

President Zhou's Speech

at Melbourne Mining Club Gala Dinner

Shanghai, 19 August 2010

Distinguished Guests,

Ladies and Gentlemen:

Good Evening!

Tonight is special, because we are in Shanghai, one of China's most vibrant cities and the host city of World Expo 2010, and we come together on this special occasion as Melbourne Mining Club makes its first appearance in China. It demonstrates the value of the Australia-China business relationship, particularly within the resources industry.

Just over a year ago, China Minmetals made ground breaking investment in the Australian mining industry. In creating MMG we formed a unique bridge between China and Australia.

Today, more than ever, the importance of this relationship is evident. In 2009, China surpassed Japan to become Australia's largest trading partner. Total trade between the two countries now amounts to around AUD78 billion and represents around 20% of Australia's total trade volume.

While Australia-China two-way investment has also been growing it has lagged behind the trade relationship. Since November 2007, the Australian Government has approved over 160 proposals together worth around AUD60 billion for Chinese investment in Australian businesses. Chinese investment in the Australian resources sector has played a significant part in driving this increase and our investment in MMG represents a major portion of this.

The importance of the Australia-China relationship is also clearly evident here in Shanghai this week, reflected in the high caliber people of Australian and Chinese resources industry gathered in this room and the impressive Australia Pavilion at the World Expo. As the Chairman of Board of an Australian mining company, I would like to take this opportunity to promote Australia Pavilion. I hope you all have an opportunity to visit.

China Minmetals is China's largest comprehensive corporation for metal and mineral products, with a development history of 60 years. Now it ranks at the 332nd place on the Fortune Global 500. With the objective to build a leading global resources business, we attach equal importance to both overseas business and domestic business, and have invested in many mining projects throughout the world. It brings us not only assets, but also valuable human resources. The establishment of MMG is our best example of this.

Australia has some of the most talented people in the global resources industry. Just over 12 months ago we welcomed 5,500 employees to MMG. Today this has grown to just over 6,000. MMG has technical experts, specialists in the fields of mine engineering, metallurgy and geology to name a few and at the executive level, some

of the most well known faces in the industry with experience in growth transactions around the world. We can learn a lot from them. At the same time, our Australian colleagues can learn from us, about operating in China and gaining our insights into commodity supply and demand within China.

Last month we held a knowledge sharing event in Melbourne bringing together employees from China Minmetals and MMG. We shared our knowledge, processes and systems across a number of fields including risk management, safety and asset management. This is a two-way process in which both MMG and Minmetals will share information and adopt the best processes and systems. Through an ongoing learning cycle we will both continuously improve.

And it's not just our own people that have helped established MMG, the people in our local communities, and the relationships we have developed have added to it. When forming MMG we said that we were committed to ensuring that local economies would continue to receive tangible benefits from the operations and that we would build strong and trusted partnerships with local communities. Since MMG was formed in June 2009, we have invested around AUD4.4 million back into local communities through community and local business development, education and training, sponsorships and capacity building.

We have forged a number of significant agreements to support local economies. We recently signed an agreement with the Government in Laos, where our Sepon mine is a major contributor to the country's GDP. This Memorandum of Understanding paves the way for the exchange of information and experience between Minmetals, MMG and the Lao Government to develop a modern and successful resources sector.

We continue to focus on attracting people from local communities to employment at our mine sites and further building their skills. We deliver training programs to teach and develop local and particularly indigenous people. This active approach to local employment and training will continue to be crucial to us in the future as we look to develop new projects in Australia and around the world. At Sepon, around 50% of our workforce is drawn from local district communities and another 35% from other regions in Laos. At Century mine around 20% of our workforce is indigenous supported by our pre-employment training program that continues to successfully train and place young indigenous people in roles at the mine. We also support our local indigenous communities at Golden Grove working with our local businesses to provide training and skills to help young people find future roles in mining and other industries.

Our strategy for MMG is to build a leading global diversified minerals and metals company. MMG will serve as an international investment platform for us as we continue to monitor mining assets and deals at good value.

We have very high expectations for the MMG management team but are confident it can achieve this. Together, we can set a successful example for economic cooperation between our two countries.

Thank you!