The International Copper Study Group (ICSG) met in Lisbon, Portugal on 23-24 April 2015. Government
delegates and industry advisors from most of the world’s leading copper producing and using countries met to discuss key issues
affecting the global copper market. In its meeting of the Statistical Committee, the ICSG view of the world balance of refined
copper production and use was developed.

Copper Market Forecast 2015-2016

In developing its global market balance, ICSG uses an apparent demand calculation for China, the leading global consumer of
copper, accounting for about 40% of world demand. Apparent copper demand for China is based only on reported data
(product + net trade +/- SHFE stock changes) and does not take into account changes in unreported stocks [State Reserve
Bureau (SRB), producer, consumer and merchant/trader], which may be significant during periods of stocking or de-stocking and
which could significantly alter supply-demand balances.

Historically, ICSG has only accounted for reported stock data in its statistics. In recent years anecdotal evidence has suggested
that there have been substantial fluctuations in Chinese bonded stock levels, and apparent demand based on trade, production,
and changes in exchange inventories may not adequately reflect industrial use in a given time period. ICSG acknowledges the
distortion that these unreported stock movements can cause in the calculation of the world refined copper balance and, therefore,
beginning with the January 2014 monthly data release, has included in its world summary table an additional line item - Refined
World Balance Adjusted for Chinese Bonded Stock Changes. As there is no officially reported data for Chinese bonded stocks,
ICSG uses an average of stock estimates provided by three consultants — based on their ongoing research and analysis of the
Chinese copper market — to estimate the unreported inventory changes.

ICSG projections for 2015 indicate that world refined copper production is expected to exceed apparent refined copper demand
by 365,000 metric tonnes (t). According to ICSG projections for 2016, the copper market may show a second consecutive
production surplus relative to demand. However this is expected to be lower at 230,000 t as demand growth outpaces production
growth.

In developing its projections, ICSG recognized that the global market balances could vary from those projected owing to
numerous factors that could reduce or enhance projections for both production and usage. In this context it can be noted that
actual market balance outcomes have on recent occasions deviated significantly from ICSG market balance forecasts due to
unforeseen developments.

After underperforming in 2014 with growth of just 2.4%, world mine production after adjusting for historical disruption factors is
expected to increase by around 5% in both 2015 and 2016 to 19.5 Mt (million tonnes) and 20.5 Mt respectively. The increases
will reflect expansions at existing operations, ramp-up in production from mines that have recently come on stream and output
from a few new mine projects. Most of the new production is expected to be in the form of copper in concentrate.

After increasing by 7% in 2014, world refined copper production in 2015 is expected to increase by around 4% year-on-year to
23.4 Mt on the back of capacity expansions at electrolytic plants in China (and to some extent from higher SX-EW capacity in
Africa). Primary refined production (excluding SX-EW) is expected to grow by 6% this year benefiting from increased availability of
concentrate while secondary production is forecast to decline by 2% on continued tightness in the scrap market. In 2016, world
refined copper production is expected to grow further by around 2.5% to 24 Mt.

Following growth of around 7% in apparent usage in 2014, ICSG expects world apparent refined usage in 2015 to increase by
only 0.6% mainly because, although industrial demand growth in China is expected at around 4.5-5%, apparent demand in China
is expected to increase by 1%. On the other hand, usage in the rest of the world is expected to remain essentially flat. For 2016,
the growth in apparent refined usage is expected at around 3% with underlying Chinese industrial demand growth expected at
5%. Usage in the rest of the world is expected to increase by about 2%.

Next Meetings of ICSG

The next Meetings of the Study Group will be held in Lisbon, Portugal in the Monday 5 and Tuesday 6 October 2015 and will be
followed by a Joint Study Groups’ Seminar on Wednesday 7 October 2015.
1/ Based on a formula for the difference between the projected copper availability in concentrates and the projected use in primary refined production; 2/ Allowance for supply disruptions based on average ICSG forecast deviations for previous 5 years. 3/ For details of this adjustment see paragraph 3 of the press release.