% | 37/(37) |
| PEN:USD² | PEN | (10%) / 10% | 31/(31) |

1. AUD:USD FX exposure relates to FX gains/loss on production expenditure at Rosebery and Dugald River, administration expenses at Group Office.
 2. PEN:USD FX exposure predominantly relates to FX gains/loss on Las Bambas production expenditure.
 3. This analysis is based on the mid-point of MMG's production guidance.



Ross CARROLL:


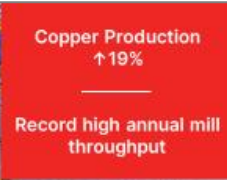


- This table details the sensitivity of the Group's earnings to movements in commodity prices and exchange rates.
- Copper price has the biggest sensitivity with a 10 cent per pound movement in the price having an impact of around \$71m on EBIT.
- Movements in Zinc price, AUD and PEN exchange rates also have relatively material impact on EBIT.
- Now, let me run through the performance of our four operating sites.

Las Bambas

One of the world's largest copper mines with near term organic growth optionality

| Year Ended 31 December | 2023 | 2022 | CHANGE % FAV/(UNFAV) |
|---|---------------|---------------|-------------------------|
| Production metrics | | | |
| Ore mined | 46,429 kt | 43,179 kt | 8% |
| Ore milled | 52,872 kt | 44,043 kt | 20% |
| Ore milled grade - Cu | 0.68% | 0.67% | (1%) |
| Recovery rate - Cu | 86.2% | 85.3% | 1% |
| Contained Copper in concentrate | 302 kt | 295 kt | 19% |
| C1 cost | US\$1.60 / lb | US\$1.53 / lb | (5%) |
| Financial metrics (US\$M) | | | |
| Revenue | 3,417.3 | 2,086.8 | 64% |
| Operating expenses | (2,013.7) | (948.3) | (112%) |
| in which: operating expenses (excluding stock movements) | (3,488.5) | (1,220.5) | (233%) |
| Stock movements | (915.2) | 272.2 | (288%) |
| EBITDA | 1,396.7 | 1,121.9 | 24% |
| EBITDA margin | 41% | 54% | |
| LME average price ¹ - Cu | US\$3.85 / lb | US\$3.99 / lb | (4%) |

1. Annual average LME Official Settlement Price.

Ross CARROLL:

- Las Bambas produced 302,000 tonnes of copper in 2023, which was 19% higher than 2022 largely due to the uninterrupted operations in 2023 and a record-high annual mill throughput, which was a 20% increase compared to 2022.
- Copper sales volumes were 69% higher compared to 2022 due to the stable logistics since March 2023. Copper concentrate sales of 1.1 million tonnes of concentrate, marks the second-highest level since the commissioning of the mine.
- Revenue of US\$3.4 billion was 64% higher than 2022 due to the higher sales volumes for copper, gold, silver and molybdenum and higher sales prices for molybdenum. This was partly offset by lower copper prices.
- The C1 costs of US\$1.60/lb for 2023 were below our guidance range of US\$1.65 – US\$1.75/lb, although they were higher than the 2022 C1 costs of US\$1.53/lb. The higher C1 unit costs in 2023 are attributed to higher production costs and the absence of care and maintenance cost exclusions for the period of the shutdown in 2022, partly offset by increased copper production and higher by-product credits from molybdenum, gold and silver.
- **Let's move on to Kinsevere.**

Kinsevere

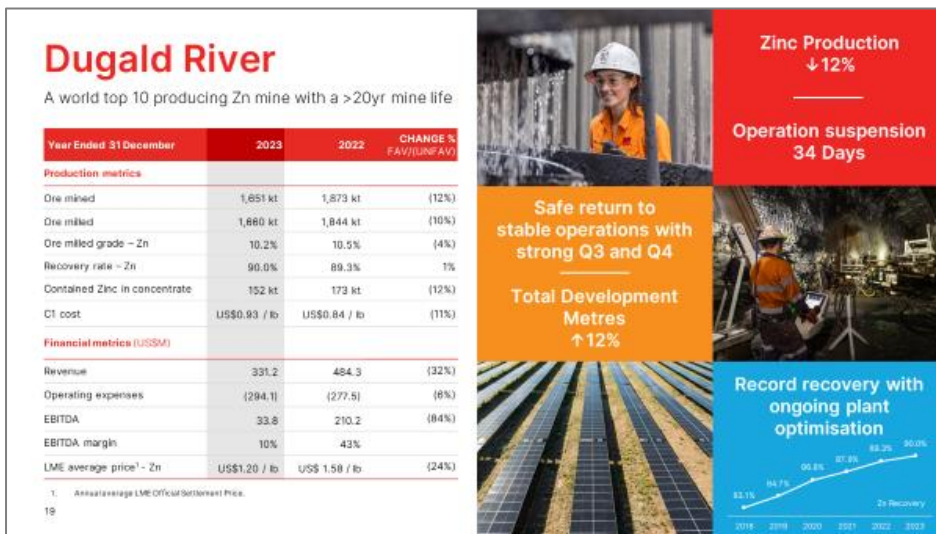
Growing to be a ~100kt Copper Equivalent mine once expansion project fully ramped up

| Year Ended 31 December | 2023 | 2022 | CHANGE % FAV/(UNFAV) |
|-------------------------------------|---------------|---------------|-------------------------|
| Production metrics | | | |
| Ore mined | 1,726 kt | 3,100 kt | (44%) |
| Oxide ore mined | 685 kt | 1,397 kt | (51%) |
| Sulphide ore mined | 1,041 kt | 1,703 kt | (39%) |
| Ore milled | 2,107 kt | 2,349 kt | (10%) |
| Ore milled grade - Cu | 2.14% | 2.18% | (1%) |
| Recovery rate - Cu | 98.5% | 98.8% | 0% |
| Copper cathode production | 44 kt | 49 kt | (11%) |
| C1 cost | US\$3.29 / lb | US\$2.55 / lb | 29% |
| Financial metrics (US\$M) | | | |
| Revenue | 354.6 | 421.5 | (16%) |
| Operating expenses | (354.8) | (294.3) | (21%) |
| EBITDA | (32.0) | 131.7 | (124%) |
| EBITDA margin | (9%) | 31% | |
| LME average price ¹ - Cu | US\$3.85 / lb | US\$3.99 / lb | (4%) |

18 1. Annual average LME Official Settlement Price.

Ross CARROLL:

- Kinsevere produced over 44,000 tonnes of copper cathode, which is a decrease of 11% compared to 2022. The lower cathode production was primarily attributed to a decrease in ore milled throughput caused by an unstable power supply from the national grid alongside lower ore feed grade.
- Kinsevere revenue decreased by 16% to US\$355 million compared to 2022 due to lower copper sales volumes, in line with lower production, and lower copper prices.
- C1 costs for 2023 were US\$3.29/lb, higher than the US\$2.55/lb in 2022 driven by lower production, and higher processing cost caused by higher consumption of third-party ores and sulphuric acid.
- As Liangang mentioned, KEP is on track and we've achieved first production of cobalt. We've also commenced mining at Sokoroshe II, a satellite deposit, with ore being transported to Kinsevere for processing. This has reduced our reliance on third-party ore in 2024.
- **I will now move on to our Australian operations, Dugald River and Rosebery.**



Ross CARROLL:

- Dugald River produced 152,000 tonnes of zinc in zinc concentrate in 2023, which was 12% lower than 2022 as operations were suspended for 34 days after the fatal incident at the mine on 15 February 2023. Zinc metal production was also impacted by lower ore feed grades associated with the mining sequence, partially offset by record-high annual zinc recovery rates of 90.0%, compared to 89.3% in 2022, driven by ongoing plant optimisation.
- Revenue decreased by US\$153 million to US\$331 million due to lower zinc prices, a 9% drop in zinc sales volumes and an 8% drop in lead sales volumes, in line with lower production. This was partly offset by higher silver prices.
- Dugald River’s zinc C1 costs were US\$0.93/lb in 2023, higher than the US\$0.84/lb in 2022 but outperforming the revised guidance of US\$1.05 – US\$1.20/lb. The higher C1 costs were largely attributable to lower production volumes.



Ross CARROLL:

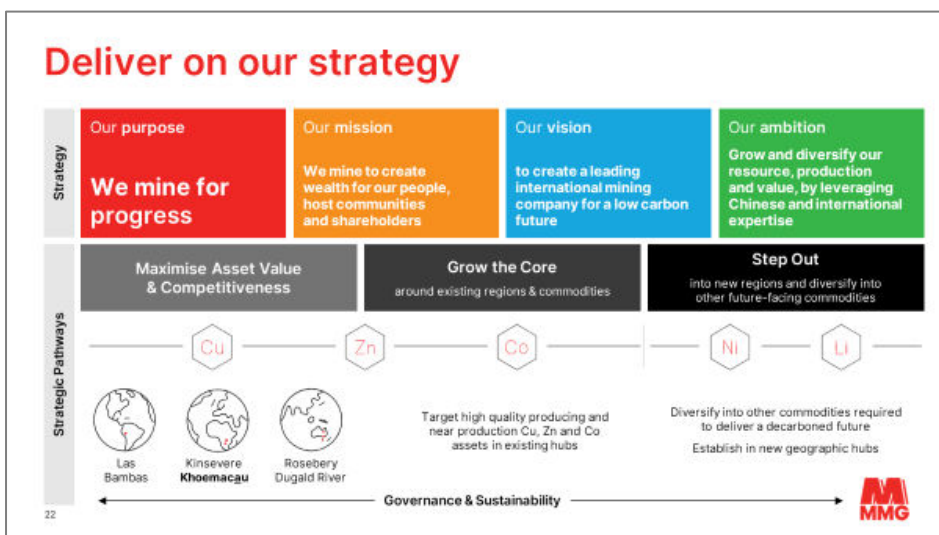
- Rosebery produced 52,000 tonnes of zinc in zinc concentrate and 19,000 tonnes of lead in lead concentrate in 2023. This represented a 1% and 6% increase respectively compared to 2022. The volume of ore mined was 4% higher compared to 2022, primarily due to mining sequence and improved workforce availability, despite lost production in January resulting from the bushfire incident. Rosebery finished the year strongly with the highest quarterly production for the year achieved in the fourth quarter of 2023.

- Revenue decreased by 8% to US\$240 million due to lower prices for zinc, lead, and copper. This was partly offset by higher zinc sales volumes, higher precious metal prices and higher precious metal sales volumes.
- Rosebery's C1 costs were US\$0.26/lb in 2023, in line with 2022, as higher production expenses were offset by higher by-product credits
- I'll now hand it back to Liangang for our strategy and outlook.

STRATEGY AND OUTLOOK (LIANGANG LI)



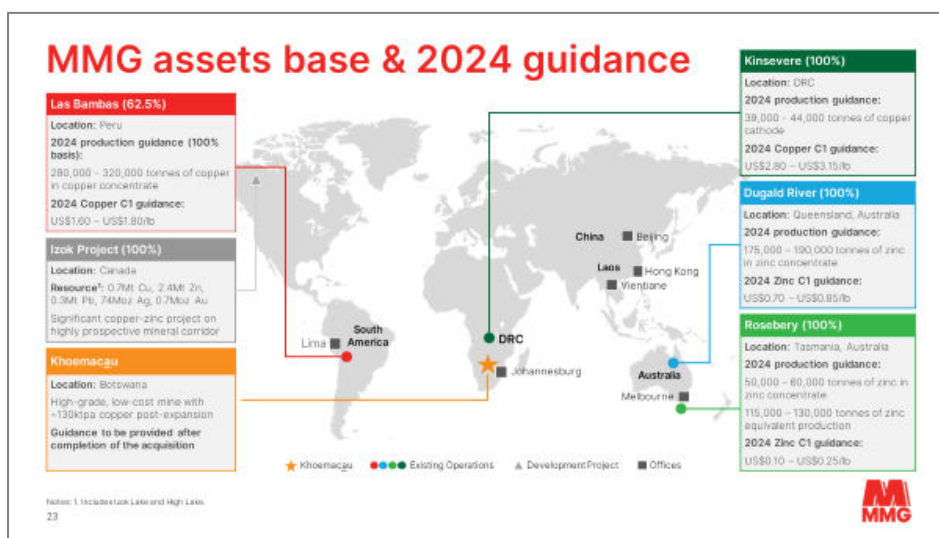
- Thanks, Ross. Let me start with our strategy.



Liangang LI:


- Our overall strategy remains unchanged and this year we took some important steps to realising our vision to create a leading international mining company providing the materials essential for the transition to a low carbon future.
- Our Strategic Pathways guide our direction to deliver on our strategy.
- We are focused on Maximising Value and Competitiveness of our existing assets and the Khoemacau Mine post completion.
- We hope to Grow the Core around existing regions and commodities, specifically targeting advanced-stage copper, zinc, and cobalt assets within our established hubs.







- We plan to Step Out into new regions and will consider diversifying into other future-facing commodities such as nickel and lithium.
- All our actions are underpinned by a strong commitment to responsible Governance and Sustainability.
- **Now, let me move on to an overview of our assets base and our guidance for 2024.**




- Starting with Las Bambas, we expect copper production for 2024 is expected to be in the range of 280,000 and 320,000 tonnes. This is largely in line with 2023 but is subject to the timing of the development of Chalcobamba. We anticipate a slight increase in C1 costs to between US\$1.60 – US\$1.80/lb, primarily due to higher mining and processing volumes and lower by-product credits with lower molybdenum price assumptions.
- Moving on to Kinsevere, our copper cathode production is estimated to be between 39,000 and 44,000 tonnes. This reflects the natural depletion of oxide ore as we transition to sulphide ore mining, partially offset by the increased supply from Sokoroshe II. We expect an improvement in C1 costs, ranging from US\$2.80/lb- US\$3.15/lb, thanks to cobalt by-product credits and a reduced reliance on high-cost third-party ore.
- For Dugald River, we expect the mine’s production to be in the range of 175,000 and 190,000 tonnes of zinc in zinc concentrate, reflecting performance supported by stable operations and continuous operational improvement. We also predict a decrease in C1 costs to US seventy cents to US\$0.70 – US\$0.85/lb, reflecting both increased production and lower anticipated zinc treatment charges.
- At Rosebery, zinc production is expected to be between to be in the range of 50,000 to 60,000 tonnes of zinc in zinc concentrate, while zinc equivalent production to range from 115,000 to 130,000 tonnes. We are optimistic about an improvement in C1 costs to be in the range of US\$0.10/lb-US\$0.25/lb, driven by higher anticipated production levels and lower treatment charges.
- **I’ll now continue to discuss our growth opportunities.**

MMG growth opportunities

 Well progressed growth opportunities to expand exposure to copper and become a Top 10 listed copper producer

| Near Term Growth | | | Mid Term Growth |
|---|--|---|--|
| Khoemacau Aquisition  50 – 65 ktpa copper equivalent production | Kinsevere Expansion Project  Expand Kinsevere to 80 ktpa copper and 4 – 6 ktpa cobalt production | Las Bambas Chalcobamba  Return Las Bambas to a 350 – 400 ktpa copper producer | Khoemacau Expansion  Expand Khoemacau to 135 – 155 ktpa copper equivalent production |
|  Further growth options being studied at all of our existing sites and at our Izok project | | | |
|  Potential for further expansion through acquisitions. | | | |

Notes: Copper Equivalent production accounts for combined value of copper, zinc, lead, silver, gold, molybdenum and cobalt. Other metals are converted to Copper Equivalent via unit value calculator using 2023 average commodity prices including copper price of US\$6,476/t, zinc price of US\$2,647/t, lead price of US\$2,138/t, silver price of \$22.35/oz, gold price of \$1,942/oz, molybdenum of \$52,572/t and cobalt of \$24,271/t.



- In the near term, we anticipate an increase of between 50 – 65 ktpa of copper equivalent production as a result of the Khoemacau acquisition.
- As mentioned earlier, the Kinsevere Expansion Project will bring the annual production of Kinsevere to approximately 80,000 tonnes of copper cathode and 4,000 - 6,000 tonnes of cobalt in cobalt hydroxide.
- The Chalcobamba development will return Las Bambas to be a 350 – 400 ktpa copper producer.
- Looking ahead to the mid-term, the expansion of Khoemacau is projected to increase its copper equivalent production to a range of one hundred and thirty five thousand to 135 – 155 ktpa.
- These growth opportunities will increase our exposure to copper - a metal that is vital to global decarbonization, as we strive to become a Top 10 listed copper producer.
- In the meantime, we are actively exploring further growth options at all our existing sites and the Izok project, to enhance our growth pipeline.
- We also remain open to the possibility of growth through further acquisitions.
- In closing, on behalf of the MMG management team, I want to express my deepest gratitude to our shareholders, host communities, contractors, and the dedicated MMG employees - your support is the foundation of our success. Thank you for your time today. I will now hand back to the moderator who will open the line to questions.



<QUESTIONS AND ANSWERS>

Operator: Thank you. If you wish to ask a question, please press star 1 on your telephone and wait for your name to be announced. If you wish to cancel your request, please press star 2. If you're on a speakerphone, please pick up the handset to ask your question. Your first question comes from Jimmy Feng with Citi. Please go ahead.

Jimmy FENG: (Citi, Analyst) Hi. Mr Li and Ross, thank you for sharing. Thank you for your always helpful explanation. I have a few questions, starting with Chalcobamba. I would like to inquire about the Las Bambas guidance in 2024. In the base case, how many volume contributions from Chalcobamba are expected in 2024? Additionally, after the ramp-up of Chalcobamba, what's the C1 cost expectation for the Las Bambas project overall? Thanks, this is my first question.

Ross CARROLL: Thanks, Jimmy, and thanks for the kind words. Regarding Chalcobamba, the contribution is contingent on the exact timing, but we anticipate a contribution of approximately 50,000 tonnes of copper metal, if we are able to develop it in according to our expected timeline. As for the C1 cost, we've provided guidance for this year based on the 320,000 tonne production rate. However, in 2025, assuming we gain access to Chalcobamba shortly, we anticipate a production of around 375,000 to 400,000 tonnes. In this scenario, the C1 cost would decrease to approximately \$1.30 to \$1.40 a tonne. We will provide more precise guidance on this early next year, but it would be in that range.

Jimmy FENG: (Citi, Analyst) Thanks, that's very clear. My second question pertains to the Kinsevere project. I understand that the Kinsevere project recorded a net loss in the second half due to the transition. With the expected copper production from sulphides in the second half of this year, do you anticipate this project to shift from recording a loss to generating a profit, either from the second half of this year or possibly from next year? What are the expectations regarding this project's profitability?

Ross CARROLL: Yes, we currently anticipate the KEP project to be completed around October, at the start of the fourth quarter. For the remainder of 2024, we will be ramping up the project. At best, for this year, Kinsevere would be at breakeven or perhaps a small loss, and it's only next year that we expect to see the full benefits of the project.

Jimmy FENG: (Citi, Analyst) Understood. Very helpful. My last question pertains to capex. After the ramp-up of Chalcobamba, what is the capex expectation for Las Bambas? Additionally, what is the annual capex expectation for the Kinsevere project after the completion of the KEP project?

Ross CARROLL: Yes, well, Las Bambas, as we have explained previously, is very capital intensive, with a significant ongoing capital commitment. On an average or a general year, you can expect sustaining capex to range from \$400 million to \$500 million. For instance, we spend about \$80 million to \$100 million a year solely on

the tailings dam. As for Kinsevere, once the project is finished, the ongoing sustaining capex should be anywhere between \$20 million and \$50 million, depending on the circumstances.

Jimmy FENG (Citi, Analyst) Got you. Got it. Okay, thanks for that. That's very clear and helpful. That's all for my questions now. Thanks.

Ross CARROLL: Thanks, Jimmy.

Operator: Your next question comes from Chris Shiu with Balyasny Asset Management. Please go ahead.

Chris SHIU: (Balyasny Asset Management, Analyst) Hi, thank you very much, management team. I've got a couple of questions. The first question is regarding financing expenses for this year, 2024. What are we expecting?

Ross CARROLL: I can't answer that number off the top of my head. It'd be up around \$400 million, but we can get back to you with some more precise numbers.

Chris SHIU: (Balyasny Asset Management, Analyst) Sure, sure, sure. Got it. Okay, yes. The second question is regarding the capex as well as the debt profile. How will those change with the potential approval of the Khoemacau acquisition?

Ross CARROLL: Yes, obviously, with Khoemacau, in round figures, you're talking about a \$2 billion acquisition. Now, we're in advanced discussions with bringing a partner in. It looks like at this stage, we'll probably keep a 55% interest that will consolidate the asset into the balance sheet. Initially, it will be all debt-funded, but then we'll be looking at different ways over the rest of the year as to how we insert some equity into that. But yes, initially, we're going to have an extra \$2 billion of consolidated debt, albeit 45% of that would be outside equity interest. Then with the capex, it won't be overly significant until we start the expansion project, but that'll be in 2027, and for the expansion project, we'd be looking at about \$700 million spent over two years. But we haven't got the keys to it yet, so until we do that, it's hard for us to give precise numbers.

Chris SHIU: (Balyasny Asset Management, Analyst) Got it. How about the sustaining CapEx for Khoemacau's parent operation?

Ross CARROLL: Yes, it's not really appropriate for us to talk about someone else's business at this stage, Chris. Once we get control of it, we'll obviously at our next quarterly briefing give an update on what the effects will be.

Chris SHIU: (Balyasny Asset Management, Analyst) Got it. Understood. Okay. Well, thank you very much for your help over all the years, and all the best for your future endeavours. Thank you.

Ross CARROLL: Thanks a lot, Chris.

Operator: Your next question comes from Joy Zhang with Goldman Sachs. Please go ahead.

Joy ZHANG: (Goldman Sachs, Analyst) Hi, good morning. Thank you for hosting your call. I have two questions. The first one is for the Chalcobamba expansion. I want to ask, once we get approval, how many months do we need for the construction?

Nan WANG: Yes, Joy, this is Nan here. I just want to give you a brief update. Right now, we already started early work. Like Liang mentioned, there's five community companies kicked off some of the road construction and then dewatering dams construction, things like that is early preparation. For the bulk of mining, we'll ramp up from here until the end of Q3, so gradually, as you know, we have to open up the pit and then do the early pre-stripping. Obviously, at the same time, we'll work closely with the local community to make sure the ramp-up is going smoothly. But the overall timing is the ramp-up is from now until the end of Q3.

Joy ZHANG: (Goldman Sachs, Analyst) Okay, so the construction or the ramp-up has already started, right?

Nan WANG: Like we mentioned, we started early work. We have to build the road and then open up the mining front and then do the drainage and some of the dewatering dams. Those works have got to be done before the proper mining can start.

Troy HEY: Just to mention that we also are working really closely with Huancuire community on completing what I would call an assistance and development agreement. So the physicals have been well planned, and Nan gave you a timeframe. That's conditional on us getting an agreement with the community to really start the development. So at the moment, the early works are going well, five community companies alongside us, and a really good and constructive dialogue happening on a daily and weekly basis, and we're really hopeful that we'll get to that agreement very soon.

Joy ZHANG: (Goldman Sachs, Analyst) Okay, thank you. Also, my second question is regarding Rosebery. I saw on the presentation that the mine is actually working on the life extension. I want to check if the annual production rate will be relatively stable for the next three to four years. Can I say that?

Nan WANG: Yes, Joy, it's Nan again. Yes, at this stage, based on the current mine planning, we're still looking at pretty stable production for the next couple of years based on the current resource base. From the life extension point of view, we'll continue committed to do exploration and then working on our tailings expansion extension. So, if we look at the next couple of years, it should be pretty stable.

Joy ZHANG: (Goldman Sachs, Analyst) Okay, thank you. Also, I want to ask probably another question regarding Peru's operational involvement. With a temporary president coming up or elected, do you see a very big change or improvement of the operational involvement compared to the last president over the past one year, and do you expect this status to continue probably this year and also before the next election?

Troy HEY: You're talking about Peru, was that right, Joy?

Joy ZHANG: (Goldman Sachs, Analyst) Yes, Peru. Yes, yes, yes, Peru. Yes.

Troy HEY: I think we've had a very cooperative relationship with the interim government in Peru for about two years now, and you've seen that through a very stable 2023 in terms of road access and operational continuity. We've seen a really strong attitude from the Peru government to encourage business growth, investment, and continued investment in the mining sector. It's been a very good period in terms of that. There are still many issues facing the government in terms of low public support, especially around artisanal and small-scale mining, and other areas, and the government is working through those with the industry. But we've seen a relatively stable period, but one that hasn't been great for economic growth in Peru. I think you'll see as we approach new elections, a real look forward from the Peru government to rebuild its growth agenda, to look at economic contribution and GDP growth. Really, that means creating conditions for a mining industry to start reinvesting in new projects and in growth. We, I think, are very supportive of the government's efforts to do that and appreciate it, especially in the assistance in keeping Las Bambas operating.

Joy ZHANG: (Goldman Sachs, Analyst) Okay. Thank you so much.

[END OF TRANSCRIPT]