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SNIPPETS

MSC's tin mining arm enters MOU to lease lands

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Tin miner and metal producer, Malaysia Smelting Corporation Berhad's ("MSC" or "the Group") wholly-owned subsidiary, Rahman Hydraulic Tin Sdn. Bhd. ("RHT"), has just entered into a Memorandum of Understanding ("MOU") with Menteri Besar Incorporated (Perak) ("MB INC.") to lease two parcels of lands measuring approximately 100 acres and 323 acres respectively, which are located adjacent to the southern boundary of RHT's existing tin mining leases in Klian Intan, Perak.

Subject to the entry of the definitive lease agreement, over the immediate term, RHT will utilize these lands for dumping overburden, tailings and slime arising from on-going tin mining activities at its open pit tin-mine, the largest in Malaysia. This will improve RHT's mining productivity and waste management efforts, consistent with its sustainability goals.

Valid for one year, this MOU will serve as the framework for both parties to enter into a definitive lease agreement for the said lands belonging to MB INC as well as for other potential business arrangements, with each other in relation to, but not limited to tin mining and related activities in the State of Perak.

Dato' Dr. Patrick Yong, Chief Executive Officer of MSC commented, "We are pleased with this MOU as it would pave the way for us to commence strategic negotiations on expanding our tin mining leases as well as to undertake any other joint efforts with MB INC."

"As an integrated tin producer, our tin mining activities are important to the continuity of the Group's tin smelting operations. The expansion of tin mining leases will augur well for the Group's production output of tin-in concentrates, which currently only contributes approximately 10% of our tin smelting requirements."

This initiative is part of the Group's overall efforts to enhance its market position as one of the world's largest producers of tin metal in the world. As on-going efforts are being made to identify new mining leases to expand its upstream business, MSC is also enhancing its downstream production efficiencies with the relocation of its smelting plant to a new facility in Pulau Indah, Klang. Once the new plant is fully-operational, MSC expects recovery yields and costs savings to improve significantly.