The following is the text of the Competent Person's Report received from Runge Asia Limited trading as RungePincockMinarco for the purpose of incorporation in this circular. Mr. Tim J. Swendseid ("**Mr. Swendseid**") signed the Competent Person's Report as the competent person required under Chapter 18 of the Listing Rules and took overall responsibility for the report.

As part of the sale process of the Las Bambas Project, Runge Inc., a company within the same group as Runge Asia Limited, was engaged by Glencore to conduct an independent review of the operations of the Las Bambas Project and in particular, to provide commentary, in the form of a due diligence review report, of the reasonableness and suitability of the reserves and resources estimates and forecasts in respect of the Las Bambas Project compiled by Glencore. Mr. Swendseid was involved in the above engagement as an employee of Runge Inc. The due diligence review report was provided to prospective purchasers in the competitive bidding process for the sale of the Las Bambas Project. The due diligence review report was prepared as an independent report to assist prospective purchasers in their consideration of a potential transaction in respect of the project. As part of the terms of its engagement with Glencore, Runge Inc. has accepted a duty of care to the Company, being the purchaser chosen by Glencore.

Runge Asia Limited is part of the RungePincockMinarco group of companies, an independent group of mining technical experts of international repute. Mr. Swendseid has confirmed that he meets all the requirements under Chapter 18 of the Listing Rules in respect of the qualification, experience and independence of a competent person. The Company considers that Mr. Swendseid's past experience in undertaking the independent review of the operations of the Las Bambas Project mentioned above provides an added benefit in the sense that he has a high degree of familiarity with the assets and the status of the Las Bambas Project, which was useful for Mr. Swendseid and his team at RPM in preparing the Competent Person's Report for the Company.

RungePincockMinarco

Las Bambas Project, Peru Competent Person Report

MMG Limited

ADV-HK-03759

30th June, 2014

Final Report

RungePincockMinarco

Document Control Sheet

Client	
MMG Limited	
Report Name	**Date**
Competent Person's Report – Las Bambas Project	30 June, 2014
Report No.	**Revision No.**
HK-03759	Final

Authorizations				
Name		**Position**	**Signature**	**Date**
Prepared By:	Tim Swendseid Dick Addison Esteban Acuna Rondinelli Sousa	President, Consulting Services–Americas. Project Manager Senior Geologist Senior Engineer		30 June, 2014
Reviewed By:	Jeremy Clark	Manager-Hong Kong		30 June, 2014
Approved By:	Philippe Baudry	Executive General Manager		30 June, 2014

Organization	No. Of Hard Copies	No. Of Electronic Copies	Comment
MMG Limited	4	1	

EXECUTIVE SUMMARY

Runge Asia Limited
trading as
RungePincockMinarco
13/F, 68 Yee Wo Street
Causeway Bay
Hong Kong

MMG Limited
Level 23/28 Freshwater Place
Southbank Victoria, Australia, 3006

30th June, 2014

RE: Competent Person Report

Dear Sirs,

Runge Asia Limited ("RAL") trading as RungePincockMinarco ("RPM") has been engaged by MMG Limited (HKEx: 1208) ("MMG" or the "Client") to undertake an Independent Technical Review ("ITR") and compile a Competent Person Report ("CPR" or the "Report") (as defined by under Chapter 18 of the Rules Governing the Listing Rules of the Stock Exchange of Hong Kong (the "Listing Rules") on the Las Bambas Project (the "Project"). The Project is currently owned and operated by Glencore plc. (the "Company") and is a world class Cu porphyry deposit located in south-central Peru. Development of the Project is well advanced with over 50% of the construction completed as at January 2014 and the key project infrastructure scheduled to be fully commissioned and operational by the end of 2015 with full production planned to be reached in 2016.

The Client has conditionally agreed to acquire the Project from the Company through the acquisition of the issued share capital of an intermediate holding company of the Project. The process and conclusions of the ITR are presented in the CPR which will be included in the Circular of the Client in relation to the transaction in accordance with Chapter 18 of the Listing Rules.

The statements of Mineral Resources and Ore Reserves (as defined in ***Appendix B***) have been reported to be in accordance with the recommended guidelines of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves JORC Code (2012 Edition)

RPM's technical team ("the Team") consisted of International Competent Person, International Senior Consultants, Executive Mining Engineers and Senior Geologists. RPM's Competent Person was responsible for compiling or supervising the compilation of the report and the JORC Statements of Mineral Resources and Ore Reserves, stated within. The Team's qualifications and experience is detailed in ***Annexure A*** for reference.

A number site visits were conducted by the Team to the Project's mine site and surface operations to familiarise themselves with the Project characteristics. A site visit was undertaken in May 7th and 8th, 2014 by Mr. Esteban Acuña, Mr. Richard Addison, and Dr. Terry Brown. Mr. Tim J. Swendseid and Messrs. Acuña and Addison had also previously visited the site in June 14th through June 16th, 2013, and Mr. Tim J. Swendseid from September 2nd through September 13th, 2012. During the site visits the Team inspected the mine, the ore processing plant, the tailings storage facility, the water supply system, the power distribution system the town built for the inhabitants of the Project area, and conducted general inspections of the Project area. The visits were also used to gain a better understanding of the Project status. During the site visits, the Team had open discussions with the Company's personnel on technical aspects relating to the relevant issues. The Company's personnel were cooperative and open in facilitating RPM's work.

In addition to the work undertaken to generate independent JORC Mineral Resources and Ore Reserves estimates, the CPR relies largely on information provided by the Company, either directly from the sites and other offices, or from reports by other organisations whose work is the property of the Company or its subsidiaries. The data relied upon for the JORC Ore Resources and Ore Reserves estimates independently completed by RPM have been compiled primarily by the Client and the Company and subsequently reviewed and verified as well as reasonably possible by RPM. The CPR is based on information made available to RPM as at 30th June, 2014. The Client or the Company has not advised RPM of any material change, or event likely to cause material change, to the underlying data, designs or forecasts since the date of asset inspections.

Project Summary

- The Project is a world class copper - molybdenum (Cu-Mo) near term production project located in the Andes Mountains of southern Peru, approximately 75 km south-southwest of Cusco and 300 km north-northwest of Arequipa. The Project is readily accessible from either Cusco or Arequipa over a combination of paved and good quality gravel roads in addition to the recently completed heavy haul road which was constructed as part of the development of the Project.

- The Project is contained within 41 mining concessions and consists of a series of discreet skarn and porphyry bodies. Exploration works within the Project area commenced in 1966 and has primarily focused on three separate deposits, namely Ferrobamba, Chalcobamba, and Sulfobamba; however, several other high priority targets have been identified as part of systematic exploration efforts. These three main deposits occur as clustered bodies which range in thickness between 20m and 100m and surround magmatic bodies which have intruded sedimentary units. The bodies are vertically continuous with current drilling delineating mineralisation continuous from surface to over 600m in depth at Ferrobamba. Typical of porphyry and skarn style deposits, the mineralisation has extremely zonational grade distribution with the highest grades generally occurring within the most intense stockwork veining in the central portion of the porphyry. The skarn mineralisation occurs predominantly within the limestone units and is dominated by patchy massive sulphide (Bornite, Chalcopyrite) within fracture fill veins. Each deposit has a distinct oxidation zone near surface which shows statistical distribution variation from the underlying sulphide mineralisation as a result of typical near surface chemical dissolution processes of the region.

- The skarn and porphyry style mineralised bodies are planned to be exploited via large scale open pit methods with initial ore from Ferrobamba planned to commence by mid-September 2015 and full throughput capacity of the plant forecast to be reached in 2016. The Project is currently in the late stages of project development with 50% of the major infrastructure construction items having been completed as at January 2014 and pre-stripping occurring on the Ferrobamba open pit. The initial five years of operations will have all ore sourced from the Ferrobamba open pit after which the other two separate pits will add additional ore sources in parallel with Ferrobamba production at varying times of the mines life. At full production the three combined open pits will have a total rock movement capacity of 160 million tonnes per annum ("Mtpa") and have the ability to produce above the current throughput capacity of the processing plant, as such, stockpiles will be used to manage any overrun.

- RPM notes that while the Project is scheduled to be commissioned in late 2015, delays have occurred which have primarily been related to the delay in completion of the new town called 'Nueva Fuerabamba' which is aimed to house the current residents of the mine area. Local on-site community residents are due to start moving to Nueva Fuerabamba in mid-2014.

- Ore processing is scheduled to commence in September 2015 ramping up to an annualised throughput production rate of 51 Mtpa or 140 kilotonnes per day ("ktpd") of Run of Mine ("ROM") ore in 2016. The Project will generate separate Cu and Mo concentrates with grades of approximately 34.6 % Cu and 50 % Mo, for an average of approximately 800 kilotonnes per annum ("ktpa") of Cu and 11,000 tonnes per annum ("tpa") of Mo concentrate for a contained average metal content of 304 ktpa Cu and 5,500 tpa Mo respectively over the life of the mine with pre-stripping and ore stockpiling starting in 2014. RPM does note that the initial years shows over 1.4 Mtpa of Cu concentrate which decreases over the mine life as grade decreases with approximately 410 kt produced in Year 21 of production. Following production, the two concentrates are currently planned to be trucked 710 km to the port of Matarani, located about 100 km southwest of Arequipa, however several other studies are underway to confirm the best method of transportation. The concentrates are planned to be sold to predominantly Chinese customers.

- Arequipa is the principal town in the region serving the mining industry and the primary source of consumables and services which will be required by the Project. The port of Matarani, located approximately 100 km south-southeast of Arequipa, serves as a major concentrate shipment port for copper mines in the region is planned to be expanded by the Company to accommodate the concentrates from the Project.

- A review by RPM of the regional and local infrastructure indicated that there was limited pre-established infrastructure prior to commencement of development to support large scale mining activities; accordingly substantial infrastructure is being constructed by the Company. This infrastructure has included as of the time of the May, 2014 site visit, significant road improvements; construction of new access roads; building a water supply system to support the planned production rates; constructing power connection to the national grid; constructing all the typical non mine related surface buildings such as offices, workshops, warehouses, and laboratories; building a town to house residents displaced by the Project; adapting the construction camps for employee housing; and constructing communication towers to connect to national and international telecommunication systems. In addition to that already completed, the Company is currently well progressed in completing the substantial mine related infrastructure required including the processing plant, tails storage facilities and haul roads. Site visit observation indicates that although some delays have been experienced, the processing plant and other associated major mining infrastructure are still forecast to be completed in-line with forecast.

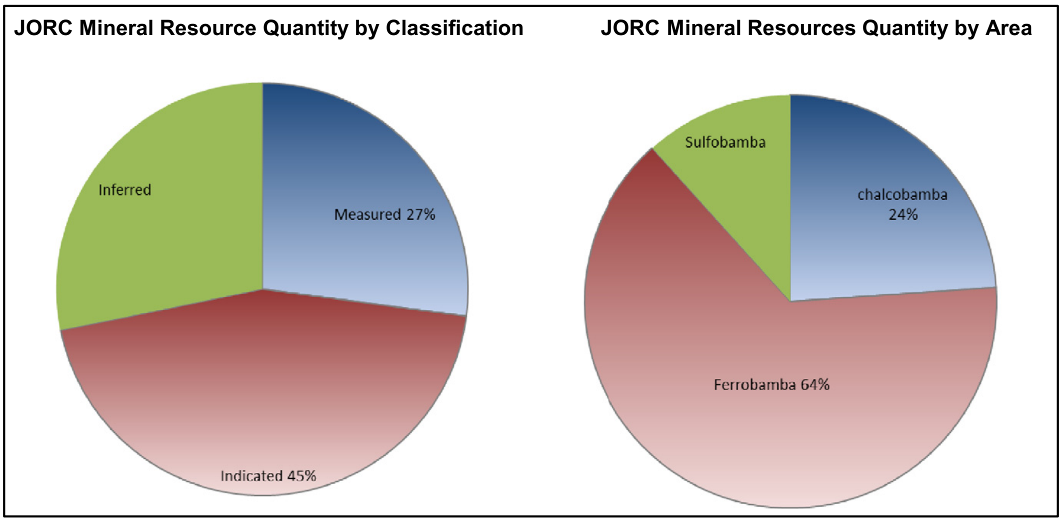
Mineral Resource and Ore Reserves Estimates

- The review undertaken by RPM of the drilling and sampling procedures indicates that international standard practices were generally utilised with no material issues being noted by RPM in the checks completed. The QAQC samples all showed suitable levels of precision and accuracy to enable confidence in the primary laboratory. RPM also notes that the samples used for the resource estimation are derived from drilling post 2005. Furthermore, RPM considers that the post 2005 data which underpins the resource estimation has no material sample bias and is representative of the samples taken.

- The independent Statement of Mineral Resources is reported within the current mining and exploration licences and as at 1st January, 2014 using a cut-off grade of 0.2% Cu. Mineral resources were constrained by topography and within an economic pit calculated with Measured, Indicated and Inferred resources based on a copper price of $2.20 per pound. Metallurgical recoveries and costs utilised to generate the pit were the same as those utilised for the Ore Reserve estimates as outlined in Section 8 and Section 9.

- The Statement of Mineral Resources shown in Table 1 and graphically in Figure 1 is reported inclusive of and is not additional to the Ore Reserves reported in Table 2 and does not include any ore loss and dilution.

Figure 1 Graphical Representation of JORC Mineral Resources quantities as at 1st January, 2014



Runge Pincock Minarco

Table 1 Statement of JORC Mineral Resources as at 1st January, 2014 with the Project Area Reported at a Cut-off of 0.2%.

Area	Type	Class	Quantity (Mt)	Cu (%)	Cu (Kt)	Mo (%)	Mo (Kt)	Ag (g/t)	Ag (Moz)	Au (g/t)	Au (Moz)
Chalcobamba	Sulphide	Measured	85	0.44	363	0.014	11.5	1.4	3.7	0.02	0.05
		Indicated	250	0.61	1,524	0.013	33.1	2.3	18.3	0.03	0.23
		Measured + Indicated	335	0.57	1,887	0.013	44.5	2.1	22.0	0.03	0.28
		Inferred	45	0.35	157	0.012	5.4	1.1	1.5	0.02	0.03
		Sub Total (M+I+Inf)	380	0.54	2,044	0.013	50.0	1.9	23.5	0.03	0.31
	Oxide	Indicated	35	0.57	200	0.01	2.3	2.0	2.3	0.02	0.02
		Measured + Indicated	35	0.57	200	0.01	2.3	2.0	2.3	0.02	0.02
		Inferred	1	0.33	3	0.01	0.1	1.1	0.0	0.02	0.00
		Sub Total (M+I+Inf)	35	0.56	203	0.006	2.3	2.0	2.3	0.02	0.02
Ferrobamba	Sulphide	Measured	405	0.68	2,730	0.02	73.3	3.3	43.0	0.07	0.86
		Indicated	365	0.74	2,682	0.02	75.0	4.0	47.2	0.08	0.90
		Measured + Indicated	770	0.71	5,413	0.02	148.3	3.7	90.2	0.07	1.77
		Inferred	310	0.48	1,481	0.02	50.7	2.1	21.4	0.04	0.40
		Sub Total (M+I+Inf)	1,080	0.64	6,894	0.018	199.0	3.2	111.6	0.06	2.17
	Oxide	Indicated	55	0.86	473	0.01	4.1	4.5	8.0	0.08	0.14
		Measured + Indicated	55	0.86	473	0.01	4.1	4.5	8.0	0.08	0.14
		Inferred	10	0.86	77	0.01	1.0	4.7	1.4	0.08	0.02
		Sub Total (M+I+Inf)	65	0.86	550	0.008	5.1	4.5	9.3	0.08	0.16
Sulfobamba	Sulphide	Indicated	105	0.64	682	0.02	16.1	4.6	15.8	0.02	0.06
		Measured + Indicated	105	0.64	682	0.02	16.1	4.6	15.8	0.02	0.06
		Inferred	115	0.45	509	0.01	13.6	3.8	13.9	0.01	0.04
		Sub Total (M+I+Inf)	220	0.54	1,190	0.013	29.6	4.2	29.7	0.01	0.10
Total	Sulphide	Measured	490	0.64	3,094	0.02	84.8	3.0	46.6	0.06	0.91
		Indicated	720	0.68	4,888	0.02	124.1	3.5	81.3	0.05	1.20
		Measured + Indicated	1,210	0.66	7,981	0.02	208.9	3.3	128.0	0.05	2.11
		Inferred	470	0.46	2,146	0.01	69.8	2.45	36.85	0.03	0.47
		Sub Total (M+I+Inf)	1,680	0.60	10,127	0.017	278.7	3.1	164.8	0.05	2.58
	Oxide	Indicated	90	0.75	673	0.01	6.4	3.5	10.2	0.06	0.16
		Measured + Indicated	90	0.75	673	0.01	6.4	3.5	10.2	0.06	0.16
		Inferred	10	0.81	81	0.01	1.0	4.3	1.4	0.07	0.02
		Sub Total (M+I+Inf)	100	0.75	753	0.007	7.4	3.6	11.6	0.06	0.19
	Total	Measured	490	0.64	3,094	0.02	84.8	3.0	46.6	0.06	0.91
		Indicated	810	0.69	5,560	0.02	130.5	3.5	91.5	0.05	1.36
		Inferred	480	0.47	2,227	0.01	70.8	2.5	38.2	0.03	0.49
		All (M+I+Inf)	1,780	0.61	10,881	0.02	286.1	3.1	176.4	0.05	2.77

Note:

1. *The Statement of JORC Mineral Resources has been compiled under the supervision of Mr. Esteban Acuña who is a full-time employee of RPM and a Registered Member of the Chilean Mining Commission. Mr. Acuña has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he has undertaken to qualify as a Competent Person as defined in the JORC Code.*
2. *All Mineral Resources figures reported in the table above represent estimates at 1st January, 2014. Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results. The totals contained in the above table have been rounded to reflect the relative uncertainty of the estimate. Rounding may cause some computational discrepancies.*
3. *Mineral Resources are reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The Joint Ore Reserves Committee Code – JORC 2012 Edition).*

- RPM notes that the reported total Inferred Mineral Resource Quantity (480 Mt) in **Table 1** varies from the publically released latest Mineral Resource estimate by the Company as at 31st December, 2013 (510 M tonnes). This difference is due to the rounding applied to the total tonnages, RPM has utilised two (2) significant figures for Inferred whereas the Company has utilised one significant figure.

- The geologic interpretation models consist of a set of 3D solids one for each interpreted rock type such that the metal content was estimated considering the proportions of the geologic interpretation in each block. As such this method incorporated dilution into the block estimates.

- The Independent Statement of Ore Reserves for the Project is estimated as at the 1st January, 2014 by RPM and reported in accordance with the JORC Code. RPM has determined suitable technical parameters to apply in the Ore Reserve estimation process following review of site data and technical information contained with studies of at least a pre-feasibility level of confidence. Further information taken into consideration included the proposed life of mine plans, mining method, forecast processing plant recoveries and tailings storage facility capacities. The Ore Reserves were derived only from areas of the Project where Measured and Indicated Resources have been estimated.

- The Proven and Probable JORC Ore Reserves estimates for the Project are summarised in ***Table 2*** and shown graphically in ***Figure 2***. The Measured and Indicated JORC Mineral Resources quantities reported in Table 1 are inclusive of and are not additional to the JORC Ore Reserves estimates reported in ***Table 2***. RPM has estimated the total JORC Ore Reserves to be 952 Million Tonnes ("Mt") at an average grade of 0.72%Cu, comprising 450 Mt of Proved and 502 Mt of Probable Ore Reserves.

Table 2 Statement of JORC Ore Reserves report as at the 1st January, 2014 at a 0.2% Cu cut-off grade

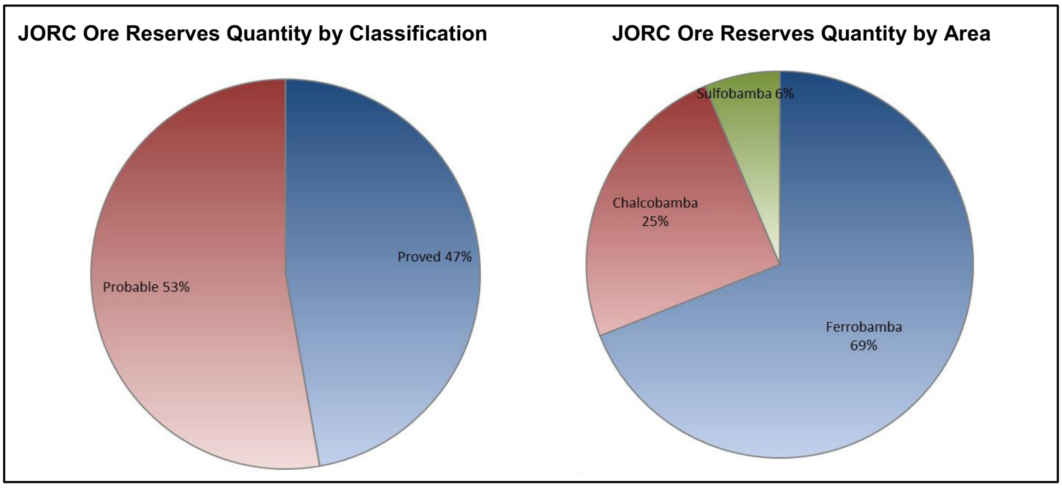
Description	Quantity (Mt)	Cu (%)	Cu (Kt)	Mo (%)	Mo (Kt)	Ag (g/t)	Ag (Moz)	Au (g/t)	Au (Moz)
Ferrobamba									
Proved	386	0.68	2,640	0.018	70.0	3.4	41.8	0.07	0.8
Probable	271	0.80	2,179	0.021	57.2	4.5	38.9	0.09	0.8
Sub Total	**657**	**0.73**	**4,819**	**0.019**	**127.2**	**3.8**	**80.7**	**0.08**	**1.6**
Chalcobamba									
Proved	63	0.46	292	0.014	9.0	1.5	3.0	0.02	0.0
Probable	172	0.74	1,264	0.013	22.9	2.8	15.4	0.03	0.2
Sub Total	**235**	**0.66**	**1,556**	**0.014**	**31.9**	**2.4**	**18.4**	**0.03**	**0.2**
Sulfobamba									
Proved	-	-	-	-	-	-	-	-	-
Probable	60	0.86	516	0.014	8.4	6.6	12.9	0.02	0.0
Sub Total	**60**	**0.86**	**516**	**0.014**	**8.4**	**6.6**	**12.9**	**0.02**	**0.0**
Total									
Proved	450	0.65	2,932	0.018	78.9	3.1	44.8	0.06	0.9
Probable	503	0.79	3,960	0.018	88.6	4.2	67.2	0.06	1.0
Grand Total	**952**	**0.72**	**6,892**	**0.018**	**167.5**	**3.7**	**112.0**	**0.06**	**1.9**

Notes:

1. *The Statement of JORC Ore Reserves has been compiled under the supervision of Mr. Rondinelli Sousa who is a full time Senior Mining Engineer employed by RPM and is a Member of the American Society of Mining, Metallurgy & Exploration (SME). Mr. Sousa has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the JORC Code.*
2. *Tonnages are metric tonnes*
3. *Cut off Grade of 0.2% Cu applied to all are types*
4. *Copper price: \$2.91/lb; Molybdenum price: \$13.37/lb; Silver price: \$19.83/oz; Gold price: \$1,196/oz.*
5. *Figures reported are rounded which may result in small tabulation errors. Ore Reserves have been estimated under the 2012 Edition of the JORC Code.*

RPM notes that the reported molybdenum grade in ***Table 2*** is materially different from the publically released latest reserve estimate by the Company. This difference is due to a typographical error in the Company release which state a Molybdenum grade of 0.002 % versus the RPM grade of 0.02 %.

Figure 2 Graphical Representation JORC Ore Reserves Quantities



Exploration Potential

The Project has a long history of systematic exploration which has included geological mapping, geophysical and geochemical surveys as well as a large amount of surface diamond drilling. These have been undertaken over numerous generations; however within the last 10 years the main focus has been on the three deposits for which Mineral Resources have been estimated. Even though there has been a long history of exploration to date only 35% of the total concession area is considered to have been adequately explored. RPM considers there to be good potential to define further mineralised bodies within the Project area both near planned mining infrastructure and within the broader exploration concession.

Current key target areas which may lead to short term increases in the resource base and add feed to the planned project include the vertical and lateral extensions of the existing three deposits as well as potential conversion of inferred material within the existing three deposits as a result of mining or further infill drilling. Successful upgrading of the Inferred resources in the existing three deposits could yield in the order of 125 Mt added to the reserve base of the existing pit production, extending the LOM by 2.5 years.

Additionally, a number of more regional scale targets have been explored with preliminary drilling completed which indicate the potential of a broader mineralised system at depth. Significant further works will be required to help confirm these targets' economic potential.

Mine and Production

- The three deposits are planned to be mined via conventional large scale truck and shovel open pit mining methods. The Company's mining department is currently in the process of preparing the Ferrobamba deposit for accelerated pre-stripping that will commence in Q3 2014. Waste material from these pits will be delivered through a series of haul roads to onsite waste dumps for storage. Ore from the pits will be hauled via trucks and be either tipped directly into one of two primary crushers which will be located adjacent to the Ferrobamba pit (Figure 9-1) or delivered to a temporary ore stockpile. Following crushing, the ore will be transported to the onsite concentrator via a 5 km long overland conveyor system. When in full production, the open pits will have a capacity which exceeds the designed throughput capacity of 140 ktpd of the centralized concentrator; as such a stockpile system will be implemented as a means to optimize plant feed grade.

- Based on the Ore Reserve estimates, the pit development sequence, the mine designs, the forecast total production schedule and costs, RPM has estimated the currently defined mine life to be approximately 21 years to 2034 as of 1st January, 2014 with pre-stripping and ore stockpiling commencing in 2014. RPM considers the proposed Life of Mine Development Sequence and Production Forecast to be reasonable and achievable based on the current mining equipment and designs; however, RPM recommends that further optimisation and rescheduling of the development sequence be undertaken to maximise the profitability of the Project through optimising the blending of ROM ore feed.

- ROM ore production at the Project is planned to commence within the Ferrobamba deposit in Year 1 (late 2015), with preparation including land clearing and pre-stripping planned to ramp up in Q3 2014. ROM ore is planned to be fed into primary crushers located adjacent to the Ferrobamba deposit at varying rates throughout the life of mine. While the Ferrobamba deposit will be the single source for the first five years, the Projects production will be supplemented in Year 4 with ore from the Chalcobamba deposit which will be trucked to the Ferrobamba primary crushers until Year 6 at which point ore from Chalcobamba will be fed into a primary crusher located adjacent to the Chalcobamba deposit. Mining is forecast to commence in Year 7 from within the Sulfobamba deposit with all ore planned to be trucked to the crusher located at the Chalcobamba deposit. This pit development sequence results in a life of the mine stripping ratio of 1.96:1 (waste:ore).

- A stockpile system will be implemented to manage the open pit ore production overrun. Whilst the company considers that there is sufficient room to host stockpiles in excess of 60 Mt, RPM considers this to be unfavourable to the project economics and as such RPM has limited the stockpiles generated in its mining schedule to less than 65 Mt.

- All mining equipment is planned to be delivered to site to coincide with the peak mining rate of 464 ktpd (ore plus waste) and will include new P&H electric shovels matched with 300-tonne capacity Komatsu dump trucks. A maximum of six shovels during the LOM and a maximum of 52 trucks will be employed at peak mining rates. Nine surface blast-hole drill rigs have been purchased with delivery of all mine equipment is ongoing. Top of the line equipment will be used throughout the mining operation. Subsequent to crushing and delivery to the plant, ROM ore will be processed in a conventional copper-molybdenum flotation plant incorporating SAG and ball milling, bulk copper-molybdenum flotation, molybdenum separation flotation from the bulk concentrate, separate copper and molybdenum concentrate thickening, filtration, and loadout systems, tailings thickening, and impoundment of "thickened" tailings in a slurry dam adjoining the plant.

- Metallurgical testwork indicates the ore responds well to standard ore-processing methods, and no undue difficulties are foreseen by RPM. RPM does however note that the ore has a high abrasivity index (0.3 in the case of Ferrobamba) as a consequence of a high garnet content in the skarn component (which constitutes about 50% of all the ore). This aspect was well known, and the plant design has taken this into consideration. Additionally, the magnetite-skarn fraction of the Chalcobamba deposit will need to be, and has been planned to be, a small proportion of mill feed (through blending) because of the very high magnetite content. As such RPM regards the plant flowsheet and design to be reasonable and consistent with the planned ore types to be feed.

- The designed mill throughput rate is 140 ktpd or 51.1 Mtpa. The plant will generate an average of approximately 800 Ktpa of copper concentrate and 11,000 tpa of molybdenum concentrate. The concentrates will contain a significant amount of gold and silver credits (an annual average of 3.6 million oz silver and 59 thousand oz gold) which will add substantial value to the copper concentrates as by products.

- RPM considers the metallurgical testwork adequate and the plant design appropriate. As is common in copper-molybdenum projects, the parameters for molybdenum extraction are difficult to determine and RPM considers the projected molybdenum concentrate grade value of 50% to be optimistic based on the test work completed, but achievable when compared to similar projects globally. RPM notes that the molybdenum revenue accounts for less than 10% of the project over the life of mine and hence production of a lower-grade molybdenum concentrate would not have a material impact on the economics of the project.

- Given the location of the Project, the transportation costs are high and present a critical infrastructure and operational item. Although the Company currently plans (and is the basis for the Ore Reserve estimate) to truck concentrates from the site to the port, some 710 km away, RPM notes that three options are currently being studied to determine the most appropriate and cost efficient method. These include:

- *Trucks-only system* (current base case Ore Reserves cost profile) is planned to consist of trucks transporting the concentrate the full distance from the Project to Matarani, a distance of about 710 km. The transportation is currently planned to be undertaken by trucking contractors using 37-tonne capacity tractor/trailer rigs amounting to approximately 4,000 wet tonnes per day. RPM envisages that 370 trucks will be required to undertake the required capacity at full capacity when appropriate maintenance is taken into account. The system would operate 24 hours per day, 7 days per week. The port facilities are owned and operated by TISUR, an independent company. The concentrate storage and ship-loading facilities will be provided by a Build, Own, Operate (BOO) contact with TISUR, the established port operator at Matarani. An agreement for port services is currently in place based on rail receipt of concentrate; ability to switch to truck receipt of concentrate is being assessed.

- *Bi-modal system:* trucking from the Project to near Imata and rail from near Imata to Matarani. RPM notes that the rail system is long established and is commercially available. A term sheet is in place for rail service.

- *Concentrate pipeline:* slurry pipeline from the Project to Matarani.

- Estimated capital to construct the Project and achieve full production at the time of this Report is approximately US$ 6.03 billion, however of this initial capital requirement the Company has, as of 1st January 2014, sunk US$ 3.5 billion in project construction capital. In addition to the initial capital outlay the Life of Mine sustaining capital has been estimated at US$ 1.6 billion over the 21 years. Significant sustaining capital item include US$ 469 million for the tailings dam, US$ 388 million for mine equipment and US$ 237 million for the concentrator with the remainder made up of dewatering and other mining related capital. Although over 50% of the project is complete, material capital cost increases may still occur associated with social and unforseen construction issues. Delays during this time of peak construction could add significant cost and whilst the Company has included a US $30 million in Owner's contingency into its estimate this is likely to increase further.

- Forecast Total Project Operating Costs (excluding tax, royalties and Amortisation and Depreciation) average US$ 17.37 / ROM Ore t over the Life of Mine. These costs include a LOM mining operating cost of US$ 5.19/ ROM Ore t, a processing cost of US$5.19/ ROM Ore t, a combined transport to port cost of US$ 2.99/ ROM t and toll and refinery charge of US$2.58/ ROM Ore t. The remainder of the operating cost is made up of G & A. A detailed breakdown is supplied in ***Section 13***. Estimated operating costs for the Project including concentrate freight, smelting, and refining (FSR) costs and including by-product credits expected to be US$ 0.48 per pound of saleable copper produced over the life of the mine

- A high-level review of the environmental, health and safety indicates that the Project appears to be viable and the potential social and environmental impacts encountered during all phases of the Project can be mitigated. In addition, the Company and their contractors have the organisational capacity to address permitting, environmental and social issues, and health and safety management; however, there are a number of challenges to be addressed during the life of the Project.

- The current permitting plan appears to meet the Project requirements through the construction and operations phases of the Project. Erosion and sedimentation control is required to mitigate potential impacts to the water resources in the area. The use of Best Management Practices appears to be ongoing with regard to protection of the steep slopes existing in the areas of current construction. The potential seepage from the Tailings Storage Facility (TSF) and the Waste Rock Storage Facilities (WRSF) is an important consideration for potential contamination of water resources in the Project area. The TSF is a no discharge facility as permitted through the regulatory agency. The facility will be constructed to significantly reduce seepage using a geomembrane sealing system in the upstream face of the main embankment of the dam and by grouting cracks and fractures in the bedrock below the dam. Monitoring wells will be installed down-gradient to determine if seepage occurs and if the water resources are negatively impacted. The wells will be constructed to allow pumping to mitigate groundwater contamination problems, if needed. Seepage from the WRSF's will not likely become an issue for the waste rock generated from the Ferrobamba and Chalcobamba pits; however, waste rock from the Sulfobamba Pit will likely generate acid and leachable elements which may impact the water resources in the area if not mitigated and managed. RPM is aware that the Company is developing plans to collect the seepage water from the WRSF's and reused in the process plant as a mitigation strategy however further designs area required.

- Appropriate considerations for impacted communities will be required to promote positive relationships with the Project. The development of programs that benefit impacted communities in a positive manner will prevent social problems throughout the Operations and Post-Closure phases. The constructed housing and other facilities are very well prepared; however, it is noted that the housing portion of the community development presents a change of life style of the inhabitants, which may lead to issues as the families adjust to the new way-of-life. The Company has recognized this factor and hired rePlan to initiate programs to support development of positive impact. It will be important to develop programs that will allow the impacted communities to view the Project as a positive influence on their way of life. Activities will include making arrangements so that impacted communities receive preference for job opportunities. In addition, a program will be initiated to promote business development in the vicinity of the Project. It is anticipated that the development of businesses to provide supply chain items for the project will enhance the local economy and provide good community relations. rePlan is expanding this activity outside the Project area into other parts of Peru, which will not only support business development in Peru but will reduce costs to the Project from importing supplies from other countries. Other programs are planned to support the development of industries outside of the mining industry to enhance sustainable economic growth after the mine closes.

The key opportunities identified for the Project during the review are outlined below:

RPM considers that there are several opportunities within the Project. These include:

- **Inferred material:** Within the current final pit designs a total of 125 Mt of "inferred" material has been reported, this is particularly prevalent in the upper western zone of the Ferrobamba deposit. This material has been included in the Ore Reserves estimate as waste. As such, if successfully upgraded, this material presents a significant opportunity to further increase the Ore Reserves quantities and the Mine Life and decrease the strip ratio.

- **Regional Exploration Targets:** Although significant exploration has taken place within the Project, RPM notes that a number of high priority targets have been identified via drilling which could further increase the resource base. These targets are near surface and although at an early stage of exploration, warrant additional work in the near term. In addition, RPM notes that of the large concession holding of the Company, only approximately 35 % has been explored near surface.

- **Sulfobamba Feeder System**: Recent exploration works by the Company have identified potential extensions adjacent to the pit design which contains the currently defined Mineral Resource. Drilling to date has identified a number of mineralised areas, which require follow up drilling to define the extent of mineralisation. RPM considers this to be a priority target and shows excellent potential to define near planned mining infrastructure resource which can form a future mine planning and optimisation studies.

- **Tails Dam Storage Capacity:** RPM's Ore Reserve estimate is restricted by the currently approved capacity of the tailings storage facility. RPM's review of the optimised mine plans identified potential opportunities to increase the overall pit limits and hence ore schedule. This would require further studies in the feasibility of expanding the current approved tails storage facility which have yet to be completed or approved. Should the tails dam expansion be feasible than it is possible that the mine life could be expanded by up to 5 years with the additional ROM Ore sourced from the Inferred material within the existing pit limits, the identified potential expansion to the existing pit limits and the potential to re-evaluate the cut-off grade used (see next paragraph).

- **Cut-off Grade:** A review of the in pit quantities at varying cut off grades indicates the Project is reasonably sensitive to cut off grade with material increases in ROM quantities occurring with decreasing cut-off grade. RPM notes that several limiting factors have been incorporated into the estimation of the cut-off grade, including the tailings storage facility capacity limitation. RPM recommends that a trade-off study be completed as the economic benefits of optimising cut off grades as this has the potential to increase the project profitability.

- **Plant Provisions**: Provision has been made in the ore-processing plant to add two additional ball mills if warranted. Adding these mills would increase plant capacity considerably, probably of the order of 30% and could add considerable economic benefit to the Project. Such an increase could require that the mining fleet be expanded to provide additional ore and the tailing dam be elevated faster than currently planned.

- **Concentrate Pipeline**: Installing a concentrate pipeline from the Project to the port of Matarani appears practical and to have minimal concerns with easements. Having a concentrate pipeline in place would reduce truck traffic on the road route, minimizing social and safety concerns and in the long term could be more economic. RPM does however note that a pipeline would require considerable Capital expenditure.

The key risks identified to the Project during the review are outlined below:

- The relocation of approximately 2,500 local residents scattered through the working areas of the Project to the town of Nueva Fuerabamba, a newly-built town that has been constructed to house the local residents, could be difficult and lead to delays in the project. Of key concern is the potential impact on pre stripping of the Ferrobamba pit and associated planned ore production schedule. The housing and other facilities at Nueva Fuerabamba are very well constructed; however, it will mean some change in life style of the people which may lead to issues as the families adjust to the new way-of-life. rePlan (consultant to The Company) has identified this potentially serious issue and has developed a program to closely work with the people to help them adjust to the new life style. The success of this program will dictate the success of the resettlement and achievability of the currently stated Project timeline.

- There are numerous easements along the route of the 23 km water-supply pipeline, particularly in the 10-km length closest to the intake. While these easements are considered to be in place, there could be challenges and complications which could disrupt installation of the pipeline. It will be necessary to vigorously pursue any challenges or complications to minimize construction delays.

- The completion of the power-supply line is critical to the Project. This line is being installed by Abengoa, a separate company contracted under a Build, Own, Operate (BOO) contract. Obtaining easements for the line has been problematical thus far and could delay completion of the line.

Refer to Section 15 for further details on risks and opportunities.

RPM Qualifications and Experience

RPM's advisory division operates as independent technical consultants providing services across the entire mining life cycle including exploration and project feasibility, resource and reserve evaluation, mining engineering and mine valuation services to both the mining and financial services industries.

RPM is the market leader in the innovation of advisory and technology solutions that optimise the economic value of mining assets and operations. RPM has serviced the industry with a full suite of advisory services for over 45 years and is the largest publicly traded independent group of mining technical experts in the world having completed over 11,000 studies across all major commodities and mining methods, and worked in over 118 countries globally. This report was prepared on behalf of RPM by technical specialists, details of whose qualifications and experience are set out in **Appendix A**.

RPM has been paid, and has agreed to be paid, professional fees for its preparation of this report; however, none of RPM or its directors, staff or sub-consultants who contributed to this report has any interest or entitlement, direct or indirect in:

- the Company, securities of the Company or companies associated with the Company; or

- the right or options in the relevant Mine.

- The work undertaken is an ITR of the information provided by or on behalf of the Company, as well as information collected during site inspections completed by RPM as part of the ITR process. It specifically excludes all aspects of legal issues, marketing, commercial and financing matters, insurance, land titles and usage agreements, and any other agreements/contracts that Company may have entered into.

RPM does not warrant the completeness or accuracy of information provided by the Company which has been used in the preparation of this report.

The title of this report does not pass to the Client until all consideration has been paid in full.

Drafts of this report were provided to the Client, but only for the purpose of confirming the accuracy of factual material and the reasonableness of assumptions relied upon in the report.

Generally, the data available was sufficient for RPM to complete the scope of work. The quality and quantity of data available, and the cooperative assistance, in RPM's view, clearly demonstrated the Company's assistance in the ITR process. All opinions, findings and conclusions expressed in the report are those of RPM and its specialist advisors.

Yours faithfully,

Tim J. Swendseid

Tim J. Swendseid, P.E., MBA, CFA (Hong Kong Competent Person)
President, Consulting Services - Americas
RungePincockMinarco

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1 Introduction

Runge Asia Limited ("RAL") trading as RungePincockMinarco ("RPM") has been engaged by MMG Limited (HKEx: 1208) ("MMG" or the "Client") to undertake an Independent Technical Review ("ITR") and compile a Competent Persons Report ("CPR" or the "Report") (as defined by under Chapter 18 of the Rules Governing the Listing Rules of the Stock Exchange of Hong Kong (the "Listing Rules") on the Las Bambas Project (the "Project"). The Project is currently owned and operated by Glencore plc. (the "Company") and is a world class Cu porphyry deposit located in south-central Peru. Development of the Project is well advanced with over 50% of the construction completed as at January 2014 and the key project infrastructure scheduled to be fully commissioned and operational by the end of 2015 with full production planned to be reached in 2016.

The Client has conditionally agreed to acquire the Project from the Company through the acquisition of the issued share capital of an intermediate holding company of the Project. The process and conclusions of the ITR are presented in the CPR which will be included in the Circular of the Client in relation to the transaction in accordance with Chapter 18 of the Listing Rules.

The Project is contained within 41 concession areas and consists of numerous large scale skarn and porphyry-hosted copper ("Cu") deposits. Three ("3") of the defined deposits, namely the Ferrobamba, Chalcobamba and Sulfobamba, are in the development phase with a US$6.0 Billion construction project underway aimed at delivering a large scale, low cost copper-molybdenum ("Cu-Mo") producer with by-products including silver ("Ag") and gold ("Au"). The Project is planned to be exploited via typical large scale truck and shovel open pit mining methods, with ore feed into pit side crusher stations prior to being delivered via overland conveyors to a centralised 140 kilo tonnes per day ("ktpd") processing plant which will produce two products namely Cu and molybdenum ("Mo") concentrate. Based on the JORC Ore Reserve and Life of Mine ("LOM") plan the Mine life is estimated to be 21 years as at the 1st of January 2014 with pre-stripping and ore stockpiling starting in 2014. The average annual production forecast is for approximately 800,000 dry tonnes of Cu concentrate with a LOM average grade of 36.4% Cu, along with 11,000 dry tonnes of Mo concentrate with an LOM average grade 50% Mo over the life of the mine.

1.1 Scope of Work

RPM's scope of work included:

- Gathering of relevant information on the Project including resources and reserves information, LOM production schedules, and operating and capital cost information;
- Reviewing of the resources and reserves, including quantity and quality of drilling, reliability of data, and adequacy of resource and reserve estimation methods;
- Estimation of independent Mineral Resources and Ore Reserves (as defined in Appendix B) reported in compliance with the recommended guidelines of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"), prepared by the Joint Ore Reserves Committee ("JORC");
- Reviewing and commenting on forecast operating and capital expenditures in the relevant technical studies;
- Reviewing the Project short term and long term development plans;
- High level review of the environmental, health and safety risks and management plans for the Project; and
- Compilation of a CPR as defined under Chapter 18 of the Listing Rules.

1.2 Relevant Assets

The Project is a world class Cu and Mo late stage development project located in the Andes of southern Peru approximately 75 km south-southwest of Cusco and approximately 300 km north-northwest of Arequipa (***Figure 2-1***). The site which is contained within 41 concessions has an elevation of between 3,800 m and

4,600 m with geographic coordinates of approximately 14.0850° south and 71.4272° west as detailed in Section 3.

The Relevant Assets consist of a partially developed open pit mine, an ore processing facility, associated infrastructure including water and power supply systems, and exploration and mining licences.

1.3 Review Methodology

RPM's ITR methodology was as follows:

- Review existing reports and data,
- Conduct a Competent Person's site visit,
- Discussions with Project personnel of the Company prior to and following the site visit,
- Independent Estimation and Reporting of Mineral Resources and Ore Reserves in accordance with the guidelines of the JORC Code, and
- Preparation of a CPR and provision of drafts of the CPR to Project personnel to ensure factual accuracy and reasonableness of assumptions.

The comments and forecasts in this CPR are based on information compiled by enquiry and verbal comment from the Client and Project personnel from the Company. Where possible, this information has been checked with hard copy data or by comment from more than one source. Where there was conflicting information on issues, RPM used its professional judgment to assess the issues.

1.4 Site Visits and Inspections

A site visit was conducted by the Team to the Project's mine site and surface operations to familiarise themselves with the project characteristics. The site visit was undertaken in May 7th and 8th, 2014 by Mr. Esteban Acuña, Mr. Richard Addison, and Dr. Terry Brown. Mr. Tim J. Swendseid and Messrs. Acuña and Addison had also previously visited the site in June 14th through June 16th, 2013, and Mr. Tim J. Swendseid from September 2nd through September 13th, 2012. During the site visits the Team inspected the mine, the ore processing plant, the tailings storage facility, the water supply system, the power distribution system the town built for the inhabitants of the Project area, and conducted general inspections of the Project area. The visits were also used to gain a better understanding of the Project status.

During the site visits, the Team had open discussions with the Company's personnel on technical aspects relating to the relevant issues. The Company's personnel were cooperative and open in facilitating RPM's work.

1.5 Information Sources

Several geology studies, feasibility studies, and design reports were provided for the Project. A full list of the relevant reports can be found in Annexure D.

1.6 Competent Person and Responsibilities

The statements of Mineral Resources and Ore Reserves have been reported in accordance with the recommended guidelines of the JORC Code and are suitable for inclusion in a CPR as defined by Chapter 18 of the Listing Rules.

1.6.1 Mineral Resources

The information in this report that relates to Mineral Resources is based on information compiled by Mr. Esteban Acuña who is a full-time employee of RPM and a Registered Member of the Chilean Mining Commission. Mr. Acuña has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he has undertaken to qualify as a Competent Person as defined in the JORC Code.

Reporting of the Mineral Resources estimate complies with the recommended guidelines of the JORC Code and is therefore suitable for public reporting.

Esteban Acuña

1.6.2 Ore Reserves

The information in this report that relates to Ore Reserves is based on information compiled by the Project and reviewed by Mr. Rondinelli Sousa who is a full time Senior Mining Engineer employed by RPM and is a Member of the American Society of Mining, Metallurgy & Exploration (SME). Mr. Sousa has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the JORC Code.

Rondinelli Sousa

1.6.3 HKEx Competent Person

Mr. Tim J. Swendseid meets the requirements of a Competent Person, as defined by Chapter 18 of the Listing Rules. These requirements include:

- Greater than five years' experience relevant to the type of deposit;
- Licensed Professional Engineer (P.E.) in Arizona, and Idaho, USA, which is a Recognized Professional Organization
- Does not have economic or beneficial interest (present or contingent) in any of the reported Relevant Assets;
- Has not received a fee dependent on the findings outlined in the Competent Person's Report;
- Is not an officer, employee or proposed officer for the Client or any group, holding or associated company of the issuer, and
- Assumes overall responsibility for the Competent Person's Report.

Tim Swendseid (Hong Kong Competent Person) (SME)

Mr. Swendseid is currently RPM's President of Consulting Services for the Americas, He has been employed by RPM for over three years, and during that time has been in charge and/or involved with mining project evaluation and consulting for over 39 projects, in 16 countries, involving 12 different mineral commodities. Additionally, he has provided advice and oversight for many additional mining projects undertaken by RPM during the past two years.

Prior to his employment at RPM, Mr. Swendseid worked for 27 years in various capacities for public mining companies. He served as the General Manager of a gold mine in Sonora, Mexico for Toronto-based Alamos Gold and as the Vice President, Engineering for Toronto-based Frontera Copper (which operated the Piedras Verdes project in Sonora, Mexico, an open pit copper mine and SXEW facility). He also served as Director of Mining (overseeing five copper mines that moved between 125,000 and 800,000 tonnes per day ("tpd")) at Phoenix-based Phelps Dodge, Mine Manager for two different mines at two different times (one a 350,000 tonnes per day open pit copper mine in Chile and one a 125,000 ton per day open pit copper mine in the USA), Chief Mine Planning Engineer (at an 800,000 tonnes per day open pit mine copper in the USA) also with Phelps Dodge and has held various other supervisory and engineering roles for major USA mining companies including Phelps Dodge and New York-based Asarco Inc.

Mr. Swendseid has been designated as a Chartered Financial Analyst by the CFA Institute. He also received an MBA from the Eller Graduate School of Management, University of Arizona and a B.S. in Mining Engineering from the Montana School of Mineral Science and Technology. Mr. Swendseid is a Registered Professional Engineer (Mining) in Arizona and Idaho, a member of the CFA Institute and Colorado CFA Society, a Registered Member of the Society of Mining, Metallurgy, and Exploration, Inc. and a member of the Instituto de Ingenieros de Minas de Chile. Mr. Swendseid is also a member of the Strategic Committee on Finance for the Society of Mining, Metallurgy and Exploration, Inc.

Throughout his career, Mr. Swendseid has accumulated extensive relevant experience applicable to the type and style of mineralisation and operation of the Project. Since joining RPM, Mr. Swendseid has lead numerous technical reviews of NI 43-101 and JORC Technical Reports and a summary of Mr. Swendseid's relevant experience of preparing and reviewing technical reports (both JORC and NI 43-101) are provided in the table below.

In preparing the HKEx CPR for Las Bambas which includes JORC Resource and Reserve Statements, Mr. Swendseid adhered to RPM's internal quality assurance and quality control process for public reports. This ensures that the report was peer reviewed by experts who have extensive experience in reporting to the HKEx requirements and to JORC requirements. RPM's Independent Public Reporting Capability Management has been established by RPM as part of its Capability Leadership Model to serve as both guidelines for and to provide assistance with the preparation of public reports by setting standards and processes for technical risk management, internal compliance and control policies and procedures for Public Reporting. These guidelines also serve to ensure that RPM applies consistency in the approach taken for public reporting globally. RPM have a strong history of successfully preparing JORC and HKEx compliant Competent Persons' Reports (**See Annexure A**).

Table 1-1 HKEx CP Experience List

Report Date	Company	Place of listing of Company	Mineral	Reporting Standard	Level of Involvement
March-2008	Frontera Copper	Toronto Stock Exchange	Copper (porphyry)	NI 43-101	"Qualified Person", as defined under Canadian National Instrument 43-101 and was the lead author of the report, taking overall responsibility.
Nov 2011	HudBay-- Constancia Project	Toronto Stock Exchange	Copper (porphyry)	NI 43-101	Overall responsibility of providing independent technical project review for lenders
Feb 2012	Fortescue—155 MT expansion project	Australia Stock Exchange	Iron Ore	JORC	Overall responsibility of providing independent technical project review for lenders
April 2012	Mercator Minerals—El Pilar Project	Toronto Stock Exchange	Copper (exotic)	NI 43-101	Overall responsibility of providing independent technical project review for lenders
June 2012	Arcelor Mittal --Las Truchas Property	New York Stock Exchange, Amsterdam Stock Exchange, Paris Stock Exchange, Luxembourg Stock Exchange and on the Spanish stock exchanges of Barcelona, Bilbao, Madrid and Valencia.	Iron Ore	US SEC and others	Overall responsibility for district optimization and provide life of mine plan that can be used for ore reserve estimation purposes
July 2012	Baja Mining—Boleo Project	Toronto Stock Exchange	Copper / cobalt (sedimentary)	NI 43-101	Overall responsibility of providing independent technical project review for lenders plus lead construction monitoring effort for lenders
June 2013	Sulliden—Shahuindo Project	Toronto Stock Exchange	Gold	NI 43-101	Overall responsibility of providing independent technical project review for lenders
Sept 2013	Glencore—Las Bambas Project	London Stock Exchange, Hong Kong Stock Exchange, Johannesburg Stock Exchange	Copper (Porphyry)	JORC	Overall responsibility of providing independent technical Due Diligence Review for Glencore's use to market the Las Bambas Property

1.6.4 Team Responsibility

As part of the Team, members who have worked to compile this report include the following:

- Mr Richard Addison – Richard was responsible for Project management, infrastructure and processing and metallurgical flowsheet and parameter review.
- Mr Terry Brown – Terry was responsible for the review of the enviromental and social aspects of the Project.
- Mr Esteban Acuna – Esteban was responsible for review the drill hole database and estimation of the Mineral Resources stated within this Report.
- Mr Rondinelli Sousa – Rondinelli was responsible for review the mining parameters, undertaking of mine scheduling and estimation of the Ore Reserves stated within this Report.
- Mr Pedro Repetto – Pedro was responsible for the review of the infrastructure designs and costing's.

- Mr Tim Swendseid – Tim was responsible for the supervision of all Team members, their work and the compilation of the Report. Tim assumes responsibility of the Report as Competent Person.

- Mr Jeremy Clark – Jeremy was responsible for the internal peer review of the Report.

1.7 Limitations and Exclusions

RPM's review was based on various reports, plans and tabulations provided by MMG or the Company either directly from the mine site and other offices, or from reports by other organisations whose work is the property of the MMG or the Company. Neither MMG or the Company has not advised RPM of any material change, or event likely to cause material change, to the operations or forecasts since the date of asset inspections.

The work undertaken for this Report is that required for a technical review of the information, coupled with such inspections as the Team considered appropriate to prepare this Report.

It specifically excludes all aspects of legal issues, commercial and financing matters, land titles and agreements, except such aspects as may directly influence technical, operational or cost issues and where applicable to the JORC Code guidelines.

RPM has specifically excluded making any comments on the competitive position of the Relevant Asset compared with other similar and competing producers around the world. RPM strongly advises that any potential investors make their own comprehensive assessment of both the competitive position of the Relevant Asset in the market, and the fundamentals of the copper, molybdenum, and gold markets at large.

1.7.1 Limited Liability

This Report has been prepared by RPM for the purposes of MMG for inclusion in its Circular in respect of the proposed acquisition of the Project in accordance with the Listing Rules and is not to be used or relied upon for any other purpose. RPM will not be liable for any loss or damage suffered by a third party relying on this report or any references or extracts therefrom contrary to the purpose (regardless of the cause of action, whether breach of contract, tort (including negligence) or otherwise) unless and to the extent that RPM has consented to such reliance or use.

1.7.2 Responsibility and Context of this Report

The contents of this Report have been based upon and created using data and information provided by or on behalf of MMG or the Company. RPM accepts no liability for the accuracy or completeness of data and information provided to it by, or obtained by it from MMG, the Company or any third parties, even if that data and information has been incorporated into or relied upon in creating this report. The report has been produced by RPM in good faith using information that was available to RPM as at the date stated on the cover page and is to be read in conjunction with the circular which has been prepared and forms part of the referenced transaction.

This report contains forecasts, estimates and findings that may materially change in the event that any of the information supplied to RPM is inaccurate or is materially changed. RPM is under no obligation to update the information contained in the report.

Notwithstanding the above, in RPM's opinion, the data and information provided by or on behalf of MMG or the Company was reasonable and nothing discovered during the preparation of this Report suggests that there was an significant error or misrepresentation of the such data or information.

1.7.3 Indemnification

MMG has indemnified and held harmless RPM and its subcontractors, consultants, agents, officers, directors, and employees from and against any and all claims, liabilities, damages, losses, and expenses (including lawyers' fees and other costs of litigation, arbitration or mediation) arising out of or in any way related to:

- RPM's reliance on any information provided by MMG and the Company; or

- RPM's services or materials; or
- Any use of or reliance on these services or material,

save and except in cases of death or personnel injury, property damage, claims by third parties for breach of intellectual property rights, gross negligence, wilful misconduct, fraud, fraudulent misrepresentation or the tort of deceit, or any other matter which be so limited or excluded as a matter of applicable law (including as a Competent Person under the Listing Rules), and regardless of any breach of contract or strict liability by RPM.

1.7.4 Mining Unknown Factors

The findings and opinions presented herein are not warranted in any manner, expressed or implied. The ability of the operator, or any other related business unit, to achieve forward looking production and economic targets is dependent upon numerous factors that are beyond RPM's control and which cannot be fully anticipated by RPM. These factors include site specific mining and geological conditions, the capabilities of management and employees, availability of funding to properly operate and capitalise the operation, variations in cost elements and market conditions, developing and operating the mine in an efficient manner, etc. Unforeseen changes in legislation and new industry developments could substantially alter the performance of any mining operation.

1.7.5 Capability and Independence

RPM provides advisory services to the mining and finance sectors. Within its core expertise it provides independent technical reviews, resource evaluation, mining engineering and mine valuation services to the resources and financial services industries.

RPM has independently assessed the Relevant Assets of the Project by reviewing pertinent data, including resources, reserves, manpower requirements and the life of mine plans relating to productivity, production, operating costs and capital expenditures. All opinions, findings and conclusions expressed in this Report are those of RPM and its specialist advisors.

Drafts of this Report were provided to MMG, but only for the purpose of confirming the accuracy of factual material and the reasonableness of assumptions relied upon in this Report.

RPM has been paid, and has agreed to be paid, professional fees based on a fixed fee estimate for its preparation of this Report. Its remuneration is not dependent upon the findings of this Report or on the outcome of the transaction.

None of RPM or its directors, staff or specialists who contributed to this Report have any economic or beneficial interest (present or contingent), in:

- the Project, securities of the companies associated with the Project or that of MMG; or
- the right or options in the Relevant Assets; or
- the outcome of the proposed transaction.

This CPR was compiled on behalf of RPM by the signatories to this CPR, details of whose qualifications and experience are set out in Annexure A of this CPR. The specialists who contributed to the findings within this CPR have each consented to the matters based on their information in the form and context in which it appears.

2 Project Overview

The Project is contained within 41 mining concessions (***Figure 3-1***) and consists of several discrete Cu-Mo deposits which occur as large, semi-vertically oriented porphyry/skarn emplacements in zones of approximately 3 sq. km (300 ha) each. Exploration works within the Project area commenced in 1966 and has primarily focussed on 3 separate deposits, namely Ferrobamba, Chalcobamba, and Sulfobamba; however, several other high priority targets have been identified as part of systematic exploration efforts. These 3 main deposits occur as clustered bodies which range in thickness between 20m and 100m and surround magmatic bodies which have intruded sedimentary units. The bodies are vertically continuous with current drilling delineating mineralisation continuous from surface to over 600m in depth at Ferrobamba. These large scale mineralised bodies are planned to be exploited via open pit methods with initial ore production planned to occur mid-September 2015 from the Ferrobamba deposit however full ore production will not be achieved until 2016. The Project is currently in the late stages of project development with pre-stripping occurring on the Ferrobamba deposit and construction of various major infrastructure items well advanced. The initial 5 years of operations will have all ore sourced from the Ferrobama open pit after which time the other 2 deposits will add additional ore sources in parallel with Ferrobamba at various times throughout the mine life.

Ore processing is scheduled to commence in September 2015 with full throughput capacity of 51 million tonnes per annum ("Mtpa") or 140 ktpd forecast to be achieved in 2016. The Project will generate two separate Cu and Mo concentrates with grades of approximately 36.4% Cu and 50% Mo. The two concentrates are planned to be trucked 710 km to the port of Matarani, located about 100 km southwest of Arequipa (***Figure 2-1***). The product is planned to be sold to predominately Chinese customers.

Based on RPM's Ore Reserves estimates, the Life of Mine ("LOM") is forecast to be approximately 21 years as at the 1st of January 2014 with pre-stripping planned and ore stocking commencing in 2014 and production planned to continue through to year 2034, processing approximately 51 million tonnes ("Mt") of Ore per year to produce on average 800 kilo tonnes ("kt") of Cu and 11 kt of Mo concentrates per year over the entire life of the mine.

2.1 Project Location and Access

The Project is a world class copper gold (Cu-Au) mine located in the Andes of southern Peru approximately 75 km south-southwest of Cusco, approximately 300 km north-northwest of Arequipa, and approximately 150 km northeast of Espinar (also named Yauri) (***Figure 2-1***). The Project is readily accessible from either Cusco or Arequipa over a combination of paved and good quality gravel roads. Road travel from Cusco takes approximately 6 hours, while road travel from Arequipa takes approximately 9 hours.

2.2 Regional Environment

2.2.1 Geography

The geography in the region consists of undulating hills which range in elevation from 3,500 m to 4,200 m above sea level ("masl"). Slopes are generally moderate to steeply inclined around the Project area. There are no naturally propagated trees in the area and the ground cover generally consists of low grass and small shrubs.

2.2.2 Climate

The regional .climate is cold and dry in the summer and cool and wet in the winter. Temperatures range between 0°C and 14°C with averages of 11°C in summer and 5°C in winter. Annual precipitation averages 1.3 m.

2.2.3 Industry

The main industry in the area surrounding the Project is subsistence farming and livestock rearing. The main crop is potatoes while the main livestock are sheep and poultry. In a wider regional context there is large scale open pit copper mining at the Antapaccay mine 150 km to the southeast, whilst HudBay Minerals is in the process of developing the Constancia mine located midway between the Project and Antapaccay.

RungePincockMinarco

FIGURE 2-1

MMG Limited

Las Bambas Project

Location Map

Project No : ADV-HK-03759

2.3 Regional and Local Infrastructure

There is limited established infrastructure in the region to support large scale mining activities, accordingly substantial infrastructure is being constructed as part of the development the Project. This infrastructure has included as of May, 2014 road improvements, construction of new access roads; building a water supply system to support the planned production rates; constructing power connection to the national grid; constructing all the typical non mine related surface buildings such as offices, workshops, warehouses, and laboratories; building a town to house residents displaced by the Project; adapting the construction camps for employee housing; and constructing communication towers to connect to Cusco and Yauri. In addition substantial mine related infrastructure is planned to be constructed, including the processing plant, etc.

Arequipa is the principal town in the region serving the mining industry and the primary source of consumables and services which will be required by the Project. The port of Matarani is located approximately 100 km south-southeast of Arequipa and serves as a major concentrate shipment port for copper mines in the region and will be expanded by third parties to accommodate the concentrates from the Project as well as other nearby projects.

2.4 Future Studies and Expansion Option Studies

The only future studies of which RPM are aware are additional drilling to expand the Resources base in areas that have been precluded up to now because of the presence of local residents and the assessment of the construction of a concentrate pipeline from the mine to Matarani. The probability of significantly expanding the Resources base with additional drilling is high. The construction of a concentrate pipeline could be economically viable and add to the economic value of the Project.

3 Licences and Permits

3.1 Mineral Concessions and Surface Rights

The Project is contained within 41 mining concessions (***Figure 3-1***) which are currently held by the Company.

The Project possesses all of the mineral rights (concessions) and surface rights necessary to fully develop the Project at the forecast rate as detailed in ***Annexure E***. RPM does however note that a number of occupants still reside within the concession area and the Company is in the process of relocating them as described in ***Section 14***.

RPM provides this information for reference only and recommends that land titles and ownership rights be reviewed by legal experts.

3.2 Water Rights

Numerous water rights are required for the Project, while the majority of the permits have been received a surface water acquisition permit is still outstanding as summarized in ***Table 3-1***. RPM notes that the outstanding permits will not have an impact on the forecast production rate and is expected to be granted to ensure full production can be achieved.

Table 3-1 Water Rights Summary

Authorization Item	# Permits Required	Comments
To Perform Studies	3	All received
To Use Water for Construction of the Project	10	All received
For Specific Uses of Water	3	All received
For Works that Cross Natural Waterways	4	All received
For Construction of Heavy Haul Road	40	All received
For Work in Waterways for Heavy Haul Road Construction	7	All received
To Use Surface Water for Operation from the **Challhuahuacho** River	3	Pending
To Use Underground Water for Operation	4	All Received

Source: Supplied by the Company

Note: RPM provides this information for reference only and recommends that land titles and ownership rights be reviewed by legal experts.

3.3 Other Rights-of-Way and Expansion and Usage Permits

The right-of-way for the power transmission line is ongoing as rePlan has been contracted to support Abengoa, the third party responsible for construction. At this time the EIS for the Port Expansion has been approved and the archaeological clearances have been obtained. Acquisition of applicable permits is ongoing.

3.4 Environmental and Operating Permits

The Project currently holds numerous environmental, construction, and operating permits. ***Annexure E*** outlines the current licences and permits held.

RPM provides this information for reference only and recommends that land titles and ownership rights be reviewed by legal experts.

For further information refer to ***Section 14.5*** and ***Annexure E***.

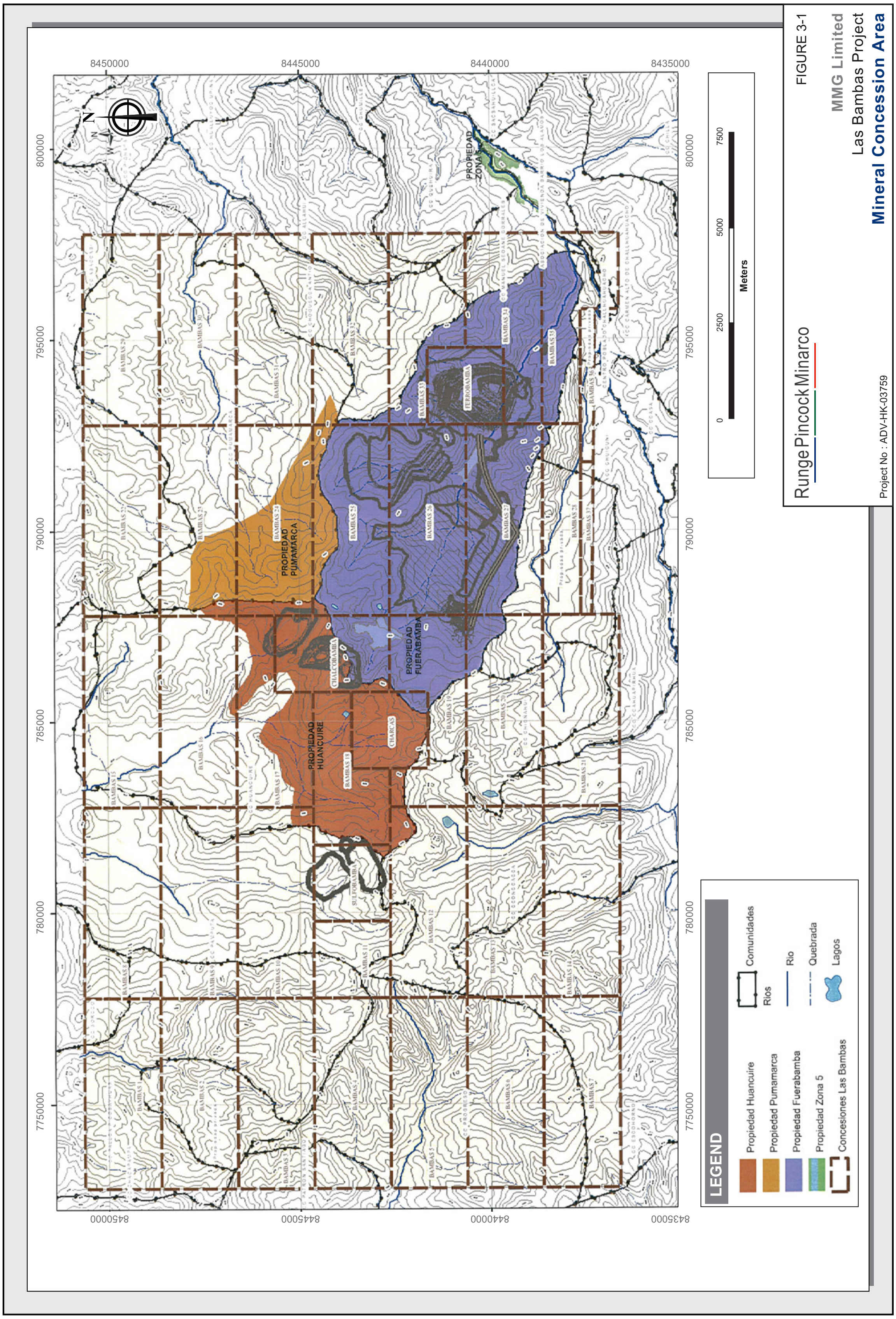


FIGURE 3-1
MMG Limited
Las Bambas Project
Mineral Concession Area
Runge Pincock Minarco
Project No : ADV-HK-03759
Meters
0
2500
5000
7500
PROPIEDAD PUMAMARCA
PROPIEDAD FUERABAMBA
PROPIEDAD HUANCUIRE
PROPIEDAD ZONA 5
CHALCOBAMBA
FERROBAMBA
SULFOBAMBA
CHARCAS
LEGEND
Propiedad Huancuire
Propiedad Pumamarca
Propiedad Fuerabamba
Propiedad Zona 5
Concesiones Las Bambas
Comunidades
Rios
Rio
Quebrada
Lagos
8450000
8445000
8440000
8435000
800000
795000
790000
785000
780000
775000

4 Project History

4.1 Exploration History

The Project has a long history of exploration by the current and previous owners which commenced in 1966 with over 343 km of surface diamond drilling to date. As outlined in ***Table 4-1***, Cerro de Pasco completed the initial works followed by Cyprus, Phelps Dodge, BHP, Tech, and Pro Invest prior to Xstrata resource definition drilling which commenced in 2005. The current owners gained the rights to the project following the purchase of Xstrata in 2013.

Table 4-1 Exploration Campaign Summary

Company	Year	Deposit	Purpose	Type	# of DH	Meters Drilled
Cerro de Pasco	1966	Chalcobamba	Exploration	DDH	6	906.44
Cyprus	1996	Chalcobamba	Exploration	DDH	9	1,367.31
Phelps Dodge	1997	Ferrobamba	Exploration	DDH	4	737.80
		Chalcobamba			4	653.40
BHP	1997	Ferrobamba	Exploration	DDH	3	365.80
		Chalcobamba			4	658.55
Teck	1998	Chalcobamba	Exploration	DDH	4	875.10
Pro Invest	2003	Ferrobamba	Exploration	DDH	4	738.00
		Chalcobamba			7	1,590.00
			Sub-Total			**7,892.40**
Xstrata	2005	Ferrobamba	Resource Evaluation	DDH	109	26,839.90
		Chalcobamba			66	14,754.10
		Sulfobamba			60	14,406.20
	2006	Ferrobamba	Resource Evaluation	DDH	125	51,004.15
		Chalcobamba			95	27,904.70
		Sulfobamba			60	16,508.25
		Charcas			8	2,614.05
		Azuljaja			4	1,968.85
	2007	Ferrobamba	Resource Evaluation	DDH	131	46,710.35
		Chalcobamba			134	36,617.55
		Sulfobamba			22	4,996.60
	2008	Ferrobamba	Resource Evaluation	DDH	103	40,546.45
		Chalcobamba			90	22,096.60
	2010	Ferrobamba	Resource Evaluation	DDH	91	28,399.85
			Sub-Total		**1,098**	**335,367.60**
			Total		**1,143**	**343,260.00**

Source: Provided by the Company

4.2 Mining History

While no production has occurred as at the effective date of this Report, land clearing of the Ferrobamba open pit began in 2013 in preparation for the commencement of pre-stripping in 2014. Pre-stripping will be ramped-up in late 2014 with initial ore production forecast in late 2015 and full production planned in 2016.

5 Geology

RPM has reviewed the geology within the Project area, on both a regional and deposit scale and considers the geology is well understood and developed through the generation of geological maps, stratigraphic definitions (sedimentary sequence, dating and intrusive history), geological cross sectional interpretations, and three-dimensional models.

Table 5-1 below outlines the various rocks types identified in the region and their associated abbreviations used in all technical documentation pertaining to this project and this Report.

Table 5-1 Rock Type Abbreviations

Rock	Abbreviation	Deposit		
		Ferrobamba	Chalcobamba	Sulfobamba
Tuff	Toba	✓	×	×
Sandstone	SND	✓	×	×
Shale	SHL	✓	×	×
Exoskarn	SK	✓	✓	✓
Magnetic Exoskarn	MSK	×	✓	✓
Hornfels	HFL	×	✓	×
Marble	MBL	✓	✓	✓
Calc-silica Marble	MBC	✓	×	×
Endoskarn	ENDO	✓	✓	✓
Breccia	BX	✓	✓	✓
Diorite	DI	×	✓	✓
Biotitic Monzonite	MZB	✓	✓	×
Horblendic Monzonite	MZH	✓	✓	×
Mafic Monzonite	MZM	✓	✓	✓
Quartz Monzonite	MZQ	✓	✓	×
Quartz-Feldspar Porphyry	QPF	×	✓	✓
Seriated Quartz-Feldspar Porphyry	QFS	×	×	✓
Fine Biotitic Monzonite	MBF	✓	×	×
Latite	LA	×	×	✓
Quaternary	QT	×	✓	×

5.1 Geologic Environment and Mineralisation Style

The currently defined deposits considered to be Cu-Mo-Au skarn mineralised bodies associated with the porphyry system belt in south-eastern Peru. This metallogenic belt is controlled by the Eocene-Oligocene Andahuaylas-Yauri Batholith, which intrudes Mesozoic sedimentary units, including the Ferrobamba formation (lower-to-upper Cretaceous). ***Figure 5-1*** shows the regional geological map.

The Andahuaylas-Yauri Batholith was emplaced south of the "Abancay Deflection" with NW-SE, NE-SW lineaments and others that were generated principally by the Andean Orogeny. The contact between the batholith and the Ferrobamba limestone has been metasomatically altered to form the skarn bodies which host the Cu-Mo-Au mineralisation within the Project.

5.1.1 Intrusion Phases

The Eocene-Oligocene magmatic activity in south-eastern Peru emplaced calc-alkaline intrusive bodies known as the Andahuaylas-Yauri Batholith (300 km x 60 km) was emplaced in multiple intrusive phases. These intrusives are localised by the generally NW – SE striking regional Andean lineaments, such as the major Berenguela-Tintaya-Katanga-Las Bambas-Cotabambas lineament.

Five main intrusive phases can be distinguished in the magmatic sequence which dominates the Andahuaylas-Yauri copper belt:

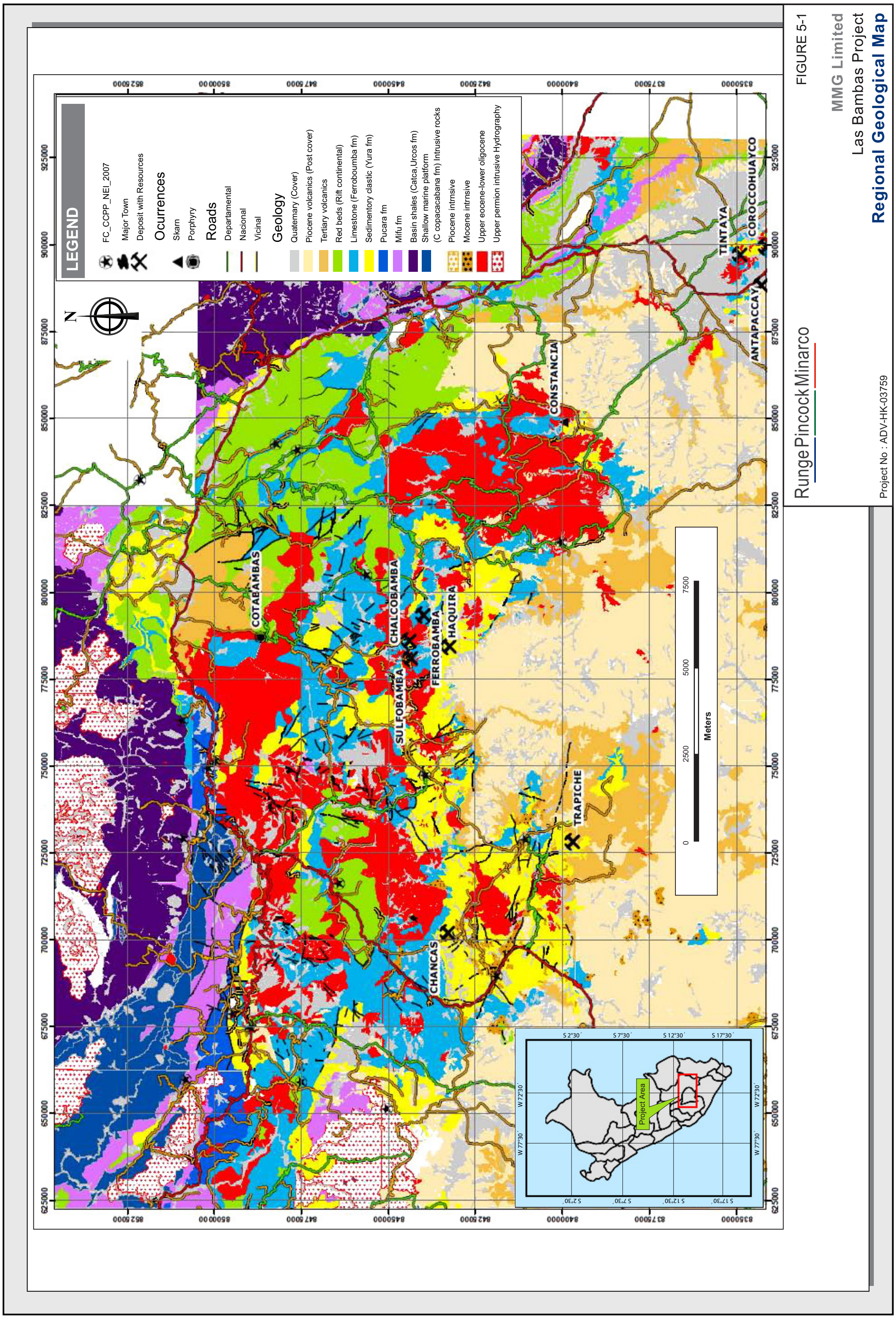
- Emplacement of principally fine-to-medium grained diorite with radiometric ages between 43 and 40 million years (Ma)

- Intrusion of light to dark grey equigranular granodiorite and granodiorite-hornblende porphyries with radiometric ages between 39 and 37 Ma.

- Intrusion of monzonite, quartz monzonite, and quartz diorite porphyry stocks: Associated with this stage is the hydrothermal copper mineralisation event of the Andahuaylas – Yauri Belt. Evidence of the alteration and mineralisation, both in the monzonite and the host rocks it intrudes, are recognized in mineralisation centers such as in the deposits of Tintaya, Katanga, Huinchos, Ferrobamba, Chalcobamba, Sulfobamba, Los Chancas and other less important centers. At these mineralisation centers, garnet-pyroxene-magnetite skarn bodies have developed in the sediments and the intrusives. The radiometric ages of the alteration-mineralisation vary from 38 to 32 Ma.

- Subsequent to the mineralisation event, small, barren, quartz-monzonite stocks and dikes with very well developed quartz and orthoclase phenocrysts were emplaced. They show no alteration or associated mineralisation.

- The final phase was the emplacement of dikes and small stocks, principally dacites and andesites that are evidently post-mineralisation rocks. In certain cases these rocks envelope the mineralized zones and substantially reduce their volume.



LEGEND
FC_CCPP_NEI_2007
Major Town
Deposit with Resources
Ocurrences
Skarn
Porphyry
Roads
Departamental
Nacional
Vicinal
Geology
Quaternary (Cover)
Piocene volcanics (Post cover)
Tertiary volcanics
Red beds (Rift continental)
Limestone (Ferroboumba fm)
Sedimentory clastic (Yura fm)
Pucara fm
Mifu fm
Basin shales (Catca,Urcos fm)
Shallow marine platform
(C copacacabana fm) Intrusive rocks
Piocene intrnsive
Mocene intrnsive
Upper eocene-lower oligocene
Upper permion intrusive Hydrography
COTABAMBAS
CHALCOBAMBA
SULFOBAMBA
FERROBAMBA
HAQUIRA
CHANCAS
TRAPICHE
CONSTANCIA
ANTAPACCAY
TINTAYA
COROCCOHUAYCO
Meters
Project Area
FIGURE 5-1
MMG Limited
Las Bambas Project
Regional Geological Map
RungePincockMinarco
Project No : ADV-HK-03759

5.1.2 Sedimentary Rocks

The general sequence of sedimentary rocks includes Cretaceous-age sandstones units of the Soraya formation which are overlain by calcareous clastic lutites and sandstones of the Mara formation which, in turn, are overlain by limestones and cherts of the Ferrobamba formation.

The typical stratigraphic sedimentary column is shown in ***Figure 5-2***.

5.1.3 Structural Geology

As a part of regional geology, the current owners have defined the structural geology from multiple sources. RPM extracted the following from the The Company feasibility study ("FS").

The regional setting of the Project is on the southern edge of the Abancay Deflection (12° to 14° South Latitude). This structure is characterized by a change in the trend of the Peruvian Andes Mountains from NW-SE to E-W for more than 200 km as a consequence of the differential collision of the dorsal portion of the Nazca Plate with the Peruvian Pacific littoral margin.

The Project is in the porphyry/skarn Cu-Mo-Au belt termed the Andahuaylas-Yauri skarn belt situated in southeast Peru in a zone attributed to the Eocene-to-Early-Oligocene Inca Orogeny. This metallogenic belt is hosted mainly in the Andahuaylas-Yauri Batholith, which has multiple calc-alkaline intrusions. The Inca Orogeny produced the primary deformations which are faulting and folding. Locally, the monzonites associated with the Ferrobamba, Chalcobamba, Charcas, Sulfobamba and Azuljaja deposits adhere to a WNW-ESE structural lineament in the same direction as the trend of the Andahuaylas–Yauri batholith.

5.1.4 Alteration

Similar to the mineralisation zonation, alteration zonation is commonly observed within the porphyry style of mineralisation. Alteration is the result of hydrothermal fluid flow (from the source granitic intrusives) which changes the mineralogy of the rocks. As with all deposit styles which result from hydrothermal fluid flow, it is important to note that the hydrothermal fluid forming the alteration has the same source as the Cu and Au. As a result, there is a direct relationship between the alteration and mineralisation. The type and variation in alteration is controlled by the varying structural complexities within each deposit, the resultant dilatational features of the rock i.e. path which the hydrothermal fluid flow takes, and the chemistry of the host rocks and porphyry bodies.

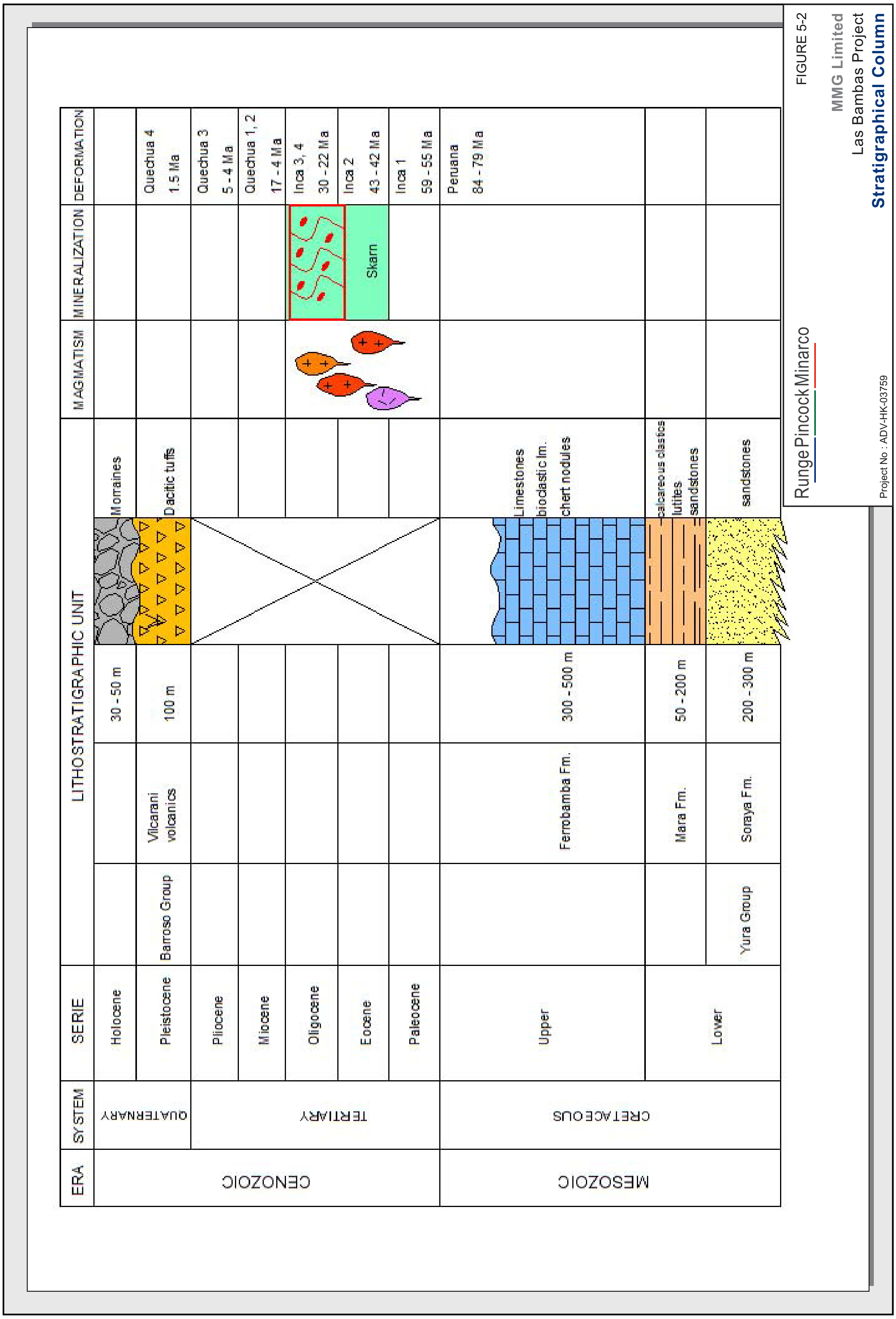
Typical of deposits with hydrothermal styles of mineralisation, the alteration zones developed within the Project are complex. Although similar styles of alternations are observed, due to variations in host rock chemistry, structural features and underlying geological factors, variations occur in both the zonation composition and sizes. All deposits within the Project tend to have a central K-feldspar alteration zone associated with the quartz-monzonite porphyry core, which is surrounded by a biotite-magnetite alteration zone; however several significant variations occur from this model.

5.2 Mineralisation Style

The deposits within the Project are typical porphyry Cu systems in that the mineralisation and alteration are zoned around quartz monzonite porphyry intrusives. The porphyritic intrusives are narrow pipes (typically less than 50 m in diameter); they are, however, vertically extensive (greater than 900 m). Mineralisation is associated within these porphyritic pipes also extends into the host lithology.

Mineralisation within the Project occurs in the form of the Cu sulphide minerals namely chalcopyrite, bornite and covellite, while gold occurs as a dissolution state predominately within the bornite sulphide crystals. Sulphide mineralisation is closely associated with quartz stockwork veins, occurring as disseminations and fracture coatings within the porphyry pipe. These stockworks and hydrothermal solutions are sourced from other granitic intrusive bodies.

Typical of porphyry style deposits, mineralisation is strongly zoned with the highest grades generally associated with the most intense stockwork veining in the central portion of the porphyry. Sulphide species in the systems are zoned, from bornite-dominant cores centered on the quartz monzonite porphyries, outwards through a chalcopyrite-dominant zone to distal pyrite. As the Cu grade increases (approximately >1.2% Cu), the content of covellite, digenite and chalcocite associated with the bornite mineralisation also increases.


ERA
SYSTEM
SERIE
LITHOSTRATIGRAPHIC UNIT
MAGMATISM
MINERALIZATION
DEFORMATION
CENOZOIC
MESOZOIC
QUATERNARY
TERTIARY
CRETACEOUS
Holocene
Pleistocene
Pliocene
Miocene
Oligocene
Eocene
Paleocene
Upper
Lower
Barroso Group
Vilcarani volcanics
Ferrobamba Fm.
Mara Fm.
Yura Group
Soraya Fm.
30 - 50 m
100 m
300 - 500 m
50 - 200 m
200 - 300 m
Morraines
Dacitic tuffs
Limestones
biodastic lm.
chert nodules
calcareous clastics
lutites
sandstones
sandstones
Skarn
Quechua 4
1.5 Ma
Quechua 3
5 - 4 Ma
Quechua 1, 2
17 - 4 Ma
Inca 3, 4
30 - 22 Ma
Inca 2
43 - 42 Ma
Inca 1
59 - 55 Ma
Peruana
84 - 79 Ma
RungePincockMinarco
Project No : ADV-HK-03759
FIGURE 5-2
MMG Limited
Las Bambas Project
Stratigraphical Column

5.3 Deposit Geology

The FS describes in detail the local geology which has been defined by field mapping, drill hole logging, and sampling data. Below is an extract from this report.

The rocks in the Project's deposits consist of acid to intermediate intrusives (granodiorite - monzonite) emplaced into a sedimentary sequence of the lower to upper Cretaceous, mainly the Ferrobamba formation limestone. Figure 5-3 shows the local geology in the district.

Some intrusives generated irregular skarn bodies of garnet, pyroxene and magnetite. In general, these intrusions have a WNW-ESE alignment that is similar to the WNW-ESE trending Andahuaylas–Yauri batholith. The monzonite associated with the Ferrobamba, Chalcobamba, Charcas, Sulfobamba and Azuljaja deposits exhibits potassic alteration with secondary biotite, potassic feldspar and magnetite (a zone of higher temperature), gradating to a propylitic alteration, with epidote, chlorite, pyrite and traces of chalcopyrite towards the edges.

The geology for the 3 defined deposits are discussed in detail in the following sections, whilst based on the information provided in the FS this includes RPM's observations made during the site visit.

5.3.1 Ferrobamba

The Ferrobamba deposit is in the southeast portion of the district (Figure 5-3) and is currently at the moment, the area with the greatest economic interest for its Cu mineralisation and additional Mo, Au and Ag content. It covers an area of approximately 300 hectares (ha). The mineralisation is found in the intrusives as vein-veinlets and disseminated grains and also into the irregular skarn bodies in the limestone sequence of the Ferrobamba formation that surrounds the mineralized intrusives (Figure 5-4).

A thick calcareous sequence of the Ferrobamba formation crops out in the area. The sequence is made up of chert-limestone intervals, fossil-bearing and bioclastic limestones, and impure limestones with fine clasts. In general, strata azimuths vary from 100° to 130° and dips from 50° to 60° in the north to nearly horizontal in the south.

The Ferrobamba formation is intensely folded due to the tectonic events occurring in the upper Mesozoic and lower most Cenozoic and has been cut through by several phases of intrusions.

- The first intrusive phase is a medium-to-coarse grained porphyritic biotite monzonite (MZB) with biotite phenocrysts up 4 mm and seriated plagioclase. MZB covers a large part of the southern area and is one of the phases that formed the garnet – pyroxene > magnetite skarn bodies, which contain chalcopyrite, bornite and molybdenite mineralisation associated with secondary biotite, orthoclase and magnetite.

- The second and third phases, termed fine biotite monzonite (MBF1 and MBF2), exhibit medium-to-coarse grain size, and porphyritic texture. The phenocrysts are irregular quartz eyes and bimodal-sized plagioclase crystals; the MBF1 - MBF2 distinction is that the first has biotite phenocrysts and the second has small biotite crystals. This phase formed garnet - pyroxene > magnetite skarn bodies with chalcopyrite and bornite mineralisation. The porphyry is also mineralized with chalcopyrite, bornite and molybdenite in quartz veinlets and as disseminated grains. The copper mineralisation is associated with potassic alteration which includes secondary biotite, orthoclase and magnetite. For modelling purposes, they were grouped into one single unit called MBF.

- The fourth phase corresponds to a medium-to-fine-grained mafic monzonite (MZM), with a high content of mafic minerals (hornblende>biotite), seriated plagioclase, and scarce quartz eyes. It was intruded in the northern area and generated garnet - pyroxene > magnetite skarn bodies in the Ferrobamba limestones. It has potassic alteration of secondary biotite, orthoclase and magnetite.

- The fifth phase is a hornblende monzonite (MZH) that contains medium-grained short tubular plagioclase and prismatic hornblende crystals. It is found in the central portion of the deposit and has dikes radiating in different directions. This phase cuts through and enriches the skarn bodies with quartz veinlets containing chalcopyrite, bornite and molybdenite.

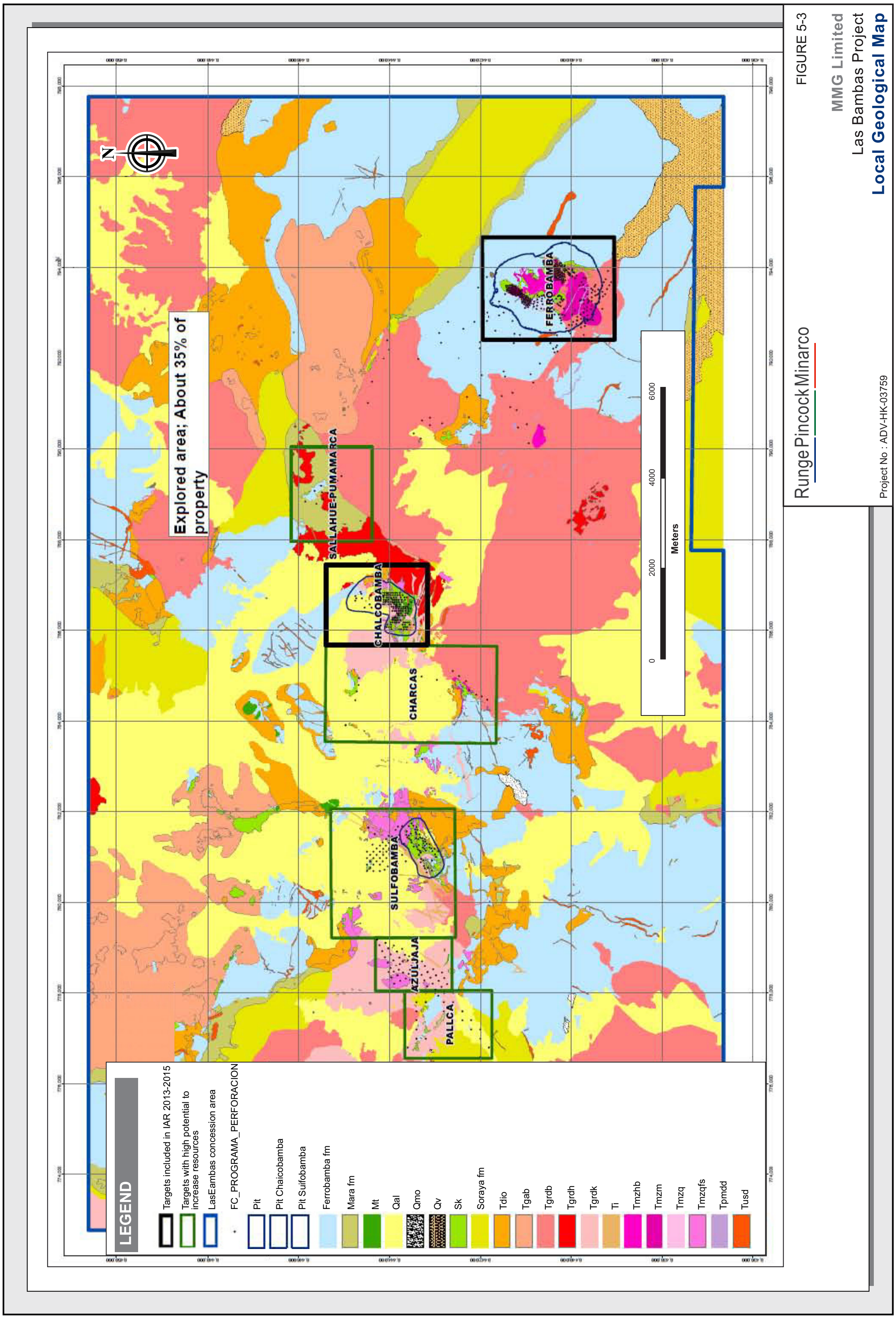
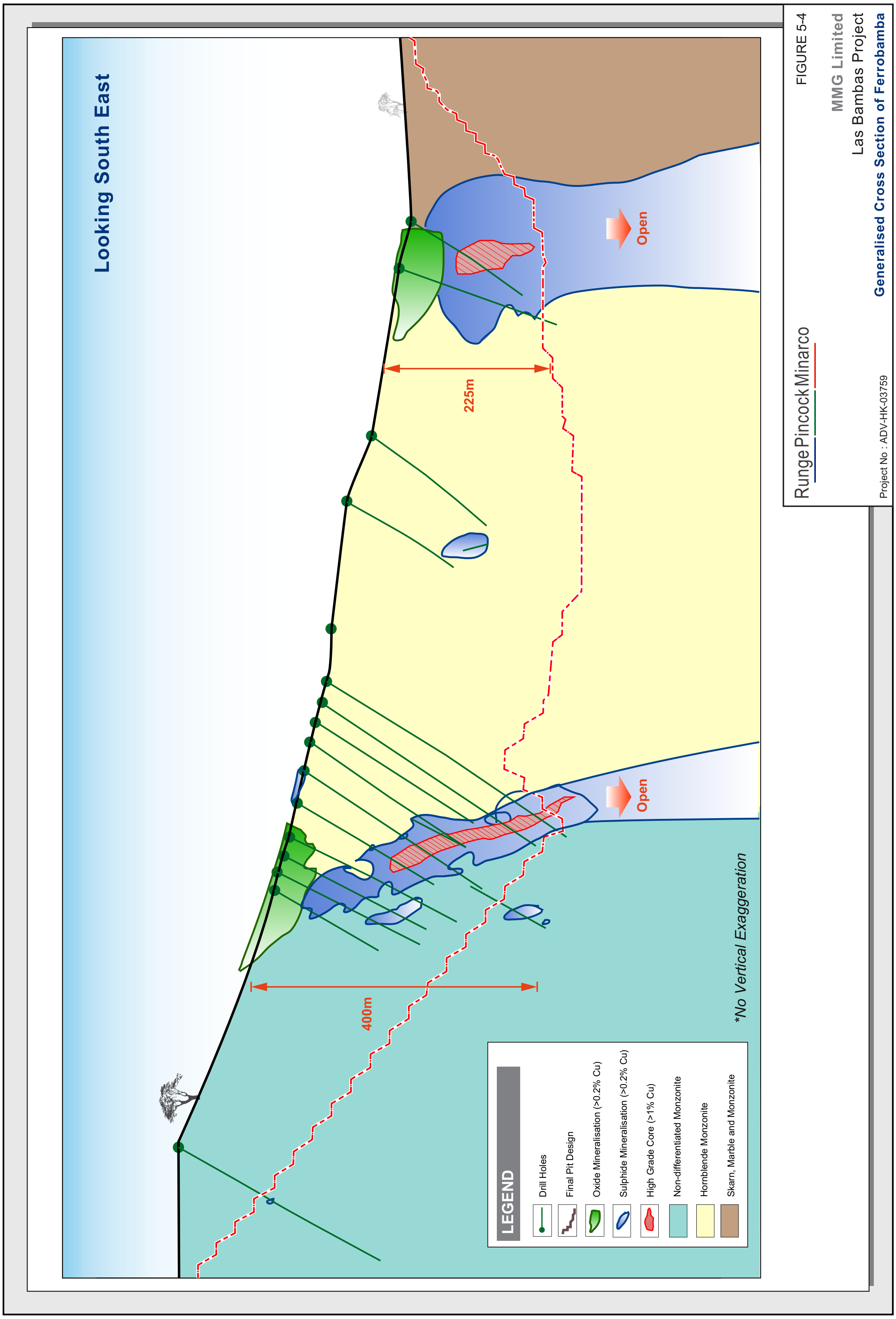


FIGURE 5-3
MMG Limited
Las Bambas Project
Local Geological Map


Looking South East
225m
400m
Open
Open
*No Vertical Exaggeration
LEGEND
Drill Holes
Final Pit Design
Oxide Mineralisation (>0.2% Cu)
Sulphide Mineralisation (>0.2% Cu)
High Grade Core (>1% Cu)
Non-differentiated Monzonite
Hornblende Monzonite
Skarn, Marble and Monzonite
FIGURE 5-4
MMG Limited
Las Bambas Project
Generalised Cross Section of Ferrobamba
Runge Pincock Minarco
Project No : ADV-HK-03759

- A late barren phase of medium-grained porphyritic quartz monzonite (MZQ) has quartz eyes (< 15%) and short tubular plagioclases. It occurs as NW-SE trending dikes which cut all of the above units.

There are three primary factors that promote the formation of skarn bodies:

- The composition of the hydrothermal fluids associated with the intrusion phases
- The limestone permeability (especially those containing clastic materials)
- The dip of the strata (50° to 60°) towards the sources of intrusion.

The alteration includes skarnification, hornblende-marbleization, and potassic and propylitic alteration.

- The garnet and pyroxene skarn (GSK and PSK) genesis is associated with the first three intrusion phases. The skarn bodies generated by the first phase are found at the margin of the southern, central and east areas of the property. Skarns contain medium-to-coarse-grained brown, reddish, green, or yellow garnets with some pyroxenes, and magnetite. The mineralisation in the skarn bodies includes bornite and chalcopyrite as irregular masses, disseminated grains, and in quartz veinlets. The skarn bodies formed by the second phase are very similar, except that they do not have quartz veinlets.
- The extent of the endoskarns is limited. They are made up of light brown garnets with scarce pyroxene, epidote, chlorite, calcic-plagioclases, or calcite with moderate silicification. The mineralisation in the endoskarns occurs as chalcopyrite, bornite and minor molybdenite.
- The marble is developed in limestone horizons distal to the skarns or in direct contact with some dikes or intrusive bodies.
- A weak potassic alteration occurs associated with quartz. The potassic alteration occurs as secondary biotite and potassic feldspar replacing mafic minerals in the matrix and veinlets. The hydrothermal alteration is not pervasive and primary lithology textures are well preserved.
- Retrograde alteration characterized by amphiboles, epidote, specularite and calcite are generally observed in the distal portion of the system.
- The last intrusive phases produced chloritization of mafic minerals, secondary biotite, chlorites in veinlets and some quartz veinlets with secondary biotite or chlorite halos.

A large proportion of the copper mineralisation is hypogene (> 80%), with bornite and chalcopyrite as the most abundant sulphide minerals. In the skarn, mineralisation is dominated by irregular masses, patches, and disseminated grains of bornite and chalcopyrite, and molybdenite associated with minor quartz veinlets.

5.3.2 Chalcobamba

The Chalcobamba deposit is in the central part of the Project district with a mineralized area of approximately 300 ha.

Like the Ferrobamba deposit, the Ferrobamba formation limestones have been intruded by several intrusive phases but the mineralisation is mainly hosted in a central magnetite and garnet skarn which forms the most prominent relief in the area.

Lower-to-upper Cretaceous sedimentary sequences (Mara and Ferrobamba formations) crop out in the area. These units are cut by a number of early Tertiary age intrusions, which vary in composition from diorites and monzonites to granodiorites. Hornfels and skarn were generated in the sedimentary rocks near contacts with the intrusives. The intrusive phases are:

- The diorite (DI), the first intrusive event recognized in the area, was emplaced as sills into the Ferrobamba formation. It is probable that magnetite skarns (MSK) are associated with the diorite along with garnets, epidote, amphiboles and plagioclases. This Phase contains weak Cu mineralisation.

- The granodiorite (GD) is recognized to the east and south of the area. It is a coarse-grained stock that has aggregates of biotite. No associated mineralisation has been observed. The granodiorite cuts through some skarn bodies in the east and northeast areas of the property.

- The medium-grained porphyritic hornblende monzonite (MZH) with acicular hornblende phenocrysts was emplaced in the central area and extends toward the southeast and south areas. This stock formed medium-to-coarse-grained green to brown garnet exoskarn with small percentage pyroxenes. There is a trace of chalcopyrite.

- The mafic monzonite phase (MZM) that crops out in the north and northeast areas has high contents of mafic minerals (> 30%) and is associated with a brown garnet copper-bearing exoskarn and a plagioclase-chlorite endoskarn with moderate disseminated chalcopyrite.

- The next younger intrusive phase, biotite monzonite (MZB), has a medium porphyritic texture with small biotite books and short prismatic hornblendes. It was emplaced as dikes and small bodies, principally in the more mineralized central zone and extends to the west of Cerro Pichacani Mountain.

- The last phase is quartz monzonite (MZQ) with a medium-to-coarse-grained porphyritic texture with quartz eyes and potassic feldspar crystals. It is a late phase that crops out in the southern and northern parts of the Chalcobamba area as dikes striking NW-SE and W-E. This intrusion event cuts through all of the above units and is principally barren.

Tectonic polymict, matrix-supported breccias occur as irregular and elongated bodies with a preferred strike of NW-SE. The clasts are sub-rounded and composed of MZM, skarn, marble and MZB. The groundmass is rock flour made up primarily of clays, chlorite and calcite. It is cut by late dikes of MZQ. The mineralisation occurs in the clasts and groundmass as disseminated grains of copper sulphides with lesser quantities of oxides.

The alteration corresponds to skarnification, horblende-marblization, and potassic alteration. Additional descriptions of the alteration and mineralisation are:

- Apparently, the MZB that cuts through the pre-existing magnetite skarn bodies forms an exoskarn with development of light-brown garnets and endoskarn of garnets, epidote, amphibole, specularite and albite. Chalcopyrite is associated with molybdenite within the endoskarn. It is very likely that this phase contributed to the mineralisation in the magnetite skarns (MSK) and garnet skarns (GSK) that were formed by the previous phases.

- The retrograde alteration is visible in the skarn and endoskarn where epidote, amphibole, specularite, chlorite and calcite have been identified, while the chalcopyrite mineralisation is quite variable.

- Inside the intrusives the dominant alteration phase is potassic. It exhibits an assemblage of quartz, secondary biotite, and orthoclase in the groundmass with variable content of chalcopyrite.

- The hypogene copper mineralisation is associated with the magnetite and magnetite-garnet skarn. The principal copper mineral is chalcopyrite while bornite is present as trace amounts. The highest copper grades are found in the MSK where the chalcopyrite occurs as irregular masses, patches, irregular veinlets, and disseminated grains. Disseminated grains of chalcopyrite and lesser proportions of bornite are observed associated with altered secondary biotite in drill holes.

- Some levels in the MZM, which is found in the north area, have been enriched with cuprite and native copper along with traces of secondary chalcocite associated with Fe oxides.

- The chalcopyrite mineralisation in the porphyry occurs as disseminated grains and in quartz veinlets.

5.3.3 Sulfobamba

Sulfobamba is almost at the western boundary of the the Project district. It has a horizontal extent of 400 ha. The northern part of the area is covered by moraines.

This is one of the areas that has had little recent exploration. Only a few underground workings that were excavated in the early 20th century are in the area.

In this zone, the Ferrobamba formation limestones are cut through by various phases of intrusion. The mineralisation is hosted in the intrusives and the skarn bodies. Detailed descriptions of the intrusive phases are:

- The diorite (DI), the oldest intrusive phase recognized in the Sulfobamba area, is found as sills up to 50 meters (m) in thicknesses dipping to the south. It is medium-grained equigranular in texture with a predominance of anhedral hornblende and short plagioclases. DI has high magnetic susceptibility. This phase has contributed to the formation of brown to yellow garnet skarn bodies with minor magnetite. Part of the garnet bodies lay parallel to the limestone horizons.

- At least three similar phases of quartz feldspar porphyry have been identified (QFP, QFS and QFL). They have variable-sized potassic-feldspar phenocrysts and quartz eyes. The first phase has extensive potassic alteration in the central portion with secondary biotite, potassic feldspar, and quartz. Towards the periphery the presence of potassic feldspar is low and is associated with epidote, chlorite and pyrite. These rocks crop out in the northern portion of the area and are covered in part by thin remains of garnet skarn and moraines.

- The latite is one of the late intrusive phases. It has medium-grained with weak alteration of mafic minerals to chlorite and disseminated pyrite. The latite is considered to be a post mineralisation rock in the Sulfobamba system. It forms dikes that cross cut the mineralized system in NE –SW direction.

A magmatic breccia, approximately 200 m in diameter, outcrops on the northeast area. It has a greenish-gray groundmass (fine amphiboles) and contains fragments of skarn, diorite, QFP and sulphides. Additionally, it has veinlets of quartz with sulphides (pyrite>>chalcopyrite) and disseminated pyrite with lesser chalcopyrite mineralisation in the groundmass.

The mineralized skarn bodies are found in a NE-SW trending fringe that crosses Cerro Chonta Mountain and continues to the NE. This mineralized fringe measures between 100 and 200 m in width. The skarns with the best copper grades generally contain pyrite. Towards the southern portion, in the distal skarns and marbles, sphalerite and galena associated with chalcopyrite and pyrite is seen in some drill holes.

Hypogene mineralisation occurs in the skarn bodies and the diorite intrusion phases. The predominant copper sulphide is chalcopyrite, which occurs in the skarn bodies as irregular masses, patches, disseminated grains and in veinlets. In the intrusives, chalcopyrite, pyrite, and molybdenite appear as disseminated grains in fractures and in quartz veinlets. The copper grades in a large part of the intrusion phases are lower than 0.5% Cu, even when associated with intense potassic alteration. Grades higher than 0.5% Cu occur in proximity to the skarn bodies.

In the whole system, pyrite percentages are greater than 1%, mostly as small cubic crystals and aggregates. No large development of oxides zones occurs in the system; oxides are generally superficial.

5.4 Mineralisation

The three deposits have similar mineralisation composed of chalcopyrite, bornite and molybdenite. Ferrobamba and Chalcobamba have a generally shallow oxidized zone composed of chrysocolla and minor quantities of malachite, cuprite and native Cu.

The following description is based on the the Project's FS.

5.4.1 Ferrobamba

The upper oxide zone at Ferrobamba is typically about 20 m thick, although it can locally reach greater depths in fractured and faulted zones. The mineralogy is principally composed of chrysocolla and minor quantities of malachite, cuprite and native Cu.

The hypogene mineralisation is the most important. The principal sulphides found are bornite, chalcopyrite, chalcocite and molybdenite.

The mineralisation in the skarn bodies is massive, in patches, and as disseminated grains, locally in high concentrations. Quartz veinlets contain variable quantities of bornite, chalcopyrite and chalcocite.

The mineralisation in the porphyries occurs as fracture-filled veinlets and as disseminated grains.

The veinlets commonly form stockworks with quartz, chalcopyrite, bornite, chalcocite and molybdenite.

The majority of the skarns have grades greater than 1% Cu with zones of between 3 and 5% Cu. The grade in the porphyries is approximately 0.5% Cu.

5.4.2 Chalcobamba

The mineralisation associated with the different intrusion phases consists primarily of disseminated chalcopyrite and chalcopyrite in veinlets. Grades in the plutonic rocks are low (0.3% Cu); however, grades can be as high as 0.5% Cu in the MZM.

Continuous intervals of 2% Cu occur into the magnetite skarn. The average grade of the other skarns varies between 0.3% and 1% Cu, with patches that can reach grades as high as 2% Cu.

The copper grades in the breccia are as much as 0.5% Cu and have chalcopyrite, chalcocite and Cu oxides.

5.4.3 Sulfobamba

The copper sulphide mineralisation associated with the skarns (MSK, GSK and PSK) is found as massive, patches and as disseminated grains. Chalcopyrite is the principal sulphide and is associated with the diorite intrusion. In areas near the skarn, the average Cu grade is 0.5%.

In the porphyry system, chalcopyrite occurs in veinlets, fractures and as disseminated grains associated with zones of intense potassic alteration. Molybdenite occurs in quartz veinlets. In the distal parts of the system, galena and sphalerite are found. Pyrite is common throughout all of the deposit in amounts greater than 1%.

6 Data Verification

RPM conducted a review of the geological digital data supplied by the Client to ensure that no material issues could be identified and that there was no cause to consider the data inaccurate and not representative of the underlying samples. RPM visited the Project in April 2014 and checked drill-hole locations, down-the-hole survey and laboratory certificates (see ***Annexure C***), sampling and survey data acquisition protocols, assay procedures, bulk density determination, logging procedures and QAQC. RPM concluded that the data was adequately acquired and validated following industry best practices.

6.1 Drilling Types and Core Recoveries

Diamond drill-holes ("DDH") with drill core diameters of PQ (8.3 cm diameter), HQ (6.3 cm diameter) or NQ (4.8 cm diameter) were the preferred drilling method to define mineralisation within the Project. Information and samples from DDH have been used to underpin resources estimation, geometallurgical, geotechnical and hydrogeological studies. Only one short drilling campaign of 2,619 m (out of over 343,000 m of total drilling) used reverse-air-circulation drilling (RC). This RC drilling works was used for hydrogeological purposes only and the work was performed by an environmental group in 2006.

RPM notes that only DDH with diameters of HQ and NQ were used as the source of the samples from which resource estimation were completed. PQ size core was used to obtain metallurgical testwork samples only. The drill-holes for geotechnical and hydrogeological studies used HQ size.

Typically core recoveries ranged between 95% and 97% for all DDH which RPM considers suitable; however, some low recoveries were noted. A further review by RPM indicates that the zones with low recovery are associated with intensely fractured or faulted intervals and karstic "voids" and are not considered material to the total Mineral Resource currently estimated.

6.2 Topography and Collar Locations

'Horizons South America' surveyed the topography of the Project at a scale of 1:1,000 based on aerophotogramatic restitution of orthophotos with an image resolution of 16 cm. A surface model was generated on a 10 m grid and subsequently 1 m contour lines were interpreted. The surface maps are drafted in UTM coordinates using the projections WGS 84 and PSAD 56. In addition, the primary and secondary geodesic networks and azimuth points were geo-referenced, all in the WGS 84 system. RPM considers the topography suitable for inclusion in a Mineral Resource estimate.

During the 2005 drilling campaign, Horizons South America undertook a survey of the drill-hole collar locations using the Trimble 5700 differential GPS equipment using the method of taking static differential data. From 2006 on, the Company's engineering staff performed all subsequent surveys using the same equipment. RPM considers these methods suitable. RPM notes that for drilling completed prior to 2005, collar information is available but the methods used to locate these collar points are unknown and as such, the collar coordinates cannot be confirmed. As a result these drill-holes were not included in the resource estimation.

While RPM is aware that the Company undertook an internal re-survey of 1 in every 10 collars by separate operators, during the site visit RPM independently checked the collar locations of the drill-holes -40900-5, FE-40875-8, CH-43750-4, CH-44250-5 with a handheld GPS and notes only small differences well within the error limit of the GPS (Annexure C).

6.3 Down the Hole Survey

During the 2005, Geotec S.A., the Company's drilling contractor, used the AccuShot method to measure deviations in azimuth and inclination angles for non-vertical drill-holes; however, vertical holes were not surveyed. When the AccuShot arrangement was not working, the acid test (inclination only) was used. Commencing in 2006, the Company performed tests of non-vertical drill-holes using two Reflex Maxibor II equipment units (which make measurements every 3 m) to determine deviations of both azimuth and inclination angles. RPM notes that the correction coefficients (R) for both the dip and azimuth angles were greater than 0.95. These results are considered to be in an acceptable range.

RPM checked the survey certificates of the drill-hole SU-43625-2 (***Annexure C***) detecting no database errors. RPM considers the drilling and the drilling information to be high standard when compared to mining industry practices. RPM agrees with the surveys procedures, their controls and hence results for all drilling from 2005 onwards.

6.4 Geological, Geotechnical, and Geomechanical Logging

The Company has developed logging and sampling procedures that have been continuously improved and have been subjected to external auditing that confirmed the processes and protocols implemented giving the results a high level of confidence.

During the site visit, RPM checked the geological logging process by reviewing the logs for 5 drill-holes, FE-39825-5 and FE-3950-3 in Ferrobamba, CH44100-7 and CH-43950-5 in Chalcobamba, and SU-43050-1 in Sulfobamba (Annexure C). The geological staff demonstrated the logging process which matches with the FS description. RPM recognizes the logs of these drill-holes are of a high quality.

RPM believes that the recorded information is sufficient to define a geological model that includes the Cu, Au and Ag and Mo mineralisation controls.

Logging records were received in physical format and were input into a digital format using a double entry system to minimize possible errors. In general, the error of the double entry has been approximately 0.17%. RPM considers the double entry procedure an excellent practice. However, RPM would recommend capturing the geological logs in digital format, to avoid errors and save time. The core photographs, collar coordinates and down the hole surveys were received in digital format.

6.5 Bulk Density Determination

RPM checked the density determination procedures concluding that they are correctly performed. Since 2005, the Company has been taking bulk density determinations on 10 to 20 cm uncut HQ and NQ drill core using wax-coating determinations which is an industry standard practice. Tables 6-1 through 6-4 summarize the density results.

As a quality control, 1% of the samples were sent to an external laboratory (ALS Chemex). The range of discrepancy of the Company data versus those of ALS Chemex density measurements was very small with a good correlation being observed.

6.6 Sampling and Sample Preparation

RPM reviewed the sampling and sampling preparation protocols and procedures and considers that they were properly executed to minimise the standard error in typical sampling methods. For drilling prior to 2005, there is no information available on the sample preparation protocols for the drilling campaigns, and partially for this reason, these holes were not included in the resource estimate. RPM notes that subsequent to cutting of core and placing of half core into sample bags all sample preparation and assay determinations works have been conducted by the internationally accredited Inspectorate Laboratory in Lima (formerly BSI). As part of the QAQC procedures (See Section 6.7) of the Company ALS Chemex was used as the secondary laboratory.

Table 6-1 Ferrobamba Density by Lithology 2006-2008

Lit	MZB	MZM	GSK	EPG	BX	MBC	MZQ	MZH	PSK	EGT	EEP	HFL	MBF	MBL	MSK	ENDO ALL	SK ALL
MEAN	2.61	2.65	3.44	2.67	2.56	2.74	2.62	2.62	3.09	3.06	3.02	2.73	2.63	2.72	3.76	2.72	3.36
SD	0.03	0.04	0.18	0.11	0.14	0.07	0.03	0.03	0.23	0.25	0.07	0.25	0.03	0.04	0.36	0.19	0.24

SK ALL = GSK, PSK y MSK
The values are expressed in g/cm3
Source: Provided by the Company.

Table 6-2 Chalcobamba Density by Lithology 2006-2008

Lit	MZB	MZM	GSK	EPG	BX	MBC	MZQ	MZH	PSK	EGT	EEP	MBL	MSK	DI	QFP	ESK	ENDO ALL	SK ALL
MEAN	2.63	2.67	3.51	2.69	2.6	2.76	2.62	2.64	3.08	3.13	3.18	2.71	4.23	2.72	2.61	3.15	2.73	3.49
SD	0.05	0.06	0.13	0.1	0.2	0.09	0.03	0.04	0.26	0.3	0.17	0.03	0.26	0.1	0.04	0.09	0.16	0.14

SK ALL = GSK, PSK y MSK
The values are expressed in g/cm3
Source: Provided by the Company.

Table 6-3 Sulfobamba Density by Lithology 2006-2007

Lit	BX	DI	EGT	EPG	ESK	GSK	LA	MBL	MSK	PSK	QFP	QFS
MEAN	2.96	2.62	3.4	2.7	3	3.49	2.64	2.72	4.1	3.3	2.6	2.6
SD	0.35	0.05	0.1	0.1	0	0.16	0.03	0.03	0.4	0.3	0.03	0.04

SK ALL = GSK, PSK y MSK
The values are expressed in g/cm3
Source: Provided by the Company.

Table 6-4 Analytical Methods used in the Project

Laboratory	Determinations	Method	Description
Inspectorate	Cu, Ag, Pb, Zn, Mo	ISP-138	0.5 g of sample. Digestion by 4 acids: HCl, HNO_3, $HClO_4$ and HF. Reading by AAS.
	CuSOL H_2SO_4	ISP-137	0.2 g of sample. Leaching by a 15% solution of H_2SO_4 at 73°C for 5 min. Reading by AAS.
	CuSOL citric acid	ISP-136	0.2 g of sample. Digestion by a citric acid solution at 65°C for 15 min. Reading by AAS.
	Au	ISP-330	30 o 50 g of sample. Smelting at 1050 - 1070°C. Cupellation at 950°C. Reading by AAS. Above DL * analysis by gravimetry.
	35 elements **	ICP	Digestion by aqua regia and reading by ICP.
ALS Chemex	Cu, Ag, Pb, Zn, Mo	ME-A61b	0.5 g of sample. Digestion by 3 acids: HNO_3, $HClO_4$ and HF. Reading by AAS.
		ME-A62b (above DL)	0.5 g of sample. Digestion by 4 acids: HCl, HNO_3, $HClO_4$ and HF. Reading by AAS.
	Au	Au-AA24	50 g of sample. Fire assay. Reading by AAS.
		AuGRA22 (above DL)	50 g of sample. Fire assay. Reading by AAS. Above DL analysis by gravimetry.

** DL: detection limit.*
*** Elements analyzed by ICP: Ag, Al, As, Ba, Bi, Ca, Cd, Ce, Co, Cr, Cu, Fe, Hg, K, La, Mg, Mn, Mo, Na, Ni, P, Pb, S, Sb, Sc, Se, Sn, Sr, Te, Ti, Tl, V, W, Zn, Zr*

6.7 Quality Assurance Quality Control

Since 2005 the Company has conducted a detailed QAQC program to provide verification of the sample procedure, the sample preparation and the analytical precision and accuracy. A total of 16% of the total samples were control samples which included the following:

- *Primary coarse duplicates*: Were inserted 1 in every 25 samples (2005-2007), every 50 samples (2008), and every 40 samples (2010), analysed at Inspectorate.
- Coarse blank samples: Were inserted after a sample with high grade mineralisation analysed at Inspectorate.
- *Pulp duplicates samples*: Were inserted 1 in every 25 samples (2005-2007), every 50 samples (2008), and every 40 samples (2010), analysed at Inspectorate.
- *Pulp blank samples:* Were inserted preceded the coarse blank sample and always after a high grade sample and analyzed at Inspectorate.
- *Standard Reference Material (SRM) samples*: Were inserted 1 in every 50 samples (2005-2006), every 40 samples (2007) and every 20 samples (2008, 2010), analysed at Inspectorate.
- *External Check samples:* Were inserted 1 in every 25 samples (2005-2007), every 50 samples (2008) and every 40 samples (2010), analysed at the secondary laboratory ALS Chemex.

RPM has reviewed all the QAQC data and concluded the following:

- **Blanks:** a minimum level of sample contamination by Cu was detected during the sample preparation and assay.
- **Duplicates:** the analytical precision is within acceptable ranges when compared to the original sample, i.e., more than 90% of the pairs of samples are within the error limits evaluated for a maximum relative error of 10% (R>0.90). These results were also repeated in the external ALS check samples.

- **Standard Reference Material:** the analytical accuracy was also within acceptable ranges for the elements Au and Cu because the bias values were below the standards, e.g., STD0-07-COBRE. Mo had somewhat high biases but were still within an acceptable range, e.g., STDMO200. No information is known about the QAQC procedures used in campaigns conducted before 2005.

For all data in the campaigns post 2005, RPM considers the insertion rate of 16% better than the industry standards for control sample preparation and laboratory assay accuracy and precision. Furthermore, RPM considers the results of the controls samples are within the acceptability limits in coarse-pulp duplicate, reference samples, and cross laboratory checks. RPM recognized a positive bias in the reference samples which vary between 2 to 9% but all the results still are within the acceptability limits.

6.8 Data Quality Review

The review of the drilling and sampling procedures indicates that international standard practices were utilised with no material issues being noted by RPM. The QAQC samples all showed suitable levels of precision and accuracy to ensure confidence in the sample preparation methods employed by the Company and primary laboratory. RPM also notes that the all the samples used for the resource estimation are derived from drilling from post 2005 and therefore RPM considers the data which supports the resource estimation to have no material sample bias and is representative of the samples taken.

The selective original data review and site visit observations carried out by RPM did not identify any material issues with the data entry or digital data. In addition RPM believes that the onsite data management system is above industry standard which minimizes potential 'human' data-entry errors and no systematic fundamental data entry errors or data transfer errors; accordingly, RPM considers the integrity of the digital database to be sound.

In addition, RPM considers that there is sufficient geological logging and bulk density determinations to enable estimation of the geological and grade continuity of the deposit to an accuracy suitable for the classification applied (see ***Section 7***).

6.9 Sample Security

All drilling activities have been undertaken by contractors independent of the Client. Due to the style of drilling undertaken within the Project the Client's personnel have only done core sample handling. Below is a summary of the security measures taken:

Samples for the Mineral Resource estimates have been derived from surface diamond drilling post 2005. Subsequent to the independent drilling crews delivering the core to the core shed, the Company's personnel are responsible for cutting the core and placing the cut core in bags for delivery to the laboratory. The preparation laboratory was managed by Inspectorate in Las Bambas. Together with the cores, the Company provided to Inspectorate, a report with the amount and the numbers of samples and sample tickets to each core were provided. After preparation, the Company received 2 pulps for each sample and then inserted the control samples and renumbered all the samples within the batch. Batches were returned to Inspectorate with a report detailing the analysis method required for each element. Samples were sent to Lima using an independent transportation company. Chain of custody is kept all the time for Inspectorate personnel or Company's staff, excepting the time between the site and Lima.

RPM notes that, although the Company's personnel are responsible for handling the core during the sampling process, all personnel are supervised by senior site geologists and geotechnicians. In addition, photos are taken of all core trays prior to sampling. Core is clearly labelled for sampling, a suitable paper trail of sampling can be produced and duplicate samples are taken to ensure no sample handling issues arise. RPM considers these procedures to be industry standard and regards that the sample security and the custody chain during this period adequate.

Subsequent to sampling, all sample preparation and assaying is undertaken by an internationally recognised independent laboratory. As such, RPM considers that the sample security during the drilling, sampling, sample preparation and assaying to be acceptable.

6.10 Data Verification Statement

The review undertaken by RPM of the drilling and sampling procedures indicates that international standard practices were utilised with no material issues were noted by RPM in the checks completed. The QAQC samples all showed suitable levels of precision and accuracy to enable confidence in the primary laboratory. RPM also notes all of the samples used for the resource estimation are derived from drilling from post 2005 which can be confirmed. RPM considers that the data which supports the resource estimation has no material sample bias and is representative of the samples taken.

7 JORC Mineral Resources

Mineral Resources have been independently reported by RPM in compliance with the recommended guidelines of the JORC Code (2012).

7.1 Mineral Resource Classification System under the JORC Code

A "Mineral Resource" is defined in the JORC Code as **'***a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality) that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories***.'**

Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results.

For a Mineral Resource to be reported, it must be considered by the Competent Person to meet the following criteria under the recommended guidelines of the JORC Code:

- There are reasonable prospects for eventual economic extraction.
- Data collection methodology and record keeping for geology, assay, bulk density and other sampling information is relevant to the style of mineralization and quality checks have been carried out to ensure confidence in the data.
- Geological interpretation of the resource and its continuity has been well defined.
- Estimation methodology that is appropriate to the deposit and reflects internal grade variability, sample spacing and selective mining units.
- Classification of the Mineral Resource has taken into account varying confidence levels and assessment and whether appropriate account has been taken for all relevant factors i.e. relative confidence in tonnage/grade, computations, confidence in continuity of geology and grade, quantity and distribution of the data and the results reflect the view of the Competent Person.

7.2 Area of the Resource Estimation

The deposits, which form part of the Mineral Resource estimates, are located 565 km SE of Lima and 73 km SW of Cusco. The Project has a special right established termed "non-admissibility of claims applications" on 33,063 ha of land where four mining concessions which belong to Activos Mineros S.A.C. exist (formerly Centromin Perú) that cover a total of 1,800 ha of land. These four mining concessions are; 1) Ferrobamba (400 ha), Chalcobamba (600 ha), Sulfobamba (400 ha), and Charcas (400 ha) and are shown graphically in ***Figure 7-1.***

7.3 JORC Statement of Mineral Resources

Results of the independent Mineral Resources estimate for the Project are tabulated in the Statement of Mineral Resources in ***Table 7-1*** below, which are reported in line with both the requirements of the 2012 JORC Code and the reporting standards of the Listing Rules. The Statement of Mineral Resources is therefore suitable for public reporting. The Statement of Mineral Resources shown in ***Table 7-***1 and graphically in ***Figure 7-2*** and ***Figure 7-3*** includes the Ore Reserves reported in ***Section 8***.

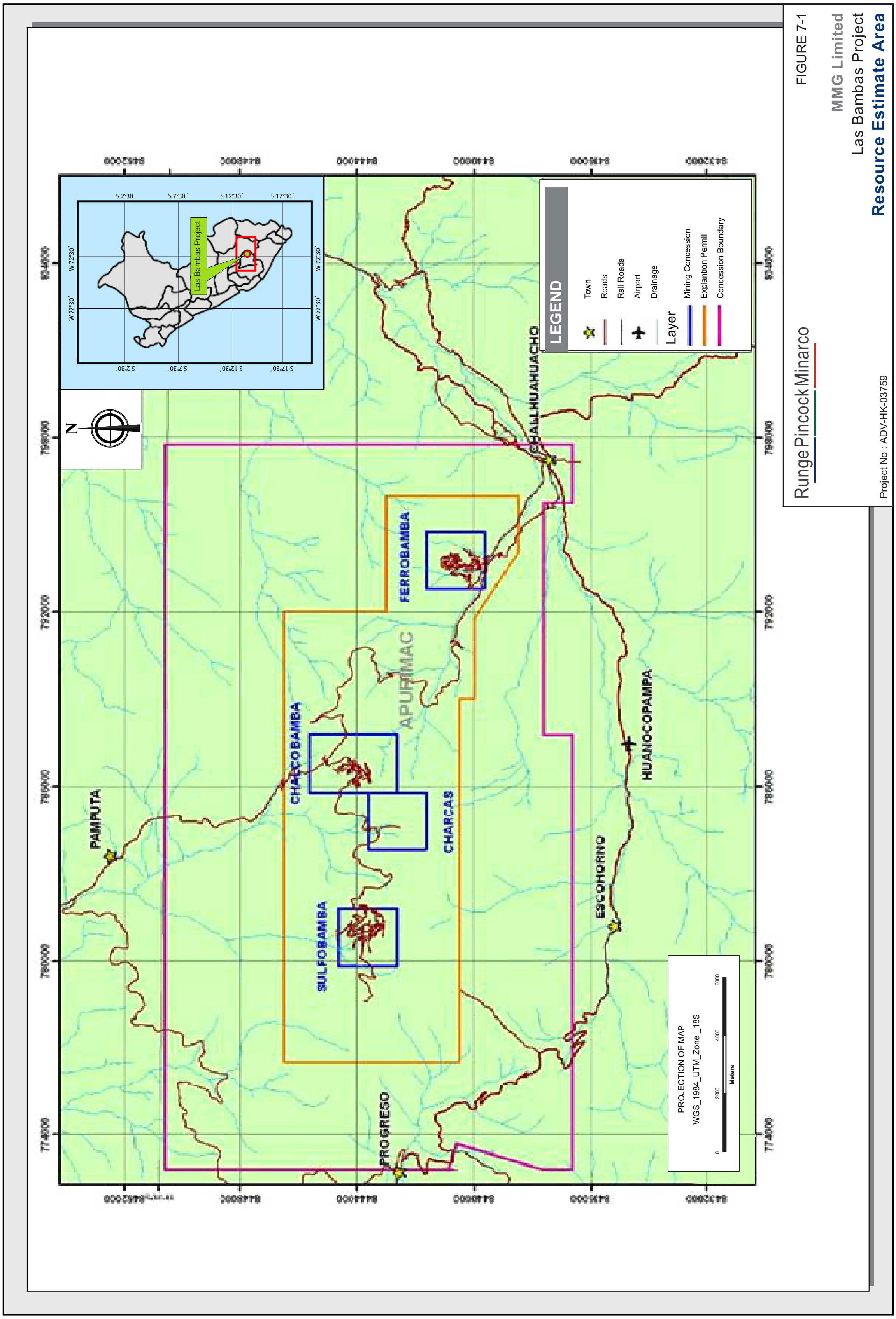


FIGURE 7-1
MMG Limited
Las Bambas Project
Resource Estimate Area
RungePincockMinarco
Project No : ADV-HK-03759
LEGEND
Town
Roads
Rail Roads
Airpart
Drainage
Layer
Mining Concession
Explantion Permit
Concession Boundary
PROJECTION OF MAP
WGS_1984_UTM_Zone_18S
Meters
Las Bambas Project
CHALLHUAHUACHO
FERROBAMBA
APURIMAC
CHALCOBAMBA
CHARCAS
SULFOBAMBA
HUANOCOPAMPA
ESCOHORNO
PAMPUTA
PROGRESO
N

RungePincockMinarco

Table 7-1 Statement of JORC Mineral Resources as of 1st January, 2014 Reported at a Cut Off of 0.2% Cu.

Area	Type	Class	Quantity (Mt)	Cu (%)	Cu (Kt)	Mo (%)	Mo (Kt)	Ag (g/t)	Ag (Moz)	Au (g/t)	Au (Moz)
Chalcobamba	Sulphide	Measured	85	0.44	363	0.014	11.5	1.4	3.7	0.02	0.05
		Indicated	250	0.61	1,524	0.013	33.1	2.3	18.3	0.03	0.23
		Measured + Indicated	**335**	**0.57**	1,887	**0.013**	**44.5**	**2.1**	**22.0**	**0.03**	**0.28**
		Inferred	45	0.35	157	0.012	5.4	1.1	1.5	0.02	0.03
		Sub Total (M+I+Inf)	**380**	**0.54**	**2,044**	**0.013**	**50.0**	**1.9**	**23.5**	**0.03**	**0.31**
	Oxide	Indicated	35	0.57	200	0.01	2.3	2.0	2.3	0.02	0.02
		Measured + Indicated	**35**	**0.57**	200	**0.01**	**2.3**	**2.0**	**2.3**	**0.02**	**0.02**
		Inferred	1	0.33	3	0.01	0.1	1.1	0.0	0.02	0.00
		Sub Total (M+I+Inf)	**35**	**0.56**	**203**	**0.006**	**2.3**	**2.0**	**2.3**	**0.02**	**0.02**
Ferrobamba	Sulphide	Measured	405	0.68	2,730	0.02	73.3	3.3	43.0	0.07	0.86
		Indicated	365	0.74	2,682	0.02	75.0	4.0	47.2	0.08	0.90
		Measured + Indicated	**770**	**0.71**	5,413	**0.02**	**148.3**	**3.7**	**90.2**	**0.07**	**1.77**
		Inferred	310	0.48	1,481	0.02	50.7	2.1	21.4	0.04	0.40
		Sub Total (M+I+Inf)	**1,080**	**0.64**	**6,894**	**0.018**	**199.0**	**3.2**	**111.6**	**0.06**	**2.17**
	Oxide	Indicated	55	0.86	473	0.01	4.1	4.5	8.0	0.08	0.14
		Measured + Indicated	**55**	**0.86**	473	**0.01**	**4.1**	**4.5**	**8.0**	**0.08**	**0.14**
		Inferred	10	0.86	77	0.01	1.0	4.7	1.4	0.08	0.02
		Sub Total (M+I+Inf)	**65**	**0.86**	**550**	**0.008**	**5.1**	**4.5**	**9.3**	**0.08**	**0.16**
Sulfobamba	Sulphide	Indicated	105	0.64	682	0.02	16.1	4.6	15.8	0.02	0.06
		Measured + Indicated	**105**	**0.64**	682	**0.02**	**16.1**	**4.6**	**15.8**	**0.02**	**0.06**
		Inferred	115	0.45	509	0.01	13.6	3.8	13.9	0.01	0.04
		Sub Total (M+I+Inf)	**220**	**0.54**	**1,190**	**0.013**	**29.6**	**4.2**	**29.7**	**0.01**	**0.10**
Total	Sulphide	Measured	490	0.64	3,094	0.02	84.8	3.0	46.6	0.06	0.91
		Indicated	720	0.68	4,888	0.02	124.1	3.5	81.3	0.05	1.20
		Measured + Indicated	**1,210**	**0.66**	**7,981**	**0.02**	**208.9**	**3.3**	**128.0**	**0.05**	**2.11**
		Inferred	470	0.46	2,146	0.01	69.8	2.45	36.85	0.03	0.47
		Sub Total (M+I+Inf)	**1,680**	**0.60**	**10,127**	**0.017**	**278.7**	**3.1**	**164.8**	**0.05**	**2.58**
	Oxide	Indicated	90	0.75	673	0.01	6.4	3.5	10.2	0.06	0.16
		Measured + Indicated	**90**	**0.75**	**673**	**0.01**	**6.4**	**3.5**	**10.2**	**0.06**	**0.16**
		Inferred	10	0.81	81	0.01	1.0	4.3	1.4	0.07	0.02
		Sub Total (M+I+Inf)	**100**	**0.75**	**753**	**0.007**	**7.4**	**3.6**	**11.6**	**0.06**	**0.19**
	Total	**Measured**	**490**	**0.64**	**3,094**	**0.02**	**84.8**	**3.0**	**46.6**	**0.06**	**0.91**
		Indicated	**810**	**0.69**	**5,560**	**0.02**	**130.5**	**3.5**	**91.5**	**0.05**	**1.36**
		Inferred	**480**	**0.47**	**2,227**	**0.01**	**70.8**	**2.5**	**38.2**	**0.03**	**0.49**
		All (M+I+Inf)	**1,780**	**0.61**	**10,881**	**0.02**	**286.1**	**3.1**	**176.4**	**0.05**	**2.77**

Note:

1. *The Statement of JORC Mineral Resources has been compiled under the supervision of Mr. Esteban Acuña who is a full-time employee of RPM and a Registered Member of the Chilean Mining Commission. Mr. Acuña has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he has undertaken to qualify as a Competent Person as defined in the JORC Code.*
2. *All Mineral Resources figures reported in the table above represent estimates at 1st January, 2014. Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results. The totals contained in the above table have been rounded to reflect the relative uncertainty of the estimate. Rounding may cause some computational discrepancies.*
3. *Mineral Resources are reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The Joint Ore Reserves Committee Code – JORC 2012 Edition).*

RPM notes that the reported total Inferred Mineral Resource Quantity (480 Mt) ***Table 2*** varies from the publically released latest Mineral Resource estimate by the Company as at 31st December, 2013 (510 M tonnes). This difference is due to the rounding applied to the total tonnages, RPM has utilised two (2) significant figures for Inferred whereas the Company has utilised one significant figure. In addition RPM is aware that the December 2013 publically released Mineral Resource by Glencore do not contain oxide resources quantity. RPM has included these resources in the Mineral Resources as although the current metallurgical testwork indicates that lower recoveries are achieved which are not economic at current market conditions, further testwork is ongoing and similar projects have indicated that these tyoe of material may form viable recoveries. As such RPM believe this material shows reasonable prospects for economic extraction in the futures, however have decreased the classification with a maximum of Indicated being achieved with all material falling with the measured search radius reclassified as Indicated.

The geologic interpretation models consist of a set of 3D solids one for each interpreted rock type such that the metal content was estimated considering the proportions of the geologic interpretation in each block. As such this method incorporated dilution into the block estimates.

Figure 7-2 Mineral Resource by Classification and Deposit

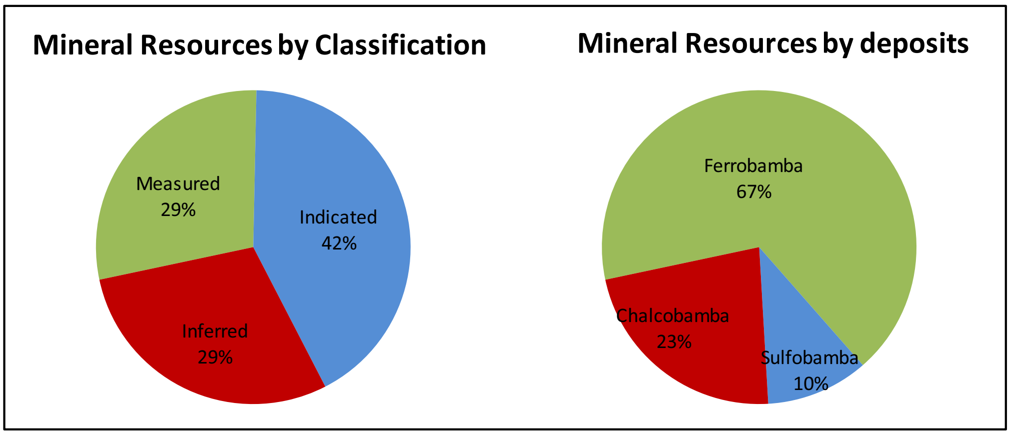
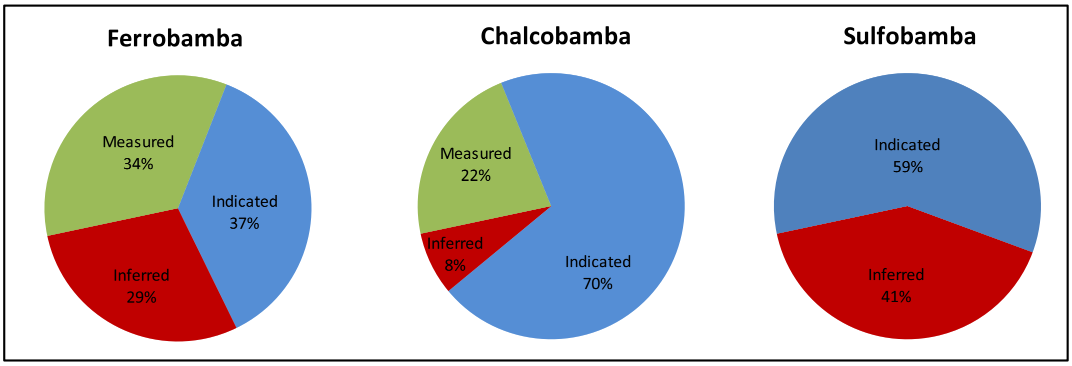


Figure 7-3 Mineral Resource by Deposit



The independent Statement of Mineral Resources is reported within the current mining concessions and reported as the effective date of 1st May 2014 using a cut-off grade of 0.2% Cu. The Statement of Mineral Resources has also been constrained by the topography and a pit which was generated with Measured, Indicated and Inferred resources and at a copper price of $2.20 per pound. See Section 7.4.2 for further details.

RPM is not aware of any new drill-holes being drilled by the Company since May 2010 when the FS was completed. The cut-off grade of 0.2% Cu was utilised based on the results of the Ore Reserves estimate and mining study as outlined in Section 8 and Section 9.

7.4 Estimation Parameters and Methodology

While ***Table 1*** as required by the JORC Code 2012 edition is presented in ***Appendix B*** for reference a summary of the resource estimate parameters is provided below:

- Due to uncertainties in the sample procedures and limited QAQC data only the post 2005 drilling was included in the estimates. Drilling which was included in the estimates has been conducted on a variety of spacing's via surface diamond core. Surface drilling was generally conducted on larger spacing down to 50m by 50m with close spaced (25 m by 25 m) drilling being used to define the resource with higher confidences. ***Figure 7-4*** graphically shows the drilling for the Ferrobamba deposit while ***Figure 7-5*** and ***Figure 7-6*** show the drill hole locations for Chalcobamba and Sulfobamba respectively.

- Within each deposit, the spatial grade variability was modelled using correlograms. Experimental correlograms and correlogram models were interpreted using the SAGE2001 variographic software based on the 7.5 m composites for every estimation domain and element (total Cu ("TCu")), acid soluble Cu ("SCu"), Mo, Au and Ag), plus down-hole correlograms to help estimate short range variability or nugget effect.

- Chalcobamba copper correlogram models are summarised in the ***Table 7-2***, while the Ferrobamba total and soluble copper correlogram models are provided in the ***Tables 7-3 and 7-4***. Due to the near surface oxidisation and grade distributions contained within this domain RPM considers that the soluble Cu variograms for oxide and sulfide zones must be modelled separately. Ferrobamba molybdenum correlogram models are provided in ***Table 7-5***.

- The Ferrobamba deposit TCu and Ag grade estimates were undertaken using the ordinary kriging algorithm ('OK") through a number of passes each with different search radius and parameters. First pass parameters were defined with a minimum of 6 composites and maximum and 16 composites with a maximum of three composites per drill-hole. The first pass TCu search radius was 30 m by 30 m by 30 m for the skarn and between 50 m by 50 m by 50 m to 75 m by 75 m by 75 m for the other domains. The first pass Ag distances was set to 50 m by 50 m by 50 m.

- Ferrobamba Mo and Au OK first pass parameters were defined with a minimum of 6 composites and maximum of 16 composites with a maximum of two composites per drill-hole, i.e. each block estimate requires at least three drill-holes. The first pass Mo search radius was 50 m by 50 m by 50 m for the skarn and between 150 m by 150 m by 150 m to 250 m by 250 m by 250 m for the other domains. The Au first pass search radius was defined in 50 m by 50 m by 50 m.

- All the Ferrobamba estimations controlled outliers using distance restrictions for the highest grades.

- For Chalcobamba, the TCu OK-first-pass parameters were defined with a minimum of 6 composites and maximum of 10 composites with a maximum of five composites per drill-hole, i.e., each block requires at least two drill-holes. The first pass TCu search distances were defined as 40 m by 40 m by 40 m for the skarn and between 75 m by 75 m by 35 m to 200 m by 200 m by 200 m for the other domains.

- Chalcobamba Mo OK-first-pass parameters were defined with a minimum of 3 to 6 and maximum of 6 to 10 composites, and 3 to 4 maximum composites per drill-hole within all the domains. The first pass Mo search distances were 75 m by 75 m by 75 m for the skarn and between 120 m by 120 m by 120 m to 250 m by 250 m by 250 m for the other domains.

- Au and Ag block estimates within Chalcobamba were estimated utilising the inverse distance square (ID^2) in general with a minimum of 3 and maximum of 10 composites with 3 maximum composites per drill-hole requiring at least 2 drill-holes. The first pass Au-Ag search radius distances were 75 m by 75 m by 75 m to 250 m by 250 m by 250 m.

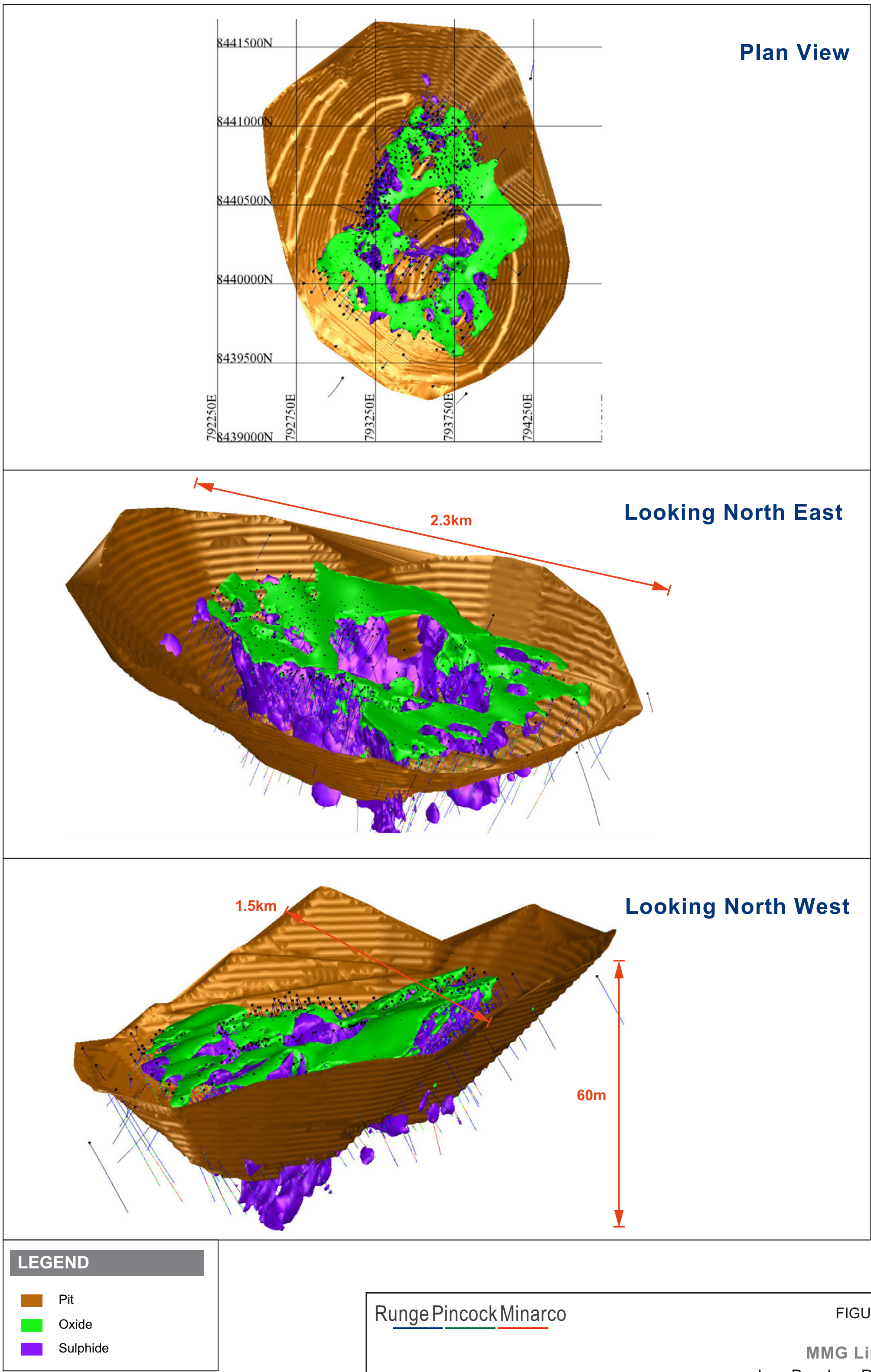


FIGURE 7-4

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Las Bambas Project

Ferrobamba 3D Graphical Representation

Project No : ADV-HK-03759

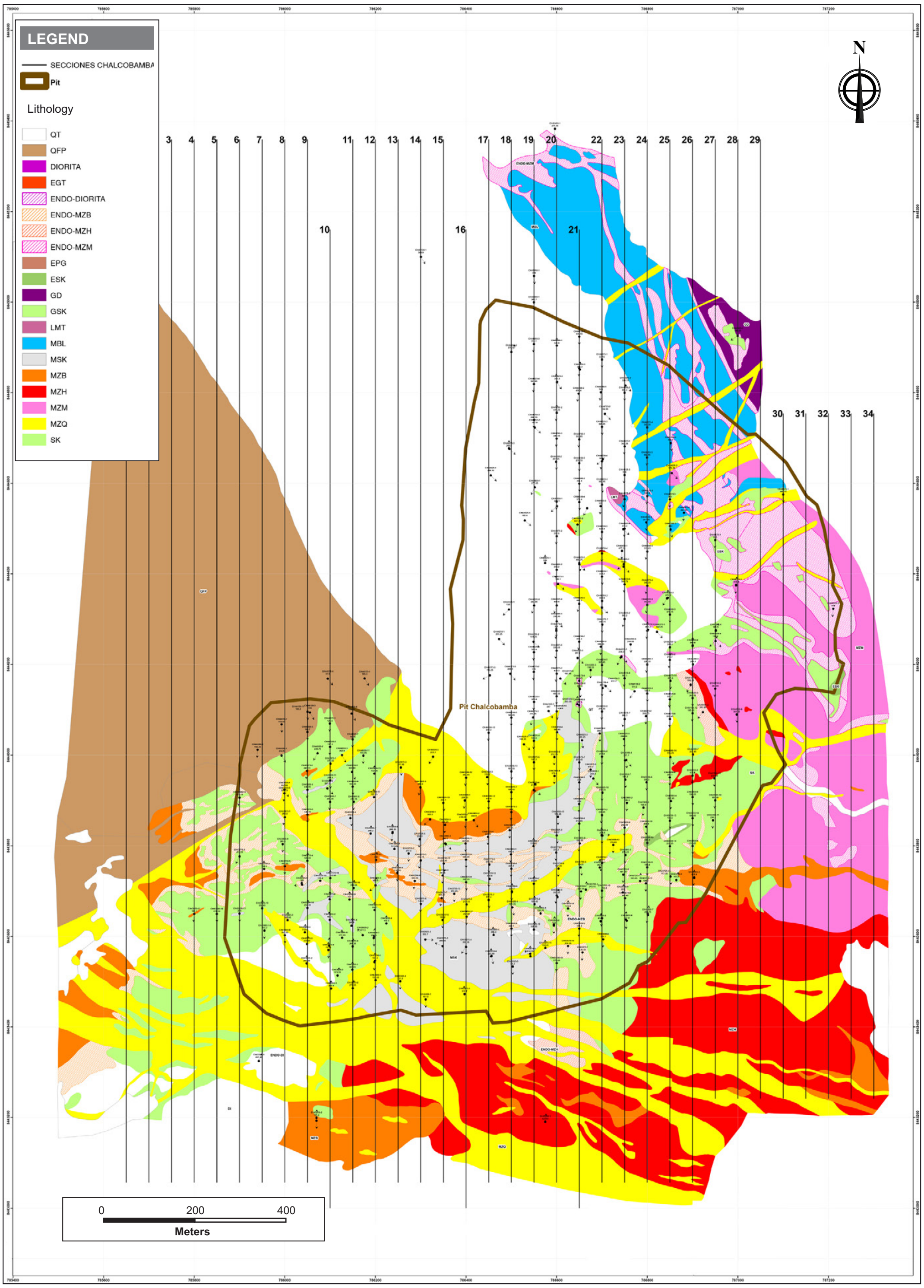

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FIGURE 7-5

MMG Limited

Las Bambas Project

Chalcobamba Executive Drill Plan

Project No : ADV-HK-03759

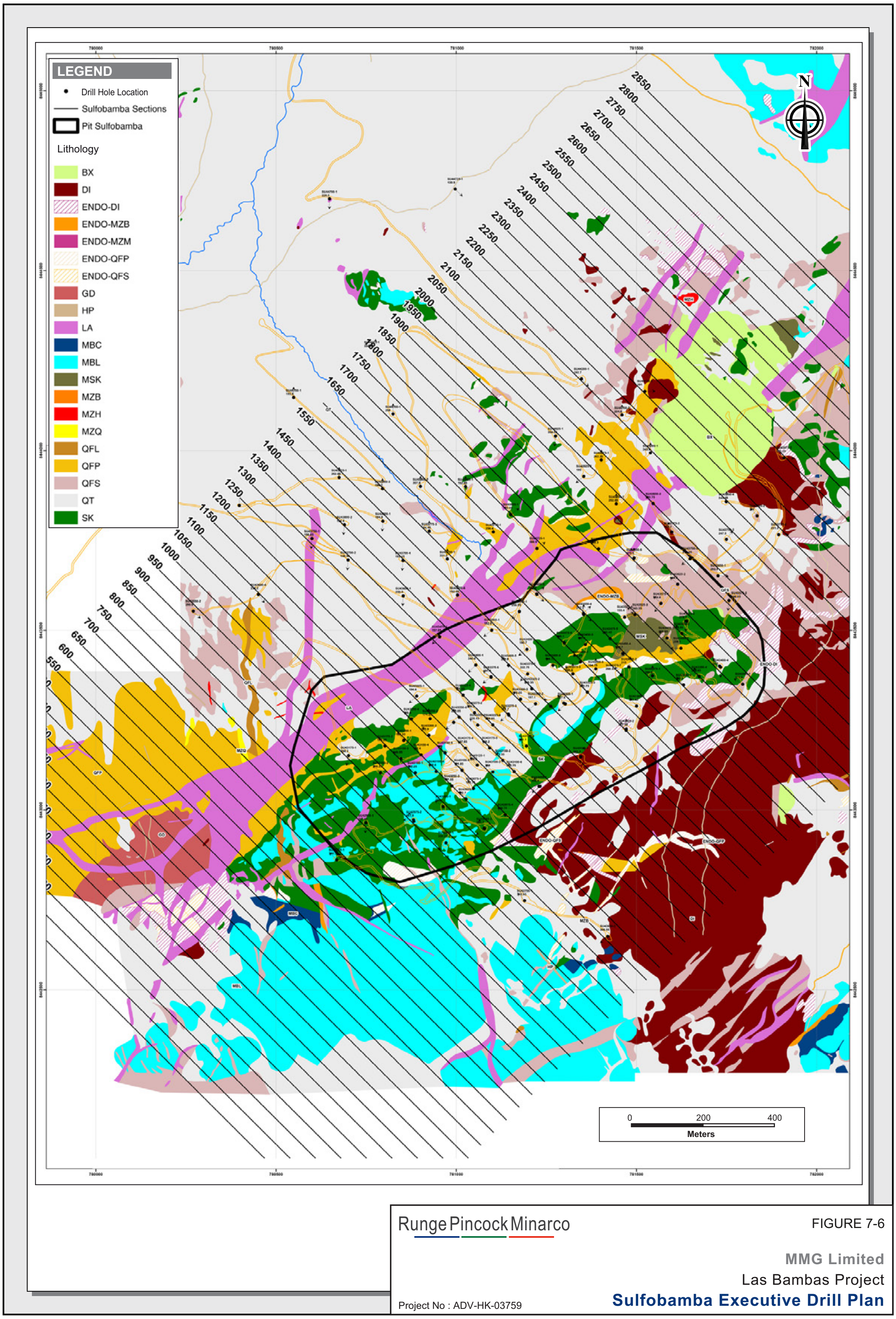

FIGURE 7-6

MMG Limited

Las Bambas Project

Sulfobamba Executive Drill Plan

- Within the Sulfobamba deposit, the TCu skarn OK first-pass parameters had a minimum of 4 and maximum and 12 composites with three maximum composites per drill-hole, which means at least two drill-holes. The first pass search radiuses were 200 m by 200 m by 200 m.

- In all the domains in each deposit, second and third passes were executed to complete the block estimation increasing the search radius and reducing the minimum composites.

- Estimation by ID^2 was executed in the domains where variogram model could not be obtained as outlined in ***Table 7-3*** to ***Table 7-5***. The ID was defined with a similar sample configuration as that for OK in the other domains.

- Bulk densities were determined from wax-coating determinations on representative hand samples and on 10 to 20 cm of unsplit HQ and NQ drill core. Bulk densities were estimated by ID^2 within Ferrobamba using five domains which included a total of 11,145 density determinations. In Sulfobamba, density values (gr/cm^3) were assigned by lithological groups as shown in ***Table 7-6*** while the densities for the Chalcobamba are summarised in ***Table 7-7***.

Table 7-2 Chalcobamba Correlogram Models and Outliers Manage

Lithology	Correlograms Parameters							Outlier control	
	C0	C1	Sill	Range (m) Mj/Sm/Mn	C2	Sill	Range (m) Mj/Sm/Mn	threshold %	Range (m) Mj/Sm/Mn
SK	0.1	0.8	1.316	50/90/51	0.1	1.316	150/290/96	5	100/100/100
	0.1	0.8	1.316	50/91/51	0.1	1.316	150/290/96	8.5	50/50/50
	0.1	0.8	1.316	50/90/51	0.1	1.316	150/290/96		
150 MSK	0.1	0.538	0.121	15/97/13	0.362	0.121	180/300/150	4	75/75/75
	0.1	0.538	0.121	15/97/13	0.362	0.121	180/300/150	6	60/60/60
	0.1	0.538	0.121	15/97/13	0.362	0.121	180/300/150	4	100/100/100
	0.1	0.538	0.121	15/97/13	0.362	0.121	180/300/150		
MSK	0.1	0.423	15/27/76	20/16/86	0.477	15/27/6	425/264/358	2	100/100/100
	0.1	0.423	15/27/76	20/16/86	0.477	15/27/6	425/264/358	3	35/35/35
	0.1	0.423	15/27/76	20/16/86	0.477	15/27/6	425/264/358		
	0.1	0.423	15/27/76	20/16/86	0.477	15/27/6	425/264/358		
MZB-MZH	0.12	0.5	-0.028	100/200/165	0.38	-0.028	70/300/150	1.5	100/100/100
	0.12	0.5	-0.028	100/200/165	0.38	-0.028	70/300/150		
Di								0.6	50/50/50
MZQ								1	50/50/50
QFP								0.1	50/50/50
La								0.02	50/50/50
HFL								0.6	50/50/50
								0.6	50/50/50
Marble								0.6	50/50/50
								0.6	50/50/50
Bx								3	10/10/2010
								3	25/25/25

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Table 7-3 Ferrobamba CuS Correlogram Models and Sample Configuration

			Parameters									Variograms Parameters							Outlier control	
			Search			Samples		Min N°	Min N°	Max N°	Max N°				Range (m)			Range (m)		Range (m)
Domain	Method	Pass	y major	x semi	z minor	Min	Max	Oct	M/Oct	M/Oct	/DH	C0	C1	Sill	Mj/Sm/Mn	C2	Sill	Mj/Sm/Mn	limit	Mj/Sm/Mn
40+50+62+Oxide	OK	1	200	200	200	4	16				2								40,000	20/20/20
	OK	2	50	50	50	6	24	8	3	8	2								40,000	20/20/20
40+50+62+ Calcocina	OK	1	200	200	200	4	16				2								7,000	20/20/20
	OK	2	50	50	50	6	24	8	3	8	2	0.13	0.28	60/-50/0	50/40/35	0.59	55/-50/0	380/325/95	7,000	20/20/20
40+50+62+ Bornita+Calcopirita	OK	1	200	200	200	4	16				2								5,000	20/20/20
	OK	2	50	50	50	6	24	8	3	8	2								5,000	20/20/20
40+50+62	OK	1	200	200	200	4	16				2								5,000	20/20/20
	OK	2	50	50	50	6	16	4	2	4	2								5,000	20/20/20
78+76+86 +Oxide	OK	1	250	250	250	4	16				2								5,000	20/20/20
	OK	2	50	50	50	6	16	4	2	4	2								5,000	20/20/20
78+76+86 +Calcocina	OK	1	250	250	250	4	10				2								4,000	20/20/20
	OK	2	50	50	50	6	16	4	2	4	2	0.11	0.32	55/-40/0	112/95/75	0.57	55/-40/0	358/312/85	4,000	20/20/20
78+76+86+ Bornita+Calcopirita	OK	1	250	250	250	4	16				2								1,800	20/20/20
	OK	2	50	50	50	6	16	4	2	4	2								1,800	20/20/20
78+76+86	OK	1	250	250	250	4	12				2								1,100	20/20/20
	OK	2	50	50	50	6	16	4	2	4	2								1,100	20/20/20
77+79+Oxide	OK	1	250	250	250	4	16				2								2,500	20/20/20
	OK	2	50	50	50	6	16	4	2	4	2								2,500	20/20/20
77+79 +Calcocina	OK	1	250	250	250	4	10				2								3,500	20/20/20
	OK	2	50	50	50	6	16	4	2	4	2	0.08	0.38	55/-30/0	145/110/75	0.54	55/-30/0	425/328/280	3,500	20/20/20
77+79+Bornita +Calcopirita	OK	1	250	250	250	4	16				2								1,500	20/20/20
	OK	2	50	50	50	6	16	4	2	4	2								1,500	20/20/20
77+79	OK	1	250	250	250	4	12				2								1,200	20/20/20
	OK	2	50	50	50	6	16	4	2	4	2								1,200	20/20/20
47+48	IDW	1	250	250	250	6	10				2								1,000	20/20/20
	IDW	2	50	50	50	6	16	4	2	4	2								1,000	20/20/20

Table 7-4 Ferrobamba TCu Correlogram Models and Sample Configuration

Domain	Method	Pass	Parameters: Search y major	Search x semi	Search z minor	Samples Min	Samples Max	Min N° Oct	Min N° M/Oct	Max N° M/Oct	Max N° /DH	Comps	Variograms Parameters: C0	C1	Sill	Range (m) Mj/Sm/Mn	C2	Sill	Range (m) Mj/Sm/Mn	Outlier control: Limit	Range (m) Mj/Sm/Mn
	OK	1	200	200	200	4	8				2	40								25,000	20/20/20
40	OK	2	60	60	60	6	16	4	1	4	2	40	0.21	0.45	60/-50/0	34/25/18	0.34	60/-50/0	280/225/118	25,000	20/20/20
	OK	3	30	30	30	6	16	4	2	4	3	40								25,000	20/20/20
50	OK	1	150	150	150	4	8				2	50	0.35	0.29	45/-35/0	64/44/37	0.36	45/-35/0	232/140/132	8,000	20/20/20
	OK	2	50	50	50	6	16	4	2	4	3	50								8,000	20/20/20
76	OK	1	250	250	250	4	8				2	76	0.28	0.34	15/-20/0	140/102/80	0.511	15/-20/0	215/206/185	13,500	20/20/20
	OK	2	75	75	75	6	16	4	2	4	3	76								13,500	20/20/20
77	OK	1	200	200	200	4	8				2	77	0.39	0.46	55/-25/0	135/97/60	0.15	55/-25/0	328/293/125	8,000	20/20/20
	OK	2	50	50	50	6	16	4	2	4	3	77								8,000	20/20/20
78	OK	1	250	250	250	4	8				2	78	0.24	0.35	30/-35/0	134/97/68	0.41	30/-35/0	289/214/158	8,000	20/20/20
	OK	2	50	50	50	6	16	4	2	4	3	78								8,000	20/20/20
79	OK	1	250	250	250	4	8				2	79	0.214	0.325	55/-25/0	115/75/60	0.461	55/-25/0	360/315/258	12,000	20/20/20
	OK	2	50	50	50	6	16	4	2	4	3	79								12,000	20/20/20
86	OK	1	250	250	250	4	8				2	86	0.234	0.36	155/-30/0	137/95/78	0.406	155/-30/0	328/287/205	12,000	20/20/20
	OK	2	50	50	50	6	16	4	2	4	3	86								12,000	20/20/20
	IDW	1	150	150	150	4	10				2	47								22,500	20/20/20
47	IDW	2	75	75	75	4	10				2	47	IDW							15,000	20/20/20
	IDW	3	50	50	50	4	10				3	47								15,000	20/20/20
	IDW	1	150	150	150	4	10				2	48								30,000	20/20/20
48	IDW	2	75	75	75	4	10				2	48	IDW							24,000	20/20/20
	IDW	3	50	50	50	4	10				3	48								24,000	20/20/20
62	IDW	1	150	150	150	4	10				2	62	IDW							30,000	20/20/20
	IDW	2	50	50	50	4	10				2	62								30,000	20/20/20

Table 7-5 Ferrobamba Mo Correlogram Models and Sample Configuration

Domain	Method	Pass	Parameters: Search y major	Search x semi	Search z minor	Samples Min	Samples Max	Min N° Oct	Min N° M/Oct	Max N° M/Oct	Max N° /DH	Comps	Variograms Parameters: C0	C1	Sill	Range (m) Mj/Sm/Mn	C2	Sill	Range (m) Mj/Sm/Mn	Outlier control: Limit	Range (m) Mj/Sm/Mn
	OK	1	200	200	200	6	10				2	40								1,700	20/20/20
40	OK	2	50	50	50	6	16	4	1	4	2	40	0.18	0.28	45/-15/0	45/33/27	0.54	45/-15/0	324/268/95	1,700	20/20/20
	OK	1	200	200	200	6	12				2	50								1,000	20/20/20
50	OK	2	50	50	50	6	16				2	50	0.26	0.35	45/-35/0	72/41/32	0.39	45/-35/0	268/112/98	1,000	20/20/20
76+78+86	OK	1	250	250	250	6	12				2	50	0.22	0.28	20/-15/0	125/89/60	0.5	20/-15/0	202/180/90	500	20/20/20
	OK	2	50	50	50	6	24	8	2	3	2	50								500	20/20/20
77	OK	1	250	250	250	6	10				2	77	0.18	0.32	0/0/0	80/80/60	0.5	0/0/0	310/310/120	300	20/20/20
	OK	2	50	50	50	6	16	4	2	4	2	77								300	20/20/20
79	OK	1	200	200	200	4	8				2	79	0.15	0.38	0/05/0	70/70/55	0.47	0/0/0	320/320/100	250	20/20/20
	OK	2	50	50	50	6	16	4	2	4	2	79								250	20/20/20
	IDW	1	150	150	150	4	10					47								150	20/20/20
47	IDW	2	50	50	50	4	10				2	47	IDW							150	20/20/20
	IDW	3	25	25	25	4	10				2	47								150	20/20/20
	IDW	1	150	150	150	4	10					48								350	20/20/20
48	IDW	2	50	50	50	4	10				2	48	IDW							350	20/20/20
	IDW	3	25	25	25	4	10				2	48								350	20/20/20
62	IDW	1	150	150	150	4	10				2	62	IDW							300	20/20/20
	IDW	2	50	50	50	4	10				2	62								300	20/20/20
	IDW	2	50	50	50	4	10				2	62								300	20/20/20

- The geologic interpretation models consist of a set of 3D solids one for each interpreted rock type such that the metal content was estimated considering the proportions of the geologic interpretation in each block. This method incorporates dilution into the block estimates.

Table 7-6 Sulfobamba Bulk Density Summary

Litho	Skarn	MSK	Marble	ESK	Breccia	Diorite	MZM	QFP	QFS	Latite
N° samples	40	41	47	50	62	71	78	80	81	85
Density	3.45	4.23	2.71	2.97	3	2.62	2.62	2.61	2.62	2.63

Table 7-7 Chalcobamba Bulk Density Summary

Litho	Skarn	Mt-Skarn	Hornfels	Marble	Endo-Skarn	Breccia	Diorite	MZB	MZH	MZM	MZQ	QFP	Latite
N° samples	40	41	46	47	50	60	71	76	77	78	79	80	85
Density	3.54	4.29	2.64	2.70	2.67	2.6	2.74	2.64	2.63	2.69	2.64	2.63	2.68

Based on the block estimates the Company estimated the final block total copper grades within Ferrobamba and Chalcobamba using the following equation:

$$TCu\ (\%) = \sum_{i=0,N} L(i) * Cu(i) / \sum L_{(i)}$$

Where L (i) is the proportion of each domain within a particular block, Cu (i) is the estimated copper grade for each domain and TCu (%) is the final volume-weighted estimated Cu grade. This methodology produces a mineral resource estimates for TCu that represents a reasonable expectation of what can be recovered during mining. Although this method is suitable it does not take into consideration the density grade relationship. As such there is a risk this method may underestimate the high grade portions of the deposit slightly however RPM does not consider that there will be a material impact on the estimate.

7.4.1 Validation

RPM visually compared estimated and composite grades observing a high coincidence between them. RPM also undertook swath plots (***Figure 7-5***) and Hermitian correction ((Herco), or discrete Gaussian) charts and concluded that the comparison between the block estimates and composites were within the acceptable range and the estimations have an appropriate level of error-smoothing for the style of mineralisation. RPM considers that the sample configuration estimations are well done and the results unbiased with respect to the composites (nearest neighbour) and incorporate minimal smoothing. In RPM's opinion, smoothing must be validated in Ferrobamba and reporting of at least another sampling configuration to assess the impact of using more composites.

RPM notes that within the swath plot for **Figure 7-7** there is some variation near surface between the de-clustered Cu grade and OK grades. A visual review of the block model indicates that this variation is due to the volume of lower grade material within the block model when compared to the location of the composites. While RPM notes that these de-clusters composites to not take into account the weighting per domain and as there is a higher proportion of composites in the higher grade domains result in an overall higher grade than the estimate.

7.4.2 Classification

To report the Mineral Resources and be consistent with the JORC requirement of '*Reasonable Prospects for Eventual Economic Extraction'* RPM constrained the block estimates by the topography and an economic pit which was estimated with Measured, Indicated and Inferred resources and a copper price of $2.20 per pound. Metallurgical recoveries and costs were set as per the Ore Reserve statements as outlined in Section 7. Chalcobamba and Sulfobamba pits based on the FS costs from 2009 while Ferrobamba pit was updated in 2011.

Based on a detailed statistical analysis RPM a search method was appropriate for classification of Measured, Indicated and Inferred Mineral Resources respectively, which would be compliant with the recommended guidelines of the JORC Code for all elements. ***Table 7-8*** outlines the parameters which were utilised for the Ferrobamba and Chalcobamba to determine the potential classifications.

Following the delineation of the potential classification RPM undertook a smoothing approach to reduce the "spotted dog effect" which is not adequate or suitable for the style of mineralisation. The smoothing process consisted of a moving window which counts the number of blocks of each category within that window and finally assigns the final category to each block from the majority. The search parameters size chosen was 15 m x 15 m x 15 m for skarn and 45 m x 45 m x 30 m for non-skarn.

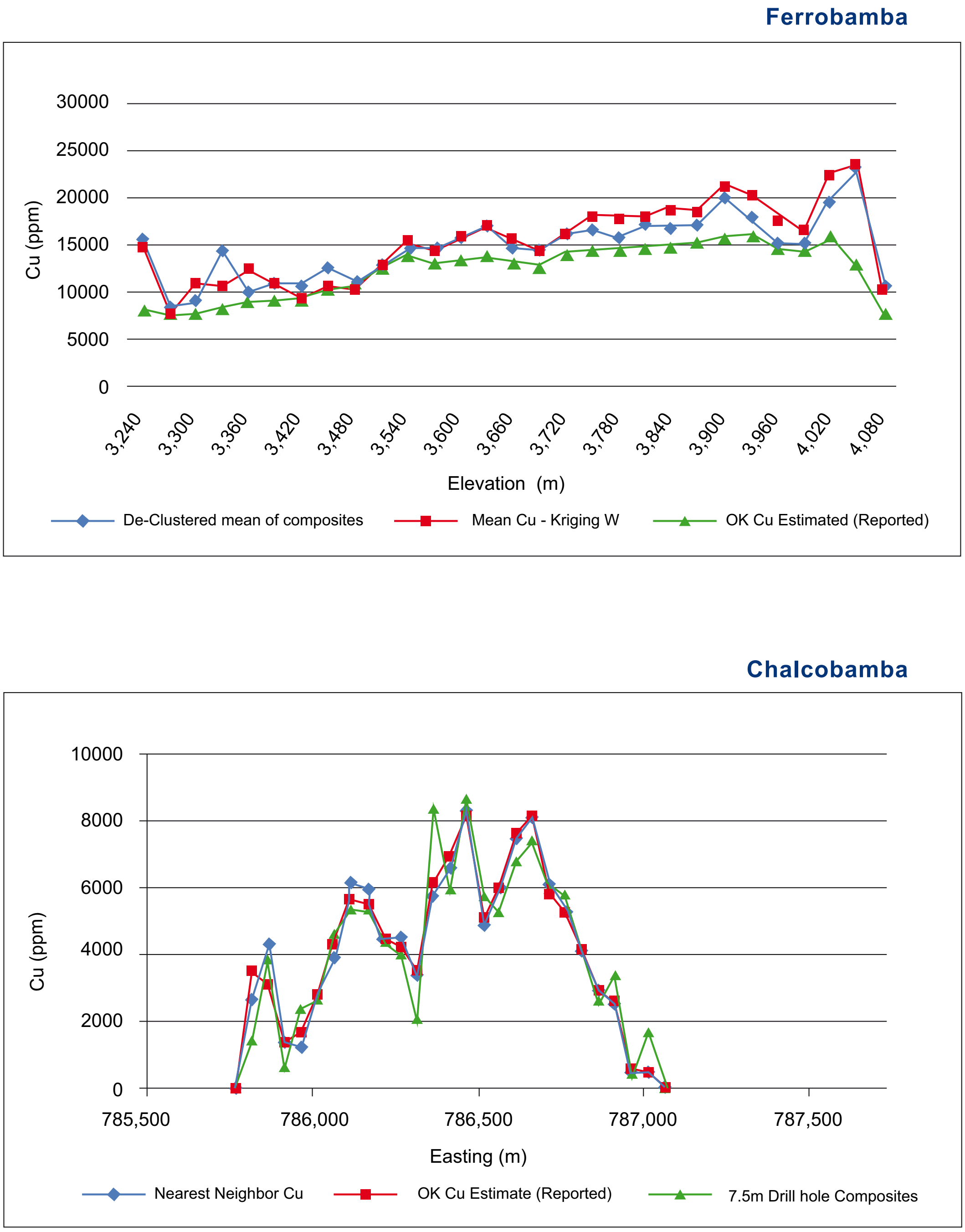
Table 7-8 Ferrobamba Mo Correlogram Models and Sample Configuration

	Deposit	Ferrobamba		Chalcobamba	
	Domain	**Skarn**	**Non-Skarn**	**Skarn**	**Non-Skarn**
Measured	Search Distance (m)	30	60	20	55
	Min Composites	6	12	6	10
	Max Composites	12	20	21	21
	Min Octants	3	3	3	3
	Max Composites per Octant	4	4	4	4
	Max Comps per hole	3	6	3	5
Inidcated	Search Distance (m)	60	80	55	80
	Min Composites	9	12	12	9
	Max Composites	21	20	20	20
	Min Octants	3	3	3	3
	Max Composites per Octant	4	4	4	4
	Max Comps per hole	5	6	6	6
Inferred	Search Distance (m)	150 by 150 by 100	250 by 250 by 120	100	160 by 160 by 100
	Min Composites	8	8	12	8
	Max Composites	21	20	20	20
	Max Comps per hole	6	2	2	4

Utilizing this approach RPM notes that there is sufficient data to potentially apply Measured Classifications within the oxide domain with the Ferrobamba and Chalcobamba deposit. However RM highlights that the geology is less understood than the underlying sulphide material the metallurgical characterization is also less developed than sulfides. As such all these areas within the search radius were classified as Indicated.

In addition RPM considers the oxide Mineral Resources within the skarn area have insufficient metallurgical testwork to confirm the recoveries based on the current flowsheet (Section 10). As such this material is classified as Inferred.

RPM utilised a similar criteria to classify the Mineral Resource within the Sulfobamba deposit, but the post-process of smoothing was not applied.



RungePincockMinarco

FIGURE 7-7

MMG Limited

Las Bambas Project

Project No : ADV-HK-03759

Swath Plot of Ferrobamba & Chalcobamba

A detailed statistical analysis suggested that a composite spacing of 40 m with a minimum of four composite from two drill holes was appropriate for classification of Indicated Mineral Resources and 80 m with a minimum of three composites from two drill holes was appropriate for classification of Inferred Mineral Resource which would be compliant with the recommended guidelines of the JORC Code. These distances was based on the variogram ranges for the major direction of continuity and an interpretation of the geological and grade continuity through visual inspection within the mineralisation. These distances represent the maximum distance between two composites from at least two different drill holes.

7.5 Exploration Potential

The Project has a long history of systematic exploration which has included geological mapping, geophysical and geochemical surveys as well as a large amount of surface diamond drilling. These have been undertaken over numerous generations however within the last 10 years the main focus has been on the three deposits for which Mineral Resources have been estimated. Although a long a long history RPM considers there to be good potential to define further mineralised bodies within the Project area both near planned mining infrastructure and within the broader exploration concession.

Following a review of the data RPM considers there to be potential for the identification of further bodies of economic interest within the concession area. RPM notes that of the large concession holding of the Company, only approximately 35 % has been explored effectively using modern systematic exploration, with much of the recent exploration focusing on the three main defined Mineral Resources. As such Rpm considers there to be a number of targets which present opportunities to increase the resource base and add feed sources to the plant or add to the mine life, these include:

- **Inferred material:** Within the current final pit designs for the Project a total of 125 Mt of "inferred" material has been reported. This is particularly prevalent in the upper western zone of the Ferrobamba deposit. This material has been included in the Ore Reserves estimate, and as per the requirement of the JORC Code the current Ore Reserve schedule, as presented in this Report, attributes a waste mining cost to this material with no revenue from the contained metal. RPM considers there is high likelihood that with additional exploration drilling to increase geological confidence, large portions of this material can be upgraded to Indicated and included as part of the Ore Reserve estimate. RPM highlights that using the cost profiles and modifying factors as those applied in the mine design and production schedule these Mineral Resources show '*Reasonable Prospects for Eventual Economic Extraction'.* If adequate tails storage is available, this material presents a significant opportunity to further increase the Ore Reserves quantities and substantially decrease the strip ratio thereby potentially increasing the economic value of the Project. RPM considers that if a drilling program can successfully upgrade the classification level of the currently defined inferred to indicated mineral resource then the mine life can be extended up to 23 years from the current 21 years.

- **Regional Exploration Targets:** The mineralisation style which is observed within the Project commonly results in multiple separate bodies which cluster in regions occurring along or around regional intrusive bodies and/or structural planes. This is consistent with the mineralisation observed within the Project. Although the focus of the recent exploration has been on the main three mineralised areas, four additional priority targets have been identified by the Company which do not have sufficient exploration to define. These four targets can be separated into two groups based on the exploration completed to date:

    - **Charcas and Azuljaja:** Located to the west of Chalcobamba and Sulfobamba deposits respectively (***Figure 5-3***) these targets have had a total of 3,500m of drilling completed during the 2006 drilling campaign. This program included 8 holes (2,614m) within the Charcas prospect and 3 holes within the Azuljaja prospect. Although at an early stage of exploration, works completed to date have identified anomalous mineralisation at depth which RPM consider are potential indicators of a feeder system into a structurally controlled mineralisation system. This style is similar to the drilling observed in the peripheries of Ferrobamba and Sulfobamba deposits. Further work is required to confirm this interpretation and additional work may not result in the definition of economic mineralisation.

    - **Pumamarca and Pallca:** Located to the east Ferrobamba and west of Azuljaja (***Figure 5-3***), these prospects have had limited exploration work completed on them to date. Geochemical surveys and geological mapping in regions indicate similar geological setting to the main zones of mineralisation already defined.

- **Vertical Extensions at Ferrobamba, Chalcobamba and Sulfobamba**: In addition to the currently reported resource within the pit designs RPM notes that several zones of mineralisation are known to extend vertically beneath pit extents (***Figure 5-3***). Given the depth of this mineralisation, RPM recommends that the Company undertake conceptual level mining studies to determine the potential economics of mining at this depth or utilising a different mining method such as underground methods. Completing high level conceptual mining studies would not only help determine the potential economic viability of the mineralisation but could also help determine the higher priority near-mine targets which can be 'fast tracked' to support either increased production levels or create other feed sources to the plant.

- **Sulfobamba Feeder System**: Recent exploration works by the Company have identified potential extensions adjacent to the pit design which contains the currently defined Mineral Resource (***Figure 7-8***). Drilling to date has identified a number of mineralised areas, which require follow up drilling to define the extent of mineralisation. RPM considers this to be a priority target and shows excellent potential to define near planned mining infrastructure resource which can form a future mine planning and optimisation studies.

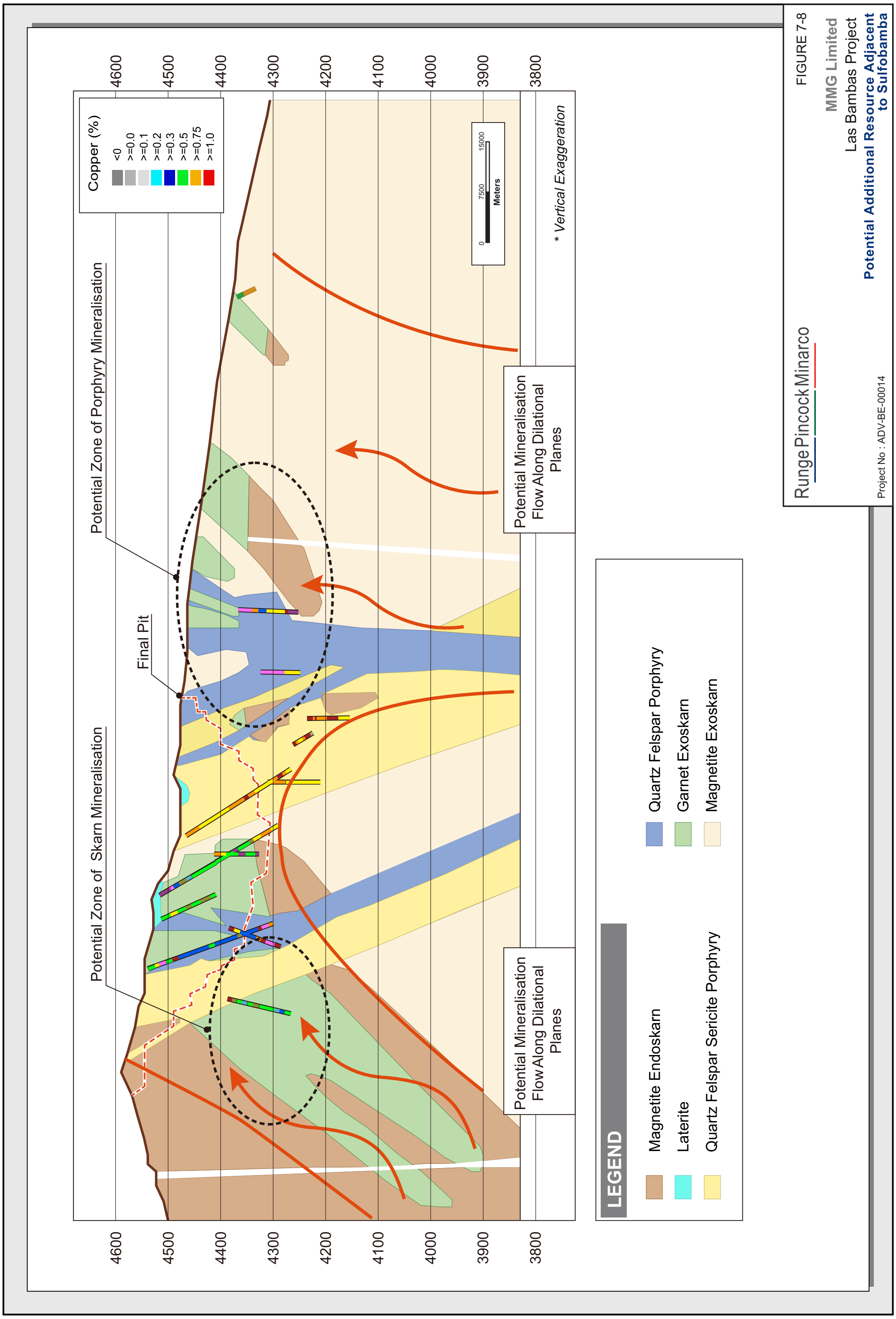


FIGURE 7-8
MMG Limited
Las Bambas Project
Potential Additional Resource Adjacent to Sulfobamba
Runge Pincock Minarco
Project No : ADV-BE-00014
Copper (%)
<0
>=0.0
>=0.1
>=0.2
>=0.3
>=0.5
>=0.75
>=1.0
Potential Zone of Porphyry Mineralisation
Potential Zone of Skarn Mineralisation
Final Pit
Potential Mineralisation Flow Along Dilational Planes
Potential Mineralisation Flow Along Dilational Planes
* Vertical Exaggeration
0
7500
15000
Meters
4600
4500
4400
4300
4200
4100
4000
3900
3800
LEGEND
Magnetite Endoskarn
Laterite
Quartz Felspar Sericite Porphyry
Quartz Felspar Porphyry
Garnet Exoskarn
Magnetite Exoskarn

8 Ore Reserves

The JORC Code defines *an 'Ore Reserve' as the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified. Ore Reserves are sub-divided in order of increasing confidence into Probable Ore Reserves and Proved Ore Reserves. (JORC Code - Clause 28).*

8.1 Areas of Ore Reserves

The JORC Code defines *an 'Ore Reserve' as the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified. Ore Reserves are sub-divided in order of increasing confidence into Probable Ore Reserves and Proved Ore Reserves. (JORC Code - Clause 28).*

8.2 Areas of Ore Reserves

The estimation of Ore Reserves is based on the following areas which are planned to be exploited through large scale open cut mining methods:

- Ferrobamba deposit – this deposit will be the first to be developed with planned Ore production scheduled for late 2014 and contains 657 Mt of total Ore Reserves.
- Chalcobamba deposit – is planned to commence producing Ore in 2018 and contains an estimated 235 Mt of Ore Reserves.
- Sulfobamba deposit – is planned to commence Ore production in 2021 and contains 60 Mt of Ore Reserves.

8.3 JORC Statement of Ore Reserves

The Proven and Probable JORC Ore Reserves estimate for the Project is summarized in ***Table 8-1*** and shown graphically in ***Figure 8-1***. The JORC Ore Reserves estimates reported below are included in the Measured and Indicated Mineral Resources quantities reported in ***Section 7***. RPM has estimated the total Ore Reserves to be **952 Mt** at an average grade of 0.72 % Cu, comprising **450 Mt** of Proved and **502 Mt** of Probable Ore Reserves.

Table 8-1 Statement of JORC Ore Reserves report as at the 1st January, 2014 at a 0.2% Cu cut-off grade

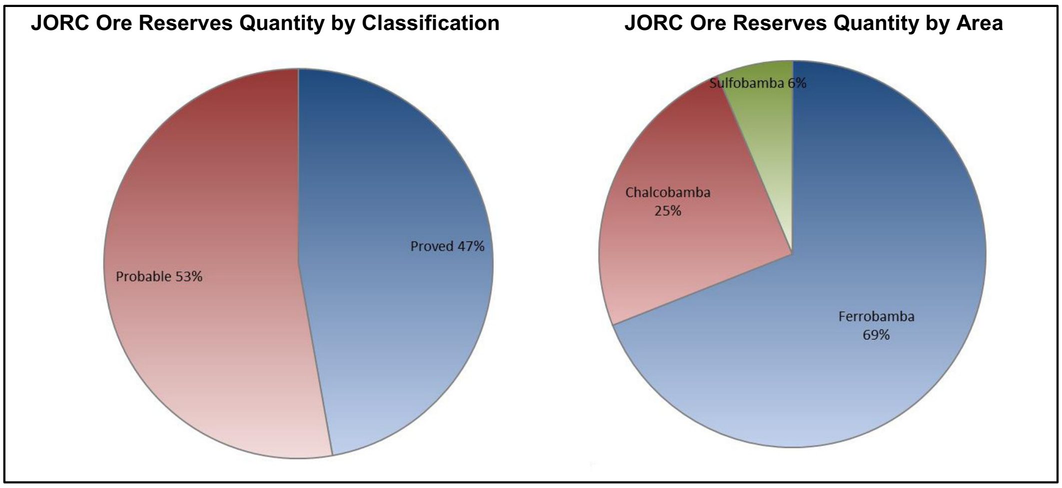
Description	Quantity (Mt)	Cu (%)	Cu (Kt)	Mo (%)	Mo (Kt)	Ag (g/t)	Ag (Moz)	Au (g/t)	Au (Moz)
Ferrobamba									
Proved	386	0.68	2,640	0.018	70.0	3.4	41.8	0.07	0.8
Probable	271	0.80	2,179	0.021	57.2	4.5	38.9	0.09	0.8
Sub Total	**657**	**0.73**	**4,819**	**0.019**	**127.2**	**3.8**	**80.7**	**0.08**	**1.6**
Chalcobamba									
Proved	63	0.46	292	0.014	9.0	1.5	3.0	0.02	0.0
Probable	172	0.74	1,264	0.013	22.9	2.8	15.4	0.03	0.2
Sub Total	**235**	**0.66**	**1,556**	**0.014**	**31.9**	**2.4**	**18.4**	**0.03**	**0.2**
Sulfobamba									
Proved	-	-	-	-	-	-	-	-	-
Probable	60	0.86	516	0.014	8.4	6.6	12.9	0.02	0.0
Sub Total	**60**	**0.86**	**516**	**0.014**	**8.4**	**6.6**	**12.9**	**0.02**	**0.0**
Total									
Proved	450	0.65	2,932	0.018	78.9	3.1	44.8	0.06	0.9
Probable	503	0.79	3,960	0.018	88.6	4.2	67.2	0.06	1.0
Grand Total	**952**	**0.72**	**6,892**	**0.018**	**167.5**	**3.7**	**112.0**	**0.06**	**1.9**

Notes:

1. *The Statement of JORC Ore Reserves has been compiled under the supervision of Mr. Rondinelli Sousa who is a full time Senior Mining Engineer employed by RPM and is a Member of the American Society of Mining, Metallurgy & Exploration (SME). Mr. Sousa has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the JORC Code.*
2. *Tonnages are metric tonnes*
3. *Cut off Grade of 0.2% Cu applied to all are types*
4. *Copper price: \$2.91/lb; Molybdenum price: \$13.37/lb; Silver price: \$19.83/oz; Gold price: \$1,196/oz.*
5. *Figures reported are rounded which may result in small tabulation errors. Ore Reserves have been estimated under the 2012 Edition of the JORC Code.*

RPM notes that the reported molybdenum grade in ***Table 8-1*** is materially different from the publically released latest reserve estimate by the Company. This difference is due to a typographical error in the Company release which state a Molybdenum grade of 0.002 % versus the RPM grade of 0.02 %.

Figure 8-1 Graphical Representation JORC Ore Reserves Quantities



8.4 JORC Ore Reserves Estimation Procedure

Ore Reserves were estimated using a suit of specialized open pit mine planning software packages, which includes the pit optimization program 'Whittle', the haul analyze program 'HauNet', and the production schedule program XPAC Open Pit Metals Solution 'OPMS'. The input parameters selected by RPM are based on the review of the mining studies completed by the Company, discussions with site personnel and site visit observations. To enable the estimation of JORC Ore Reserves, RPM has:

- Reviewed approach, assumptions and outcomes from the Company mine planning studies, including the operating and capital cost forecasts;
- Reviewed information on current mine performance including operating costs and processing recoveries;
- Verified the results of the Whittle optimisation and selection of appropriate pit shells;
- Reviewed the mining method and current life of mine designs;
- Reviewed methodology used to estimate ore recovery parameters in the model;
- Performed independent simulation of production schedules using the specialized production schedule program 'OPMS'. The simulation for each deposit is outlined in ***Section 9.6***;
- Verified the cut-off grades applied as suitable for use in an Ore Reserve estimate;
- Generated an economic model for the LOM schedule incorporating operating and capital costs and revenue as detailed in ***Section 12*** and outlined below. RPM reviewed the operating and capital cost estimates prior to applying them in the economic model.

8.5 JORC Ore Reserves Estimation Parameters

RPM has determined suitable technical parameters to apply in the Ore Reserve estimation process following; discussions with site personnel, review of feasibility level documents, proposed life of mine plans, mining method, tailing dam capacity and the forecast processing plant recoveries for the areas of the Project where Measured and Indicated Resources have been estimated. Inferred Mineral Resources cannot be used for Ore Reserves estimation and were not included as part of the Ore Reserve estimate.

The following parameters have been used for the Ore Reserve estimate:

- A variable metallurgical recovery dependent on the ore type of the mill feed as shown in ***Table 8-2***. The mill feed is in no case less than 0.2% for Cu, refer to ***Section 10***;

Table 8-2 Metallurgical Recovery by Ore Type

Metallurgical Unit	Cu Recovery	Mo Recovery	Ag Recovery	Au Recovery
Ferrobamba				
fssl	90%	58%	65%	70%
fssm	85%	66%	65%	65%
fpsl	90%	80%	65%	70%
fpsm	66%	40%	55%	65%
fbre	75%	60%	65%	70%
Chalcobamba				
cssl	88%	55%	70%	65%
cssm	72%	40%	60%	65%
csml	90%	55%	75%	65%
csmm	72%	40%	60%	65%
cpsl	88%	65%	50%	65%
cpsm	70%	50%	40%	65%
cbre	70%	50%	40%	65%
Sulfobamba				
sskr	90%	50%	70%	65%
spor	90%	50%	40%	65%
sbre	70%	50%	40%	65%

Source: Provided by the Company.

- Operating and capital costs based on feasibility level documents. Refer to ***Section 12*** for the estimation of mining costs;

- A combination of the spot price and Long Term Consensus Forecast metal prices of US$2.91 per pound Cu, US$13.37 per pound Mo, US$19.83 per ounce Ag and US$1,196 per ounce of Au;

- Pit optimization input parameters as shown in ***Table 8-3***.

- RPM notes that ore loss and dilution has been appropriately built in the geologic block models. The geologic interpretation models consist of a set of 3D solids one for each interpreted rock type such that the metal content was estimated considering the proportions of the geologic interpretation in each block as such are considered diluted. RPM considers that this procedure combined with the blocks cells regularization allows a proper incorporation of ore loss and dilution, instead of using ore loss and dilution factors during the pit optimization for each block.

Table 8-3 Pit Optimization Parameters Used in the Ore Reserves by RPM

Description	Units	Ferrobamba	Chalcobamba	Sulfobamba
Prices				
Copper	$/lb	$2.91	$2.91	$2.91
Molybdenum	$/lb	$13.37	$13.37	$13.37
Silver	$/oz	$19.83	$19.83	$19.83
Gold	$/oz	$1,196	$1,196	$1,196
Selling Cost				
Copper	$/lb	$0.14	$0.36	$0.36
Molybdenum	$/lb	$1.95	$1.95	$1.95
Silver	$/oz	$1.55	$2.23	$2.23
Gold	$/oz	$83.00	$125.00	$125.00
Operating Costs				
Ore Mining	$/tonne	$1.13	$1.15	$1.46
Total Ore	**$/tonne**	**$1.13**	**$1.15**	**$1.46**
Waste Mining	$/tonne	$1.54	$1.15	$0.88
Total Waste	**$/tonne**	**$1.54**	**$1.15**	**$0.88**
Tailings Sustaining Capital	$/tonne	$0.87	$0.87	$0.87
G&A Cost	$/tonne	$0.62	$0.62	$0.62
Processing	$/tonne	$4.97	$4.97	$4.97
Total Processing	**$/tonne**	**$6.46**	**$6.46**	**$6.46**
Dilution and Recovery				
Mining Recovery	%	100%	100%	100%
Mining Dilution	%	0%	0%	0%
Pit Slopes				
Overall Slope Angles	degrees	varies	varies	varies
Haulage Cost per Bench				
Reference Bench	Index	1 - 28	1 - 28	1 - 16
Increment Cost per Bench	$/tonne	$0.006	$0.007	$0.008
Reference Bench	Index	29 - 91	29 - 91	17 - 46
Increment Cost per Bench	$/tonne	$0.016	$0.018	$0.022

Notes:
1) *All costs in US Dollars*
2) *Tonnage in metric tonnes*

9 Mining

9.1 Summary

Mining is planned to be undertaken via conventional truck and shovel open pit methods, and over the Life of Mine ("LOM") ore is planned to be sourced from three separate open pits. ROM ore production at the Project is planned to commence within the Ferrobamba deposit in Year 1 (late 2014), with preparation including land clearing and pre-stripping planned to ramp up in Q3 2014. ROM ore is planned to be fed into primary crushers located adjacent to the Ferrobamba deposit at varying rates throughout the life of mine. While the Ferrobamba deposit will be the single source for the first five years, the Projects production will be supplemented in Year 4 with ore from the Chalcobamba deposit which will be trucked to the Ferrobamba primary crushers until Year 6 at which point ore from Chalcobamba will be fed into a primary crusher located adjacent to the Chalcobamba deposit. Mining is forecast to commence in Year 7 from within the Sulfobamba deposit with all ore planned to be trucked to the crusher located at the Chalcobamba deposit.

The quantity of mineable Ore Reserves is limited by the capacity of the currently designed tailings facility. RPM has estimated the total JORC Ore Reserves to be 952 Mt at an average grade of 0.72% Cu and will also yield significant quantities of molybdenum, silver and gold, with an expected Ore Reserve grade of 0.02% Mo, 3.66 g/t Ag and 0.06 g/t Au. Over the 21 year LOM, the stripping ratio will average 1.96 t waste to 1.0 t ore.

Mine plans developed by the Company are based on the assumption that additional tailings capacity will be developed prior to the end of the mine life and on the expectation that 125 Mt of "inferred" material which is predominantly hosted within the upper zones of the Ferrobamba deposit final pit design will be converted to Ore Reserves following additional exploration. RPM notes that this material does not form part of the Ore Reserves presented in this report nor does it form part of the production schedule presented in Section 9.7. RPM did not incorporate the assumed additional tailings capacity development in its Ore Reserve consideration.

All mining equipment is planned to be delivered to site to coincide with the peak mining rate of 464 ktpd (ore plus waste) and will include electric shovels matched with 300-tonne capacity trucks. The maximum number of shovels during the LOM will be 6 and a maximum of trucks of 52. Nine surface blast hole drill rigs have been purchased, and delivery of all mine equipment is ongoing.

Stripping will accelerate at the end 2014 via the use of hydraulic shovels. In preparation, haul roads for waste are currently being constructed, equipment is being received and assembled, and employees are being trained.

9.2 Mining method

Key characteristics of the mineralisation within the Project are that it occurs as large size orebodies with three distinctive zones of copper sulphide mineralisation that are composed of chalcopyrite, chalcocite and bornite. Typical open cut mining is the preferred mining method as:

- mineralisation occurs near surface;
- minimal initial mining capital investment for open cut mining as mining contractors will be engaged;
- the presence of supporting infrastructure for open cut mining;
- open cut operational costs are lower than underground.

The typical open cut mining method includes:

- drilling of a blast pattern;
- blasting to fragment rock;
- marking out ore zones based on grade control results; and

- digging, loading and hauling of ore and waste rock to the surface.

Mining operations are planned to utilise a top of the line drill and blast truck shovel operation which includes 6 loading units (P&H 4100 XPC and Cat 7495HR electric shovels, Cat 6060S hydraulic shovels, a Cat 992k front end loader and an L2350-II Letourneau front end loader), up to 52 Komatsu 300 t capacity trucks, 9 electric or diesel drills (a blend of P&H, Cat and Sandvik brands), and 22 pieces of auxiliary equipment (a blend of Cat and Komatsu brands).

9.3 Mine Design and Concept

Three deposits are planned to be mined at the Project in the current LOM plan through large scale open pit mining methods. The Company's mining department is currently in the process of preparing the Ferrobamba deposit for accelerated pre-stripping, which will begin in Q3 2014. Waste material from these pits will be delivered through a series of haul road to onsite waste dumps for storage. Ore from the pits will be hauled to surface via trucks and tipped directly into one of two primary crushers which will be located adjacent to the Ferrobamba and Chalcobamba pits (Figure 9-1). Following crushing the ore will be transported to the onsite concentrator via a 5 km long overland conveyor system. When in full production, the combined ore from the three deposits will feed a centralized concentrator at a 140 ktpd rate.

9.3.1 Pit Optimisation

RPM has evaluated the block models used in the estimate of the Mineral Resource using Whittle software package to confirm the validity of the pit limits employed in the feasibility studies prepared by the Company. RPM used only Measured and Indicated material during the Whittle optimisation.

This work resulted in the identification of approximately 1,163 Mt of material at a 0.2% Cu cut off (***Table 9-1***) that could economically be mined using reasonable assumptions for costs and metals prices as summarized in ***Table 8-2*** for the recoveries by rock type, ***Table 8-3*** for the mining parameters

RPM notes that ore loss and dilution has been appropriately built in the geologic block models. The geologic interpretation models consist of a set of 3D solids one for each interpreted rock type such that the metal content was estimated considering the proportions of the geologic interpretation in each block as such are considered diluted. RPM considers that this procedure combined with the blocks cells regularization allows a proper incorporation of ore loss and dilution, instead of using ore loss and dilution factors during the pit optimization for each block.

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Table 9-1 Pit Optimisation Summary at a 0.2% Cu Cut off

Description	M Tonnes	Cu % Cut-off	Strip Ratio	Cu %	Cu Mlbs	Mo %	Mo Mlbs	Ag gpt	Ag Mozs	Au gpt	Au Mozs
Ferrobamba											
Total Ore	**724**	**0.20**	**-**	**0.72**	**11,523**	**0.02**	**311**	**3.75**	**87**	**0.07**	**2**
Fpsl	394	0.20	-	0.47	4,077	0	156	1.49	19	0.03	0
Fpsm	121	0.20	-	0.36	959	0	28	1.27	5	0.03	0
Fssl	166	0.20	-	1.50	5,499	0	112	10.13	54	0.20	1
Fssm	39	0.20	-	1.08	920	0	14	7.16	9	0.15	0
Fbre	5	0.20	-	0.63	68	0	1	3.68	1	0.04	0
Total Waste	**1,698**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Waste Rock	1,698	-	-	-	-	-	-	-	-	-	-
Total Pit	**2,422**	**-**	**2.34**	**-**	**11,523**	**-**	**311**	**-**	**87**	**-**	**2**
Chalcobamba											
Total Ore	**325**	**0.20**	**-**	**0.58**	**4,141**	**0.01**	**95**	**2.11**	**22**	**0.03**	**0**
Cssl	99.50	0.20	-	0.72	1,578	0	31	3.11	10	0.04	0
Cssm	35.95	0.20	-	0.57	451	0	10	2.11	2	0.03	0
Cpsl	20.44	0.20	-	1.42	642	0	4	4.58	3	0.07	0
Cpsm	2.01	0.20	-	0.85	38	0	0	3.26	0	0.04	0
Cbre	119.37	0.20	-	0.36	939	0	40	1.01	4	0.01	0
Csml	26.31	0.20	-	0.36	211	0	5	1.28	1	0.02	0
csmm	21.13	0.20	-	0.61	283	0	5	2.17	1	0.03	0
Total Waste	**530**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Waste Rock	530	-	-	-	-	-	-	-	-	-	-
Total Pit	**855**	**-**	**1.63**	**-**	**4,141**	**-**	**95**	**-**	**22**	**-**	**0**
Sulfobamba											
Total Ore	**113**	**0.20**	**-**	**0.63**	**1,583**	**0.01**	**36**	**4.88**	**18**	**0.02**	**0**
Sskr	42	0.20	-	1.12	1,030	0	10	10.00	13	0.03	0
Spor	71	0.20	-	0.35	548	0	26	1.87	4	0.01	0
Sbre	1	0.20	-	0.45	5	0	0	7.08	0	0.01	0
Total Waste	**266**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Waste Rock	266	-	-	-	-	-	-	-	-	-	-
Total Pit	**380**	**-**	**2.35**	**-**	**1,583**	**-**	**36**	**-**	**18**	**-**	**0**
Total											
Total Ore	1,163	0.20	-	0.67	17,247	0	442	3.40	127	0.06	2
Waste Rock	2,494	-	-	-	-	-	-	-	-	-	-
Grand Total	**3,657**	**-**	**2.15**	**-**	**17,247**	**-**	**442**	**-**	**127**	**-**	**2**

Notes:
1) Tonnage in metric tonnes
2) Cut-off Grade of 0.2% Cu applied to all oretypes
3) Only "measured and indicated" material was used for all the whittle runs described in this section.

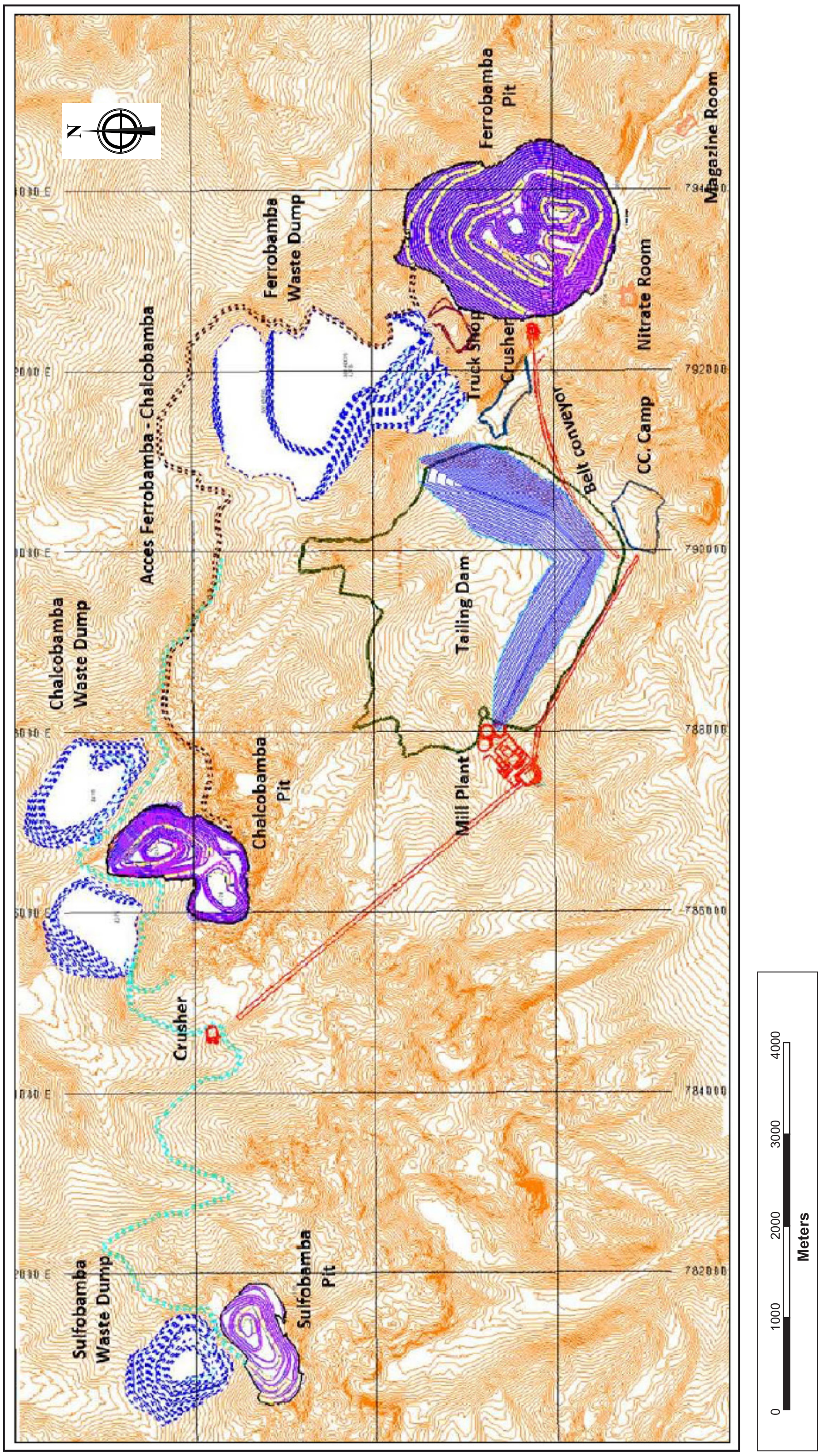

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FIGURE 9-1

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Site Map