
LETTER FROM THE INDEPENDENT BOARD COMMITTEE



MMG Limited

五礦資源有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 1208)

To Independent Shareholders

Dear Sir and Madam,

CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE CMN FRAMEWORK OFFTAKE AGREEMENT

We refer to the circular dated 30 June 2014 issued by the Company, of which this letter forms part (the “**Circular**”). Unless otherwise specified, capitalised terms defined in the Circular shall have the same meanings when used herein.

The Independent Board Committee has been formed to advise the Independent Shareholders in respect of the CMN Framework Offtake Agreement (including the CMN Annual Caps), details of which are set out in the Letter from the Board contained in the Circular.

Somerley Capital Limited has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard. The text of the letter of advice from the Independent Financial Advisor containing their recommendations is set out on pages 59 to 80 of the Circular.

Having considered the terms of the CMN Framework Offtake Agreement (including the CMN Annual Caps), together with the advice and recommendations of the Independent Financial Advisor to the Independent Board Committee and the Independent Shareholders set out in its letter of advice, we consider that (a) the terms of the CMN Framework Offtake Agreement (including the CMN Annual Caps) are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole; and (b) the transactions contemplated under the CMN Framework Offtake Agreement (including the CMN Annual Caps) will be on normal commercial terms and in the usual and ordinary course of business of the Enlarged Group. As such, we recommend that the Independent Shareholders vote in favour of the resolution in respect of the CMN Framework Offtake Agreement (including the CMN Annual Caps) to be proposed at the EGM.

Yours faithfully,
For and on behalf of
The Independent Board Committee
MMG Limited
Peter William Cassidy
Anthony Charles Larkin
Leung Cheuk Yan
Independent Non-executive Directors