Report of Exploration Results from Las Bambas and Rosebery

The board of directors (Board) of MMG Limited (Company or MMG) is pleased to provide the exploration update for the Las Bambas and Rosebery mines.

The report is annexed to this announcement.

By order of the Board

MMG Limited
LI Liangang
Interim CEO and Executive Director

Hong Kong, 13 July 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.

Rosebery

Drilling over the past 2 years at Rosebery has focused on in-mine resource extension and delineation of the Rosebery orebody. From the beginning of 2022 to end of April 2023, 165 exploration holes for 63,585m were drilled across the mine lease (28M/1993) within the mine footprint and on exploration licence (EL41/2010). An accelerated drilling program was planned in 2022 and commenced in January 2023 with the strategy to discover new mineralisation, both as extensions to the Rosebery lenses within the mining lease and within the exploration licence. Concurrent with studies on finding a sustainable long-term tailings storage solution, the overall objective is to extend the life of the Rosebery mine.

Exploration drilling has been completed at 18 prospects both within the immediate mine environs and on surrounding surface leases within the report period through a mix of underground and surface drilling. This work has resulted in several intersections including mine lens extensions (e.g. Z- lens and T- lens) and discovery of new mineralised zones (e.g. Oak and Bastyan). Current orebody knowledge demonstrates that the Rosebery orebody remains open to the north and south while prospectivity still exists within the mine footprint.

Significant intersections from the following targets have been received:

T- lens

- R13750 21.2m @ 9.5% Zn, 0.8% Pb, 23.1g/t Ag, 0.2g/t Au from 760m
  Inc. 10.2m @ 15% Zn, 1.5% Pb, 42g/t Ag, 0.2g/t Au from 771m

Z- lens

- R13670 7.2m @ 14.2% Zn, 8.9% Pb, 0.4% Cu, 152g/t Ag, 1.6g/t Au from 208m
- R13671 14m @ 3.7% Zn, 2.2% Pb, 0.1% Cu, 9.9g/t Ag, 0.1g/t Au from 218m

V- lens

- R13626 24m @ 9.3% Zn, 0.3% Pb, 0.2% Cu, 7g/t Ag, 1.1g/t Au from 72m
- R13653 1.7m @ 22.9% Zn, 6.7% Pb, 0.5% Cu, 581g/t Ag, 3.3g/t Au from 48.4m
  25.4m @ 6.6% Zn, 2.8% Pb, 0.1% Cu, 111g/t Ag, 1.1g/t Au from 61.6m
  7.5m @ 10% Zn, 4.6% Pb, 0.2% Cu, 210g/t Ag, 0.9g/t Au from 104.5m

H- lens

- R13817 8m @ 5.3% Zn, 1.4% Pb, 0.1% Cu, 13.3g/t Ag, 0.1g/t Au from 221m

AB North

- 519R 5m @ 10.3% Zn, 4.7% Pb, 0.1% Cu, 136g/t Ag, 2.0g/t Au from 542m

Oak

- R13652 4.56m @ 4.5 % Zn, 2.4 % Pb, 0.1 % Cu, 69.4 g/t Ag, 0.9 g/t Au from 630.4m
  Inc. 2m @ 6.7 % Zn, 3.6 % Pb, 0.1 % Cu, 92.5 g/t Ag, 1.3 g/t Au from 632m
  0.5m @ 4.6 % Zn, 1.9 % Pb, 0.2 % Cu, 100 g/t Ag, 0.83 g/t Au from 660.3m

Bastyan

- 513R 7m @ 10.1% Zn, 3.5% Pb, 0.02% Cu, 52.6g/t Ag, 0.04g/t Au from 2273.5m
  Inc. 2.5m @ 7.1% Pb, 96.3g/t Ag, 1.1% Zn from 2273.5m
  Inc. 2.0m @ 37.7% Zn, 0.5% Pb, 11g/t Ag from 2277.8m

DISCUSSION - ROSEBERY

Geology Summary

The Rosebery deposit is hosted by the upper Central Volcanic Complex (CVC) of the 250 km long, middle to late Cambrian Mt Read Volcanic Arc on the west coast of Tasmania. The host to the major Zn-Pb-Cu-Ag-Au mineralisation at Rosebery and Hercules are stratified, felsic sandstones that are derived from reworking of the voluminous footwall pumice breccia unit that is extensive throughout the Rosebery-Hercules area of the Mt Read Volcanics (Large et al., 1991). The host horizon is unconformably overlain by black shale and quartz-rich, rhyolitic pumiceous mass flow units of the White Spur Formation (Large et al., 2001). During the Devonian, shallow level post-tectonic granitoids intruded the mine area resulting in metamorphism and recrystallisation of the southern ore lenses (Zaw et al., 1999).

Exploration and resource drilling at Rosebery, carried out over the past 30 years, has led to the segregation of the Rosebery orebodies into numerous lenses that are broadly grouped into the Upper, Middle and Lower Mine areas. The Lower Mine hosts the high-grade P- and K- lenses and commonly contains barite-rich zones, black slate and quartz-feldspar porphyry. In contrast, these features are largely absent in the high-grade areas of the Middle Mine where certain lenses are characterised by more abundant chalcopyrite-magnetite-pyrrhotite (+tourmaline-fluorite). This is interpreted to represent a metasomatic overprint of the massive sulphide lenses by later Devonian granitoids (Zaw et al., 1999).

Drilling Programs

The drilling program in 2022 focussed on the extension around known lenses and applying new orebody knowledge in the drilling of high-ranking targets within the mine footprint from available underground development. Drilling has defined and extended several lenses including U-, V-, P- and Z- lens. Portions of these lenses were subsequently infill drilled. Other drilling aimed to test the connection between J- and T- lens, to the north of AB- lens, K- Hangingwall and H- lens. Most of the programs were successful, however the most significant intercepts have been generated outbound of the deposit such as south of T-lens, north of Z- lens and to the south of P- lens in the centre of the deposit (**Figure 7**).

To support the Life Extension Project currently underway at Rosebery, a budget of A$25M was approved for drilling in 2023. The project aims to extend the Rosebery orebody with 5 underground diamond drill rigs and explore new opportunities on MMG land holdings with 3 surface rigs, for a total of 129,000m; the largest drill program to be completed at Rosebery.

The underground drilling is targeting extensions to the south and north of the deposit as discussed above but also at U- and AB- lenses. Additionally, in-mine hangingwall opportunities are being tested that are situated around the established K- and P- lenses. Surface drilling in 2023 is focused on testing new orebody knowledge concepts across the mining lease and exploration licence particularly adjacent the historical Hercules and Jupiter mines but also advanced prospects such as South Hercules and Snake Gully (**Figure 8**).

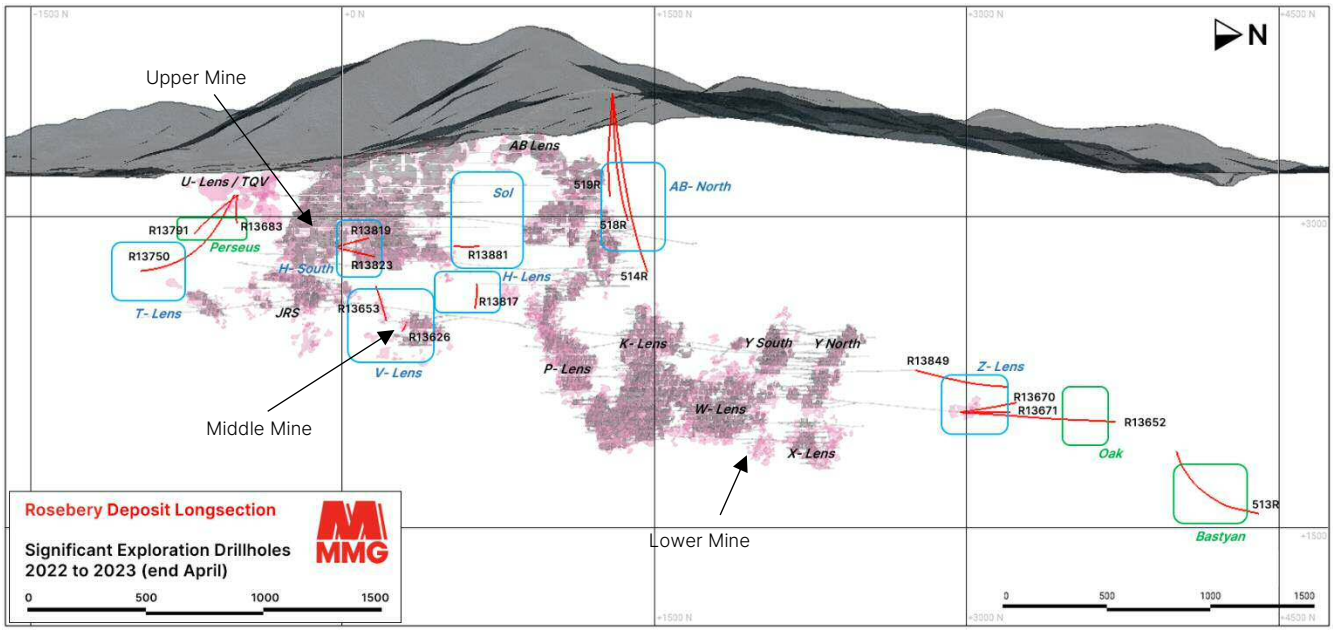

Figure 7. Longsection of Rosebery deposit (viewing west – Rosebery Mine Grid) showing >6% Zn lenses (pink polygons) dipping to the east under Mt Black, all mine voids (grey polygons) and significant exploration drillholes. The major targets are determined as either Rosebery extensions (blue) or those located west of the Rosebery Fault in the Dundas Group (green).

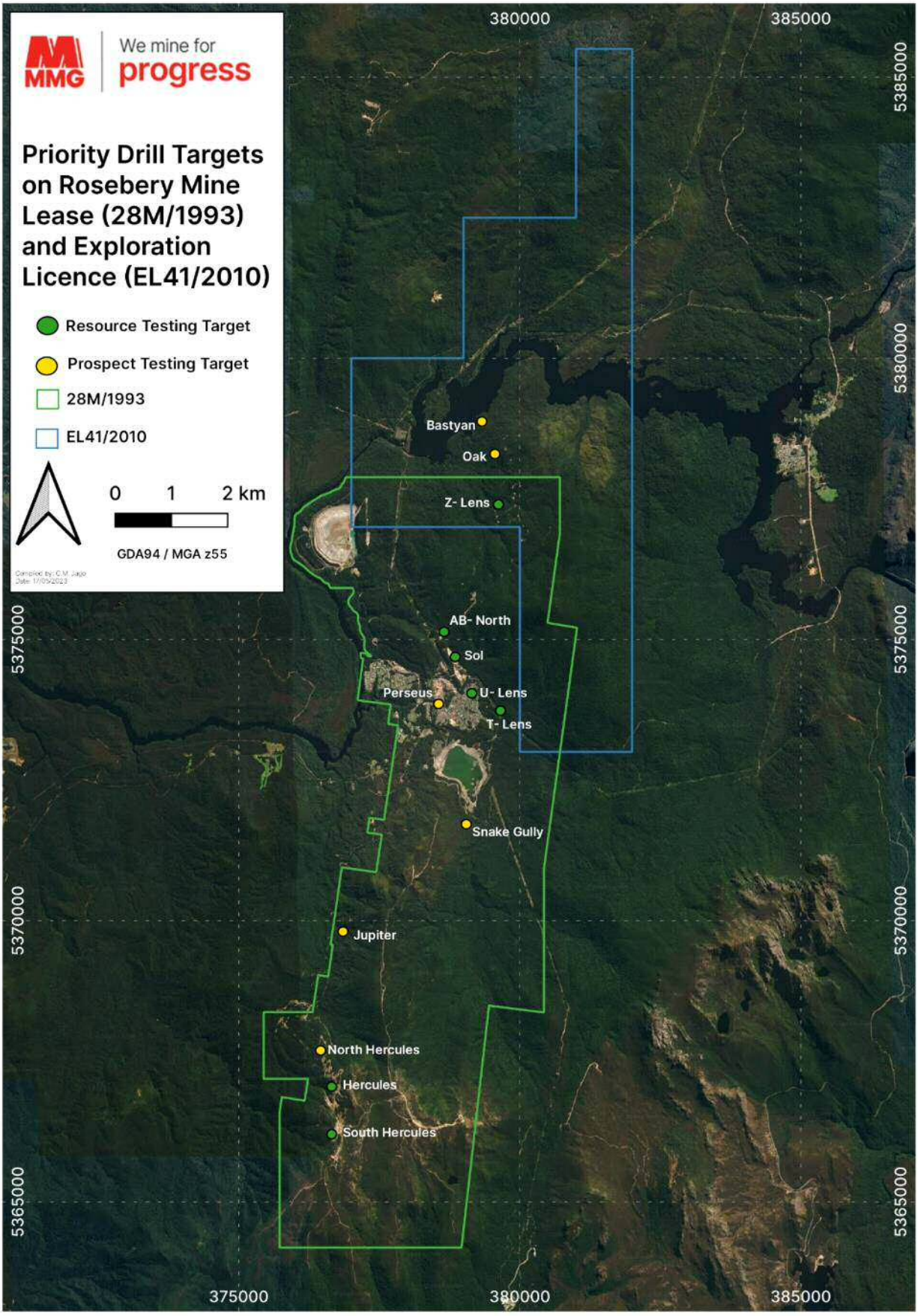

Figure 8. Location map of priority targets across 28M/1993 and EL41/2010.

Z- lens

Underground drilling of the northern most massive sulphide occurrence, Z- lens, commenced in 2021 from the 52Y exploration drive (EXD). Drilling focused around historical surface drilling which returned significant results that are captured within the 2022 Mineral Resource and Ore Reserve. The Z-lens Mineral Resource was increased by 440kt at grades of 5.7% Zn, 2.8% Pb, 0.13% Cu, 120g/t Ag and 1.4g/t Au. During 2022, the 200m 52Y EXD extension was approved to the north, but prior to exiting the EXD, three holes were drilled to the north of Z- lens to determine mineralisation continuity. Two of the three holes intersected varying mineralisation intensity around 125m north of the currently modelled extents of Z- lens. Intercept highlights include:

- R13670 7.2m @ 14.2% Zn, 8.9% Pb, 0.4% Cu, 152g/t Ag, 1.6g/t Au from 208m (2.5m true width)
- R13671 14m @ 3.7% Zn, 2.2% Pb, 0.1% Cu, 9.9g/t Ag, 0.1g/t Au from 218m (2.7m true width)

Drilling has taken place in Q1 2023 from 44Y EXD testing the up-dip extensions of Z- lens. A wide interval of stringer to semi-massive sulphide was intersected in R13849, 130m up-dip of the currently modelled Z- lens. Sphalerite and galena are visible from 448-473m with pink manganoan carbonates which is indicative of the mineralisation currently mined at Y- North, Y- South and X- lens. Assays are pending and drilling from the 44Y EXD will continue through 2023.

T- lens

In late 2022, R13750 was drilled from the 11L EXD to test the downdip extensions of U- lens. It was determined that by extending the hole, T- lens could be intersected based on the stacked nature of the Rosebery massive sulphide ore lenses. The hole intersected variable sulphide with replacement magnetite-pyrrhotite-pyrite and hematite. At 760m, R13750 intersected a zone of semi-massive to massive sphalerite-galena-pyrite which returned:

- R13750 21.2m @ 9.5% Zn, 0.8% Pb, 0.2g/t Au, 23.1g/t Ag from 760m (11.5m true width)
  Inc. 10.2m @ 15% Zn, 1.5% Pb, 0.2g/t Au, 42g/t Ag from 771m

The lower precious metal tenor is unlike typical Rosebery-style mineralisation but can be attributed to the Devonian granitoid overprint and subsequent remobilisation at the south end of the Rosebery deposit (Zaw et al., 1999).

A follow up hole was drilled 100m south of R13750 which intersected 12m of massive magnetite with banded to stringer pyrite and minor chalcopyrite from 768m. Assays are pending but orebody knowledge studies continue to understand the extensions of T- lens and additional resources to the south of the Rosebery deposit.

V- lens

Extension drilling at V- lens has been ongoing since 2020. New areas have been defined and are reported in previous Public Reports of Mineral Resource Estimates. The V-lens Mineral Resource was increased by 570kt at grades of 3.4% Zn, 1.6% Pb, 0.36% Cu, 47g/t Ag and 1.4g/t Au. Drilling from 2022 has focussed on testing two stacked mineralised zones at V- lens. Intercepts are generally “Rosebery-polymetallic” but instances of overprinted sulphide like T- lens is apparent. Significant results from 2022 include:

- R13626 24m @ 9.3% Zn, 0.3% Pb, 0.2% Cu, 7g/t Ag, 1.1g/t Au from 72m (16.6m true width)
- R13653 1.7m @ 22.9% Zn, 6.7% Pb, 0.5% Cu, 581g/t Ag, 3.3g/t Au from 48.4m (1.2m true width)
  25.4m @ 6.6% Zn, 2.8% Pb, 0.1% Cu, 111g/t Ag, 1.1g/t Au from 61.6m (18.3m true width)
  7.5m @ 10% Zn, 4.6% Pb, 0.2% Cu, 210g/t Ag, 0.9g/t Au from 104.5m (5.5m true width)

H- lens

Drilling from 2021 into 2022 determined that high-grade extensions to the south of P- lens were present along with a hangingwall target of H- lens. From the 24B EXD drill drive, delineation drilling tested the south extension of P- lens and the hangingwall H- lens with holes extended to intersect both targets. Drilling to the south of the 24B EXD continues in 2023 with extensions to mineralisation evident. Significant assay results include:

- R13817 8m @ 5.3% Zn, 1.4% Pb, 0.1% Cu, 13.3g/t Ag, 0.1g/t Au from 221m (4.3 true width)

H- South

During Q1 2023, drilling commenced in the 17L Pump Station to test a gap in the high-grade wireframe in the south of H- lens. Initial drilling returned significant results of:

- R13819 intersected 3m of massive sulphide, predominantly pyrite with orange to pale-yellow sphalerite from 203m. Brecciated and quartz stockwork veined zones with chalcopyrite, pyrite and sphalerite infill occurs from 206 to EOH of 221m. Assays Pending.

- R13823 intersected pyrite stringer mineralisation from 161m to 227m with sphalerite visible from 223m. Chalcopyrite stringers occur from 177.1m to 189.3m, with semi-massive chalcopyrite from 188.1m to 189m. Assays Pending.
- Drilling in the 17L will recommence later in 2023.
- Please refer to the photographs in the complete report located on the MMG website.

Sol

Sol is the name given to the area between the Upper Mine lenses and AB- lens (**Figure 7**). High-grade historical intercepts are observed around the margins of the high-grade wireframe but there is limited information to incorporate these intercepts into an Inferred Resource. Due to the age of mining in the Upper Mine, any new drilling needs to be carried out from surface which is expected to occur in 2023 and 2024.

However, drilling the lower portion of Sol could be achieved from underground, and this commenced in April 2023. Drillhole R13881 intersected 1.9m of massive barite with pale-yellow, low-Fe sphalerite, galena and pyrite from 170.1m which occurs 50m north of the known orebody (historical H- lens stoping). Due to the presence of the low-Fe sphalerite and galena, it is expected that the assays will return with high precious metal contents. A second zone of barite-hematite-pyrite occurs 6m prior occurs at 163.9m extending 2.1m. Assays are pending for R13881.

A further phase of underground drilling is planned for later in Q2 2023 which will complement the surface drilling also due to commence during this time.

AB North

Surface drilling has focussed on the area immediately north of AB- lens with the first drillhole, 514R, intersecting host 150m north of the known orebody. The hole intersected a 20m wide zone of weak disseminated sphalerite mineralisation, with areas of stringer mineralisation within silica-white mica-chlorite altered volcaniclastic sandstone (Rosebery host rock). A follow-up hole, 518R intersected 0.5m of massive sulphide 120m north of known mineralisation which prompted the design of 519R.

Located 60m north of known mineralisation, between 541.4m and 546.3m downhole, 519R intersected semi-massive to massive sulphide resembling typical Rosebery polymetallic mineralisation. Significant assay results include:

- 519R 5m @ 10.3% Zn, 4.7% Pb, 0.1% Cu, 136g/t Ag, 2.0g/t Au from 542m (4.9m true width)

Jupiter

From Q3-2022, two surface holes were drilled underneath the Jupiter mine, where massive sulphide was mined historically. The first hole, JP389, targeted 300m below previous drilling and intersected a 70m wide zone of pyrite stringer mineralisation with trace chalcopyrite from 711m. The daughter hole, JP389-D1 drilled above the parent hole and intersected weakly disseminated sphalerite mineralisation was intersected over 18m from 721m within a chlorite altered host-like volcaniclastic sandstone unit. Assays are pending.

Shallow drilling around the previous stoping areas and massive sulphide will be drilled later in 2023. Further gossan targets 150m northeast and Cu targets to the south of Jupiter are being reviewed for drilling in 2024.

A research project commenced in mid-2022 using hyperspectral scanning technologies (HyLogger), low-detection multi-element geochemistry (ME-MS61), scanning electron microscopy (SEM) and graphical logging to understand the stratigraphy, alteration and mineralisation characteristics of the Jupiter mineral system. Orebody knowledge outcomes from the research will have a direct influence on the drilling in subsequent years.

TQV

During the Devonian, the massive sulphide lenses at Rosebery become increasingly overprinted by the granitoid south of the deposit. Evidence of the influence of the granitoid include variable replacement by magnetite-pyrrhotite-pyrite with gangue fluorite-chlorite-tourmaline-garnet (Zaw et al., 1999). In 2022, it was recognised that high-grade Au mineralisation occurs within tourmaline-quartz-pyrite veins and breccias in the hangingwall of U- lens. The name of this target is drawn from this association with tourmaline quartz veins (TQV). Generally, the thickness of the mineralised interval is less than 1m, but R13488 remains the thickest of the intercepts to date:

- 15.8m @ 6.2g/t Au, 0.3% Cu, 9.3g/t Ag from 168m

Since this recognition, holes that are drilled into U- lens are extended to the TQV horizon. Ongoing orebody knowledge studies are underway to determine the significance of the mineralisation style particularly in the shallow part of the mine.

Oak

The Oak prospect is located 500m north of Z- lens on EL41/2010 and was discovered in 2011 with subsequent exploration to 2013. In 2022, R13652 was the first hole designed to test the Oak prospect from underground. Whilst R13652 was not drilled at an optimal angle, it was deemed the hole would provide valuable information ahead of the 200m extension to the 52Y EXD later in 2022. The hole was drilled to 753.1m and intersected the now-prospective Dundas Group to the west of the Rosebery Fault from 268.9m. The true thickness of the intervals is currently unknown.

R13652 has returned two intervals of mineralisation:

- 4.56m @ 4.5 % Zn, 2,4 % Pb, 0.1 % Cu, 69.4 g/t Ag, 0.9 g/t Au from 630.44m
  Inc. 2m @ 6.7 % Zn, 3.6 % Pb, 0.1 % Cu, 92.5 g/t Ag, 1.3 g/t Au from 632m
- 0.5m @ 4.6 % Zn, 1.9 % Pb, 0.2 % Cu, 100 g/t Ag, 0.83 g/t Au from 660.3m

Overall, a broad zone of elevated mineralisation is observed around the intercept above:

- 32.8m @ 1.2 % Zn, 0.5 % Pb, 0.05 % Cu, 19.2 g/t Ag, 0.3 g/t Au from 628m

The northern extensions of Oak are currently being drilled from surface while the southern extents will be drilled from the 52Y EXD in Q2 2023. The Oak Prospect represents a significant exploration target for further mineralisation with the Dundas Group to the west of the Rosebery Fault.

Perseus

A stratigraphic hole was drilled to the west of the Rosebery Fault from the 11L EXD in Q3 2022 to a depth of 971.8m. The aim for R13638 was to gain an understanding of the Dundas Group geology to the west of the mine 4.5km south of the Oak prospect. Minor chalcopyrite was intersected with tourmaline-quartz-fluorite veining in the Rosebery Fault. A thin 40cm band of sphalerite and galena was intersected at 446m within a pumiceous rhyolitic unit while irregular sulphide clasts (to 2 cm) are hosted in a volcaniclastic mass flow unit directly above this band. Three holes were drilled around this intercept with pyrite observed at the same horizon.

A second stratigraphic hole (R13791) was drilled further south to understand the Dundas Group in more detail. Abundant pyrite was seen in volcaniclastic sandstone and breccia units intercalated with black shales and is an indication of hydrothermal processes taking place. Detailed geological interpretation of the Perseus target is continuing.

Bastyan

During 2021, 513R was drilled to test the northern extensions of the Oak prospect. The hole intersected massive sulphide in the Dundas Group on EL41/2010 600m north of Oak. Results returned:

- 7m @ 10.1% Zn, 3.5% Pb, 0.02% Cu, 52.6g/t Ag, 0.04g/t Au from 2273.5m
  Inc. 2.5m @ 7.1% Pb, 96.3g/t Ag, 1.1% Zn from 2273.5m
  Inc. 2.0m @ 37.7% Zn, 0.5% Pb, 11g/t Ag from 2277.8m

Follow up drilling of Bastyan is scheduled for late-2023.

Forward Program

Underground diamond drilling is continually active in several areas of the mine with the intent to better define known mineralised areas (Mineral Resource to Ore Reserve conversion) as well as to further extend the Mineral Resource into areas potentially hosting additional economic mineralisation.

Surface Drilling is planned for the following targets in 2023 and 2024:

- North Hercules
- Hercules
- South Hercules
- Jupiter
- Sol
- Snake Gully
- AB- North
- Oak
- Bastyan