WE MINE FOR PROGRESS

MMG

Delivering a new core process platform for a growing global mining business



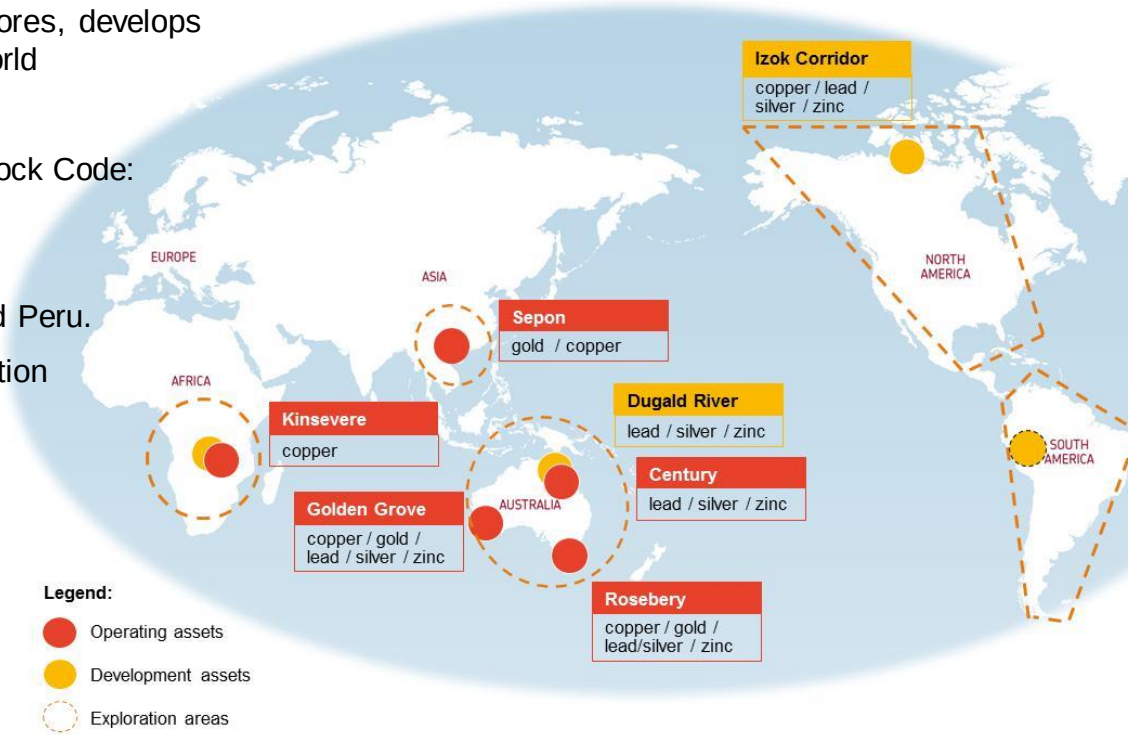
SAP Mining & Metals October 2014

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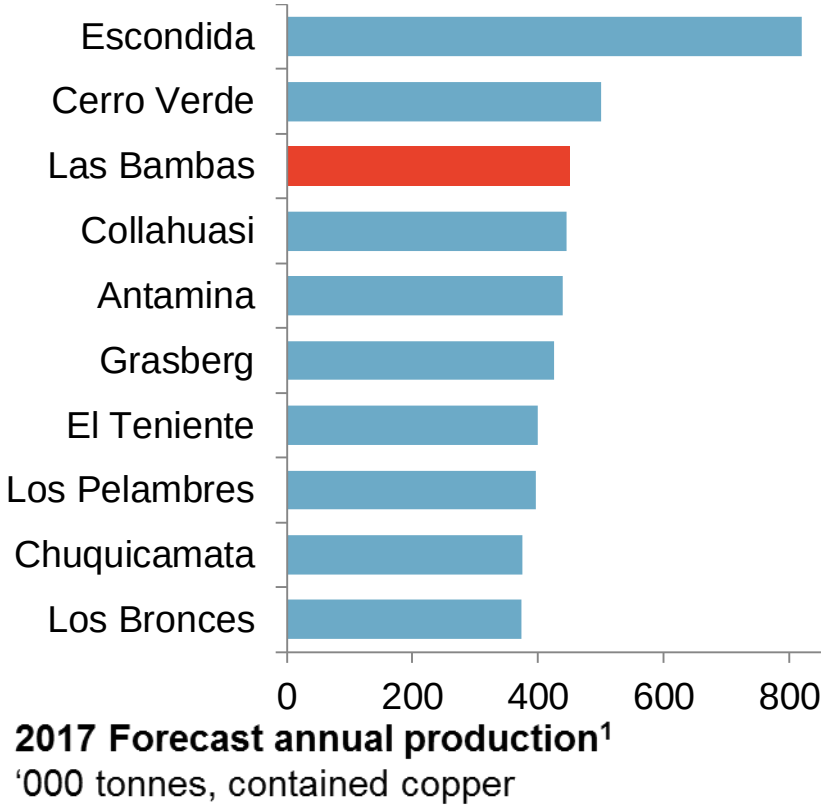
1. About MMG
2. What we have done
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About MMG Limited

- Mid-tier global resources company which explores, develops and mines base metal deposits around the world
- Headquartered in Melbourne, Australia
- Listed on the Hong Kong Stock Exchange (Stock Code: 1208)
- Experienced international management team
- Mining operations in Australia, Asia, Africa and Peru.
- Major shareholder - China Minmetals Corporation



Las Bambas (Peru)



2017 Forecast annual production[1]

'000 tonnes, contained copper



(1) Source: Wood Mackenzie, Global copper long-term outlook Q4 2013, January 2014, Company Reports.

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The Challenge

Objectives

- Standardised simplified business management system
- Transparent and comparable business measures delivered through intuitive displays
- Data in system trusted, complete and up to date
- One system for all of MMG operations
- Ability to scale quickly
- Support for shared services
- Platform to support process improvement
- As far as possible leverage SAP Mining Industry Solution

MMG's business processes:



We are treating this as a major business change underpinned by re-designed SAP system

Timetable

Q3 2012 – Q2 2014
Deliver solution

Q3 2014 – Q4 2014
HPT Australia, 2 additional sites

Q4 2014 – Q3 2015
Head Office + enhancements + additional offshore sites

Pre 2012	Vision and architecture work, business planning
Early 2012	Scope and business case
Mid 2012	Board approval
Late 2012	Delivery of SAP IEM (SHEC)
Early 2013	Delivery of SAP PPM (MMG Project Portfolio)
Early 2013	Design of full integrated business management solution completed
Q3 2013	First reporting dashboards delivered
Q1 2014	Performance Management (Success Factors) live for all sites
Q2 2014	Foundation release live at first site (Laos)
Q3 2014	HR all sites (August); 2 additional mine sites (Oct)

The go-live experience in Laos

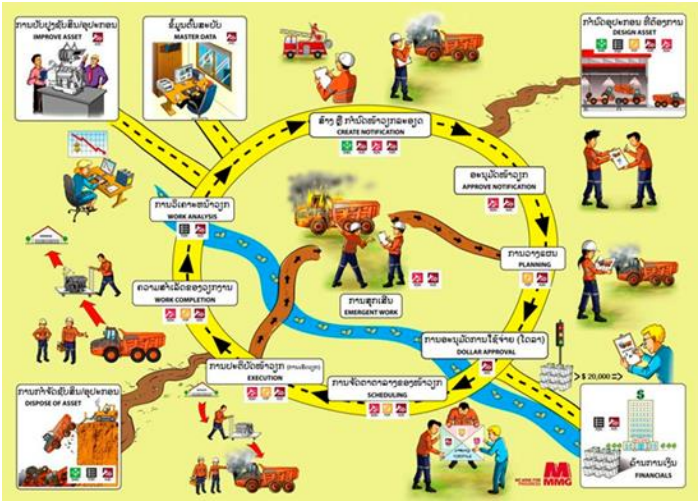






The challenges: Knowledge transfer where end users have little experience of "mature" business processes

- 85% attendance at training sessions
- 900+ attended SAP introductory training
- 800 people attended functional training
- Daily coaching sessions
- Project team support during the warranty period
- A support network has been established

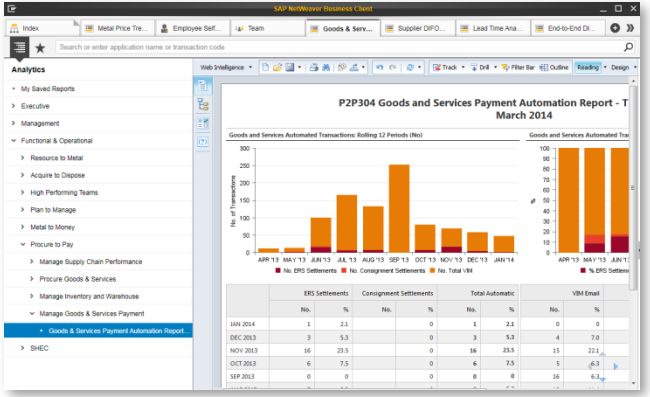


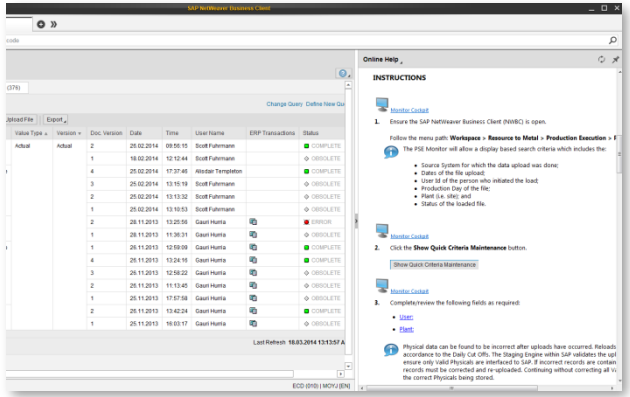
Training delivery:

- Graphical process documentation
- Laos voice-overs
- On-line training scenarios and help
- Competitions to promote interest

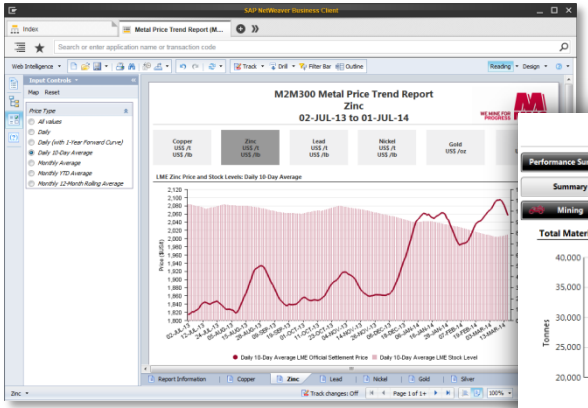
The challenges: make it easy to use

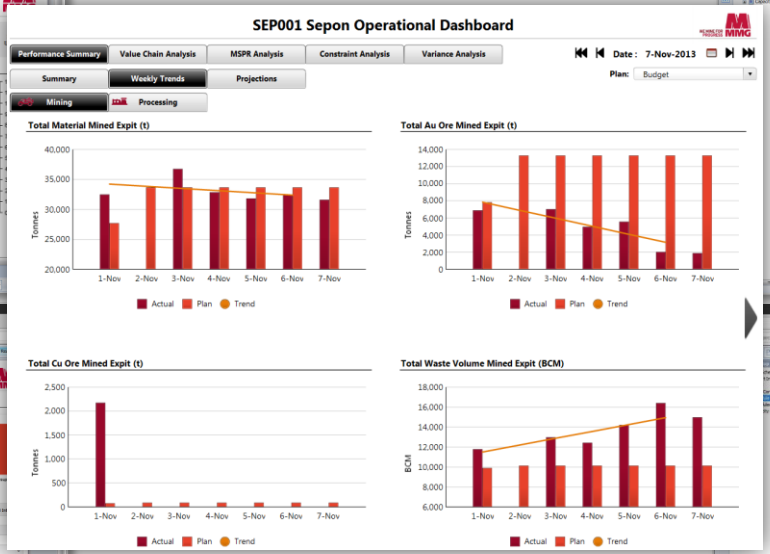
- **Different UI's for different users**
- **Rich client, web self service, mobile etc**
- **Modern screen experience**
- **Context sensitive help with simulations and voice overs in target language**



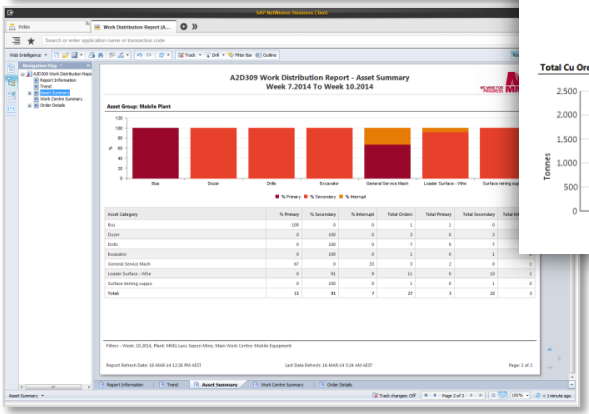


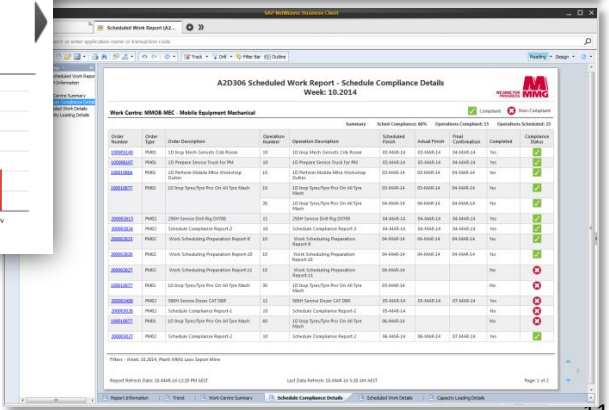
The challenges: provide easy access to information











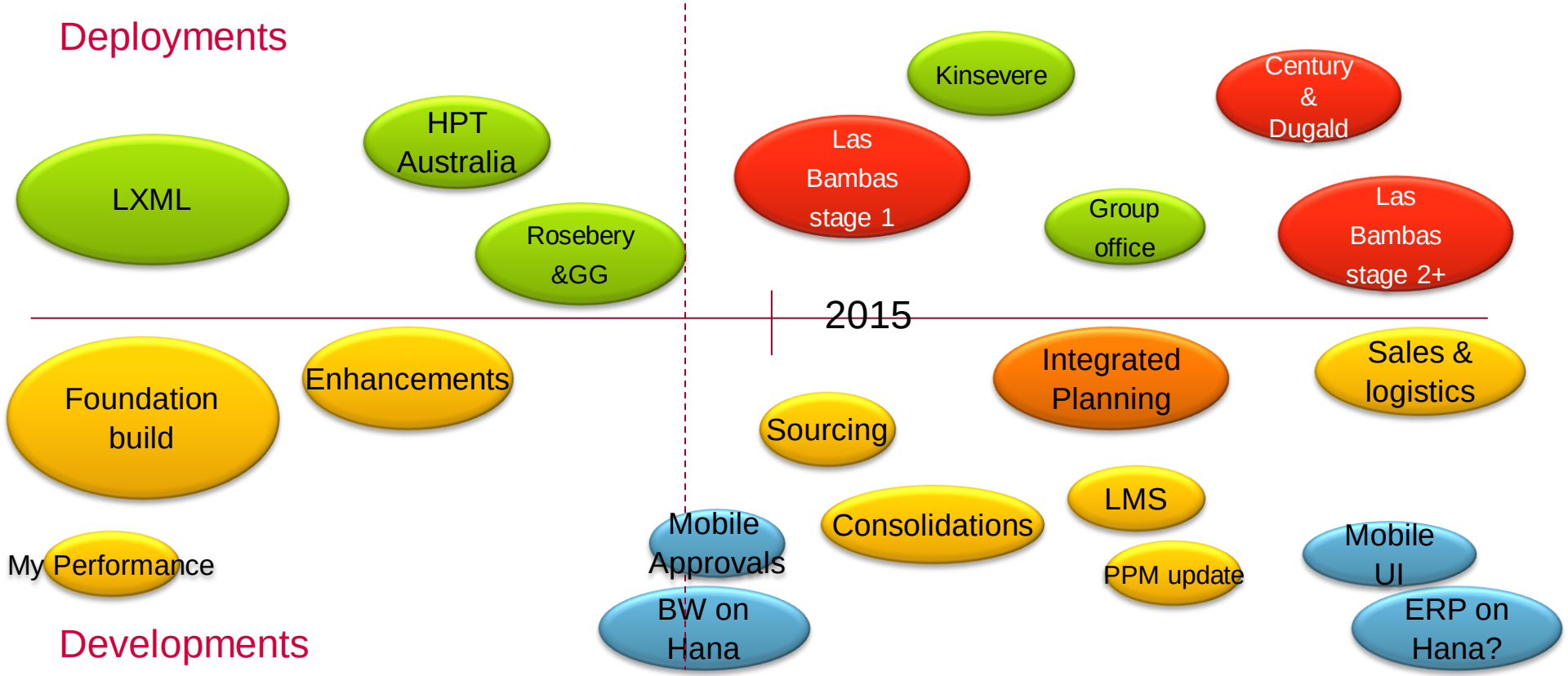
Lessons to date

What have we done well?	What would we do differently?	Challenges ahead
• Quality of business engagement leading to continuing support • Established process owner roles with linkage to project • Progressive delivery – especially new analytics • Assembled a highly skilled team • LXML (Laos) – positive first impression • Learning tools integrated with SAP transactions	• More focus on value in tangible business language • Earlier exposure of business to design • Earlier focus on data quality from project and business • Underestimated need for process coaching	• Transfer of ownership • Value only delivered as processes mature • Stay the course • Continuity of key resources after first release

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High level roadmap



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Example



Cornel Parshotam, head of production at BHP Billiton's Olympic Dam

At Olympic Dam's mine site office, a presentation by Parshotam on the productivity gains being made is chock-full of examples. *Overriding it all is BHP's company-wide adoption 1SAP, a business change initiative involving common end-to-end business processes*.

Parshotam has a simpler explanation, saying 1SAP is about planning maintenance in a way that makes its safer and more efficient. It is about having the processes and systems in place that "will enable us to actually continually improve".

BHP has identified the key productivity drivers in each area of the underground mine and the surface processing facilities and then benchmarked them against the best within the broader BHP and best that can be seen externally.

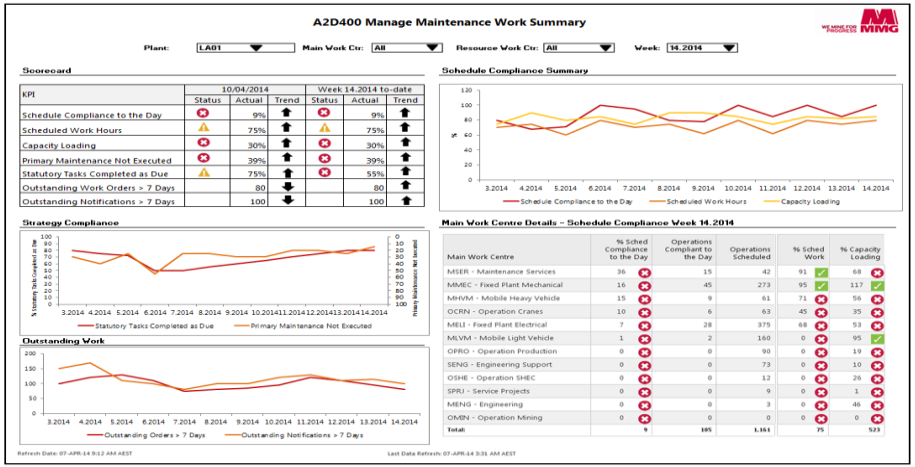
From The Australian Saturday 9th August 2014

Business case for integrated business management system - sources of value

Plan the work, work the plan	• Moving from breakdown maintenance to planned and preventative maintenance means lower costs and more throughput • Better control of hazards and safety exposures
Transparency enables agility	• Reporting becomes a by product of executing a process rather than a separate labour intensive activity; Speed of information delivery (near real time) enables agility • Common metrics create transparency which enables shared improvement
Move work to where it can be best done	• Providing skilled labour on a mine site is expensive. Some work can be moved to where lower costs or more specialised skills are available • Enable shared business services, centres of expertise and remote operations centres
Enable integration of acquired businesses	• A well designed business process platform provides a foundation for integration of acquired businesses
Replicate best practice and focus improvement	• Ability to measure process performance using common metrics across all operations enables focus on shared best practice • Single process platform makes global continuous improvement real

Value delivery needs to be supported through the operating model of the business

- The project delivers a step up in process maturity and integration
- When the project completes processes will degrade if there is no drive for:
  1. Compliance with process performance targets
  2. Additional value through closing gaps with leading practice
- Improvement won't happen without dedicated process excellence roles for each area



Maintenance Process Dashboard

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The recipe? We are still working on it!

1. Prepare the business to take ownership
2. Understand where the value is
3. Don’t expect an SI to do it for you – get the right project team for your company
4. Over invest to achieve success with your first target site – they become your best advocates
5. Focus on data – get it right, make it usable
6. Ease of use is key – distinguish between power users and edge users
7. Deliver in multiple drops
8. Ensure the business can sustain and improve after the project team has gone



Summary

- We are well advanced in building a core process platform for our business
- We can already see progress in data quality, accessibility and transparency
- This project positions MMG to better operate and control our business as it grows

