MMG Limited | 五礦資源有限公司
Incorporated in Hong Kong with limited liability

STOCK CODE:1208

ANNOUNCEMENT ON INTERIM RESULTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

The Board of Directors (Board) of MMG Limited (Company or MMG) is pleased to announce the consolidated results of the Company and its subsidiaries (Group) for the six months ended 30 June 2023.

The financial information set out in this announcement does not constitute the Group's complete set of the condensed consolidated financial statements for the six months ended 30 June 2023, but rather, represents an extract from those condensed consolidated financial statements.

The financial information has been reviewed by the Company's Audit and Risk Management Committee and the Company's auditor.

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

MMG RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2023

KEY POINTS

- Two people, employed through our mining contracting Barminco, were fatally injured at the Dugald River mine in February 2023. An investigation continues and MMG extends its deepest condolences to the families and friends of Trevor Davis and Dylan Langridge.
- MMG recorded a Total Recordable Injury Frequency (TRIF) of 1.20 for the first half of 2023. This represents a decrease on the full year 2022 TRIF of 1.25.
- MMG achieved a significant increase in net cash flow from operations, totalling US$425.6 million, representing growth of 216% compared to the first half of 2022. This performance is primarily attributed to favourable working capital movements with an inventory drawdown at Las Bambas compared to a build-up in the first half of 2022, partly offset by increased receivables at Las Bambas. Lower tax payments for Las Bambas and Kinsevere also contributed positively.
- Revenue increased by US$488.2 million (35%) for the period, primarily driven by higher sales volumes from Las Bambas, which more than offset the impact of lower copper and zinc prices.
- MMG recorded a net loss after tax of US$24.9 million, including a loss of US$58.8 million attributable to equity holders of the Company. This is compared to a net profit after tax of US$89.8 million in the first half of 2022, including a profit of US$79.5 million attributable to equity holders.
- The Company's total EBITDA of US$635.8 million was 2% lower compared to the first half of 2022. This decline was attributed to lower prices for copper and zinc, lower sales at Dugald River following the suspension of operations in the first quarter 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.
- Las Bambas EBITDA of US$643.0 million was 56% higher than the first half of 2022. This result was largely due to higher sales of copper and molybdenum as a result of fewer road blockages in 2023, with stability along the Southern Corridor since March 2023. This was partly offset by lower Copper prices and higher operating expenses due to higher material mined and milled volumes and unfavourable stock movement with a drawdown in finished goods inventory.
- Las Bambas produced 139,594 tonnes of copper in the first half of 2023, 38% above the first half of 2022. Concentrate transportation has remained stable since the removal of roadblocks in March, supported by the State of Emergency implemented by the government of Peru which remained in place throughout the second quarter. The mine achieved record sales in the second quarter of around 417,000 tonnes of copper concentrate, with around 43% of sales coming from a draw-down of stockpiles.
- Kinsevere recorded an EBITDA loss of US$13.8 million. This represents a decrease of 121% compared to the first half of 2022. The loss was mainly attributed to lower copper prices and higher consumption of third-party ores to offset the reduced oxide ore mined during the transition to mining sulphide ores. Kinsevere produced 21,641 tonnes of copper cathode, a 2% decrease from the prior comparable period.
- The construction of the cobalt plant at the Kinsevere Expansion Project (KEP) is on track, with the majority of the structural and mechanical installation completed by the end of June. The first cobalt production is expected in 2023. Civil works for the concentrator continued, and civil works for the roaster and acid plant commenced in May. Preparatory work, including infrastructure and construction, is progressing at Sokoroshe II and we have commenced the construction of the haul road to connect the satellite pit with the Kinsevere main site.
- Dugald River restarted in March following a 34-day suspension caused by the fatal incident in February. During the second quarter, the mine focused on the safe ramp-up of operations. It recorded an EBITDA loss of US$26.4 million in the first half of 2023, representing a decrease of 121% compared to the same period in 2022. The loss was attributed to lower zinc prices and lower sales volumes for zinc and lead due to the suspension. Dugald River produced 57,374 tonnes of zinc in the first half of 2023, which is 28% lower than the production in the first half of 2022.

MMG RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2023 CONTINUED

- Rosebery's EBITDA of US$35.6 million represented a 36% decrease from the first half of 2022 due to lower zinc prices and the timing of sales, partly offset by higher precious metal prices. Rosebery produced 23,102 tonnes of zinc in zinc concentrate and 8,637 tonnes of lead in lead concentrate during the first half of 2023, representing a 2% and 7% decline from the prior corresponding period respectively.
- The Board did not recommend the payment of a dividend for the period.

Outlook

- In line with prior guidance, Las Bambas copper production for 2023 is expected to remain in the range of 265,000 to 305,000 tonnes, contingent upon continued access to site for supplies, personnel, and logistics. The Las Bambas team is working toward enduring agreements for the development of the Chalcobamba deposit with the Huancuire community. We are hopeful that the development can commence by the end of 2023.
- In terms of cost, C1 cost guidance for Las Bambas remains to be in the range of US$1.70 – US$1.90/lb.
- In line with prior guidance, Kinsevere copper cathode production for 2023 is expected to be in the range of 40,000 to 48,000 tonnes.
- C1 cost expectations for Kinsevere in 2023 are in the range of US$3.15 – US$3.35/lb. The increase from original guidance is primarily driven by a lower than expected cobalt price, reduced ore milled volume caused by unstable power supply, and increased reliance on third-party ore to offset the reduced oxide ore mined.
- In line with prior guidance, and supported by the safe, successful ramp-up of operations, Dugald River production in 2023 is expected to be in the range of 135,000 to 150,000 tonnes of zinc in zinc concentrate, and C1 cost in 2023 is expected to be in the range of US$1.05 – US$1.20/lb.
- In line with prior guidance, Rosebery is expected to produce between 55,000 and 65,000 tonnes of zinc in zinc concentrate in 2023. As a result of higher by-product grades and strong precious metals prices, C1 cost is now expected to be at the lower end of prior guidance of US$0.35 – US$0.50/lb.
- Consistent with previous guidance, total capital expenditure in 2023 is expected to be between US$700 million and US$850 million. US$350 – US$400 million is attributable to Las Bambas, including the expansion of the Las Bambas tailings dam facility and Ferrobamba pit infrastructure. At Kinsevere, capital expenditure related to the Kinsevere Expansion Project is expected to be between US$200 – US$250 million for the new plant with US$50 – US$100 million on associated capitalised mining.

SIX MONTHS ENDED 30 JUNE	2023 US$ MILLION	2022 US$ MILLION	CHANGE % FAV/(UNFAV)
Revenue	1,896.2	1,408.0	35%
EBITDA	635.8	651.7	(2%)
EBITDA margin	34%	46%	(26%)
EBIT	189.9	300.6	(37%)
Profit for the period before income tax	**9.6**	**163.5**	**(94%)**
(Loss)/profit after income tax for the period	(24.9)	89.8	(128%)
Net cash generated from operating activities	425.6	134.8	216%
Dividend per share	-	-	n/a
Basic (loss)/earnings per share	US (0.68) cents	US 0.92 cents	
Diluted (loss)/earnings per share	US (0.68) cents	US 0.92 cents	

LETTER FROM THE BOARD

Dear Shareholders,

The MMG Board of Directors is pleased to present the Company's 2023 interim results.

At MMG, safety is our first value. The Board is greatly saddened by a fatal incident at Dugald River in February this year. We extend our sincere and heartfelt condolences to the families and friends of Mr Trevor Davis and Mr Dylan Langridge.

The Company continues to take every measure necessary to ensure our workplaces are safe and to cooperate fully with investigations that remain underway.

The year continues to be a challenging one for our business as we have contended with community protests and land access challenges at Las Bambas and escalating costs due to global inflation and ongoing supply challenges.

In the face of these challenges, our team continues to drive a strong safety culture for our people and nearby communities. This includes a considered and disciplined approach to restarting our Dugald River operation safely and carefully.

At our Rosebery mine, the Company continues to evaluate options to extend an 87-year operation while assessing the best location for a future tailing solution in a biodiverse region. This work is supported by the recent release of the Company's Exploration Results from Las Bambas and Rosebery.

The Company remains focused on realising its strategic growth opportunities in Peru via the Chalcobamba development and in the Democratic Republic of Congo (DRC) with the Kinsevere Expansion Project, furthering our commitment to these critical regions.

The Board remains very confident in the medium to long-term outlook for copper, zinc and cobalt and the role MMG can play in the global shift towards renewable energy sources. The Company's new vision positions us as a leading international mining company transitioning to a low-carbon future, combined with an ambition to grow, diversifying our assets, commodities and jurisdictions, and bringing together the best of MMG with our Chinese and international expertise.

We are proud of our portfolio of future-focused metals which are essential to creating a more sustainable world. Demand for critical minerals and other base metals necessary for the decarbonisation of the world economy has increased and is expected to continue growing in the coming years. The Company will play a key role in providing these metals to our customers to drive the development of green technologies that reduce reliance on fossil fuels.

This work would not be possible without our talented and dedicated people. We remain committed to increasing diversity and promoting an inclusive culture at MMG. The Board understands that this is critical for our business going forward. The Company is working to increase the number of women in leadership roles across the business and improve our diversity on the Board and across the leadership team.

The Board extends its thanks and appreciation to our shareholders, communities, and partners for their ongoing support and to our talented team for their contributions.

The Board of Directors

CHIEF EXECUTIVE OFFICER'S REPORT

Dear Shareholders

I am pleased to present our 2023 Interim Report.

Safety

At MMG, our first value is safety.

While we continue to strive to improve our safety-focused culture, in a tragic start to the year two people, employed through our mining contractor Barminco at Dugald River mine, tragically lost their lives after a light vehicle they were travelling in fell into a stope on 15 February 2023.

This incident is a reminder to do everything we can to promote a safe workplace and culture - to look after each other so that every person returns safely home to their friends and family.

For the first half of the year, MMG recorded a TRIF of 1.20. This represents a decrease on the full year 2022 TRIF of 1.25. We remain focused on our critical controls in order to eliminate the potential harm to our people.

Financial performance

In the first half of the year, MMG achieved a significant increase in net cash flow from operations, totalling US$425.6 million, representing growth of 216% compared to the first half of 2022. This performance is primarily attributed to favourable working capital movements with an inventory drawdown at Las Bambas compared to a build-up in the first half of 2022.

Revenue increased by US$488.2 million (35%) for the period, primarily driven by higher sales volumes from Las Bambas, which more than offset the impact of lower copper and zinc prices.

Despite this, MMG recorded a net loss after tax of US$24.9 million, including a loss of US$58.8 million attributable to equity holders of the Company. The first half EBITDA of US$635.8 million experienced a 2% decrease compared with the first half of 2022.

This decline was partly attributed to lower prices for copper and zinc, lower sales at Dugald River following the suspension of operations and higher consumption of third-party ores at Kinsevere to offset reduced oxide ore mined during the transition to mining sulphide ores.

Operational performance

Las Bambas produced 139,594 tonnes of copper in the first half of 2023, 38% above the first half of 2022. Concentrate transportation has remained stable since the removal of roadblocks in March, supported by the State of Emergency implemented by the government of Peru which remained in place throughout the quarter. The mine achieved record sales in the second quarter of around 417,000 tonnes of copper concentrate, with around 43% of sales coming from a draw-down of stockpiles.

Kinsevere produced 21,641 tonnes of copper cathode, a 2% decrease from the prior comparable period. The construction of the cobalt plant is on track, with the majority of the structural and mechanical installation completed by the end of June. First cobalt production is expected in 2023.

Dugald River produced 57,374 tonnes of zinc in the first half of 2023, which is 28% lower than the production in the first half of 2022. The site was impacted after operations were suspended for 34 days following the fatal incident in February.

Rosebery produced 23,102 tonnes of zinc in zinc concentrate and 8,637 tonnes of lead in lead concentrate during the first half of 2023, representing a 2% and 7% decline from the prior corresponding period respectively.

Outlook

As we look ahead to the rest of 2023, MMG will continue its focus on a strong safety-first culture, maintaining stable operations, and careful cost management and capital allocation in a volatile global economic environment.

We remain committed to progressing our growth projects in Las Bambas and Kinsevere. The Las Bambas team is working hard to reach enduring agreements for the development of the Chalcobamba deposit with the Huancuire community. We are hopeful that the development can commence by the end of 2023.

The construction of our Kinsevere expansion project is on track and we expect the first cobalt production in the second half of the year and the first copper cathode from sulphides in 2024. The Kinsevere Expansion Project is expected to extend the mine life to 2035 and take annual production up to 100,000 tonnes of copper equivalent production once we reach full ramp-up in 2025.

Las Bambas copper production for 2023 is expected to remain in the range of 265,000 to 305,000 tonnes, contingent upon continued access to site for supplies, personnel, and logistics. Kinsevere is now expected to produce 40,000 to 48,000 tonnes of copper cathode for 2023. Dugald River production in 2023 is expected to be in the range of 135,000 to 150,000 tonnes of zinc, with Rosebery expected to produce between 55,000 and 65,000 tonnes of zinc in zinc concentrate in 2023.

We remain committed to growth through development of our existing portfolio as well as actively evaluating external opportunities that are value accretive to all of our shareholders.

Thank you for your ongoing support of MMG.

LI Liangang
CHIEF EXECUTIVE OFFICER (INTERIM)

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2023

For the purpose of the management discussion and analysis, the Group's results for the six months ended 30 June 2023 are compared with results for the six months ended 30 June 2022.

SIX MONTHS ENDED 30 JUNE	2023 US$ MILLION	2022 US$ MILLION	CHANGE % FAV/(UNFAV)
Revenue	1,896.2	1,408.0	35%
Operating expenses	(1,257.1)	(761.8)	(65%)
Exploration expenses	(25.0)	(10.8)	(131%)
Administration expenses	(3.3)	(5.5)	40%
Net other income	25.0	21.8	15%
EBITDA	**635.8**	**651.7**	**(2%)**
Depreciation and amortisation expenses	(445.9)	(351.1)	(27%)
EBIT	**189.9**	**300.6**	**(37%)**
Net finance costs	(180.3)	(137.1)	(32%)
Profit before income tax	**9.6**	**163.5**	**(94%)**
Income tax expense	(34.5)	(73.7)	53%
(Loss)/profit after income tax for the period	**(24.9)**	**89.8**	**(128%)**
Attributable to:			
Equity holders of the Company	(58.8)	79.5	(174%)
Non-controlling interests	33.9	10.3	229%
	(24.9)	**89.8**	**(128%)**

Profit attributable to equity holders of the Company

MMG's loss of US$24.9 million for the six months ended 30 June 2023 includes loss attributable to equity holders of US$58.8 million and profit attributable to non-controlling interests of US$33.9 million. This compares to a profit attributable to equity holders of US$79.5 million and profit attributable to non-controlling interests of US$10.3 million for the six months ended 30 June 2022. Amounts attributable to non-controlling interests related to the 37.5% interest in Las Bambas not owned by the Company.

The following table provides a reconciliation of reported profit after tax attributable to equity holders.

SIX MONTHS ENDED 30 JUNE	2023 US$ MILLION	2022 US$ MILLION	CHANGE % FAV/(UNFAV)
Profit after tax – Las Bambas 62.5% interest	56.1	17.1	228%
(Loss)/profit after tax – other continuing operations	(63.5)	104.4	(161%)
Administration expenses	(3.3)	(5.5)	40%
Net finance costs (excluding Las Bambas)	(39.5)	(41.8)	6%
Other	(8.6)	5.3	(262%)
(Loss)/profit for the period attributable to equity holders	**(58.8)**	**79.5**	**(174%)**

Overview of operating results

The Group's continuing operations comprise Las Bambas, Kinsevere, Dugald River and Rosebery. Exploration, corporate activities and other subsidiaries are classified as 'Other'.

	REVENUE			EBITDA		
SIX MONTHS ENDED 30 JUNE	2023 US$ MILLION	2022 US$ MILLION	CHANGE % FAV/(UNFAV)	2023 US$ MILLION	2022 US$ MILLION	CHANGE % FAV/(UNFAV)
Las Bambas	1,480.4	805.0	84%	643.0	411.9	56%
Kinsevere	178.4	202.2	(12%)	(13.8)	64.5	(121%)
Dugald River	132.7	257.6	(48%)	(26.4)	123.8	(121%)
Rosebery	103.2	142.2	(27%)	35.6	55.9	(36%)
Other	1.5	1.0	50%	(2.6)	(4.4)	41%
Total	**1,896.2**	**1,408.0**	**35%**	**635.8**	**651.7**	**(2%)**

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

Revenue increased by US$488.2 million (35%) to US$1,896.2 million compared to 2022 due to higher sales volumes (US$658.8 million), partly offset by lower commodity prices (US$170.6 million).

Sales volumes increased by US$658.8 million compared to 2022 driven by higher sales of copper concentrate (US$719.4 million) and molybdenum concentrate (US$21.4 million) at Las Bambas due to fewer road blockages in 2023, with stability along the Southern Corridor since March 2023. This was partly offset by lower zinc concentrate sales volumes at Dugald River (US$51.6 million) following a 34-day suspension due to the tragic incident in February. Rosebery zinc and lead concentrate sales volumes were also lower (US$22.3 million), driven by sales timing.

Unfavourable commodity price variances of US$170.6 million were driven by lower prices for copper (US$125.1 million) and zinc (US$90.5 million), partly offset by higher prices for molybdenum (US$29.8 million), gold (US$10.1 million) and silver (US$6.7 million). Price variances also include mark-to-market adjustments on open sales contracts and the impacts of commodity hedging.

REVENUE BY COMMODITY SIX MONTHS ENDED 30 JUNE	2023 US$ MILLION	2022 US$ MILLION	CHANGE % FAV/(UNFAV)
Copper	1,432.0	896.8	60%
Zinc	145.0	305.7	(53%)
Lead	25.2	32.0	(21%)
Gold	104.3	62.2	68%
Silver	87.5	60.3	45%
Molybdenum	102.2	51.0	100%
Total	**1,896.2**	**1,408.0**	**35%**

Price

Average LME base metals prices for zinc, copper and lead were lower in the six months ended 30 June 2023 compared to the prior corresponding period. The averages for molybdenum, gold and silver were higher.

AVERAGE LME CASH PRICE [1] SIX MONTHS ENDED 30 JUNE	2023	2022	CHANGE % FAV/(UNFAV)
Copper (US$/tonne)	8,704	9,756	(11%)
Zinc (US$/tonne)	2,835	3,834	(26%)
Lead (US$/tonne)	2,129	2,269	(6%)
Gold (US$/ounce)	1,933	1,873	3%
Silver (US$/ounce)	23.37	23.29	0%
Molybdenum (US$/tonne)	59,730	41,302	45%

(1) Sources: zinc, lead, and copper: LME cash settlement price; Molybdenum: Platts; gold and silver: LBMA. LME (London Metal Exchange) data is used in this report under licence from LME; LME has no involvement and accepts no responsibility to any third party in connection with the data; and onward distribution of the data by third parties is not permitted.

Sales volumes

PAYABLE METAL IN PRODUCTS SOLD SIX MONTHS ENDED 30 JUNE	2023	2022	CHANGE % FAV/(UNFAV)
Copper (tonnes)	182,831	104,437	75%
Zinc (tonnes)	72,008	93,233	(23%)
Lead (tonnes)	13,201	15,751	(16%)
Gold (ounces)	53,793	35,438	52%
Silver (ounces)	3,852,971	2,893,688	33%
Molybdenum (tonnes)	2,039	1,437	42%

PAYABLE METAL IN PRODUCTS SOLD SIX MONTHS ENDED 30 JUNE 2023	COPPER TONNES	ZINC TONNES	LEAD TONNES	GOLD OUNCES	SILVER OUNCES	MOLYBDENUM TONNES
Las Bambas	160,764	-	-	41,312	2,256,611	2,039
Kinsevere	21,507	-	-	-	-	-
Dugald River	-	54,101	6,965	-	529,595	-
Rosebery	560	17,907	6,236	12,481	1,066,765	-
Total	**182,831**	**72,008**	**13,201**	**53,793**	**3,852,971**	**2,039**

PAYABLE METAL IN PRODUCTS SOLD SIX MONTHS ENDED 30 JUNE 2022	COPPER TONNES	ZINC TONNES	LEAD TONNES	GOLD OUNCES	SILVER OUNCES	MOLYBDENUM TONNES
Las Bambas	81,931	-	-	22,259	1,194,807	1,437
Kinsevere	21,990	-	-	-	-	-
Dugald River	-	69,805	7,391	-	570,719	-
Rosebery	516	23,428	8,360	13,179	1,128,162	-
Total	**104,437**	**93,233**	**15,751**	**35,438**	**2,893,688**	**1,437**

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$495.3 million (65%) in the first half of 2023. This increase was primarily driven by unfavourable stock movement (US$241.8 million) resulting from the drawdown in Las Bambas copper concentrate stockpiles, compared to a build-up in the first half of 2022. Additionally, higher production expenses (US$175.0 million) were mainly attributed to increased material mined and milled volumes at Las Bambas. Furthermore, there was a higher consumption of third-party ores (US$40.2 million) at Kinsevere to offset the reduced oxide ore mined during the transition to mining sulphide ores.

Further detail is set out below in the mine analysis section.

Exploration expenses increased by US$14.2 million (131%) to US$25.0 million in 2023 due to higher expenditure at Las Bambas (US$6.1 million) with drilling focused on Ferrobamba Deeps. Exploration costs at Kinsevere were higher by US$4.0 million due to increased drilling activities at satellite copper targets within a 50km radius of the Kinsevere mine. At Rosebery, exploration expenses were higher by US$2.2 million driven by the accelerated exploration program.

Administrative expenses decreased by US$2.2 million (40%) to US$3.3 million in 2023 mainly due to the weaker Australian dollar (US$1.4 million).

Net other income increased by US$3.2 million (15%) mainly due to gain on disposal of fixed assets at Las Bambas in 2023.

Depreciation and amortisation expenses increased by US$94.8 million (27%) to US$445.9 million compared to the first half of 2022. The increase was primarily attributable to higher mining and milling volumes at Las Bambas (US$95.7 million).

Net finance costs increased by US$43.2 million (32%) to US$180.3 million compared to 2022. The increase was mainly due to higher net interest costs driven by a rising interest rate environment (US$41.4 million) and a refund of interest from SUNAT (US$9.5 million) in 2022, partly offset by lower debt balances (US$12.8 million).

Income tax expense decreased by US$39.2 million, reflecting the decrease in the Group's underlying profit before income tax from the prior comparative period. Underlying income tax expense for 2023 of US$34.5 million reflects the impacts of non-creditable withholding tax expenses in Peru of US$18.1 million (2022: US$17.7 million), and other non-deductible items.

MANAGEMENT DISCUSSION AND ANALYSIS

CONTINUED

MINES ANALYSIS

Las Bambas

SIX MONTHS ENDED 30 JUNE	2023	2022	CHANGE % FAV/(UNFAV)
Production			
Ore mined (tonnes)	21,374,317	17,925,254	19%
Ore milled (tonnes)	25,871,975	18,038,619	43%
Waste movement (tonnes)	51,636,637	46,561,311	11%
Copper in copper concentrate (tonnes)	139,594	101,009	38%
Payable metal in product sold			
Copper (tonnes)	160,764	81,931	96%
Gold (ounces)	41,312	22,259	86%
Silver (ounces)	2,256,611	1,194,807	89%
Molybdenum (tonnes)	2,039	1,437	42%

SIX MONTHS ENDED 30 JUNE	2023 US$ MILLION	2022 US$ MILLION	CHANGE% FAV/(UNFAV)
Revenue	**1,480.4**	**805.0**	**84%**
Operating expenses			
Production expenses			
Mining	(239.7)	(142.0)	(69%)
Processing	(151.2)	(102.1)	(48%)
Other	(200.9)	(172.7)	(16%)
Total production expenses	**(591.8)**	**(416.8)**	**(42%)**
Freight (transportation)	(47.9)	(42.3)	(13%)
Royalties	(48.9)	(26.2)	(87%)
Other (i)	(165.9)	81.5	(304%)
Total operating expenses	**(854.5)**	**(403.8)**	**(112%)**
Other income	17.1	10.7	60%
EBITDA	**643.0**	**411.9**	**56%**
Depreciation and amortisation expenses	(390.8)	(295.1)	(32%)
EBIT	**252.2**	**116.8**	**116%**
EBITDA margin	**43%**	**51%**	**(16%)**

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

Las Bambas produced 139,594 tonnes of copper in the first half of 2023, which was 38,585 tonnes (38%) higher than 2022 due to a shutdown of more than 50 days during the first half of 2022.

Revenue of US$1,480.4 million was US$675.4 million (84%) higher than 2022 due to higher copper (US$719.4 million) and molybdenum sales volumes (US$21.4 million) and higher molybdenum prices (US$29.8 million). This was partly offset by lower copper prices (US$104.9 million).

Copper sales volumes were 96% higher compared to the prior period due to fewer road blockages with stability along the Southern Corridor since March 2023. As a result, concentrate inventory levels on site were reduced to approximately 60,000 tonnes of copper in concentrate at the end of the first half of 2023, compared to approximately 85,000 tonnes at the beginning of the year.

Total production expenses of US$591.8 million were US$175.0 million or 42% above 2022. This was mainly driven by higher material mined and milled volumes (US$52.4 million), increased maintenance works previously deferred (US$38.0 million), higher copper concentrate transported (US$21.1 million) and lower deferred mine capitalisation costs (US$34.6 million).

EBIT was further impacted by unfavourable stock movement of US$241.8 million due to a drawdown of finished goods (US$130.5 million) in the first half of 2023, compared to a build-up (US$85.3 million) in the first half of 2022 and a drawdown of ore stockpiles (US$29.1 million). Royalty expenses were also higher by US$22.7 million reflecting higher revenue.

Depreciation and amortisation expenses were higher than 2022 by US$95.7 million (32%) due to higher mining and milling volumes.

The C1 costs of US$1.60/lb for the first half of 2023 were below our guidance range of US$1.70 – US$1.90/lb, although they were higher than the 2022 C1 costs of US$1.27/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 (US$97.4 million).

2023 Outlook

In line with prior guidance, full-year production for 2023 is expected to be between 265,000 and 305,000 tonnes of copper in copper concentrate, contingent upon continued access to site for supplies, personnel, and logistics. The Las Bambas team is working toward enduring agreements for the development of the Chalcobamba deposit with the Huancuire community. We are hopeful that the development can commence by the end of 2023.

Las Bambas C1 costs in 2023 are expected to remain in the range of US$1.70 – US$1.90/lb, in line with prior guidance.

Kinsevere

SIX MONTHS ENDED 30 JUNE	2023	2022	CHANGE % FAV/(UNFAV)
Production			
Ore mined (tonnes)	1,272,760	406,571	213%
Ore milled (tonnes)	1,003,743	1,227,198	(18%)
Waste movement (tonnes)	8,930,752	1,567,070	470%
Copper cathode (tonnes)	21,641	22,090	(2%)
Payable metal in product sold			
Copper (tonnes) [(i)]	21,507	21,990	(2%)

SIX MONTHS ENDED 30 JUNE	2023 US$ MILLION	2022 US$ MILLION	CHANGE % FAV/(UNFAV)
Revenue	**178.4**	**202.2**	**(12%)**
Operating expenses			
Production expenses			
Mining	(9.6)	(16.3)	41%
Processing	(111.2)	(53.1)	(109%)
Other	(34.1)	(37.8)	10%
Total production expenses	**(154.9)**	**(107.2)**	**(44%)**
Freight (transportation)	(3.6)	(3.9)	8%
Royalties	(8.0)	(11.3)	29%
Other (ii)	(10.2)	(12.6)	19%
Total operating expenses	**(176.7)**	**(135.0)**	**(31%)**
Other expenses	(15.5)	(2.7)	(474%)
EBITDA	**(13.8)**	**64.5**	**(121%)**
Depreciation and amortisation expenses	(8.3)	(13.2)	37%
EBIT	**(22.1)**	**51.3**	**(143%)**
EBITDA margin	**(8%)**	**32%**	**(125%)**

(i) Kinsevere sold copper includes copper cathode and copper scrap.
(ii) Other operating expenses include changes in inventories, corporate recharges and other costs of operations.

In the first half of 2023, Kinsevere produced 21,641 tonnes of copper cathode, which is a decrease of 2% compared to the prior comparable period. The lower cathode production was primarily attributed to a decrease in ore milled throughput (1,003,743 tonnes vs. 1,227,198 tonnes) caused by an unstable power supply from the national grid and a planned shutdown for the installation of the cobalt plant in the second quarter. However, the lower milled throughput was partly offset by a higher ore feed grade (2.22% vs. 1.91%), which was a result of an increased supply of higher-grade third-party ore.

Kinsevere revenue decreased by US$23.8 million (12%) to US$178.4 million compared to 2022 due to lower copper prices (US$19.5 million) and lower copper sales volumes in line with lower production (US$4.3 million).

Total production expenses increased by US$47.7 million or 44% compared to 2022. This was mainly driven by higher consumption of third-party ores (US$40.2 million) to offset the reduced oxide ore mined during the transition to mining sulphide ores, and higher sulphuric acid consumption (US$8.9 million). Mining activities have increased with a focus on waste stripping, with higher capitalised mining costs, as we transition to the mining of sulphide ores.

C1 costs in the first half of 2023 were US$3.53/lb, higher than the US$2.42/lb in 2022 driven by higher consumption of third-party ores and reduced ore milled volumes caused by unstable power supply.

2023 outlook

In line with prior guidance, copper cathode production for 2023 is expected to be in the range of 40,000 to 48,000 tonnes.

C1 costs in 2023 are now expected to be in the range of US$3.15 – US$3.35/lb, higher than the prior guidance of US$2.50 – US$2.80/lb, mainly driven by a lower-than-expected cobalt price, reduced ore milled volumes caused by the unstable power supply, and increased reliance on third-party ore to offset the reduced oxide ore mined.

Dugald River

SIX MONTHS ENDED 30 JUNE	2023	2022	CHANGE % FAV/(UNFAV)
Production			
Ore mined (tonnes)	614,004	851,046	(28%)
Ore milled (tonnes)	652,840	856,465	(24%)
Zinc in zinc concentrate (tonnes)	57,374	79,587	(28%)
Lead in lead concentrate (tonnes)	6,540	8,490	(23%)
Payable metal in product sold			
Zinc (tonnes)	54,101	69,805	(22%)
Lead (tonnes)	6,965	7,391	(6%)
Silver (ounces)	529,595	570,719	(7%)

SIX MONTHS ENDED 30 JUNE	2023 US$ MILLION	2022 US$ MILLION	CHANGE % FAV/(UNFAV)
Revenue	**132.7**	**257.6**	**(48%)**
Operating expenses			
Production expenses			
Mining	(60.6)	(50.0)	(21%)
Processing	(33.5)	(30.9)	(8%)
Other	(33.7)	(32.0)	(5%)
Total production expenses	**(127.8)**	**(112.9)**	**(13%)**
Freight (transportation)	(7.2)	(6.8)	(6%)
Royalties	(6.9)	(11.9)	42%
Other (i)	(17.7)	(4.7)	(277%)
Total operating expenses	**(159.6)**	**(136.3)**	**(17%)**
Other income	0.5	2.5	(80%)
EBITDA	**(26.4)**	**123.8**	**(121%)**
Depreciation and amortisation expenses	(23.6)	(28.2)	16%
EBIT	**(50.0)**	**95.6**	**(152%)**
EBITDA margin	**(20%)**	**48%**	**(142%)**

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

Dugald River produced 57,374 tonnes of zinc in zinc concentrate during the first half of 2023, which was 28% lower compared to the prior corresponding period as operations were suspended for 34 days after a fatal incident at the mine on 15 February 2023. Production resumed on 21 March 2023 following approval by the relevant authorities with a focus on a safe ramp-up of operations. The mine achieved full rates of mining and processing in May. Zinc metal production was also impacted by lower feed grade associated with the mining sequence, partially offset by higher zinc recovery performance (89.7% vs 89.0%) driven by ongoing plant optimisation.

The transition to an owner-miner model has been completed with MMG executing production operations and a new mining contractor, Redpath, focusing solely on development. January marked the highest monthly advance rate on record (1,138m) driven by the early ramp-up of development activities and performance continued to be strong after the restart.

Revenue decreased by US$124.9 million to US$132.7 million due to lower zinc prices (US$71.1 million), a 22% drop in zinc sales volumes (US$51.6 million) and a 6% drop in lead sales volumes (US$2.2 million) in line with lower production.

Total production expenses were higher by US$14.9 million compared to the first half of 2022 driven by higher mining costs due to the re-baselining of the mining contractor rates and one-off transition costs to a new mining contractor (US$15.0 million). Consumable unit prices were also higher (US$17.1 million) predominately driven by gas prices, partly offset by savings generated from solar power (US$3.9 million). There were also lower costs (US$6.1 million) due to the suspension of operations for 34 days and the favourable impact of the weaker Australian dollar (US$8.4 million).

EBIT was further impacted by unfavourable stock movement of US$12.7 million due to a net drawdown of finished goods and ore stockpiles.

Dugald River's zinc C1 costs were US$1.30/lb in the first half of 2023 compared to US$0.83/lb in the first half of 2022. The higher C1 cost was largely attributable to higher cash production costs and lower production volumes.

2023 outlook

In line with prior guidance, and supported by the safe, successful ramp-up of operations, Dugald River production in 2023 is expected to be in the range of 135,000 and 150,000 tonnes of zinc in zinc concentrate.

C1 cost in 2023 is expected in the range of US$1.05 – US$1.20/lb. Measures have been introduced to have better cost control, including a long-term solar offtake agreement with energy provider, APA Group, which has provided immediate cost savings after the commercial operation of the solar farm in April 2023.

Rosebery

SIX MONTHS ENDED 30 JUNE	2023	2022	CHANGE % FAV/(UNFAV)
Production			
Ore mined (tonnes)	442,297	426,062	4%
Ore milled (tonnes)	440,892	432,036	2%
Zinc in zinc concentrate (tonnes)	23,102	23,664	(2%)
Lead in lead concentrate (tonnes)	8,637	9,324	(7%)
Copper in precious metals concentrate (tonnes)	566	474	19%
Gold (ounces)	12,547	13,581	(8%)
Silver (ounces)	1,355,370	1,141,674	19%
Payable metal in product sold			
Copper (tonnes)	560	516	9%
Zinc (tonnes)	17,907	23,428	(24%)
Lead (tonnes)	6,236	8,360	(25%)
Gold (ounces)	12,481	13,179	(5%)
Silver (ounces)	1,066,765	1,128,162	(5%)

SIX MONTHS ENDED 30 JUNE	2023 US$ MILLION	2022 US$ MILLION	CHANGE % FAV/(UNFAV)
Revenue	**103.2**	**142.2**	**(27%)**
Operating expenses			
Production expenses			
Mining	(38.5)	(33.7)	(14%)
Processing	(15.7)	(15.6)	(1%)
Other	(13.4)	(12.5)	(7%)
Total production expenses	**(67.6)**	**(61.8)**	**(9%)**
Freight (transportation)	(3.3)	(5.2)	37%
Royalties	(0.7)	(7.3)	90%
Other (i)	6.3	(12.0)	153%
Total operating expenses	**(65.3)**	**(86.3)**	**24%**
Other expenses	(2.3)	-	-
EBITDA	**35.6**	**55.9**	**(36%)**
Depreciation and amortisation expenses	(26.7)	(19.2)	(39%)
EBIT	**8.9**	**36.7**	**(76%)**
EBITDA margin	**34%**	**39%**	**(13%)**

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

Rosebery produced 23,102 tonnes of zinc in zinc concentrate and 8,637 tonnes of lead in lead concentrate during the first half of 2023. This represented a 2% and 7% decrease respectively compared to the first half of 2022. The volume of ore mined was 4% higher compared to the first half of 2022, primarily due to improved mine productivity and workforce availability, despite lost production in January resulting from the bushfire incident. The lower production was largely driven by lower milled grades for both zinc (6.2% vs. 6.4%) and lead (2.6% vs. 2.8%) attributable to the mining sequence.

Precious metal production for the first half of 2023 totalled 12,547 ounces of gold and 1,355,370 ounces of silver. This represents a decrease of 8% for gold and an increase of 19% for silver compared to the first half of 2022.

Revenue decreased by US$39.0 million (27%) to US$103.2 million due to lower prices for zinc (US$19.1 million), copper (US$1.1 million), and lead (US$1.0 million), as well as lower sales volumes for zinc (US$18.0 million), lead (US$4.3 million) and other by-products (US$2.1 million). This was partly offset by higher precious metal prices (US$6.6 million).

Total production expenses increased by US$5.8 million (9%) compared to the first half of 2022 mainly due to higher mining costs (US$8.8 million) driven by increased backfill volumes, and higher intensity of ground support in seismically active areas of the mine. This was partly offset by favourable exchange rates with the weakening of the Australian dollar (US$4.7 million).

Other operating expenses were favourable by US$18.3 million with favourable stock movement due to a net build-up of zinc and lead concentrates, driven by sales timing.

Royalties were favourable by US$6.6 million reflecting lower sales revenue and profit and an adjustment that was made to the prior year's royalty return.

Rosebery's C1 costs were US$0.18/lb in the first half of 2023 compared to US$0.38/lb in the first half of 2022. The lower C1 costs were attributable to higher by-product prices partly offset by higher production expenses.

2023 outlook

In line with prior guidance, Rosebery's zinc production for 2023 is expected to be in the range of 55,000 and 65,000 of zinc in zinc concentrate. This is an improvement on 2022 due to higher ore grades and higher ore mined volumes due to improved workforce availability.

C1 costs in 2023 are expected to be at the lower end of prior guidance of US$0.35 – US$0.50/lb with higher by-product grades and strong precious metals prices.

CASH FLOW ANALYSIS

Net cash flow

SIX MONTHS ENDED 30 JUNE	2023 US$ MILLION	2022 US$ MILLION	CHANGE % FAV/(UNFAV)
Net operating cash flows	425.6	134.8	216%
Net investing cash flows	(302.1)	(205.1)	(47%)
Net financing cash flows	28.0	(687.9)	104%
Net cash inflows/(outflows)	**151.5**	**(758.2)**	**120%**

Net operating cash inflows increased by US$290.8 million (216%) to US$425.6 million driven by favourable working capital movements with an inventory drawdown at Las Bambas compared to a build-up in the first half of 2022, partly offset by increased receivables at Las Bambas (US$123.5 million). Lower tax payments in Peru (US$156.5 million) and the DRC (US$19.2 million) also contributed positively. Operating cash flows were unfavourably impacted by lower EBITDA (US$15.9 million).

Net investing cash outflows increased by US$97.0 million (47%) to US$302.1 million. This was driven by higher capital expenditure at Kinsevere (US$124.3 million) attributable to expenditure on the Kinsevere Expansion Project. This was partly offset by lower capital expenditure at Las Bambas (US$37.6 million) due to lower capitalised mining costs in 2023.

Net financing cash flows were favourable by US$715.9 million (104%) compared to the first half of 2022. This was due to a US$500.0 million early payment on the Las Bambas Project facility in the first half of 2022 and a net drawdown on working capital facilities (US$255.0 million) in the first half of 2023. This was partly offset by higher interest paid (US$31.9 million) largely attributable to the rising interest rate environment.

FINANCIAL RESOURCES AND LIQUIDITY

	30 JUNE 2023 US$ MILLION	31 DECEMBER 2022 US$ MILLION	CHANGE US$ MILLION
Total assets	12,718.8	12,535.5	183.3
Total liabilities	(8,519.2)	(8,307.0)	(212.2)
Total equity	**4,199.6**	**4,228.5**	**(28.9)**

Total equity decreased by US$28.9 million to US$4,199.6 million as at 30 June 2023.

The gearing ratio for the Group is defined as net debt (total borrowings excluding finance charge prepayments, less cash, and cash equivalents) divided by the aggregate of net debt and total equity as set out in the following table:

MMG GROUP	30 JUNE 2023 US$ MILLION	31 DECEMBER 2022 US$ MILLION
Total borrowings (excluding prepaid finance charges) (i)	5,622.0	5,456.9
Less: cash and cash equivalents	(523.7)	(372.2)
Net debt	**5,098.3**	**5,084.7**
Total equity	4,199.6	4,228.5
Net debt +Total equity	**9,297.9**	**9,313.2**
Gearing ratio	**0.55**	**0.55**

(i) Borrowings at an MMG Group level reflect 100 per cent of the borrowings of the Las Bambas Joint Venture Group. Las Bambas Joint Venture Group borrowings as at 30 June 2023 were US$2,890.7 million (31 December 2022: US$3,025.6 million) and Las Bambas Joint Venture Group cash and cash equivalents as at 30 June 2023 were US$182.7 million (31 December 2022: US$171.8 million). For the purpose of calculating the gearing ratio, Las Bambas Joint Venture Group's borrowings have not been reduced to reflect the MMG Group's 62.5% equity interest. This is consistent with the basis of the preparation of MMG's financial statements.

Under the terms of relevant debt facilities held by the Group, the gearing ratio for covenant compliance purposes is calculated exclusive of US$2,161.3 million (31 December 2022: US$2,161.3 million) of shareholder debt that was used to fund the MMG Group's equity contribution to the Las Bambas Joint Venture Group. For the purpose of the above, it has, however, been included as borrowings.

Available debt facilities

As at 30 June 2023, the Las Bambas Joint Venture Group had undrawn debt facilities of US$775.0 million (31 December 2022: US$800.0 million). This was represented by:

(i) US$350.0 million (31 December 2022: 150.0 million) that was undrawn and available under a new US$350.0 million revolving credit facility provided by Album Enterprises Limited (a subsidiary of CMN). The facility has been extended for 1 year and will expire in August 2024;

(ii) US$275.0 million (31 December 2022: nil) that was undrawn and available under a new US$275.0 million revolving credit facility provided by BOC which is maturing in April 2026; and

(iii) US$150.0 million (31 December 2022: nil) that was undrawn and available under a new US$150.0 million revolving credit facility provided by ICBC. The facility was divided into 3 tranches with US$50.0 million for each tranche and will mature in March, May and June 2026 respectively.

Note: There was an undrawn facility of US$250.0 million (31 December 2022: US$650.0 million) which is no longer available under a US$800.0 million revolving credit facility due to the facility documentation not being amended to US Secured Overnight Financing Rate ("SOFR"). The transition to SOFR will occur as part of the facility's renewal.

As at 30 June 2023, the Group (excluding the Las Bambas Joint Venture Group) had no undrawn debt facility (31 December 2022: US$300.0 million). The Group is negotiating with current and new lenders to establish new facilities and renew/extend current facilities which will mature in the second half of 2023.

Some of the Group's available external debt facilities are subject to covenant compliance requirements. The Group was not in breach of covenant requirements in respect of the Group's borrowings as at 30 June 2023. The financial covenants are measured with reference to the financial performance of the Group or its subsidiaries and may be influenced by future operational performance.

DEVELOPMENT PROJECTS

The Chalcobamba project, as part of the next phase of development at Las Bambas, is located around 3km from the current processing plant. In March 2022, the Peru Ministry of Energy and Mines granted regulatory approval for the development of the Chalcobamba pit and associated infrastructure.

MMG remains committed to working closely with the Government of Peru and the Huancuire community members to review all its commitments and to engage in transparent and constructive dialogue. Discussions with the Huancuire community were delayed due to the resignation of its president. A community president was elected on 15th June, whose appointment was registered at the Public Registry on 6th July. The community has formed a new negotiating commission for the dialogue with Las Bambas, with the first meeting held on 17th July. MMG is optimistic that an enduring agreement for the development of Chalcobamba can be reached.

The project is significant for the economy of Peru and will support additional social contributions and financial and business opportunities for local and regional communities. It will underpin a production increase to a range of 380,000 to 400,000 tonnes over the medium term.

In addition to the Chalcobamba project, successful deep drilling below the current Ferrobamba pit has defined the depth extension and continuity of skarn and porphyry mineralisation beneath the 2022 Ore Reserve pit design. These positive drill results confirmed the potential for a large tonnage of copper (at 0.4% to 0.6%), molybdenum (at 200 to 500 ppm), silver (2g/t to 4g/t) and gold (0.04g/t to 0.08g/t) grade deposit may exist at Ferrobamba Deeps. Ongoing studies are being conducted based on these positive results, and further drilling is planned for 2023 and 2024 to evaluate the mineralisation and determine potential mining methods, including expansion of the open pit and/or an underground development.

Kinsevere Expansion Project, which includes the transition to the mining and processing of sulphide ore and the commencement of cobalt production, is progressing well.

The construction of the cobalt plant is on track, with the majority of the structural and mechanical installation completed by the end of June. The first cobalt production is expected in 2023. Civil work for the concentrator continued, and civil works for the roaster and acid plant commenced in May. Preparatory work, including infrastructure and construction, is progressing at Sokoroshe II and we have commenced the construction of the haul road to connect the satellite pit with the Kinsevere main site.

This next phase of Kinsevere development will extend Kinsevere's mine life for at least 13 years and, once fully ramped up, will result in total annual production of approximately 80,000 tonnes of copper cathode and between 4,000-6,000 tonnes of cobalt in cobalt hydroxide. The first copper cathode from sulphides is expected in 2024, and a full ramp-up is expected in 2025.

Rosebery mine life extension is being supported by an accelerated exploration program over the next two years. Exploration drilling has been conducted both within the immediate mine environs and on surrounding surface leases. This drilling program, which includes both underground and surface drilling, has already resulted in several intersections such as extensions to mine lens (e.g. Z- lens and T- lens) and the discovery of new mineralised zones (e.g. Oak and Bastyan). The current orebody knowledge demonstrates that the Rosebery orebody remains open to the north and south, while prospectivity still exists within the mine footprint.

The Rosebery mine continues to engage with the Minister and the Department of Climate Change, Energy, the Environment and Water (DCCEEW) and provide all required information and documentation while awaiting the Minister’s decision on the proposed preliminary works at South Marionoak. Concurrently the mine is continuing to investigate potential options for safe and viable short-term capacity increases at existing tailings storage facilities. Finding a sustainable tailings storage solution that supports the Rosebery mine life extension remains a key priority for our operation and we will continue to proactively explore all feasible options.

There were no other major development projects noted during the six months ended 30 June 2023.

CONTRACTS AND COMMITMENTS

During the six months ended 30 June 2023, 416 contracts have been reviewed either through market engagements or in-contract renegotiations. The approximate annual operational or capital values addressed by these activities come to US$460.7 million.

Las Bambas

New and revised agreements were finalised to optimise production and development options for Las Bambas. These agreements include contracts for a consolidated head contractor for studies and engineering services, projects construction, mining services such as blasting and drilling services, equipment maintenance, catering and camp services, personal transportation, health and medical services, road maintenance, customs and freight forwarding, plant shutdown services, major component repair, as well as components, spares and other consumables. Significant efforts have also been made to ensure the safety and continuity of supply during blockades, in order to support continued operations.

Kinsevere

New and revised agreements were finalised for various contracts that will support steady Kinsevere operations. These contracts include those related to the new fuel management system, fleet management system, and heap leach project, among others. The contracts for the Kinsevere expansion project, which were signed in 2022, include several packages that are currently ongoing in 2023. These packages include the cobalt plant construction package, third tailing storage facility (TSF3) construction package, roaster-gas plant-acid plant (RGA) EPC contract package, concentration plant construction package, and Sokoroshe II mine development package.

Dugald River

New and revised agreements were finalised to support the optimisation of production performance and operations. These agreements include contracts for inbound logistics, goods and services required for site equipment maintenance services, multiple contracts for the purchase of mobile equipment and contractor services related to the insourcing of production mining. Additionally, contracts were finalised for site support services such as camp management.

During this period, a major ongoing activity has been the review of long-term energy options. The objective of this review is to drive cost reduction and increase the adoption of renewable energy sources.

Rosebery

New and revised agreements were finalised for various significant goods and services. These agreements cover operational mine rehabilitation and development services, electrical services, groundwater monitoring, civil and construction services, and additional office leases.

In addition to these, there are agreements for engineering services and consultancy agreements to meet project-related requirements, and partial mobile fleet replacement.

Group

New and revised agreements have been finalised for various goods and services, including IT-related goods and services, as well as a number of professional services consultancy agreements. These consultancy agreements cover a range of areas such as SHEC (Safety, Health, Environment, and Community), Legal, HR (Human Resources), Corporate Affairs, Marketing, Assurance Risk and Audit, Climate, Social Performance, and OTE (Operation and Technical Excellence).

PEOPLE

As at 30 June 2023, the Group employed a total of 4,550 full-time equivalent employees (2022: 4,245) in its continuing operations (excluding contractors and casual employees) with the majority of employees based in Australia, Peru, the DRC, China and Laos.

Total employee benefits expenses for the Group's operations for the six months ended 30 June 2023, including Directors' emoluments, totalled US$172.1 million (2022: US$135.6 million). The increase was mainly due to insourcing mining processes at Dugald River and the commencement of the Kinsevere Expansion Project in the DRC.

The Group has remuneration policies that align with market practice and remunerates its employees based on the accountabilities of their role, their performance, market practice, legislative requirements and the performance of the Group. Employee benefits include market-competitive fixed remuneration, performance-related incentives, a limited company equity scheme and, in specific cases, insurance and medical support. 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.

EXPLORATION ACTIVITIES

Las Bambas

Extensive drilling activities were carried out at various locations within the Ferrobamba pit. Specifically, drilling at Ferrobamba Deeps continued, which is situated directly beneath the current Ferrobamba Ore Reserve pit.

Ongoing studies and further drilling are planned for 2023 and 2024 to evaluate the mineralisation and determine potential mining methods including expansion of the open pit and/or an underground development at Ferrobamba Deeps.

Additionally, drilling activities were carried out at Ferrobamba South, Ferrobamba East, and West Plant targets, drilling primarily focused on near-surface, skarn and porphyry copper mineralisation. At Ferrobamba South, drilling specifically targeted the extension of mineralisation along the southern edge of the Ferrobamba pit. Similarly, at Ferrobamba East, the objective was to explore the extension of mineralisation east of the current open pit. At the West Plant project, drilling activities concentrated on identifying polymetallic intermediate sulfidation veins located west of the processing plant.

Kinsevere

During the first half year of 2023, exploration activities focused on resource testing drilling and resource delineation drilling at various targets within the Kinsevere mine site, the eastern zone of Sokoroshe II main orebody and the Nambulwa targets.

Resource testing drilling was conducted in the south-eastern part of the known main Sokoroshe II and Wasumbu target in Nambulwa. The purpose of this drilling was to test the copper-cobalt mineralisation at depth based on outlined targets that possess favourable lithological units, geophysical and geochemical anomalies.

Exploration drilling was completed in Kimbwe - Kafubu trend and the northwest part of the Mashi pit at the Kinsevere mine site. The objective of this drilling was to delineate potential copper and cobalt resources and target the up-dip and down-dip extension of copper mineralisation.

Dugald River

Exploration drilling at Dugald River in 2023 is focused on targeting the Extended Dugald River (EDR) utilising a surface rig. The EDR program aims to test the extension of zinc-lead-silver mineralisation down dip of the known orebody. Geological information gathered from this work will be used to improve the interpretation of the mineralised structure of the Dugald River Lode at depth.

Rosebery

During the first half of 2023, underground drilling activities primarily focused on resource testing around the H and Z lenses, H South, V North, and U Downdip. For the remainder of 2023, the key focus will be on resource testing of the U and Z lenses, as well as the southern extension of the Oak target.

Surface drilling primarily concentrated on prospect testing of AB North, Jupiter, North Hercules, Oak and the Sol target. The main focus areas for the remainder of 2023 will be Prospect Testing of Bastyan, EBR, Snake Gully, Sol and Jupiter.

It was worth noting that the drilling totals were impacted at the beginning of 2023 due to a fire in close proximity to the mine. However, with the delivery of two ‘key’ platforms, it is expected that drilling metres will likely increase towards the end of 2023.

PROJECT	HOLE TYPE	METERAGE (METRES)	NUMBER OF HOLES	AVERAGE LENGTH (METRES)
Americas				
Las Bambas	Diamond (Ferrobamba Deeps)	11,802	29	407
	Diamond (Ferrobamba South)	5,649	7	807
	Diamond (Ferrobamba East)	1,983	4	496
	Diamond (West Plant)	2,228	4	557
Africa				
Kinsevere	Diamond (Sokoroshe II Resource)	4,103	27	152
	Diamond (Nambulwa - Wasumbu)	1,195	6	199
	Diamond (Nambulwa - Kimbwe Resource)	5,612	32	175
	Diamond (Mashi links Resource)	1,273	5	255
Australia				
Dugald River	Diamond - Near Mine (EDR)	4,867	4	1,217
Rosebery	Diamond – In Mine	31,072	92	338
	Diamond - Mine Corridor	10,273	13	790
Total		**80,057**	**223**	**359**

MATERIAL ACQUISITIONS AND DISPOSALS

The Group made no material acquisition or disposal for the six months ended 30 June 2023.

EVENTS AFTER THE REPORTING DATE

Other than the matters outlined below, 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.

- In July 2023, CMN provided additional flexibility for the US$2,161.3 million loan provided by Top Create Resources Limited ("Top Create") (a subsidiary of CMN). This allowed for repayments to be deferred in support of the Group's liquidity for future periods.

FINANCIAL AND OTHER RISK MANAGEMENT

Financial risk factors

The condensed consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2022.

There have been no changes in the risk management policies since 31 December 2022.

(a) Commodity price risk

The prices of copper, zinc, lead, gold, silver and molybdenum are affected by numerous factors and events that are beyond the control of the Group. These metal prices change on 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.

During the six months ended 30 June 2023, the Group entered into various commodity trades to hedge the sales prices for copper and zinc. The outstanding commodity trades included:

- Zero/low-cost collar hedges:
    - 22,500 tons of copper at put strike price ranging from US$8,800/ton to US$9,100/ton and call strike price ranging from US$9,200/ton to US$9,600/ton
- Fixed price swap:
    - 1,500 tons of copper with fixed price ranging from US$9,000/ton to$9,010/ton.
- These commodity trades' settlement periods ranging from July 2023 to January 2024.

A change in commodity prices during the reporting period can result in favourable or unfavourable financial impact for the Group.

The following table contains details of the hedging instrument used in the Group's hedging strategy:

	Term	Carrying amount of hedging instrument US$ million	Favourable/(Unfavourable) changes in fair value used for measuring ineffectiveness		Settled portion of hedging instrument realised gains US$ million	Hedging gain recognised in cash flow hedge reserve[1] US$ million	Cost of hedging reserve US$ million
			Hedging instrument US$ million	Hedged item US$ million			
Cash flow hedges:							
At 30 June 2023 and for six months ended 30 June 2023							
Derivative financial assets	**March 2023 to December 2023**	15.0	14.3	(14.3)	2.6	9.7	0.5
At 30 June 2022 and for six months ended 30 June 2022							
Derivative financial assets	**March 2022 to December 2022**	56.1	51.0	(51.0)	0.3	36.7	3.7

1. The hedging gain recognised in cash flow hedge reserve is the amount after tax.

At the reporting date, if the commodity prices increased/(decreased) by 10% and all other variables were held constant, the Group's post-tax (loss)/profit and OCI would have changed as set out below:

	FOR SIX MONTHS ENDED 30 JUNE					
	2023			2022		
Commodity	Commodity price movement	Decrease in loss US$ million	Decrease in OCI US$ million	Commodity price movement	Increase in profit US$ million	Decrease in OCI US$ million
Copper	+10%	65.4	(9.4)	+10%	15.4	(15.3)
Zinc	+10%	3.3	-	+10%	2.9	(5.2)
Total		**68.7**	**(9.4)**		**18.3**	**(20.5)**
Commodity	Commodity price movement	Increase in loss US$ million	Increase in OCI US$ million	Commodity price movement	Decrease in profit US$ million	Increase in OCI US$ million
Copper	-10%	(65.4)	10.3	-10%	(15.3)	16.8
Zinc	-10%	(3.3)	-	-10%	(2.9)	5.8
Total		**(68.7)**	**10.3**		**(18.2)**	**22.6**

(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.

The Group regularly monitors its interest rate risk to ensure there are no undue exposures to significant interest rate movements. Any decision to hedge interest rate risk is assessed periodically in light of the overall Group's exposure, the prevailing interest rate market and any funding counterparty requirements. Regular reporting of the Group's debt and interest rates is provided to the MMG Executive Committee.

The Group is exposed to the risk-free rate of SOFR. The exposures arise on derivative and non-derivative financial assets and liabilities. The Group cash flow hedge relationship was affected by the interest rate benchmark reform. With the Interest Rate Swap (IRS) closure, the cash flow hedge relationship discontinued. The exposures mainly arise on non-derivative financial assets and liabilities.

The following table contains details of the cash flow hedge was affected by the Interest Rate Swap (IRS) closure:

	AT 30 JUNE 2023 AND FOR SIX MONTHS ENDED 30 JUNE 2023		
	Balance in cash flow hedge reserve US$ million	Amount reclassified from the cash flow hedge reserve to profit or loss US$ million	Line item affected in profit or loss because of the reclassification
Discontinued Cash Flow Hedges:			
Interest Rate Swap	**64.1**	**1.7**	**Financial cost**

	AT 30 JUNE 2022 AND FOR SIX MONTHS ENDED 30 JUNE 2022							
	Term	Notional amortising amount US$ million	Carrying amount of hedging instrument US$ million	Favourable/(Unfavourable) changes in fair value used for measuring ineffectiveness: Hedging instrument US$ million	Favourable/(Unfavourable) changes in fair value used for measuring ineffectiveness: Hedged item US$ million	Settled portion of hedging instrument realised losses US$ million	Hedging gains recognised in cash flow hedge reserve[2] US$ million	Hedge ineffectiveness recognised in profit or loss US$ million
Cash flow hedges:								
Derivative financial asset[1]	June 2020 - June 2025	1,760.0	100.0	68.2	(68.2)	(2.2)	46.4	-

1. In 2020, the Group has entered into a notional US$2,100 million 5-year amortising interest rate swap with BOC Sydney. The purpose of the arrangement is to fix approximately half of the remaining interest rate exposure accompanying the floating interest rate MLB project facility (borrowings of US$2,653.6 million outstanding at 31 December 2022, maturing in July 2032) from CDB, ICBC, BOC Sydney and The Export-Import Bank of China for a period of 5 years. The interest rate swap hedge will amortise in line with the MLB project facility and swap the 6-month London Interbank Offered Rate ("LIBOR") exposure for a fixed rate (0.5568% per annum in the first year and 0.5425% per annum from June 2021 to June 2025);

2. The hedging gain recognised in cash flow hedge reserve is the amount after tax.

Interest rate sensitivity analysis

If the interest rate had increased/(decreased) by 100 basis points, with all other variables held constant, post-tax (loss)/profit and OCI would have changed as follows:

	FOR SIX MONTHS ENDED 30 JUNE					
	2023		2022			
	+100 basis points	-100 basis points	+100 basis points		-100 basis points	
US$ MILLION	Decrease/ (increase) in loss after tax	(Increase)/ decrease in loss after tax	Increase/ (decrease) in profit after tax	Increase in OCI	(Decrease)/ increase in profit after tax	Decrease in OCI
Financial assets						
Cash and cash equivalents	3.6	(3.6)	3.4	-	(3.4)	-
Financial liabilities						
Borrowings (including the impact of the IRS)	(23.5)	23.5	(5.8)	18.4	5.8	(18.4)
Total	**(19.9)**	**19.9**	**(2.4)**	**18.4**	**2.4**	**(18.4)**

(c) Liquidity risk

Compared to 31 December 2022, there was no material change in the contractual undiscounted cash outflows for financial liabilities.

The Group has sufficient debt facilities to manage liquidity. The Group's available external debt facilities are subject to covenant compliance requirements. The Group was not in breach of covenant requirements in respect of the Group's borrowings at 30 June 2023. Certain financial covenants are measured with reference to the financial performance of the Group or its subsidiaries and may be influenced by future operational performance.

In addition, for six months ended 30 June 2023, the Las Bambas Joint Venture Group had an agreement with CMN and CITIC, each as direct or indirect off-takers of Las Bambas production, for early payment on cargoes already shipped and invoiced as well as pre-payments for inventory held at both port and site. Early payment and pre-payments are permitted up to an aggregate amount of US$268.0 million, allocated to each party in their respective off-take proportions. There was no early payment from CMN and CITIC under this agreement as at 30 June 2023.

Country and community risks

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, changing political conditions and governmental regulations and community disruptions. Changes in any aspects above and in the country where the Group operates may adversely affect the Group's operations and profitability. The decline in growth and macroeconomic activity in many developing nations has resulted in governments seeking alternative means of increasing their income, including increases to corporate tax, VAT and royalty rates, coupled with increased audit and compliance activity.

The DRC Government during 2018 made changes to the 2002 Mining Code and Mining Regulations. These changes were enacted (2018 Mining Code) and continue to result in an increased tax burden on mining companies; In Peru, over the past decades, Las Bambas has experienced heightened political instability with succession of regimes with differing political policies. As the community disruptions and political situation are expected to evolve in the near future, the Group will continue to work closely with the relevant authorities and community groups to minimise the potential risk of social instability and disruptions to the Las Bambas operations.

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 reporting period, 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.

At 30 June 2023, these guarantees amounted to US$312.6 million (31 December 2022: US$297.5 million).

Contingent liabilities - tax related contingencies

The Group has operations in multiple countries, each with its own taxation regime. The nature of the Group's activities requires it to comply with various taxation obligations including corporation tax, royalties, withholding taxes, transfer pricing arrangements with related parties, resource and production-based taxes, environmental taxes and employment related taxes. Application of tax laws and interpretation of tax laws may require judgement to assess risk and estimate outcomes, particularly in relation to the application of income taxes and withholding tax to the Group's cross-border operations and transactions. The evaluation of tax risks considers both assessments received and potential sources of challenge from tax authorities. Additionally, the Group is currently subject to a range of audits and reviews by taxation authorities in Australia, Peru, Zambia, Laos and the DRC. Except for the financial impacts disclosed for the Peruvian tax matters in subsequent paragraphs, no disclosure of an estimate of financial effect of the subject matter has been made in the condensed consolidated interim financial statements as, in the opinion of the management of the Group, such disclosure may seriously prejudice the position of the Group in dealing with those matters.

Tax matters with uncertain outcomes arise in the normal course of business and occur due to changes in tax law, changes in interpretation of tax law, periodic challenges and disagreements with tax authorities, and legal proceedings. The status of proceedings for such uncertain tax matters will impact the ability to determine the potential exposure, and in some cases, it may not be possible to determine a range of possible outcomes, including timing of resolution or determining a reliable estimate of the potential exposure.

Peru – Withholding Taxes (2014, 2015, 2016 and 2017)

Included within such uncertain tax matters are audits of the 2014, 2015, 2016 and 2017 tax periods for Las Bambas in relation to withholding taxes on interest and fees paid under certain loans, which were provided to Las Bambas pursuant to facility agreements entered into among Las Bambas and a consortium of Chinese banks in connection with the acquisition of the Las Bambas mine in 2014. Las Bambas received assessment notices from the Peruvian tax authority (National Superintendence of Tax Administration of Peru or "SUNAT"), which advised that, in its opinion, Las Bambas and the Chinese banks are related parties and thus a 30% withholding tax rate ought to be imposed on payments of interest and fees to such banks, rather than the 4.99% applied by Las Bambas. The assessments of omitted tax plus penalties and interest as at 30 June 2023 totalled PEN2,053.7 million (approximately US$564.8 million).

In relation to these assessments, having received external legal and tax advice, the Group has formed the view that the Company and its controlled entities are not related parties to the Chinese banks under Peruvian tax law. Additionally, the Peruvian tax law was amended (with effect from October 2017) to provide expressly that parties are not related by being under state ownership for the purposes of withholding taxes. Las Bambas has appealed the assessments issued by SUNAT in the Peru Tax Court and the pronouncement is pending. Where MLB is not successful in rebutting or appealing such challenge(s), this could result in significant additional tax liabilities.

Peru –2016 Income Tax

In January 2023, Las Bambas received assessment notices from SUNAT in connection with the 2016 income tax audit (2016 Income Tax Assessment). The assessment denied the deductions for all interest on borrowings expensed during the 2016 tax year. This included the loans from Chinese banks where SUNAT denied the interest deductions on the basis that the borrowings were from related parties and that the alleged related party debt should be included in calculating Las Bambas' related party 'debt to equity' ratio (the 'thin capitalisation' threshold) which would then be breached. SUNAT also alleged that interest payable on the shareholder loan from MMG Swiss Finance A.G. is non-deductible, due to the application of the "Causality Principle" (i.e., the loan has no relevance to the income-producing activities of Las Bambas). Further, SUNAT separately alleged that the accounting treatment of the merger of Peruvian entities (subsequent to the acquisition of Las Bambas in 2014) should have resulted in a negative equity adjustment which would result in Las Bambas having no equity for the purposes of calculating its thin capitalisation allowance. The Assessment issued by SUNAT for tax, interest and penalties for the income tax year 2016 totalled PEN632.0 million (approximately US$174.0 million) as at 30 June 2023.

On 27 July 2023, SUNAT confirmed that it had considered Las Bambas' appeal against the Assessment and concluded that the Assessment remains correct and valid. Las Bambas will appeal to the Peru Tax Court.

Las Bambas has notified the Peru Government of a dispute pursuant to the Peru-Netherlands Bilateral Investment Treaty (Treaty) and is awaiting a response to the notification. The notification advises that, unless the matters can be resolved by negotiation, Las Bambas will seek damages from the Government of Peru for a number of breaches of the Treaty.

Considering the Las Bambas' proposed appeals and advice from the Las Bambas' tax and legal advisers, the Group did not recognise a liability in its condensed consolidated interim financial statements for any assessed amount. If Las Bambas is unsuccessful in its challenge on the SUNAT assessments, this could result in significant liabilities being recognised.

CHARGES ON ASSETS

As at 30 June 2023, certain borrowings of the Group were secured as follows:

(a) Approximately US$2,335.2 million (31 December 2022: US$2,653.6 million) from China Development Bank, Industrial and Commercial Bank of China Limited, BOC Sydney and The Export-Import Bank of China was secured by share security over the entire share capital of MMG South America Management Company Limited and each of its subsidiaries including MLB, a debenture over the assets of MMG South America Management Company Limited, an assets pledge agreement and production unit mortgage in respect of all of the assets of MLB, assignments of shareholder loans between MMG South America Management Company Limited and its subsidiaries and security agreements over bank accounts of MLB; and

(b) Approximately US$5.5 million (31 December 2022: US$22.0 million) from ICBC Peru Bank, Banco de Crédito del Peru and Scotiabank Peru was secured by mine fleet equipment procured under asset finance arrangements.

FUTURE PROSPECTS

MMG's vision is to create a leading international mining company for a low-carbon future. We mine to create wealth for our people, host communities and shareholders with an ambition to grow and diversify our resources, production and value, by leveraging Chinese and international expertise. Our strong relationship with China draws upon the strength of the world's largest commodities consumer and provides a deep understanding of markets and access to its sources of funding.

The Company is focused on maximising the value of our existing assets by increasing our safety performance, improving competitiveness, containing costs, continually improving productivity, building successful relationships with our host communities and governments and growing our resource base. We are actively pursuing our next phase of disciplined growth.

Las Bambas copper production in 2023 is expected to be in the range of 265,000 and 305,000 tonnes. MMG expects to produce between 40,000 and 48,000 tonnes of copper cathode at Kinsevere, and between 190,000 and 215,000 tonnes of zinc at its Dugald River and Rosebery operations in 2023.

Las Bambas annual production is expected to reach 380,000-400,000 tonnes in the medium term with the extended contribution from the Chalcobamba project. The Las Bambas team is working toward enduring agreements for the development of the Chalcobamba deposit with the Huancuire community. We are hopeful that the development can commence by the end of 2023. The continued development of Las Bambas is significant for the economy of Peru and will support additional social contributions and financial and business opportunities for local and regional communities.

In the DRC, MMG continues to progress the next phase of Kinsevere Expansion Project, namely the transition to the mining and processing of sulphide ores. This project will extend Kinsevere's mine life and increase copper production back to around 80,000 tonnes of copper cathode per annum and 4,000 to 6,000 tonnes of cobalt in cobalt hydroxide. The construction of the cobalt plant is on track, with the majority of the structural and mechanical installation completed by the end of June. The first cobalt production is expected in 2023. First cathode production from sulphides is expected in 2024. MMG will continue to invest in regional exploration programs focusing on proving up discoveries within an operating radius of the Kinsevere mine.

In relation to Dugald River, the Company remains committed to safe, greener and sustainable production to deliver annual ore mined throughput of 2,000,000 tonnes in the future years. This will pave the way for targeted zinc equivalent production to remain at around 200,000 tonnes annually. MMG will build on the already operational long-term solar offtake agreement to pursue more green, reliable and cost-effective energy solutions, including supporting CopperString 2032, which aims to connect Queensland's North West Minerals Province to the National Electricity Grid.

At Rosebery, an accelerated resource extension and near mine exploration drilling program is currently in progress to support a mine life extension. MMG remains committed to extending the operating life of this important asset, proactively investigating all feasible options to secure a sustainable tailings storage solution.

In line with previous guidance, total capital expenditure in 2023 is expected to be between US$700 million and US$850 million. US$350-400 million is attributable to Las Bambas, including the expansion of the Las Bambas tailings dam facility and Ferrobamba pit infrastructure. At Kinsevere, capital expenditure related to the Kinsevere Expansion Project is expected to be between US$200-250 million for the new plant with US$50-100 million on associated capitalised mining.

MMG will continue to focus on the next phase of growth. Currently, the company 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

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 (CG Code) under Appendix 14 of the Listing Rules throughout the six months ended 30 June 2023, except for the deviations from code provisions C.2.7, F.1.1 and F.2.2 of the CG Code as explained below.

Code provision F.1.1 of the CG Code requires the issuer should have a policy on the payment of dividends. The Company does not have a dividend policy. The Board will decide on the declaration/recommendation of any future dividends after taking into consideration a number of factors, including the prevailing market conditions, the Company's operating results, future growth requirements, liquidity position, and other factors that the Board considers relevant. The recommendation of the payment of any dividend is subject to the discretion of the Board, and any declaration of a dividend will be subject to the approval of Shareholders at the annual general meeting of the Company.

Code provision F.2.2 of the CG Code requires the Chairman of the Board to attend and answer questions at the AGM. Mr Jiao Jian, the then Chairman of the Board, resigned as the Chairman of the Board on 31 March 2023. As such, Mr Leung Cheuk Yan, an Independent Non-executive Director, a member of the Audit and Risk Management Committee and the Governance, Remuneration, Nomination and Sustainability Committee of the Company, was nominated by the Board to take the chair of the AGM on 25 May 2023.

Code provision C.2.7 of the CG Code requires the chairman should at least annually hold meetings with the independent non-executive directors without the presence of other directors. The then Chairman of the Board was Mr Jiao Jian. He resigned as the Chairman of the Board and a Non-Executive Director with effect from 31 March 2023. During the reporting period, the then Chairman met with all the Directors including the Non-executive Directors and Independent Non-executive Directors at each Board meeting, except the board meeting held after 31 March due to his resignation. The preliminary section of each meeting was devoted to an exchange of ideas and discussion between the Chairman and the Directors.

The Company adopted a Board Charter to outline the manner in which its constitutional powers and responsibilities will be exercised, delegated and discharged, having regard to principles of good corporate governance, international best practices 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 confidence in the investment market.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a model code for securities trading by Directors (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 as set out in Appendix 10 of the Listing Rules (Model Code).

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 six months ended 30 June 2023.

AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee comprised five members including three Independent Non-executive Directors, namely Mr Chan Ka Keung, Peter as Chair, Dr Peter Cassidy, Mr Leung Cheuk Yan and two Non-executive Directors, namely Mr Zhang Shuqiang and Mr Xu Jiqing.

The Audit and Risk Management Committee is principally responsible for (i) the financial reporting related matters, such as reviewing financial information and overseeing financial reporting related systems and controls; and (ii) advising the Board on high-level risk-related matters, risk management and internal control, including advising on risk assessment and oversight of the internal audit function.

The Audit and Risk Management Committee has reviewed the unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2023, which have also been reviewed by the Company's independent auditor, Deloitte Touche Tohmatsu, in accordance with the Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

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

Neither the Company nor any of its subsidiaries purchased, sold, or redeemed any of the Company's listed securities during the six months ended 30 June 2023.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

The interim results announcement is also published on the website of the Company (www.mmg.com). The Company's 2023 Interim Report will be despatched to Shareholders and made available on the websites of the Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company in due course.

INDEPENDENT REVIEW

The interim financial information for the six months ended 30 June 2023 is unaudited and has been reviewed by the Company's independent auditor, Deloitte Touche Tohmatsu, in accordance with the Hong Kong Standard on Review Engagements 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Hong Kong Institute of Certified Public Accountants. The auditor's unmodified review report will be included in the 2023 Interim Report. This interim financial information has also been reviewed by the Company's Audit and Risk Management Committee.

FINANCIAL INFORMATION OF THE GROUP

The financial information relating to six months ended 30 June 2023 and 2022 included in this preliminary announcement of the 2023 interim results does not constitute the Company's statutory condensed consolidated interim financial statements for those periods but is derived from those financial statements.

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

1. The Company has delivered the consolidated financial statements for the year ended 31 December 2022 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 condensed consolidated interim financial statements for the period ended 30 June 2023 to the Registrar of Companies in due course.
2. The Company's auditors have reported on these condensed consolidated interim financial statements. 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.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS

	NOTES	SIX MONTHS ENDED 30 JUNE 2023 (UNAUDITED) US$ MILLION	SIX MONTHS ENDED 30 JUNE 2022 (UNAUDITED) US$ MILLION
Revenue	3	1,896.2	1,408.0
Other income/(loss)		2.6	(1.6)
Expenses (excluding depreciation and amortisation)	4	(1,263.0)	(754.7)
Earnings before interest, income tax, depreciation and amortisation expenses – EBITDA		**635.8**	**651.7**
Depreciation and amortisation expenses	4	(445.9)	(351.1)
Earnings before interest and income tax - EBIT		**189.9**	**300.6**
Finance income	5	4.3	3.4
Finance costs	5	(184.6)	(140.5)
Profit before income tax		**9.6**	**163.5**
Income tax expense	6	(34.5)	(73.7)
(Loss)/profit for the period		**(24.9)**	**89.8**
(Loss)/profit for the period attributable to:			
Equity holders of the Company		(58.8)	79.5
Non-controlling interests		33.9	10.3
		(24.9)	**89.8**
(Loss)/earnings per share attributable to the equity holders of the Company			
Basic (loss)/earnings per share	7	US (0.68) cents	US 0.92 cents
Diluted (loss)/earnings per share	7	US (0.68) cents	US 0.92 cents

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

	SIX MONTHS ENDED 30 JUNE	
	2023 (UNAUDITED) US$ MILLION	2022 (UNAUDITED) US$ MILLION
(Loss)/profit for the period	**(24.9)**	**89.8**
Other comprehensive (expense)/income		
Items that may be reclassified to profit or loss		
Movement on hedging instruments designated as cash flow hedges	(4.6)	124.2
Income tax credit/(expense) relating to cash flow hedges	1.4	(37.6)
Item that will not be reclassified to profit or loss		
Remeasurement on the net defined benefit liability	(0.9)	-
Other comprehensive (loss)/income for the period, net of income tax	**(4.1)**	**86.6**
Total comprehensive (loss)/income for the period	**(29.0)**	**176.4**
Total comprehensive (loss)/income attributable to:		
Equity holders of the Company	(61.7)	140.8
Non-controlling interests	32.7	35.6
	(29.0)	**176.4**

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

	NOTES	AS AT 30 JUNE 2023 (UNAUDITED) US$ MILLION	AS AT 31 DECEMBER 2022 (AUDITED) US$ MILLION
ASSETS			
Non-current assets			
Property, plant and equipment		9,378.2	9,509.4
Right-of-use assets		122.2	111.2
Intangible assets		533.4	534.2
Inventories		127.6	122.2
Deferred income tax assets		243.4	315.7
Other receivables		177.5	167.5
Derivative financial assets		-	113.9
Other financial assets		2.0	1.5
Total non-current assets		**10,584.3**	**10,875.6**
Current assets			
Inventories		723.8	872.6
Trade and other receivables	11	821.2	342.5
Current income tax assets		47.0	60.5
Derivative financial assets		18.8	12.1
Cash and cash equivalents		523.7	372.2
Total current assets		**2,134.5**	**1,659.9**
Total assets		**12,718.8**	**12,535.5**
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	12	3,224.6	3,220.5
Reserves and retained profits	13	(1,147.2)	(1,081.5)
		2,077.4	**2,139.0**
Non-controlling interests	10	2,122.2	2,089.5
Total equity		**4,199.6**	**4,228.5**

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION CONTINUED

	NOTES	AS AT 30 JUNE 2023 (UNAUDITED) US$ MILLION	AS AT 31 DECEMBER 2022 (AUDITED) US$ MILLION
LIABILITIES			
Non-current liabilities			
Borrowings	14	3,993.5	4,209.6
Lease liabilities		127.4	117.4
Provisions		621.2	599.2
Trade and other payables	15	243.6	217.5
Deferred income tax liabilities		1,123.9	1,208.0
Total non-current liabilities		**6,109.6**	**6,351.7**
Current liabilities			
Borrowings	14	1,587.1	1,203.0
Lease liabilities		23.0	21.3
Provisions		82.8	81.0
Derivative financial liabilities		-	0.3
Trade and other payables	15	657.5	535.5
Current income tax liabilities		59.2	114.2
Total current liabilities		**2,409.6**	**1,955.3**
Total liabilities		**8,519.2**	**8,307.0**
Net current liabilities		**(275.1)**	**(295.4)**
Total equity and liabilities		**12,718.8**	**12,535.5**

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

	FOR SIX MONTHS ENDED 30 JUNE 2023 (UNAUDITED)					
	ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY					
US$ MILLION	SHARE CAPITAL	TOTAL RESERVES	RETAINED PROFITS	TOTAL	NON-CONTROLLING INTERESTS	TOTAL EQUITY
	(Note 12)	(Note 13)	(Note 13)			
At 1 January 2023	**3,220.5**	**(1,826.7)**	**745.2**	**2,139.0**	**2,089.5**	**4,228.5**
(Loss)/profit for the period	-	-	(58.8)	**(58.8)**	33.9	**(24.9)**
Other comprehensive loss for the period	-	(2.9)	-	**(2.9)**	(1.2)	**(4.1)**
Total comprehensive (loss)/ income for the period	**-**	**(2.9)**	**(58.8)**	**(61.7)**	**32.7**	**(29.0)**
Transactions with owners						
Employee long-term incentives	-	(1.1)	-	**(1.1)**	-	**(1.1)**
Employee share options and performance awards exercised and vested	4.1	(2.9)	-	**1.2**	-	**1.2**
Employee share options lapsed	-	(0.1)	0.1	**-**	-	**-**
Total transactions with owners	**4.1**	**(4.1)**	**0.1**	**0.1**	**-**	**0.1**
At 30 June 2023	**3,224.6**	**(1,833.7)**	**686.5**	**2,077.4**	**2,122.2**	**4,199.6**

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY CONTINUED

	FOR SIX MONTHS ENDED 30 JUNE 2022 (UNAUDITED)					
	ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY					
US$ MILLION	**SHARE CAPITAL**	**TOTAL RESERVES**	**RETAINED PROFITS**	**TOTAL**	**NON-CONTROLLING INTERESTS**	**TOTAL EQUITY**
	(Note 12)	(Note 13)	(Note 13)			
At 1 January 2022	**3,220.3**	**(1,862.7)**	**572.9**	**1,930.5**	**1,997.5**	**3,928.0**
Profit for the period	-	-	79.5	**79.5**	10.3	**89.8**
Other comprehensive income for the period	-	61.3	-	**61.3**	25.3	**86.6**
Total comprehensive income for the period	**-**	**61.3**	**79.5**	**140.8**	**35.6**	**176.4**
Transactions with owners						
Transfer of surplus reserve	-	0.1	(0.1)	**-**	-	**-**
Employee long-term incentives	-	(1.4)	-	**(1.4)**	-	**(1.4)**
Employee share options exercised	0.2	(0.1)	-	**0.1**	-	**0.1**
Total transactions with owners	**0.2**	**(1.4)**	**(0.1)**	**(1.3)**	**-**	**(1.3)**
At 30 June 2022	**3,220.5**	**(1,802.8)**	**652.3**	**2,070.0**	**2,033.1**	**4,103.1**

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

	SIX MONTHS ENDED 30 JUNE	
	2023 (UNAUDITED) US$ MILLION	2022 (UNAUDITED) US$ MILLION
Cash flows from operating activities		
Receipts from customers	1,719.3	1,430.4
Payments to suppliers and employees	(1,217.6)	(1,061.1)
Payments for exploration expenditure	(22.5)	(10.8)
Income tax paid	(35.6)	(212.0)
Net settlement of commodity hedges	(18.0)	(11.7)
Net cash generated from operating activities	**425.6**	**134.8**
Cash flows from investing activities		
Purchase of property, plant and equipment	(302.1)	(204.1)
Purchase of intangible assets	-	(1.0)
Net cash used in investing activities	**(302.1)**	**(205.1)**
Cash flows from financing activities		
Proceeds from external borrowings	800.0	250.0
Repayments of external borrowings	(434.9)	(835.0)
Repayments of related party borrowings	(200.0)	-
Net settlement of interest rate swap	36.3	(2.2)
Proceeds from shares issued upon exercise of employee share options	1.2	0.1
Repayment of lease liabilities	(19.2)	(15.9)
Interest and financing costs paid on external borrowings	(139.6)	(79.8)
Interest and financing costs paid on related party borrowings	(12.5)	(4.1)
Withholding taxes paid in respect of financing arrangements	(5.9)	(4.3)
Interest received	2.6	3.3
Net cash generated from/(used in) financing activities	**28.0**	**(687.9)**
Net increase/(decrease) in cash and cash equivalents	**151.5**	**(758.2)**
Cash and cash equivalents at 1 January	372.2	1,255.3
Cash and cash equivalents at 30 June	**523.7**	**497.1**

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. GENERAL INFORMATION AND INDEPENDENT REVIEW

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 Unit 1208, 12/F, China Minmetals Tower, 79 Chatham Road South, Tsimshatsui, Kowloon, Hong Kong. The principal place of business of the Company is disclosed in the Corporate Information section to the Group's 2023 Interim Report.

The Company is an investment holding company listed on the main board of The Stock Exchange of Hong Kong Limited ("HKEx").

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

The condensed consolidated interim financial statements for six months ended 30 June 2023 are presented in United States Dollars ("US$" or "USD") unless otherwise stated and were approved for issue by the Board of Directors of the Company (the "Board") on 15 August 2023.

The financial information relating to the year ended 31 December 2022 that is included in these condensed consolidated interim financial statements as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year 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 Hong Kong Companies Ordinance is as follows:

• The Company has delivered the financial statements for the year ended 31 December 2022 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

• The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

The condensed consolidated interim financial statements for six months ended 30 June 2023 are unaudited and have been reviewed by the audit committee and the external auditor of the Company.

2. BASIS OF PREPARATION

These condensed consolidated interim financial statements for six months ended 30 June 2023 have been prepared in accordance with applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the HKEx and Hong Kong Accounting Standard ("HKAS") 34 Interim Financial Reporting, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2022, which were prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRS") issued by the HKICPA.

The condensed consolidated interim financial statements have 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. Management of the Group continues to closely monitor the liquidity position of the Group, which includes the sensitised analysis of forecast cash balances for key financial risks (including commodity and foreign exchange risks) over the short and medium term to ensure adequate liquidity is maintained.

At 30 June 2023, the Group had net current liabilities of US$275.1 million (31 December 2022: US$295.4 million) and cash and cash equivalents of US$523.7 million (31 December 2022: US$372.2 million). For six months ended 30 June 2023, the Group recognised a net loss of US$24.9 million (30 June 2022: net profit of US$89.8 million) and operational net cash inflows of US$425.6 million (30 June 2022: US$134.8 million).

Cash flow forecasts include drawdowns from existing and new credit facilities and the successful extension of revolving credit facilities ("RCF"). With the inclusion of these assumptions, the Group will have sufficient liquidity to meet its operational, existing contractual debt service and capital expenditure requirements for the 12-month period from the approval of the condensed consolidated interim financial statements.

Management notes the following considerations, relevant to the Group's ability to continue as a going concern:

- The Group has US$775.0 million undrawn facilities as at 30 June 2023:
    - A US$350.0 million undrawn RCF from Album Enterprises Limited ("Album Enterprises") (a subsidiary of China Minmetals Non-ferrous Metals Co., Ltd ("CMN")). This facility was successfully extended for 1 year and will expire in August 2024;
    - A new US$275.0 million undrawn RCF from BOC which will expire in April 2026;
    - A new US$150.0 million undrawn RCF from ICBC made up from three tranches of US$50.0 million each set to expire in March, May and June 2026;
- The Group expects to obtain, renew or extend a number of facilities:
    - A new US$100 million Term Loan Facility with an external bank. Documents have been finalised and are in the execution phase;
    - A new US$300 million Term Loan Facility from Top Create Resources Limited ("Top Create") (a subsidiary of CMN) which has been finalised but waiting for Top Create's registration approval from the Ministry of Commerce of China. This facility supports the Kinsevere Expansion Project ("KEP") project;
    - A new RCF of up to US$200 million currently being negotiated with a potential new lender;
    - Renewal of an existing US$800.0 million RCF from external banks, currently being negotiated prior to its maturity date of October 2023. As at 30 June 2023, US$550 million was drawn, however the balance of US$250.0 million is no longer available for draw down due to the facility documentation not being amended to US Secured Overnight Financing Rate ("SOFR"). The transition to SOFR will occur as part of the facility's renewal; and
    - Renewal of an existing US$300.0 million RCF from ICBC. This facility was fully drawn at 30 June 2023 and is maturing in December 2023. The Group has negotiated to extend the expiry date and potentially increase the facility by an additional US$200.0 million. Lender approval is expected by end of August followed by finalisation of the facility agreement and execution.
- The Group's major shareholder, CMN remains committed to supporting the Group's liquidity. In July 2023, CMN provided additional flexibility for the US$2,161.3 million loan provided by Top Create. This allowed for repayments to be deferred in support of the Group's liquidity for the term of the loan.

  In the event that forecast cash flow is not achieved or if existing or expected new debt facilities are insufficient or not obtained in a timely manner, the Group has the ongoing support of its major shareholder, CMN. 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 CMN, early payments for shipments of product or through further equity contributions.

Based on above, and a review of forecast financial position and results of the Group for the twelve months from approval of these condensed consolidated interim financial statements, 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 condensed consolidated interim financial statements have been prepared on the going concern basis.

2.1 Accounting policies

The condensed consolidated financial statements have been prepared on the historical cost basis except for financial assets and financial liabilities at fair value through profit or loss and through other comprehensive income, which are measured at fair value.

The accounting policies applied are consistent with those of the consolidated financial statements for the year ended 31 December 2022, except for the adoption of new amendments to the existing standards as set out below.

Amendments to existing standards effective and adopted in 2023

In the current interim period, the Group has applied the following new and amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2023 for the preparation of the Group's condensed consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendment to HKAS 8	Definition of Accounting Estimates
Amendment to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

In addition, the Group applied the following agenda decision of the Committee of the International Accounting Standards Board ("IASB") which are relevant to the Group:

Definition of a Lease - Substitution Rights (HKFRS 16 Leases)

The application of above amendments and the Committee's agenda decision in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and on the disclosures set out in these condensed consolidated financial statements.

2.2 Critical estimates and judgements

The preparation of condensed consolidated interim financial statements requires management of the Group to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Significant judgement and estimates applied by management in assessing recoverability of non-financial assets have been disclosed in Note 9.

Other than the above, the significant judgements made by management of the Group in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2022.

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 ("CODM") in order to allocate resources to the segment and assess its performance.

The Company's Executive Committee has been identified as the CODM. The Executive Committee reviews the Group's internal reporting of these operations in order to assess performance and allocate resources.

The Group's reportable segments are as follows:

Las Bambas	The Las Bambas mine is a large open-pit, scalable, long-life copper and molybdenum mining operation with prospective exploration options. It is located in the Cotabambas, Apurimac region of Peru.
Kinsevere	Kinsevere is an open-pit copper mining operation located in the Haut-Katanga Province of the Democratic Republic of the Congo ("DRC").
Dugald River	The Dugald River mine is an underground zinc mining operation located near Cloncurry in North West Queensland.
Rosebery	Rosebery is an underground polymetallic base metal mining operation located on Tasmania's west coast.
Other	Includes corporate entities in the Group.

A segment result represents the EBIT by each segment. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance. Other information provided, except as disclosed in the following paragraph, to the CODM is measured in a manner consistent with that in these condensed consolidated interim 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 CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

The segment revenue and result for six months ended 30 June 2023 are as follows:

US$ MILLION	Las Bambas	Kinsevere	Dugald River	Rosebery	Other unallocated items/ eliminations	Group
Revenue by metals						
- *Copper*[1]	1,248.0	178.4[3]	-	4.1	1.5	**1,432.0**
- *Zinc*[2]	-	-	106.7	38.3	-	**145.0**
- *Lead*	-	-	13.7	11.5	-	**25.2**
- *Gold*	79.3	-	-	25.0	-	**104.3**
- *Silver*	50.9	-	12.3	24.3	-	**87.5**
- *Molybdenum*	102.2	-	-	-	-	**102.2**
Revenue from contracts with customers	**1,480.4**	**178.4**	**132.7**	**103.2**	**1.5**	**1,896.2**
EBITDA	**643.0**	**(13.8)**	**(26.4)**	**35.6**	**(2.6)**	**635.8**
Depreciation and amortisation expenses	(390.8)	(8.3)	(23.6)	(26.7)	3.5	**(445.9)**
EBIT	**252.2**	**(22.1)**	**(50.0)**	**8.9**	**0.9**	**189.9**
Finance income						4.3
Finance costs						(184.6)
Income tax expense						(34.5)
Loss for the period						**(24.9)**

The segment assets and liabilities as at 30 June 2023 are as follows:

US$ MILLION	Las Bambas	Kinsevere	Dugald River	Rosebery	Other unallocated items/ eliminations	Group
Segment assets	**9,990.6**	**683.1**	**633.8**	**272.0**	**848.9**[4]	**12,428.4**
Current/deferred income tax assets						290.4
Consolidated assets						**12,718.8**
Segment liabilities	**3,902.0**	**290.2**	**369.2**	**174.2**	**2,600.5**[5]	**7,336.1**
Current/deferred income tax liabilities						1,183.1
Consolidated liabilities						**8,519.2**
Segment non-current assets	**8,855.4**	**536.6**	**591.1**	**238.3**	**362.9**	**10,584.3**

The segment revenue and result for six months ended 30 June 2022 were as follows:

US$ MILLION	Las Bambas	Kinsevere	Dugald River	Rosebery	Other unallocated items/ eliminations	Group
Revenue by metals						
- *Copper*[1]	689.5	202.2[3]	-	4.1	1.0	**896.8**
- *Zinc*[2]	-	-	229.5	76.2	-	**305.7**
- *Lead*	-	-	15.3	16.7	-	**32.0**
- *Gold*	39.0	-	-	23.2	-	**62.2**
- *Silver*	25.5	-	12.8	22.0	-	**60.3**
- *Molybdenum*	51.0	-	-	-	-	**51.0**
Revenue from contracts with customers	**805.0**	**202.2**	**257.6**	**142.2**	**1.0**	**1,408.0**
EBITDA	**411.9**	**64.5**	**123.8**	**55.9**	**(4.4)**	**651.7**
Depreciation and amortisation expenses	(295.1)	(13.2)	(28.2)	(19.2)	4.6	**(351.1)**
EBIT	**116.8**	**51.3**	**95.6**	**36.7**	**0.2**	**300.6**
Finance income						3.4
Finance costs						(140.5)
Income tax expense						(73.7)
Profit for the period						**89.8**

The segment assets and liabilities as at 31 December 2022 are as follows:

US$ MILLION	Las Bambas	Kinsevere	Dugald River	Rosebery	Other unallocated items/ eliminations	Group
Segment assets	**10,275.6**	**539.6**	**654.3**	**276.1**	**413.7**[4]	**12,159.3**
Current/deferred income tax assets						376.2
Consolidated assets						**12,535.5**
Segment liabilities	**3,965.4**	**240.2**	**358.4**	**175.4**	**2,245.4**[5]	**6,984.8**
Current/deferred income tax liabilities						1,322.2
Consolidated liabilities						**8,307.0**
Segment non-current assets	**9,231.8**	**387.6**	**583.1**	**245.3**	**427.8**	**10,875.6**

1. Commodity derivative realised and unrealised net losses with a total amount of US$28.3 million (2022: net gains of US$2.4 million) were included in "Revenue" of Copper;
2. Commodity derivative realised and unrealised net losses with a total amount of US$3.0 million (2022: net gains of US$2.3 million) were included in "Revenue" of Zinc;
3. Commodity hedge trades with realised and unrealised net losses of US$0.1 million (2022: gains of US$7.0 million) under "Kinsevere" were executed by another subsidiary of the Company, MMG Finance Limited located in Hong Kong;
4. Included in segment assets of US$848.9 million (31 December 2022: US$413.7 million) under the other unallocated items is cash of US$323.4 million (31 December 2022: US$171.7 million) mainly held at Group's treasury entities and trade receivables of US$366.9 million (31 December 2022: US$102.9 million) for MMG South America Company Limited ("MMG SA") in relation to copper concentrate sales; and
5. Included in segment liabilities of US$2,600.5 million (31 December 2022: US$2,245.4 million) under the other unallocated items are borrowings of US$2,461.1 million (31 December 2022: US$2,160.9 million) which are managed at Group level.

4. EXPENSES

Profit before income tax includes the following specific expenses:

	SIX MONTHS ENDED 30 JUNE	
	2023 (UNAUDITED) US$ MILLION	2022 (UNAUDITED) US$ MILLION
Changes in inventories of finished goods and work in progress	144.8	(68.2)
Write-down of inventories to net realisable value	18.8	2.6
Employee benefit expenses[1]	150.1	116.9
Contracting and consulting expenses[3]	274.0	230.1
Energy costs	178.6	117.2
Stores and consumables costs	238.0	162.3
Depreciation and amortisation expenses[2]	437.3	342.2
Other production expenses[3]	102.7	72.7
Cost of goods sold	**1,544.3**	**975.8**
Other operating expenses[1]	24.1	13.4
Royalties	64.5	56.7
Selling expenses[3]	61.5	58.1
Operating expenses including depreciation and amortisation[4]	**1,694.4**	**1,104.0**
Exploration expenses[1,2,3]	25.0	10.8
Administrative expenses[1,3]	3.3	5.5
Foreign exchange gains – net	(19.7)	(22.1)
(Gain)/loss on financial assets at fair value through profit or loss	(0.5)	0.1
Other expenses[1,2,3]	6.4	7.5
Total expenses	**1,708.9**	**1,105.8**

1. In aggregate, US$22.0 million (2022: US$18.7 million) of employee benefit expenses were included in administrative expenses, exploration expenses, other operating expenses and other expenses categories. Total employee benefit expenses were US$172.1 million (2022: US$135.6 million).
2. In aggregate, US$8.6 million (2022: US$8.9 million) of depreciation and amortisation expenses were included in exploration expenses and other expenses categories. Total depreciation and amortisation expenses were US$445.9 million (2022: US$351.1 million).
3. The expense under these categories include expenditure in respect of contracts assessed as leases but which did not qualify for recognition as right of use assets included US$50.5 million (2022: US$13.7 million) in respect of variable lease payments, US$0.4 million (2022: US$1.0 million) for short-term leases and US$2.9 million (2022: US$0.7 million) for low-value leases.
4. Operating expenses include mining and processing costs, royalties, selling expenses (including transportation) and other costs incurred by operations.

5. FINANCE INCOME AND FINANCE COSTS

	SIX MONTHS ENDED 30 JUNE	
	2023 (UNAUDITED) US$ MILLION	2022 (UNAUDITED) US$ MILLION
Finance income		
Interest income on cash and cash equivalents	4.3	3.4
Finance income – total	**4.3**	**3.4**
Finance costs		
Interest expense on bank borrowings	(105.4)	(81.2)
Interest expense on related party borrowings (Note 16(a))	(51.9)	(46.0)
Withholding taxes in respect of financing arrangements	(7.9)	(4.4)
Unwinding of discount on provisions	(11.3)	(5.1)
Unwinding of interest on lease liabilities	(6.4)	(5.9)
Other external finance (costs)/refund- net	(2.6)	2.9
Other related party finance costs (Note 16(a))	(0.8)	(0.8)
	(186.3)	**(140.5)**
Gain reclassified from equity to profit or loss on interest rate swaps designated as cash flow hedges	1.7	-
Finance costs – total	**(184.6)**	**(140.5)**

6. INCOME TAX EXPENSE

Hong Kong profits tax is provided at a rate of 16.5% where there are net assessable profits derived for the period. The income tax rates applicable for the main jurisdictions in which the Group operates are: Australia (30.0%), Peru (32.0%) and 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 period at the rates prevailing in the relevant jurisdictions.

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

	SIX MONTHS ENDED 30 JUNE	
	2023 (UNAUDITED) US$ MILLION	2022 (UNAUDITED) US$ MILLION
Current income tax expense		
– HK income tax	0.8	0.1
– Overseas income tax	44.1	63.8
	44.9	**63.9**
Deferred income tax (credit)/expense		
– HK income tax	(0.8)	1.1
– Overseas income tax	(9.6)	8.7
	(10.4)	**9.8**
Income tax expense	**34.5**	**73.7**

7. (LOSS)/EARNINGS PER SHARE

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

Diluted loss/earnings 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 below is compared with the number of shares that would have been issued assuming the exercise of the share options and performance awards. However, for the period ended 30 June 2023, no conversion of dilutive potential ordinary shares was assumed as it would result in a decrease in the loss per share.

	SIX MONTHS ENDED 30 JUNE	
	2023 (UNAUDITED) US$ MILLION	2022 (UNAUDITED) US$ MILLION
(Loss)/profit attributable to equity holders of the Company in the calculation of basic and diluted (loss)/earnings per share	(58.8)	79.5
	NUMBER OF SHARES '000	NUMBER OF SHARES '000
Weighted average number of ordinary shares used in the calculation of the basic (loss)/earnings per share	8,642,932	8,639,467
Shares deemed to be issued in respect of long-term incentive equity plans	-	44,644
Weighted average number of ordinary shares used in the calculation of the diluted (loss)/earnings per share	8,642,932	8,684,111
Basic (loss)/earnings per share	**US (0.68) cents**	**US 0.92 cents**
Diluted (loss)/earnings per share	**US (0.68) cents**	**US 0.92 cents**

8. DIVIDENDS

The Directors did not recommend the payment of any dividends during the six months ended 30 June 2023 (2022: nil).

9. IMPAIRMENT REVIEW OF NON-CURRENT ASSETS AND GOODWILL

In accordance with the Group's accounting policies and processes, the Group performs its annual impairment assessment at 31 December. Additionally, the 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, an impairment assessment is performed.

Management of the Group has reviewed indicators for impairment across all of the Group's CGUs as at 30 June 2023. Management of the Group has concluded that no indicators for impairment or impairment reversal were identified during the reporting period in respect of any of the Group's CGUs. Therefore, no impairment assessment for any of the CGUs was performed at 30 June 2023.

10. PRINCIPAL SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

The Group had total non-controlling interests of US$2,122.2 million at 30 June 2023 (31 December 2022: US$2,089.5 million) which relate to the Las Bambas Joint Venture Group.

The summarised financial information is shown on a 100% basis. It represents the amounts shown in the Las Bambas Joint Venture Group's consolidated financial statements prepared in accordance with HKFRSs under Group's accounting policies, before inter-company eliminations.

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30 JUNE 2023 (UNAUDITED) US$ MILLION	31 DECEMBER 2022 (AUDITED) US$ MILLION
Assets	**10,629.8**	**10,684.4**
Current	1,623.2	1,224.1
Include: Cash and cash equivalents	182.7	171.8
Non-current	9,006.6	9,460.3
Liabilities	**(4,970.7)**	**(5,111.9)**
Current	(1,500.3)	(1,391.4)
Non-current	(3,470.4)	(3,720.5)
Net assets	**5,659.1**	**5,572.5**

SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	SIX MONTHS ENDED 30 JUNE	
	2023 (UNAUDITED) US$ MILLION	2022 (AUDITED) US$ MILLION
Revenue	1,480.4	805.0
Net financial cost	(115.7)	(84.4)
Income tax expense	(46.3)	(5.0)
Profit for the period	**89.7**	**27.3**
Other comprehensive (loss)/income for the period, net of tax	(3.2)	67.8
Total comprehensive income	**86.5**	**95.1**
Total comprehensive income attributable to:		
Equity holders of the Company	53.8	59.5
Non-controlling interests	32.7	35.6
	86.5	**95.1**

11. TRADE AND OTHER RECEIVABLES

At 30 June 2023, trade receivables of the Group included in "Trade and other receivables" mainly related to the mining operations with the balance of US$538.5 million (31 December 2022: US$212.7 million). The majority of sales for mining operations were made under contractual arrangements whereby provisional documents are issued in line with requirement under the sales contract. The sales amount related to provision invoice is usually received within 30 days of submission of all required documentation and fulfilment of obligations under the respective incoterm for the sales; Upon issuance of final invoice at end of the quotational period, any remaining balance is then receivable within 30 days from such final invoice being issued. All the trade receivables at 30 June 2023 and 31 December 2022 were aged within six months from the date of invoice and were measured at fair value at the balance sheet date as these are subject to change in accordance with movements in the commodity price.

The Group's trade receivables, other receivables and prepayments with an amount of US$321.7 million (31 December 2022: US$106.4 million) were from a related company of the Group (Note 16(c)). The carrying amounts of the Group's trade receivables are all denominated in US$.

Other receivables included US$96.0 million from the IRS closure as of 30 June 2023. The full amount was received on 3 July 2023.

12. SHARE CAPITAL

	NUMBER OF ORDINARY SHARES '000	SHARE CAPITAL US$ MILLION
Issued and fully paid:		
At 1 January 2022	8,639,126	3,220.3
Employee share options exercised	641	0.2
At 31 December 2022 (audited)	**8,639,767**	**3,220.5**
Employee share options and performance awards exercised and vested[1]	16,280	4.1
At 30 June 2023 (unaudited)	**8,656,047**	**3,224.6**

1. For six months ended 30 June 2023, a total of 3,158,983 new shares were issued as a result of employee share options exercised at a weighted average exercise price of HK$2.29 per share under the Company's 2016 Share Options which were pursuant to 2013 Share Option Scheme. The weighted average closing price of the shares of the Company immediately before the date on which the options were exercised was HK$2.83 per share; a total of 13,120,972 new shares were issued as a result of 2020 Performance Awards vesting on 1 June 2023.

13. RESERVES AND RETAINED PROFITS

US$ MILLION	Special capital reserve	Exchange translation reserve	Merger reserve[1]	Surplus reserve[2]	Share-based payment reserve	Cash flow hedge reserve[3]	Other reserve	Total reserves	Retained profits	Total
At 1 January 2023 (audited)	**9.4**	**2.7**	**(1,946.9)**	**50.2**	**9.9**	**48.5**	**(0.5)**	**(1,826.7)**	**745.2**	**(1,081.5)**
Loss for the period	-	-	-	-	-	-	-	**-**	(58.8)	**(58.8)**
Other comprehensive loss for the period	-	-	-	-	-	(2.0)	(0.9)	**(2.9)**	-	**(2.9)**
Total comprehensive loss for the period	**-**	**-**	**-**	**-**	**-**	**(2.0)**	**(0.9)**	**(2.9)**	**(58.8)**	**(61.7)**
Employee long-term incentives	-	-	-	-	(1.1)	-	-	**(1.1)**	-	**(1.1)**
Employee share options and performance awards exercised	-	-	-	-	(2.9)	-	-	**(2.9)**	-	**(2.9)**
Employee share options lapsed	-	-	-	-	(0.1)	-	-	**(0.1)**	0.1	**-**
Total transactions with owners	**-**	**-**	**-**	**-**	**(4.1)**	**-**	**-**	**(4.1)**	**0.1**	**(4.0)**
At 30 June 2023 (unaudited)	**9.4**	**2.7**	**(1,946.9)**	**50.2**	**5.8**	**46.5**	**(1.4)**	**(1,833.7)**	**686.5**	**(1,147.2)**

US$ MILLION	Special capital reserve	Exchange translation reserve	Merger reserve[1]	Surplus reserve[2]	Share-based payment reserve	Cash flow hedge reserve[3]	Other reserve	Total reserves	Retained profits	Total
At 1 January 2022 (audited)	**9.4**	**2.7**	**(1,946.9)**	**50.1**	**8.9**	**13.6**	**(0.5)**	**(1,862.7)**	**572.9**	**(1,289.8)**
Profit for the period	-	-	-	-	-	-	-	**-**	79.5	**79.5**
Other comprehensive income for the period	-	-	-	-	-	61.3	-	**61.3**	-	**61.3**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**61.3**	**-**	**61.3**	**79.5**	**140.8**
Transfer of surplus reserve	-	-	-	0.1	-	-	-	**0.1**	(0.1)	**-**
Employee long-term incentives	-	-	-	-	(1.4)	-	-	**(1.4)**	-	**(1.4)**
Employee share options exercised	-	-	-	-	(0.1)	-	-	**(0.1)**	-	**(0.1)**
Total transactions with owners	**-**	**-**	**-**	**0.1**	**(1.5)**	**-**	**-**	**(1.4)**	**(0.1)**	**(1.5)**
At 30 June 2022 (unaudited)	**9.4**	**2.7**	**(1,946.9)**	**50.2**	**7.4**	**74.9**	**(0.5)**	**(1,802.8)**	**652.3**	**(1,150.5)**

1. Merger reserve represents the excess of investment cost in entities that have been accounted for under merger accounting for common control combinations in accordance with AG5 (Accounting Guideline 5 issued by the HKICPA) against their share capital;
2. In Peru, according to the General Law of Companies, surplus reserve is constituted by transferring 10%, as a minimum, of the net income for each period, after deducting accumulated losses, until reaching an amount equivalent to a fifth of capital; In China, the Economic Law requires the company to transfer 10% of the net income to surplus reserve until reaching an amount to half of its capital; and
3. The cashflow hedge reserve records the portion of the gain or loss on a hedging instrument in a cash flow hedge including commodity hedge and IRS that are determined to be effective and are attributed to equity holders of the Company. For six months ended 30 June 2023, there were realised gains of US$38.0 million (2022: loss of US$2.2 million) which were transferred to "financial costs" from settlements of IRS; There were realised gains of US$2.6 million (2022: US$0.3 million) which were transferred to "revenue" from settlement of commodity hedge.

14. BORROWINGS

	30 JUNE 2023 (UNAUDITED) US$ MILLION	31 DECEMBER 2022 (AUDITED) US$ MILLION
Non-current		
Loans from related parties (Note 16(c))	2,231.3	2,231.3
Bank borrowings, net	1,762.2	1,978.3
	3,993.5	**4,209.6**
Current		
Loan from related parties (Note 16(c))	200.0	400.0
Bank borrowings, net	1,387.1	803.0
	1,587.1	**1,203.0**
Analysed as:		
-Secured	2,340.7	2,675.7
-Unsecured	3,281.3	2,781.2
	5,622.0	**5,456.9**
Prepayments – finance charges	(41.4)	(44.3)
	5,580.6	**5,412.6**
Borrowings (excluding prepayments) are repayable as follows:		
- Within one year	1,592.3	1,208.8
- More than one year but not exceeding two years	1,026.8	1,136.8
- More than two years but not exceeding five years	2,181.6	2,181.6
- More than five years	821.3	929.7
	5,622.0	**5,456.9**
Prepayments – finance charges	(41.4)	(44.3)
Total	**5,580.6**	**5,412.6**

The effective interest rate of borrowings for six months ended 30 June 2023 was 5.2% (2022: 4.2%) per annum.

A fundamental reform of major interest rate benchmarks has been undertaken globally to replace some interbank offered rates ("IBORs") with alternative nearly risk-free rates. As at 30 June 2023, the London Interbank Offered Rate ("LIBOR") has ceased to be published. As such, the Group has finalised its US dollar LIBOR replacement to SOFR in respect of key existing borrowings and certain operating contracts that had LIBOR provisions actively used.

In the first half of 2023, the Group transitioned US$2,605.2 million bank borrowings and US$350.0 million undrawn facility to SOFR with a credit adjustment spread. No other terms were amended as part of the transition. The Group accounted for the change to SOFR using the practical expedient in IFRS 9, which allows the Group to change the basis for determining the contractual cash flows prospectively by revising the effective interest rate. For the remaining borrowings with variable interest rates, given these facilities mature in the second half of 2023 and are expected to be extended or renewed, the interest rates will be transitioned to SOFR as part of each facility's extension or renewal.

The Group also updated certain sales, supply and trade finance contracts that refer to LIBOR to calculate interest or interest on receiving early payments. These have been transitioned to Term SOFR plus a credit adjustment spread for trade finance contracts.

15. TRADE AND OTHER PAYABLES

At 30 June 2023, the balance of the trade payables included in "Trade and other payables" was US$307.9 million (31 December 2022: US$272.3 million), of which US$304.7 million (31 December 2022: US$271.9 million) was aged less than six months.

16. SIGNIFICANT RELATED PARTY TRANSACTIONS

At 30 June 2023, 67.6% (31 December 2022: 67.7%) of the Company's shares were held by CMN through its subsidiary, China Minmetals H.K. (Holdings) Limited ("Minmetals HK"). The remainder 32.4% (31 December 2022: 32.3%) of the Company's shares were widely held by the public. The Directors consider the ultimate holding company to be China Minmetals Corporation ("CMC"), a stated-owned company incorporated in China, of which CMN is a subsidiary.

For the purposes of the related party transaction disclosures, the Directors believe that meaningful information in respect of related party transactions has been adequately disclosed. In addition to the related party information and transactions disclosed elsewhere in the condensed consolidated interim financial statements, the following is a summary of significant related party transactions entered into in the ordinary course of business between the Group and its related parties during the six months ended 30 June 2023.

(a) Transactions with CMC and its group companies (other than those within the Group)

	SIX MONTHS ENDED 30 JUNE	
	2023 (UNAUDITED) US$ MILLION	2022 (UNAUDITED) US$ MILLION
Sales		
Sales of non-ferrous metals	974.6	499.8
Commodity derivatives transaction		
Loss on commodity derivatives	(28.2)	(5.1)
Other (loss)/gains	(0.8)	0.9
	(29.0)	**(4.2)**
Purchases		
Purchases of consumables and services	(8.2)	(13.0)
Finance costs		
Finance costs (Note 5)	(52.7)	(46.8)

(b) Transactions and balances with other state-owned enterprises

During the six months ended 30 June 2023, the Group's significant transactions with other state-owned enterprises (excluding CMC and its subsidiaries) are sales of non-ferrous metals and purchases of consumables and the related receivables and payables balances. These transactions were based on terms as set out in the underlying agreements, on statutory rates, market prices, actual cost incurred, or as mutually agreed.

(c) Significant related party balances

	30 JUNE 2023 (UNAUDITED) US$ MILLION	31 DECEMBER 2022 (AUDITED) US$ MILLION
Amounts payable to related parties		
Loan from Top Create (Note 14) [1]	2,161.3	2,161.3
Loan from Album Trading Company (Note 14) [2]	270.0	270.0
Loan from Album Enterprises Limited (Note 14)	-	200.0
Interest payable to related parties	77.0	37.6
Trade and other payables to CMN	-	3.5
	2,508.3	**2,672.4**
Amounts receivable from related parties		
Trade receivables from CMN	319.7	102.6
Other receivables from CMN	1.6	2.6
Prepayments from CMN	0.4	1.2
	321.7	**106.4**
Derivative financial assets-transacted with related parties	**17.6**	**1.8**

1. The loan amount from Top Create represents the amounts drawn by the Company on 22 July 2014 (US$1,843.8 million) and 16 February 2015 (US$417.5 million) pursuant to a facility agreement dated 22 July 2014 between MMG SA and Top Create. In accordance with that agreement, a loan facility of up to US$2,262.0 million was made available to MMG SA, for a period of eleven years commencing on the date of the first drawdown of the loan. The loan repayments fall due in four separate tranches in July 2023 (US$200.0 million), July 2024 (US$700.0 million), July 2025 (US$861.3 million) and July 2026 (US$400.0 million). In July 2023, MMG SA successfully deferred US$200.0 million of the first tranche to an indefinite future

date at which the US$300.0 million Top Create facility for KEP is available. The facility incurs interest at a separate all-in fixed rate for each of the repayment tranches of between 2.20% and 4.50% per annum, which is payable annually.

2. The borrowing from Album Trading Company Limited (a subsidiary of CMN) is a project facility and will mature in June 2026. The interest rate is SOFR plus margin and a credit adjustment spread.

17. CAPITAL COMMITMENTS

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

	30 JUNE 2023 (UNAUDITED) US$ MILLION	31 DECEMBER 2022 (AUDITED) US$ MILLION
Property, plant and equipment		
Within one year	245.3	143.9
Over one year but not more than five years	108.0	127.6
	353.3	**271.5**
Intangible assets		
Within one year	**5.9**	**2.7**
Aggregate		
Property, plant and equipment and intangible assets		
Contracted but not provided for	**359.2**	**274.2**

GLOSSARY

A$	Australian dollar, the lawful currency of Australia
AGM	annual general meeting of the Company
associate(s)	has the meaning ascribed to it under the Listing Rules
Australia	The Commonwealth of Australia
Board	the board of directors of the Company
Board Charter	the board charter of the Company
BOC Sydney	Bank of China Limited, Sydney Branch
CDB	China Development Bank
CEO	Chief Executive Officer
China	has the same meaning as PRC
CITIC	CITIC Metal Peru Investment Limited
CMC	China Minmetals Corporation, a state-owned enterprise incorporated under the laws of the PRC
CMN	China Minmetals Non-ferrous Metals Company Limited, a subsidiary of CMC
Company	MMG Limited, a company incorporated in Hong Kong, the securities of which are listed and traded on the Main Board of the Stock Exchange
Director(s)	the director(s) of the Company
DRC	Democratic Republic of Congo
EBIT	earnings before interest (net finance costs) and income tax
EBITDA	earnings before interest (net finance costs), income tax, depreciation, amortisation and impairment expense
EBITDA margin	EBITDA divided by revenue
EPC	Engineering Procurement Construction
Executive Committee	the executive committee of the Group, which consists of all Executive Directors of the Company, Chief Executive Officer / Interim Chief Executive Officer, Chief Financial Officer, Executive General Manager – Corporate Relations, Executive General Manager – Americas and Executive General Manager – Australia and Africa
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
ICBC Luxembourg	Industrial and Commercial Bank of China Limited, Luxemobourg
KEP	Kinsevere Expansion Project
Listing Rules	the Rules Governing the Listing of Securities on the Stock Exchange
LME	London Metal Exchange
MLB	Minera Las Bambas S.A., a non-wholly owned subsidiary of MMG and the owner of the Las Bambas mine
MMG Dugald River	MMG Dugald River Pty Ltd., a wholly subsidiary of the Company
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules
Share(s)	fully paid ordinary share(s) of the Company
Shareholder(s)	the shareholder(s) of the Company
Stock Exchange	The Stock Exchange of Hong Kong Limited

GLOSSARY CONTINUED

SUNAT	National Superintendence of Tax Administration of Peru
TRIF	total recordable injury frequency per million hours worked
US$	United States dollar, the lawful currency of the United States of America
VAT	value added tax

CORPORATE DETAILS

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MMG LIMITED EXECUTIVE COMMITTEE

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Ross CARROLL, Chief Financial Officer
Troy HEY, Executive General Manager – Corporate Relations
WEI Jianxian, Executive General Manager – Americas
Nan WANG, Executive General Manager – Australia and Africa

IMPORTANT DATES**

24 October 2023 – Third Quarter 2023 Production Report*

**This information is subject to change.*

INVESTOR AND MEDIA ENQUIRIES

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By order of the Board
MMG Limited
LI Liangang
Interim CEO and Executive Director

Hong Kong, 15 August 2023

As at the date of this announcement, the Board comprises six directors, of which one is an executive director, namely Mr Li Liangang; two are non-executive directors, namely Mr Zhang Shuqiang and Mr Xu Jiqing; and three are independent non-executive directors, namely Dr Peter William Cassidy, Mr Leung Cheuk Yan and Mr Chan Ka Keung, Peter.