

CONNECTED TRANSACTIONS

Following the Global Offering (assuming the Over-allotment Option is not exercised), Chinalco, through its wholly-owned subsidiary, COH, will continue to be our substantial shareholder beneficially interested in approximately 85% of our issued share capital, hence a connected person under the Listing Rules. Upon the completion of the Global Offering, we will continue to engage in certain transactions that constitute connected transactions and continuing connected transactions within the meaning of the Listing Rules. Set out below is a summary of these transactions. All these transactions are exempted from reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

<u>Nature of Transaction</u>	<u>Applicable Listing Rules</u>	<u>Waiver Sought</u>
1. Bank Guarantees	14A.65(4)	N/A
2. Shareholder Loan	14A.65(4)	N/A
3. Equipment Purchase Agreement	14A.33(3)(a)	N/A
4. Trademark License Agreement	14A.33(3)(a)	N/A

EXEMPT CONNECTED TRANSACTIONS

Bank Guarantees

On December 1, 2010, Chinalco Peru entered into a loan agreement with Eximbank for an aggregate loan facility of US\$2 billion, which is to be repaid in twenty-two installments from June 2015 according to the stipulated repayment schedule. The loan facility is for the purpose of capital expenditure for the Toromocho Project. Under this loan agreement, Chinalco Peru undertakes to obtain Eximbank's prior written approval before any decrease of its registered capital or variation of its material equity and assets, including but not limited to any material disposal of its shares, equities or assets. On the same date, Chinalco entered into a guarantee agreement with Eximbank for the entire outstanding amount, accrued interest, penalties and other expenses arising from the loan from Eximbank.

On September 7, 2012, Chinalco Peru entered into a loan agreement with China Development Bank for an aggregate loan facility of US\$83 million, which is to be repaid in ten installments from October 2015 according to the stipulated repayment schedule. The loan facility is for the construction, maintenance and operation of the Kingsmill Tunnel water treatment plant. Under this loan agreement Chinalco Peru undertakes to obtain China Development Bank's prior written approval before disposing of assets above a threshold value. On October 16, 2012, Chinalco entered into a guarantee agreement with China Development Bank for the entire outstanding amount, interest, penalties and other expenses arising from the loan from China Development Bank.

On December 25, 2012, Chinalco Peru entered into a loan agreement with China Development Bank for an aggregate loan facility of US\$35 million, which is to be repaid in ten installments from December 2015 according to the stipulated repayment schedule. Under this loan agreement, Chinalco Peru undertakes to obtain China Development Bank's prior written approval before disposing of assets above a threshold value. The loan facility is for the construction of the limestone plant and construction of the electricity supply of the Toromocho Project. Chinalco will be required to enter into a guarantee agreement with China Development Bank within 30 business days from the date of the loan agreement.

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Chinalco is our Controlling Shareholder and is thus a connected person. Chinalco Peru is a subsidiary of the Company. Thus the provision of these bank guarantees will constitute connected transactions.

The Directors are of the view that the above bank guarantees, being a form of financial assistance (as defined by the Listing Rules) provided by Chinalco for our benefit, were on normal commercial terms (or better to the Group) where no security over our Company's assets was granted in respect of such financial assistance, and as such, the bank guarantees will be exempted from reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.65(4) of the Listing Rules.

Shareholder Loan

On September 30, 2011, the Company and COH entered into the Debt Reorganization Agreement to formalize the intra group loans owed by the Group to COH. As of the Latest Practicable Date, the loan remaining outstanding between COH and the Group amounted to approximately US\$249.0 million. This loan is expected to be partially repaid using the proceeds of the Global Offering. The interest rate is LIBOR plus 200 basis points per annum. COH is our Controlling Shareholder following the Global Offering, thus a connected person. The loan will, upon Listing, constitute a connected transaction.

The Directors are of the view that this loan, being a form of financial assistance (as defined by the Listing Rules) provided by COH for our benefit, was on normal commercial terms where no security over our Company's assets was granted in respect of such financial assistance, and as such, the loan will be exempted from reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.65(4) of the Listing Rules.

EXEMPT CONTINUING CONNECTED TRANSACTIONS

Equipment Purchase Agreement

On January 28, 2010, Chinalco Peru entered into an agreement with China Great Wall for the purchase of field erected tanks for the total amount of US\$1,421,022. On July 14, 2010, Chinalco Peru and China Great Wall further entered into a supplemental agreement and the purchase price was adjusted to US\$1,497,274.17. Pursuant to these agreements, (i) 20% of the purchase price will be paid within 30 days upon submittal of approval drawings; (ii) 25% will be paid within 30 days upon notification of receipt of 90% of materials and readiness for production; (iii) 45% will be paid within 30 days upon completion and acceptance; and (iv) the remaining 10% will be withheld for a period of 24 months from the date of delivery or until the date of final acceptance of the equipment, whichever date is earlier. It is expected that the total purchase price will be paid in full in 2013.

Chinalco, through its wholly-owned subsidiary, Chinalco International Engineering Company Limited, indirectly holds 100% of the shares of China Great Wall. Thus, China Great Wall is a connected person of the Company. Chinalco Peru is a subsidiary of the Company. Thus the equipment purchase agreement will, upon Listing, constitute a connected transaction. Based on the above terms of payment and the expected annual amount to be paid under the agreement, each applicable percentage ratio is less

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than 0.1%. Thus the equipment purchase agreement is exempted from the reporting, annual review, announcement and independent shareholders' approval requirements of the Listing Rules.

Trademark License Agreement

Chinalco, our Controlling Shareholder, is the registered owner of two trademarks registered in the PRC, three trademarks registered in Hong Kong and one trademark to be registered in Hong Kong (the “**Trademarks**,” see “Appendix VI — Statutory and General Information — B. Further Information about the Business — 9. Trademarks”). On May 8, 2012, Chinalco and our Company entered into a trademark license agreement (the “**Trademark License Agreement**”), pursuant to which Chinalco has granted a non-exclusive license to our Company to use the Trademarks for a term commencing from the date of the agreement until December 31, 2014 on a royalty-free basis.

The Trademark License Agreement will be renewed automatically for a period of three years from the initial expiry date unless the Company notifies Chinalco in writing that the agreement will not be renewed. The Company and Chinalco will negotiate the terms of the renewed agreement (including the licensing fee) in accordance with normal commercial terms.

The Directors are of the view that the Trademark License Agreement is on normal commercial terms which are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

Given that each of the applicable percentage ratios (other than the profits ratio) calculated for the purpose of Chapter 14A of the Listing Rules in respect of the above transaction is less than 0.1%, the above transaction will be exempt from the reporting, announcement and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.