

# TARGET

## Intelligence Report

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THURSDAY

September 7, 2023

**MMG LTD:  
NEVER FEAR ! NEVER FEAR !  
BIG BROTHER IS ALWAYS HERE !**

MMG Ltd (五礦資源有限公司) (the ‘*Company*’) (Code: 1208, Main Board, The Stock Exchange of Hongkong Ltd), is a limited liability corporate entity, having been incorporated, on or about July 29, 1988, when it was named, Oriental Metals (Holdings) Company Ltd (東方鑫源[集團]有限公司), in The Hongkong Special Administrative Region (HKSAR) of the People’s Republic of China (PRC).

The Registered Office of the Company is located, today, at:

Unit 1208, 12<sup>th</sup> Floor,  
China Minmetals Tower,  
Number 79, Chatham Road South,  
Tsimshatsui, Kowloon,  
The HKSAR.

The Company sought and obtained the right, from the Executive of The Stock Exchange of Hongkong Ltd, to have its entire Issued Share Capital listed on the Main Board of the Premier Equity Market of the HKSAR, on or about December 15, 1994 – about 29 years ago.

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 a number of parts of the world.

At Page 171 of the 2022 Annual Report of MMG Ltd, under Note 30 of the Notes of the Accounts of the Company, under the heading, ‘**SIGNIFICANT RELATED PARTY TRANSACTIONS**’, one was apprised of the following intelligence:

*‘The Group is controlled by China Minmetals Non-ferrous Metals Co. Ltd (五礦有色金屬股份有限公司) (“CMN”) through China Minmetals H.K. (Holdings) Limited (中國五礦香港控股有限公司) (“Minmetals HK”), which is a subsidiary of CMN. At 31 December 2022, 67.7 per cent (31 December 2021: 67.7 per cent) of the Company’s shares were held by CMN and 32.3 per cent (31 December 2021: 32.3 per cent) were widely held by the public. The Directors consider the ultimate holding company*

*to be CMC (China Minmetals Corporation Ltd [中國五礦股份有限公司]), a stated-owned company incorporated in the PRC, of which CMN is a subsidiary.'*

## **THE 2022 ANNUAL REPORT OF MMG LTD**

The 2022 Annual Report of MMG Ltd was published and disseminated in the HKSAR on or about Monday, April 24, 2023.

At Pages Four and Five of the 2022 Annual Report, Mr Li Lian Gang (李連鋼), the Interim Chief Executive Director, had this to impart to shareholders and prospective investors, alike, as follows:

### ***'Our portfolio and performance***

*'Challenging external conditions were reflected in our annual results with MMG achieving earnings before interest, tax, depreciation and amortisation (EBITDA) of US\$1,535.4 million and net profit after tax of US\$243.5 million. This result represents a 44 per cent and 74 per cent reduction respectively on 2021 due to lower sales at Las Bambas as well as lower realised commodity prices and higher costs across the business.*

*'While we expect that the rapidly rising interest rates will act to slow global economic growth, we are confident that the reopening of China and robust demand for our products will provide a supportive environment over the medium term.*

*'The development of the next phase of Las Bambas, through the Chalcobamba deposit, will meaningfully increase production to 380,000-400,000 tonnes per annum over the medium term. Securing a sustainable agreement with the Huancuire community is a critical enabler to this.*

*'At Kinsevere we are continuing to progress the development of Kinsevere Expansion Project which will add a further 13 years of mine life and introduce cobalt production. Civil works on the cobalt plant have now been completed and the first cobalt production is expected in 2023. We also continue to invest in regional exploration projects in the Democratic Republic of Congo focusing on the areas near the Kinsevere operation.*

*'At Dugald River we continue direct efforts on safe and sustainable production that will enable the site to maintain zinc equivalent production at approximately 200,000 tonnes per annum. And at Rosebery, our work to secure the life extension of the asset continues; with an exploration drilling program and investigation of tailings storage options to be conducted over the next two years...*

### ***'Management changes***

*'In March 2022, the Company announced the appointment of Mr Nan Wang (王楠) to the position of Executive General Manager Australia and*

*Africa. Mr Wang has held a number of senior mining and executive positions with a number of international mining companies and returned to MMG having previously spent six years in a senior mining position. He brings to the role strong technical acumen and extensive knowledge of our existing assets.*

### ***'Outlook***

*'In 2023, we expect Las Bambas production to be in the range of 265,000-305,000 tonnes of copper concentrate. This target however, is highly contingent on a resolution in widespread political protests that commenced in December 2022 and the resumption in concentrate logistics. Kinsevere copper cathode production is expected to be in the range of 40,000-48,000 tonnes.*

*'Group level zinc production is anticipated to be in the range of 225,000-250,000 tonnes of zinc in zinc concentrate... '.*

### **The Financials Of MMG Ltd**

At ... [CLICK TO ORDER FULL ARTICLE](#)

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