China Nonferrous Mining Corporation Limited
中國有色礦業有限公司

(Incorporated in Hong Kong with limited liability under the Companies Ordinance)

(Stock Code: 1258)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2012

Financial Highlights of the Group

In 2012, the Group recorded revenue of US$1,532.3 million, representing an increase of 19.3% from US$1,283.9 million in 2011.

In 2012, the Group recorded net profit of US$168.0 million, representing an increase of 62.7% from US$103.3 million in 2011.

In 2012, the Group recorded profit attributable to owners of US$98.5 million, representing an increase of 40.7% from US$70.0 million in 2011.

In 2012, basic earning per share attributable to owners of the Group was approximately US¢3.23, representing an increase of 20.1% from US¢2.69 in 2011.

The Board has not recommended the payment of dividend for the year ended 31 December 2012.

FINANCIAL INFORMATION

The board of directors ("Board") of China Nonferrous Mining Corporation Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (hereinafter collectively referred to as the "Group") for the year ended 31 December 2012, together with the comparative figures for the corresponding period in 2011.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		2012	2011
	Notes	***US$'000***	*US$'000*
Revenue	4, 5	**1,532,315**	1,283,906
Cost of sales		**(1,249,365)**	(1,095,648)
Gross profit		**282,950**	188,258
Other income and gains		**6,440**	4,835
Distribution and selling expenses		**(34,871)**	(27,917)
Administrative expenses		**(46,618)**	(36,983)
Finance costs	6	**(5,957)**	(9,248)
Gain arising on change in fair value of derivatives		**937**	10,369
Other expenses	7	**(10,131)**	(11,004)
Profit before tax		**192,750**	118,310
Income tax expense	8	**(24,706)**	(15,020)
Profit for the year	9	**168,044**	103,290

	Notes	**2012**	2011
		US$'000	*US$'000*
Profit and total comprehensive income attributable to:			
Owners of the Company		**98,544**	70,014
Non-controlling interests		**69,500**	33,276
		168,044	103,290
Earnings per share	11		
— Basic (US cents)		**3.23**	2.69
— Diluted (US cents)		**3.23**	N/A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**2012** *US$'000*	2011 *US$'000*
NON-CURRENT ASSETS			
Property, plant and equipment	12	**1,006,959**	875,833
Interest in an associate		**2,143**	—
Restricted bank balances		**12,128**	9,978
Other assets		**12,916**	14,414
Finance lease receivables		**27,015**	23,351
Deferred tax assets		**—**	2,149
		1,061,161	925,725
CURRENT ASSETS			
Inventories		**330,415**	164,281
Finance lease receivables		**8,793**	6,483
Trade receivables	13	**120,306**	95,786
Prepayments and other receivables		**60,594**	56,084
Restricted bank balances		**2,281**	7,557
Bank balances and cash		**264,723**	217,303
		787,112	547,494

	Notes	**2012**	2011
		US$'000	*US$'000*
CURRENT LIABILITIES			
Trade payables	14	**192,110**	107,364
Other payables and accrued expenses		**84,337**	57,116
Income tax payable		**5,021**	87
Bank and other borrowings			
— due within one year	15	**11,000**	199,000
Derivatives, at fair value		**—**	775
		292,468	364,342
NET CURRENT ASSETS		**494,644**	183,152
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,555,805**	1,108,877
CAPITAL AND RESERVES			
Share Capital	16	**447,901**	333,333
Share premium		**165,332**	35,256
Retained profits		**102,259**	3,715
Equity attributable to owners of the Company		**715,492**	372,304
Non-controlling interests		**135,546**	117,046
TOTAL EQUITY		**851,038**	489,350

	Notes	**2012**	2011
		US$'000	*US$'000*
NON-CURRENT LIABILITIES			
Bank and other borrowings			
— due after one year	15	**578,450**	512,179
Deferred revenue		**17,811**	11,458
Provision for restoration, rehabilitation and environmental costs		**15,272**	17,452
Deferred tax liabilities		**93,234**	78,438
		704,767	619,527
		1,555,805	1,108,877

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company						
	Capital	Share premium	Other reserves	Retained profits	Sub-total	Non-controlling interests	Total
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*
At 1 January 2011	15,652	—	130,253	172,798	318,703	86,357	405,060
Profit and total comprehensive income for the year	—	—	—	70,014	70,014	33,276	103,290
Contribution from non-controlling shareholder of a subsidiary	—	—	—	—	—	3,750	3,750
Reorganisation	317,681	35,256	(130,253)	(222,684)	—	—	—
Dividend declared	—	—	—	(16,413)	(16,413)	(6,337)	(22,750)
At 31 December 2011	333,333	35,256	—	3,715	372,304	117,046	489,350
Shares issued	114,568	137,626	—	—	252,194	—	252,194
Share issue expenses	—	(7,550)	—	—	(7,550)	—	(7,550)
Profit and total comprehensive income for the year	—	—	—	98,544	98,544	69,500	168,044
Dividend declared by subsidiaries	—	—	—	—	—	(51,000)	(51,000)
At 31 December 2012	447,901	165,332	—	102,259	715,492	135,546	851,038

CONSOLIDATED STATEMENT OF CASH FLOWS

	2012	2011
	US$'000	*US$'000*
NET CASH FROM OPERATING ACTIVITIES	**176,348**	168,509
NET CASH USED IN INVESTING ACTIVITIES	**(187,760)**	(412,420)
NET CASH FROM FINANCING ACTIVITIES	**58,648**	126,468
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**47,236**	(117,443)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**217,303**	336,789
Effect of foreign exchange rate changes	**184**	(2,043)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR represented by bank balances and cash	**264,723**	217,303

1. GENERAL INFORMATION

China Nonferrous Mining Corporation Limited (the "Company") was incorporated in Hong Kong on 18 July 2011 with limited liability. Its parent and ultimate holding company are China Nonferrous Mining Development Limited ("CNMD"), incorporated in the British Virgin Islands, and China Nonferrous Metal Mining (Group) Co., Ltd ("CNMC"), incorporated in the People's Republic of China (the "PRC"), respectively. The registered office of the Company is located at Room 1201, Allied Kajima Building, 138 Gloucester Road, Wanchai, Hong Kong, and its principal place of business is located at 32 Enos Chomba Road, Kitwe, Zambia.

On 28 June 2012, the Company completed its global offering of 870,000,000 ordinary shares of the Company with nominal value of HK$1.00 each at an offer price of HK$2.20 per ordinary share of the Company (the "Global Offering") and its ordinary shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") with effect from 29 June 2012.

On 25 July 2012, the Company issued an additional 19,036,000 ordinary shares of the Company with nominal value of HK$1.00 each at an issue price of HK$2.20 each pursuant to the over-allotment option granted to the international underwriters pursuant to the Global Offering.

Reorganisation of the Group

Pursuant to a share swap agreement dated 21 November 2011 entered into between CNMC and CNMD, CNMD (as purchaser) acquired the 85%, 80%, 60% and 55%, respectively, issued share capital of NFC Africa Mining PLC ("NFCA"), CNMC Luanshya Copper Mines PLC ("Luanshya"), Chambishi Copper Smelter Limited ("CCS") and Sino-Metals Leach Zambia Limited ("SML"), respectively, representing the equity interests in NFCA, Luanshya, CCS and SML held by CNMC, from CNMC (as seller) for an aggregate consideration of US$349,620,000. The consideration was satisfied by the allotment and issue of 349,620,000 ordinary shares of US$1.00 each of CNMD to CNMC.

Pursuant to a share swap agreement dated 22 November 2011 entered into between CNMD and the Company, the Company (as purchaser) acquired the 85%, 80%, 60% and 55%, respectively, issued share capital of NFCA, Luanshya, CCS and SML, respectively, representing the equity interests in NFCA, Luanshya, CCS and SML held by CNMD, from CNMD (as seller) for an aggregate consideration of HK$2,599,999,999 (equivalent to approximately US$333,333,333). The consideration was satisfied by the allotment and issue of 2,599,999,999 ordinary shares of HK$1.00 each of the Company to CNMD. Pursuant to a deed of assignment dated 22 November 2011, CNMC assigned its receivable of US$106,058,000 due from Luanshya to the Company at nil consideration.

Pursuant to a share swap agreement dated 2 December 2011 entered into between the Company and China Nonferrous Mining Holdings Limited ("CNMH"), CNMH (as purchaser) acquired the 85%, 80%, 60% and 55%, respectively, issued share capital of NFCA, Luanshya, CCS and SML, respectively, representing the equity interests in NFCA, Luanshya, CCS and SML held by the Company, from the Company (as seller) for an aggregate consideration of Euro171,152,000 (equivalent to approximately US$243,562,000). The consideration was satisfied by the allotment and issue of 171,152,000 ordinary shares of Euro1.00 each of CNMH to the Company.

Upon the completion of the above share swap transactions, CNMC held 100% of CNMD which held 100% equity interest in the Company. The Company held 100% equity interest in CNMH which in turn held 85%, 80%, 60% and 55%, respectively, equity interests in NFCA, Luanshya, CCS and SML, respectively, since 2 December 2011, the date of the completion of the reorganisation (the "Reorganisation").

The Company and its subsidiaries (collectively referred to as the "Group") is under the control of CNMC prior and after the Reorganisation and the Group is therefore regarded as a continuing entity. Accordingly, for the purpose of the preparation of these consolidated financial statements of the Group, the Company was regarded as the holding company of the companies comprising the Group from 1 January 2011 throughout the year ended 31 December 2011.

The consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended 31 December 2011 include the results, changes in equity and cash flows of the companies comprising the Group as if the current group structure had been in existence throughout 2011.

The functional currency of companies comprising the Group is United States dollars ("US$") and the consolidated financial statements have been presented in US$.

The principal activity of the Company is investment holding. The activities of the subsidiaries of the Company are set out in the note 5.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied the following amendments to standards issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), which are mandatorily effective for the annual period beginning on or after 1 January 2012.

Amendments to HKAS 12	Deferred Tax: Recovery of Underlying Assets
Amendments to HKFRS 7	Financial Instruments: Disclosures — Transfers of Financial Assets

The application of the amendments to standards in the current year has had no material impact on the Group's financial performance and position for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009-2011 Cycle[1]
Amendments to HKFRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities[1]
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[3]
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance[1]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities[2]

HKFRS 9	Financial Instruments[3]
HKFRS 10	Consolidated Financial Statements[1]
HKFRS 11	Joint Arrangements[1]
HKFRS 12	Disclosure of Interests in Other Entities[1]
HKFRS 13	Fair Value Measurement[1]
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income[4]
HKAS 19 (Revised in 2011)	Employee Benefits[1]
HKAS 27 (Revised in 2011)	Separate Financial Statements[1]
HKAS 28 (Revised in 2011)	Investments in Associates and Joint Ventures[1]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[2]
HK (IFRIC)-Int 20	Stripping Costs in the Production Phase of a Surface Mine[1]

1 Effective for annual periods beginning on or after 1 January 2013

2 Effective for annual periods beginning on or after 1 January 2014

3 Effective for annual periods beginning on or after 1 January 2015

4 Effective for annual periods beginning on or after 1 July 2012

New and revised standards on consolidation, joint arrangements, associates and disclosures

In June 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued, including HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (as revised in 2011) and HKAS 28 (as revised in 2011).

Key requirements of these five standards that are relevant to the Group are described below.

HKFRS 10 replaces the parts of HKAS 27 *Consolidated and Separate Financial Statements* that deal with consolidated financial statements. HK (SIC)-Int 12 *Consolidation - Special Purpose Entities* will be withdrawn upon the effective of HKFRS 10. Under HKFRS 10, there is only one basis for consolidation, that is, control. In addition, HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios.

HKFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in HKFRS 12 are more extensive than those in the current standards.

In July 2012, the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 were issued to clarify certain transitional guidance on the application of these five HKFRSs for the first time.

These five standards, together with the amendments relating to the provisional guidance, are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted provided that all of these five standards are applied early at the same time.

The directors of the Company (the "Directors") anticipate that these five standards will be adopted in the Group's consolidated financial statements for the annual period beginning on 1 January 2013 and the application of these five standards will have no material impact on the consolidated financial statements.

HKFRS 13 ***Fair Value Measurement***

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under HKFRS 7 *Financial Instruments: Disclosures* will be extended by HKFRS 13 to cover all assets and liabilities within its scope.

HKFRS 13 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The Directors anticipate that HKFRS 13 will be adopted in the Group's consolidated financial statements for the annual period beginning on 1 January 2013 and that the application of the HKFRS 13 may result in more extensive disclosures in the consolidated financial statements.

HK(IFRIC)-Int 20 *Stripping Costs in the Production Phase of a Surface Mine*

HK(IFRIC)-Int 20 *Stripping Costs in the Production Phase of a Surface Mine* applies to waste removal costs that are incurred in surface mining activity during the production phase of the mine ("production stripping costs"). Under the interpretation, the costs from this waste removal activity ("stripping") which provide improved access to ore is recognised as a non-current asset ("stripping activity asset") when certain criteria are met, whereas the costs of normal on-going operational stripping activities are accounted for in accordance with HKAS 2 *Inventories*. The stripping activity asset is accounted for as an addition to, or as an enhancement of, an existing asset and classified as tangible or intangible according to the nature of the existing asset of which it forms part.

HK(IFRIC)-Int 20 is effective for annual periods beginning on or after 1 January 2013. The Directors anticipate that the interpretation will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2013. The adoption is not expected to have material impact on the Group's consolidated financial statements because the current accounting treatment for the stripping costs is consistent with the requirements under this interpretation.

The Directors anticipate that the application of the other new and revised HKFRSs will have no material impact on these consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

4. REVENUE

An analysis of the Group's revenue from sale of goods for the year is as follows:

	2012	2011
	US$'000	*US$'000*
Blister copper	**1,321,923**	1,186,840
Copper cathodes	**147,102**	58,223
Sulfuric acid	**63,290**	38,843
	1,532,315	1,283,906

5. SEGMENT INFORMATION

Information reported to the President of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods produced.

Specifically, the Group's reportable and operating segments under HKFRS 8 are as follows:

- Mining — Exploration and mining of copper mines in Chambishi and Baluba and production of copper concentrate;

- Leaching — Production and sale of copper cathodes (including exploration and mining of copper mines in Muliashi which supply copper ores solely for the leaching plant in Muliashi, collectively the Muliashi Project) which are produced using the solvent extraction-electrowinning technology; and

- Smelting — Production and sale of blister copper and sulfuric acid which are produced using ISA smelting technology.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segment.

	2012 *US$'000*	2011 *US$'000*
Segment revenue		
Revenue from external customers		
— Mining	—	—
— Leaching	**147,102**	58,223
— Smelting	**1,385,213**	1,225,683
	1,532,315	1,283,906
Inter-segment sales		
— Mining	**285,906**	285,835
— Leaching	—	—
— Smelting	**9,514**	1,676
	295,420	287,511
Total segment revenue		
— Mining	**285,906**	285,835
— Leaching	**147,102**	58,223
— Smelting	**1,394,727**	1,227,359
	1,827,735	1,571,417
Elimination*	**(295,420)**	(287,511)
Revenue for the year	**1,532,315**	1,283,906

* Inter-segment sales were conducted at terms mutually agreed among the companies comprising the Group.

	2012	2011
	US$'000	*US$'000*
Segment profit		
— Mining	**20,881**	28,751
— Leaching	**27,126**	28,020
— Smelting	**132,620**	49,190
	180,627	105,961
Unallocated income*	**11,232**	—
Unallocated expenses*	**(8,487)**	(2,281)
Elimination	**(15,328)**	(390)
Profit for the year	**168,044**	103,290

* The unallocated income and expenses mainly represent the income and expenses of the Company and CNMH, an investment holding companies of the Group.

The accounting policies of the operating and reportable segments are the same as the Group's accounting policies. Segment profit represents the profit for the year earned by each segment. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Segment assets and liabilities

	2012	2011
	US$'000	*US$'000*
Segment assets		
— Mining	**709,386**	596,030
— Leaching	**459,742**	386,689
— Smelting	**663,135**	523,450
Total segment assets	**1,832,263**	1,506,169
Unallocated assets*	**68,434**	1,719
Elimination	**(52,424)**	(34,669)
Consolidated total assets	**1,848,273**	1,473,219
Segment liabilities		
— Mining	**387,445**	652,257
— Leaching	**420,044**	6,399
— Smelting	**477,624**	350,558
Total segment liabilities	**1,285,113**	1,009,214
Unallocated liabilities*	**689**	4,000
Elimination	**(288,567)**	(29,345)
Consolidated total liabilities	**997,235**	983,869

* The unallocated assets and liabilities mainly represent those of the Company and CNMH.

For the purposes of monitoring segment performance and allocating resources between segments, all assets and liabilities, except for certain assets and liabilities of the Company and CNMH, are allocated to reportable and operating segments.

6. FINANCE COSTS

	2012	2011
	US$'000	*US$'000*
Interest on bank and other borrowings:		
— wholly repayable within five years	**8,850**	8,543
— wholly repayable beyond five years	**6,067**	5,439
Total borrowing costs	**14,917**	13,982
The unwinding of discount	**298**	268
Less: Borrowing costs capitalised in construction in progress	**(9,258)**	(5,002)
	5,957	9,248
The weighted average capitalisation rate on funds borrowed, generally *(per annum)*	**1.2% - 2.3%**	1.1% - 1.3%

7. OTHER EXPENSES

	2012	2011
	US$'000	*US$'000*
Foreign exchange losses	**2,938**	4,739
Net gain on disposal of property, plant and equipment, net	**—**	(605)
Impairment loss recognised on trade receivables	**—**	1,168
Listing expenses	**5,864**	2,281
Others	**1,329**	3,421
	10,131	11,004

8. INCOME TAX EXPENSE

	2012	2011
	US$'000	*US$'000*
Current tax:		
— Zambia Income Tax	**2,917**	1,030
— Ireland Income Tax	**4,844**	—
	7,761	1,030
Deferred tax	**16,945**	13,990
Total income tax expense	**24,706**	15,020

Hong Kong profits tax is calculated at 16.5% (2011: 16.5%) on the estimated assessable profit. No provision for Hong Kong profits tax has been made as there was no assessable profit arising in Hong Kong during the years ended 31 December 2011 and 2012.

Income tax in Ireland is calculated at 12.5% (2011: 12.5%) on the estimated assessable income. No provision for Ireland income tax has been made as there was no assessable income arising in Ireland during the year ended 31 December 2011.

Income tax in the Democratic Republic of the Congo (the "DRC") is calculated at 30% (2011: 30%) on the estimated assessable income. No provision for DRC income tax has been made as there was no assessable income arising in the DRC during the years ended 31 December 2011 and 2012.

Income tax in Zambia is calculated at 35% (2011: 35%) on the estimated assessable income, except for that arising from mining activities which is 30% (2011: 30%) on the relevant assessable income.

The Group enjoyed the following income tax incentives:

- On 3 April 2009, CCS was granted ten-year income tax incentives for zero rate of income tax for the first five profitable years; 50% of income tax relief for the next three years thereafter; and 25% of income tax relief for the remaining 2 years. The first profitable year of CCS, for Income Tax purpose, is 2010.

- On 10 June 2011, SML was granted ten-year income tax incentives for zero rate of income tax for the first five profitable years; 50% of income tax relief for the next three years thereafter; and 25% of income tax relief for the remaining 2 years. The first profitable year of SML, for Income Tax purpose, is 2008.

The tax charge for the year can be reconciled to the profit per the consolidated statement of comprehensive income as follows:

	2012	2011
	US$'000	*US$'000*
Profit before tax	**192,750**	118,310
Tax at Income Tax rate in Ireland		
— for operations at 12.5%	**9,681**	—
Tax at Profits Tax rate in Hong Kong		
— for operations at 16.5%	**461**	—
Tax at Income Tax rate in the DRC		
— for operations at 30%	**4,679**	—
Tax at Income Tax rate in Zambia		
— for operations at 30%	**10,926**	12,142
— for operations at 35%	**54,441**	27,243
	80,188	39,385
Tax effect of expenses not deductible for tax purpose	**4,289**	4,150
Tax effect of income not taxable for tax purpose	**(7,328)**	—
Tax losses not recognised	**1,391**	—
Effect of tax incentives granted to the Group	**(53,834)**	(28,515)
Income tax expense for the year	**24,706**	15,020
Effective tax rate	**12.8%**	12.7%

9. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging/(crediting):

	2012	2011
	US$'000	*US$'000*
Depreciation of property, plant and equipment	**71,045**	59,388
Auditor's remuneration	**895**	140
Staff costs:		
Salaries, wages and welfare (including Directors' remuneration)	**78,195**	63,543
Retirement benefit schemes contributions	**12,578**	9,495
Total staff costs	**90,773**	73,038
Less: Amounts included in construction in progress	**(5,046)**	(2,345)
	85,727	70,693
Cost of inventories recognised as an expense	**1,249,365**	1,095,648
Donations	**497**	584
Minimum lease payments in respect of		
— Land and buildings	**6,567**	5,047
— Machinery and equipment	**21**	80

10. DIVIDENDS

No dividend was paid or proposed during the year ended 31 December 2012, nor has any dividend been proposed since the end of the reporting period.

The dividends recognised as distribution for the year ended 31 December 2011 represented the dividends paid by the following subsidiaries to their then shareholders.

	US$'000
NFCA	10,000
SML	15,000
	25,000
Less: Dividends of SML declared to NFCA eliminated at consolidation	(2,250)
	22,750

11. EARNINGS PER SHARE

	2012	2011
Profit for the year attributable to owners of the Company for the purposes of basic and diluted earnings per share *(in US$'000)*	**98,544**	70,014
Weighted average number of shares for the purposes of basic and diluted earnings per share *('000)*	**3,050,453**	2,600,000

The weighted average number of ordinary shares for the purposes of basic earnings per share for the year ended 31 December 2011 has been calculated assuming the Reorganisation had been effective on 1 January 2011.

During the year ended 31 December 2012, the effect of the over-allotment option on diluted earnings per share is insignificant.

No diluted earnings per share is presented for the year ended 31 December 2011 as the Company and its subsidiaries did not have potential ordinary shares outstanding.

12. PROPERTY, PLANT AND EQUIPMENT

During the year ended 31 December 2012, the Group had additions to property, plant and equipment (including construction in progress) amounting to approximately US$204,029,000 (2011: US$397,372,000).

13. TRADE RECEIVABLES

The following is an aged analysis of trade receivables, presented based on the date of delivery of goods which approximated the respective dates on which revenue was recognised, net of allowance for doubtful debts:

	2012	2011
	US$'000	*US$'000*
Within 1 month	**108,236**	84,913
More than 1 month, but less than 3 months	**6,652**	9,712
More than 3 months, but less than 6 months	**1,566**	82
More than 6 months, but less than 12 months	**1,414**	874
Over 1 year	**2,438**	205
	120,306	95,786

The Group sells blister copper and copper cathodes under provisional pricing arrangements where final grades of copper, gold and silver in copper products are agreed based on third-party examination and final prices are set at a specified date based on market prices. Revenues are recognised when title and risk pass to the customer using past history of grades of copper, gold and silver in copper products based on internal examination statistics and forward prices for the expected date of final settlement. The Group normally requires prepayments from customers before goods dispatch with the remainder to be settled not exceeding one month upon issuance of sales invoice. Allowances for doubtful debts are recognised against trade receivables based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.

14. TRADE PAYABLES

The following is an aged analysis of trade payables, presented based on the purchase date:

	2012	2011
	US$'000	*US$'000*
Within 1 month	**117,613**	56,363
More than 1 month, but less than 3 months	**63,202**	33,872
More than 3 months, but less than 6 months	**8,955**	732
More than 6 months, but less than 12 months	**1,262**	3,725
Over 1 year	**1,078**	12,672
	192,110	107,364

15. BANK AND OTHER BORROWINGS

		2012	2011
	Notes	***US$'000***	*US$'000*
Bank borrowings			
— secured	(1)	**170,000**	170,000
— unsecured	(2)	**419,450**	435,450
Loans from CNMC, unsecured	(3)	**—**	82,068
Loans from a non-controlling shareholder of a subsidiary, unsecured	(4)	**—**	23,661
		589,450	711,179

	2012	2011
	US$'000	*US$'000*
Carrying amount repayable:		
Within one year	**11,000**	199,000
More than one year, but not exceeding two years	**11,000**	19,000
More than two year, but not exceeding five years	**290,000**	149,661
More than five years	**277,450**	343,518
	589,450	711,179
Less: Amounts shown under current liabilities	**(11,000)**	(199,000)
	578,450	512,179

Notes:

(1) The bank loans as at 31 December 2012 bore interest at rates varied based on London Interbank Offered Rate ("LIBOR"), ranging from 1.1% to 2.1% per annum (2011: 1.2% to 1.5% per annum) and are secured by certain restricted bank balances of US$ 4,154,000 (2011: US$4,130,000) and guaranteed by CNMC. The bank loans are repayable on 12 February 2015 and 12 October 2015.

(2) CNMC had provided guarantees in favor of banks of bank loans of US$339,450,000 (2011: US$355,450,000) obtained by the Group. In addition, CNMC and a non-controlling shareholder of a subsidiary had provided joint-guarantees in favor of bank of bank loans of US$80,000,000 (2011: US$80,000,000) obtained by the Group.

The bank loans as at 31 December 2012 bore interest at rates varied based on LIBOR ranging from 1.41% to 2.58% per annum (2011: 1.46% to 4.58% per annum).

(3) The loans from CNMC as at 31 December 2011 bore interest at rates varied based on LIBOR or RMB benchmark loan rate published by the People's Bank of China, ranging from 2.5% to 7.1% per annum, and are repayable from 20 November 2014 to 17 November 2018 according to the relevant loan agreements. The Group early repaid these loans in 2012.

(4) The loans from a non-controlling shareholder of a subsidiary as at 31 December 2011 bore interest at rates varied based on LIBOR, ranging from 2.0% to 2.1% per annum, and are repayable from 10 January 2013 to 30 June 2014. The Group early repaid these loans in 2012.

16. SHARE CAPITAL

	Number of shares		Share capital	
	2012	2011	**2012**	2011
	'000	*'000*	***HK$'000***	*HK$'000*
Ordinary shares of HK$1.00 each				
Authorised:				
At beginning of the year	**5,000,000**	100	**5,000,000**	100
Increase on 6 October 2011	**—**	4,999,900	**—**	4,999,900
At end of the year	**5,000,000**	5,000,000	**5,000,000**	5,000,000
Issued and fully paid:				
At beginning of the year	**2,600,000**	—	**2,600,000**	—
Issued pursuant to the Reorganisation	**—**	2,600,000	**—**	2,600,000
Issued pursuant to the Global Offering *(Note 1)*	**870,000**	—	**870,000**	—
Issued pursuant to the over-allotment option granted to the international underwriters pursuant to the Global Offering *(Note 1)*	**19,036**	—	**19,036**	—
At end of the year	**3,489,036**	2,600,000	**3,489,036**	2,600,000

	2012	2011
	US$'000	*US$'000*
Presented in the consolidated financial statements as	**447,901**	333,333

The balance of capital at 1 January 2011 represents the aggregate of the capital of companies comprising the Group attributable to CNMC prior to the Reorganisation.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

In 2012, despite the adverse impact from market fluctuations, the Group maintained a strong growth momentum in business development with results of operations amounting to new highs.

During the reporting period, the Group saw a further increase in its production and sales volume and achieved revenue of US$1,532.3 million, representing an increase of 19.3% over the same period in the previous year. The profit attributable to owners of the Company amounted to US$98.5 million, representing a significant growth of 40.7% over the same period in the previous year.

Meanwhile, the leaching plant in the Democratic Republic of Congo (the "DRC") owned by Huachin Metals Leach SPRL (the "Congo Huachin Leach Project") and the agitation leaching system of Muliashi Project of the Group commenced production respectively during the reporting period, improving the Group's competitiveness with significantly enhanced production capacities. The other construction projects of the Group, including phase II of the expansion project of CCS and the integrated exploration and construction project of the Chambishi Southeast Mine were also progressing smoothly, underpinning the Group's business growth in the future.

On 29 June 2012, the Company was successfully listed on the Main Board of the Hong Kong Stock Exchange and proceeds raised from the Global Offering have been and will be used by the Group for the operations in Zambia, such as exploration and development of mines, construction of smelting plants, repayment of bank loans and replenishment of working capital.

BUSINESS REVIEW

The Group is a leading, fast growing and vertically integrated copper producer, focusing on the mining, ore processing, leaching, smelting and sales of copper, based in Zambia. The Group also produces sulfuric acid, a by-product generated during the blister copper smelting process.

The businesses of the Group are carried out mainly through its four subsidiaries in Zambia: NFCA, Luanshya, CCS and SML. SML has three joint venture subsidiaries, namely Kakoso Metals Leach Limited ("Kakoso Company") located in Zambia, and Huachin Metals Leach SPRL ("Huachin") and CNMC Huachin Mabende Mining SPRL ("CNMC-Mabende") located in the DRC.

In 2012, blister copper and copper cathode produced by the Group amounted to 175,280 tonnes and 22,315 tonnes respectively, representing increases of 16.2% and 218.7% respectively, over the same period in the previous year; and the sulfuric acid generated increased by 28.7% over the same period in the previous year to 423,494 tonnes. These production growths have spurred a growth of 19.3% in revenue of the Group from US$1,283.9 million in 2011 to US$1,532.3 million in 2012.

RESOURCES AND RESERVES

As at 31 December 2012, the Group's ore reserves and mineral resources reported in accordance with the JORC Code were as follows:

(1) Resources

Chambishi Main Mine

	31 December 2012				31 December 2011			
		Average grade				Average grade		
		Total	**Oxide**			Total	Oxide	
JORC category	**Ore** *(Mt)*	**copper**	**copper**	**Cobalt**	Ore *(Mt)*	copper	copper	Cobalt
Measured	**13.57**	**2.28%**	**—**	**—**	5.12	2.50%	—	—
Indicated	**4.77**	**2.15%**	**—**	**—**	5.61	2.49%	—	—
Inferred	**6.06**	**2.25%**	**—**	**—**	8.14	2.42%	—	—

Notes: 1. Geological ore of 1,256,990 tonnes at a grade of 2.32% was consumed in mining activities in 2012.

2. The main mine completed 56 pit drilling holes (坑內鑽探礦孔) of 5,125.62m in 2012.

Chambishi West Mine

JORC category	**31 December 2012** Ore				31 December 2011 Ore			
		Average grade				Average grade		
		Total copper	**Oxide copper**	**Cobalt**		Total copper	Oxide copper	Cobalt
	(Mt)				*(Mt)*			
Oxide ore								
Measured	**3.59**	**2.03%**	**1.06%**	**—**	—	—	—	—
Indicated	**1.35**	**1.86%**	**0.99%**	**—**	6.18	1.86%	1.11%	—
Inferred	**0.24**	**2.21%**	**1.33%**	**—**	—	—	—	—
Sulfide Ore								
Measured	**10.69**	**2.01%**	**—**	**—**	6.19	1.83%	—	—
Indicated	**7.91**	**2.13%**	**—**	**—**	19.08	2.13%	—	—
Inferred	**14.32**	**2.20%**	**—**	**—**	17.32	2.09%	—	—

Notes: 1. Geological ore of 1,189,420 tonnes at a grade of 2.12% was consumed in mining activities in 2012.

2. The Chambishi West Mine completed 3 surface drilling holes (地表鑽探孔) of 1,959.51m, and 31 pit drilling holes (坑內鑽探礦孔) of 2,816.91m in 2012.

3. Certain resources of the Chambishi West Mine were re-classified into the Chambishi Main Mine.

Chambishi Southeast Mine

JORC category	**31 December 2012** Ore				31 December 2011 Ore			
		Average grade				Average grade		
		Total copper	**Oxide copper**	**Cobalt**		Total copper	Oxide copper	Cobalt
	(Mt)				*(Mt)*			
Measured	**—**	**—**	**—**	**—**	—	—	—	—
Indicated	**47.41**	**2.19%**	**—**	**0.10%**	35.43	2.30%	—	0.12%
Inferred	**102.37**	**1.87%**	**—**	**0.11%**	125.56	1.82%	—	0.10%

Note: 27 surface drilling holes (地表鑽探孔) of 21,795.54m were completed in 2012.

Mwambashi Mine

	31 December 2012				31 December 2011			
		Average grade				Average grade		
		Total	**Oxide**			Total	Oxide	
JORC category	**Ore**	**copper**	**copper**	**Cobalt**	Ore	copper	copper	Cobalt
	(Mt)				*(Mt)*			
Measured	**0.82**	**2.22%**	**0.91%**	**—**	0.82	2.22%	0.91%	—
Indicated	**8.38**	**2.00%**	**0.75%**	**—**	8.38	2.00%	0.75%	—
Inferred	**1.77**	**2.10%**	**0.26%**	**—**	1.77	2.10%	0.26%	—

Note: The Mwambashi Mine has two types of resources, namely high-grade and low-grade resources. Only high-grade resources are disclosed herein.

Kakoso Tailings

	31 December 2012				31 December 2011			
		Average grade				Average grade		
		Total	**Oxide**			Total	Oxide	
JORC category	**Ore**	**copper**	**copper**	**Cobalt**	Ore	copper	copper	Cobalt
	(Mt)				*(Mt)*			
Measured	**—**	**—**	**—**	**—**	—	—	—	—
Indicated	**—**	**—**	**—**	**—**	—	—	—	—
Inferred	**9.08**	**0.60%**	**0.47%**	**—**	9.08	0.60%	0.47%	—

Chambishi Tailings and Ore Piles

	31 December 2012				31 December 2011			
		Average grade				Average grade		
		Total	**Oxide**			Total	Oxide	
JORC category	**Ore**	**copper**	**copper**	**Cobalt**	Ore	copper	copper	Cobalt
	(Mt)				*(Mt)*			
Measured	**—**	**—**	**—**	**—**	—	—	—	—
Indicated	**—**	**—**	**—**	**—**	—	—	—	—
Inferred	**1.27**	**1.33%**	**1.08%**	**0.02%**	1.57	1.33%	1.08%	0.02%

Note: Approximately 250,000 tonnes of pile ores and approximately 46,000 tonnes of tailing ores were processed in 2012.

Baluba Center Mine Sulfide

	31 December 2012				31 December 2011			
		Average grade				Average grade		
		Total	**Oxide**			Total	Oxide	
JORC category	**Ore**	**copper**	**copper**	**Cobalt**	Ore	copper	copper	Cobalt
	(Mt)				*(Mt)*			
Measured	**7.36**	**2.18%**	**0.08%**	**0.15%**	0.70	2.33%	0.06%	0.17%
Indicated	**6.57**	**2.09%**	**0.10%**	**0.15%**	15.91	2.25%	0.08%	0.15%
Inferred	**4.28**	**1.52%**	**0.12%**	**0.08%**	3.88	1.91%	0.10%	0.12%

Note: Baluba Center Mine Sulfide consumed geological ore of approximately 1.32 million tonnes in 2012.

Muliashi North Mine

	31 December 2012				31 December 2011			
		Average grade				Average grade		
		Total	Oxide			Total	Oxide	
JORC category	**Ore**	**copper**	**copper**	**Cobalt**	Ore	copper	copper	Cobalt
	(Mt)				*(Mt)*			
Measured	**37.89**	**1.07%**	**0.47%**	**0.02%**	38.87	1.14%	0.67%	0.06%
Indicated	**21.44**	**1.03%**	**0.42%**	**0.02%**	22.13	0.98%	0.59%	0.07%
Inferred	**21.29**	**1.00%**	**0.34%**	**0.02%**	20.02	1.18%	0.41%	0.05%

Muliashi South Oxidize

	31 December 2012				31 December 2011			
		Average grade				Average grade		
		Total	Oxide			Total	Oxide	
JORC category	**Ore**	**copper**	**copper**	**Cobalt**	Ore	copper	copper	Cobalt
	(Mt)				*(Mt)*			
Measured	**—**	**—**	**—**	**—**	—	—	—	—
Indicated	**—**	**—**	**—**	**—**	—	—	—	—
Inferred	**4.40**	**1.73%**	**—**	**—**	4.40	1.73%	—	—

Note: No exploration or mining activities were carried out in 2012.

Mashiba Mine

	31 December 2012				31 December 2011			
		Average grade				Average grade		
		Total	Oxide			Total	Oxide	
JORC category	**Ore**	**copper**	**copper**	**Cobalt**	Ore	copper	copper	Cobalt
	(Mt)				*(Mt)*			
Measured	**3.17**	**1.89%**	**0.24%**	**0.02%**	3.17	1.89%	0.24%	0.02%
Indicated	**5.67**	**1.96%**	**0.22%**	**0.03%**	5.67	1.96%	0.22%	0.03%
Inferred	**4.97**	**1.67%**	**0.43%**	**0.04%**	4.97	1.67%	0.43%	0.04%

Note: No exploration or mining activities were carried out in 2012.

Baluba East Mine

	31 December 2012				31 December 2011			
		Average grade				Average grade		
		Total	Oxide			Total	Oxide	
JORC category	Ore	copper	copper	Cobalt	Ore	copper	copper	Cobalt
	(Mt)				*(Mt)*			
Measured	**6.40**	**1.90%**	**1.00%**	**—**	6.40	1.90%	1.00%	—
Indicated	**27.64**	**0.77%**	**0.31%**	**—**	27.64	0.77%	0.31%	—
Inferred	**3.27**	**1.03%**	**0.37%**	**—**	3.27	1.03%	0.37%	—

Note: No exploration or mining activities were carried out in 2012.

(2) Reserves

Chambishi Main Mine

	31 December 2012				31 December 2011			
		Average grade				Average grade		
		Total	Oxide			Total	Oxide	
JORC category	Ore	copper	copper	Cobalt	Ore	copper	copper	Cobalt
	(Mt)				*(Mt)*			
Proved	**4.06**	**1.68%**	**—**	**—**	4.13	1.92%	—	—
Probable	**4.19**	**1.68%**	**—**	**—**	4.52	1.92%	—	—

Note: The Chambishi Main Mine produced ore of 1,136,949 tonnes at a grade of 1.67% in 2012.

Chambishi West Mine

	31 December 2012				31 December 2011			
		Average grade				Average grade		
		Total	**Oxide**			Total	Oxide	
JORC category	**Ore**	**copper**	**copper**	**Cobalt**	Ore	copper	copper	Cobalt
	(Mt)				*(Mt)*			
Oxidize								
Proved	**0.31**	**1.90%**	**0.93%**	**—**	—	—	—	
Probable	**2.76**	**1.74%**	**0.87%**	**—**	4.97	1.43%	0.85%	
Sulfide								
Proved	**4.94**	**1.78%**	**—**	**—**	4.99	1.41%	—	
Probable	**15.40**	**1.81%**	**—**	**—**	15.38	1.64%	—	

Note: The Chambishi West Mine produced ore of 598,917 tonnes at a grade of 1.86% in 2012.

Chambishi Southeast Mine

	31 December 2012				31 December 2011			
		Average grade				Average grade		
		Total	**Oxide**			Total	Oxide	
JORC category	**Ore**	**copper**	**copper**	**Cobalt**	Ore	copper	copper	Cobalt
	(Mt)				*(Mt)*			
Proved	**—**	**—**	**—**	**—**	—	—	—	—
Probable	**38.06**	**2.01%**	**—**	**0.10%**	29.72	1.98%	—	0.10%

Baluba Center Mine

	31 December 2012				31 December 2011			
		Average grade				Average grade		
		Total	**Oxide**			Total	Oxide	
JORC category	**Ore**	**copper**	**copper**	**Cobalt**	Ore	copper	copper	Cobalt
	(Mt)				*(Mt)*			
Proved	**5.15**	**1.57%**	**0.06%**	**0.11%**	0.58	1.69%	0.04%	0.12%
Probable	**4.60**	**1.50%**	**0.07%**	**0.11%**	13.18	1.63%	0.06%	0.11%

Muliashi North Mine

	31 December 2012				31 December 2011			
		Average grade				Average grade		
		Total	**Oxide**			Total	Oxide	
JORC category	**Ore**	**copper**	**copper**	**Cobalt**	Ore	copper	copper	Cobalt
	(Mt)				*(Mt)*			
Proved	**36.75**	**1.04%**	**0.46%**	**0.02%**	38.84	1.11%	0.65%	0.06%
Probable	**20.80**	**1.00%**	**0.41%**	**0.02%**	22.11	0.95%	0.57%	0.07%

Baluba East Mine

	31 December 2012				31 December 2011			
		Average grade				Average grade		
		Total	**Oxide**			Total	Oxide	
JORC category	**Ore**	**copper**	**copper**	**Cobalt**	Ore	copper	copper	Cobalt
	(Mt)				*(Mt)*			
Proved	**6.38**	**1.81%**	**0.95%**	**0.02%**	6.38	1.81%	0.95%	0.02%
Probable	**27.57**	**0.73%**	**0.30%**	**0.03%**	27.57	0.73%	0.30%	0.03%

Note: No exploration or mining activities were carried out in 2012.

Mashiba Mine

	31 December 2012				31 December 2011			
		Average grade				Average grade		
		Total	**Oxide**			Total	Oxide	
JORC category	**Ore**	**copper**	**copper**	**Cobalt**	Ore	copper	copper	Cobalt
	(Mt)				*(Mt)*			
Proved	**2.66**	**1.35%**	**0.17%**	**—**	2.66	1.35%	0.17%	—
Probable	**4.76**	**1.40%**	**0.16%**	**—**	4.76	1.40%	0.16%	—

Note: No exploration or mining activities were carried out in 2012.

PRODUCTION OVERVIEW

NFCA

NFCA mainly operates two mines, namely the Chambishi Main Mine and the Chambishi West Mine, and the ancillary processing plant.

In 2012, contained copper in concentrate produced by the Chambishi Main Mine and the Chambishi West Mine amounted to 26,178 tonnes, representing an increase of 12.6% over the same period in the previous year. Such increase in production volume was primarily attributable to the increase in the production volume of the Chambishi West Mine since its commencement of production; and the relay ability gradually coming into being in the depth of the Chambishi Main Mine. In 2012, the production volume maintained steady growth at large.

Luanshya

Luanshya operates two copper mines under production, namely the Baluba Center Mine and the Muliashi North Mine, and the Muliashi Leach Plant.

Contained copper in concentrate produced by the Baluba Center Mine in 2012 amounted to 17,485 tonnes, representing an increase of 9.2% over the same period in the previous year. The major reason is that the ore processed increased with a stable growth in overall production.

The Muliashi Project has a designed production capacity of copper cathode of 40,000 tonnes per annum. Its leach plant has a newly-established agitation leaching system which had completed the infrastructure construction in the first half of 2012. It produced 10,383 tonnes of copper cathode in 2012. Its heap leaching system commenced heap construction at the end of 2012 and is expected to be put into production in the first half of 2013.

CCS

CCS mainly operates the Chambishi Smelting Plant.

In 2012, blister copper and sulfuric acid produced by CCS amounted to 175,280 tonnes and 423,494 tonnes respectively, representing increases of 16.2% and 28.7% respectively, over the same period in the previous year. The increase of production volume was mainly attributable to the one-month suspension of operation of the ISA furnace for routine maintenance by CCS in 2011 which reduced the production volume in 2011. Meanwhile, the Group managed to increase the production volume of blister copper by technological transformation and renovation to fully exploit the potential of existing facilities and systems as well as enhancing internal management, thereby increasing the production volume of sulfuric acid, a by-product generated during the production of blister copper.

SML

SML mainly operates the Chambishi Leach Plant, and the Congo Huachin Leach Project through Huachin.

Copper cathode produced by SML in 2012 increased by 70.4% to 11,932 tonnes over the same period in 2011. Although copper cathode produced by the Chambishi Leach Plant in 2012 decreased to 5,206 tonnes, primarily due to the routine repair and maintenance of the electrolytic cells, the Congo Huachin Leach Project produced 6,726 tonnes of copper cathode since its commencement of production in February 2012, which has an annual production capacity of 10,000 tonnes of copper cathode and greatly increased the production volume of SML.

Meanwhile, the SML Chambishi Processing Plant also commenced production as scheduled and recorded a production volume of 986 tonnes of contained copper in concentrate in 2012.

The table below sets forth the production volume of the products of the Group and the year-on-year growth for the periods indicated.

	Production volume for 2012 *(Tonnes)*	Production volume for 2011 *(Tonnes)*	Year-on-year growth *(%)*
Copper concentrate	**44,649**	39,265	13.7%
Blister copper	**175,280**	150,863	16.2%
Copper cathode	**22,315**	7,003	218.7%
Sulfuric acid	**423,494**	328,842	28.7%

Note: The production volumes of all the products are on a contained-copper basis, except for sulfuric acid.

EXPLORATION, DEVELOPMENT AND MINING COST OF THE GROUP

Expenses of exploration, development, and mining activities of the Group for the year ended 31 December 2012 are set out below:

Unit: Million US dollars	**Chambishi Main Mine**	**Chambishi West Mine**	**Chambishi Southeast Mine**	**Mwambashi**	**Kakoso Tailings**	**Baluba Center Mine**	**Muliashi North Mine**	**Lufubu**	**Total**
Exploration activities									
Drilling and analysis	0.42	0.25	6.6	0.9		0.68	0.11	1.13	10.09
Others									
Sub-total	**0.42**	**0.25**	**6.6**	**0.9**		**0.68**	**0.11**	**1.13**	**10.09**
Development activities (including mine construction)									
Purchases of assets and equipment				3.0		4.04			7.04
Civil work for construction of tunnels and roads			23.88			5.28	25.30		54.46
Staff cost			0.62	0.09					0.71
Others			2.9	0.22	0.11	0.72			3.95
Sub-total			**27.4**	**3.31**	**0.11**	**10.04**	**25.30**		**66.16**

Mining activities (excluding ore processing)									
Staff cost	12.14	5.36				22.47	0.23		40.20
Consumables	4.68	2.07				19.84	2.15		28.74
Fuel, electricity, water and other services	4.87	2.15				16.10			23.12
On-site and remote system management									
Non–income taxes, royalties and other governmental charges	10.73	4.74				3.87	2.58		21.92
Others	9.35	4.13							13.48
Sub-contracting charges	48.44	21.40					31.06		100.90
Depreciation	19.06	8.42				7.50	1.26		36.24
Sub-total	**109.27**	**48.27**				**69.78**	**37.28**		**264.60**

PROJECTS UNDER PROGRESS

Phase II of the Expansion Project of CCS

The Group is forging ahead with the construction of phase II of the expansion project of CCS with designed production capacity of 250,000 tonnes of blister copper and 600,000 tonnes of sulfuric acid per annum upon completion. During the reporting period, the Group has completed the construction of a series of renovation and expansion projects of concentrate sheds and series II oxygen stations and put them into use. The slag flotation system, which enables the Group to recover copper from smelting slag, had been established and commenced production in February 2012. In the second half of 2012, there was an expedited progress in the phase II of the expansion project of CCS. The series II sulfuric acid system and the bismuth recovery system from converter smelting gas were completed and put into production, the smelting (refining) main workshop building (including the ancillary span (付跨)) was completed, installation of the 4# converter (major equipment for smelting) and the anode furnace also commenced, and the construction of the converter heat recovery furnace, anode furnace disc casting machine and series III oxygen station was basically completed and gradually progressed to equipment installation. In 2013, the Company plans to complete the construction of the 4# converter and its ancillary facilities, anode furnace and disc casting system, series III oxygen station, the cobalt recovery sulfuration reduction electric furnace system (鈷回收硫化還原電爐系統) and the comprehensive repair workshop, so as to obtain the production capacity of 250,000 tonnes of blister copper per annum.

The Integrating Exploration and Construction Project of the Chambishi Southeast Mine

The Chambishi Southeast Mine Project under development is one of the key mine projects under development of the Company with a designed ore processing capacity of 3,300,000 tonnes per annum and a production capacity of contained copper in concentrate of approximately 63,000 tonnes per annum. The environmental impact assessment report for this project was official approved by Zambia Environmental Management Agency in September 2012, and this project is expected to commence production in 2016.

The 20,000-tonne Mabende Project of Huachin Metals in the DRC

SML is undertaking a project to construct and operate a leaching plant in the DRC through CNMC-Mabende (the "Mabende Project"). The quotation inquiries for some large equipment including the semiautomatic ball mill have been completed, and relevant technological agreements have been signed. At present, the Mabende Project has commenced construction, and is expected to be basically completed by the end of 2013.

The 3,000-tonne Kakoso Tailings Development Project

Kakoso Company is undertaking the development of tailing resources in an area approximately 25 kilometers north of Chingola, Zambia (the "Kakoso Tailings Development Project"). Preliminary work for the Kakoso Tailings Development Project has been completed. Application for relevant land certificates has been submitted and is pending approval from relevant governmental authorities.

In addition, the Group has obtained the mining license of the Mwambashi Mine, and is currently in the process of reviewing the feasibility study report for Luanshya's cobalt recovery project. The Group is also pressing ahead with the preliminary work for Luanshya's slag copper recovery project and the cobalt recovery from smelting slag, aiming at actively expanding our reserve projects to secure a continuous growth of the Company.

FINANCIAL REVIEW

Results of Operations

The following table sets forth sales volume, average selling price, revenue and percentage contribution to total revenue of the products of the Group during the years indicated.

	For the year ended 31 December							
	2012				2011			
	Sales Volume [1] *(Tonnes)*	**Average Selling Price** *(US$ per tonne)*	**Revenue** *(US$'000)*	**% of Total Revenue** *(%)*	Sales Volume *(Tonnes)*	Average Selling Price *(US$ per tonne)*	Revenue *(US$'000)*	% of Total Revenue *(%)*
Blister copper	**166,143**	**7,957**	**1,321,923**	**86.3%**	147,794	8,030	1,186,840	92.5%
Copper cathode	**20,337**	**7,233**	**147,102**	**9.6%**	7,004	8,313	58,223	4.5%
Sulfuric acid	**359,678**	**176**	**63,290**	**4.1%**	338,208	115	38,843	3.0%
Total			**1,532,315**	**100.0%**			1,283,906	100.0%

Note: (1) The sales volumes of all the products (except for sulfuric acid) are on a contained-copper basis.

Revenue

The revenue of the Group increased by 19.3% from US$1,283.9 million in 2011 to US$1,532.3 million in 2012. The Company's business was impacted to some extent by the decline amidst fluctuations in international copper prices since the second half of 2012. However, due to the noticeable growth in the sales volume of blister copper and sulfuric acid of CCS, together with the increase in production and sales volume of copper cathode as a result of the commencement of production of the Congo Huachin Leach Project and the agitation leaching system of Muliashi Project, the Company was still able to maintain an impressive growth in revenue in 2012. In 2012, the Group's revenue from blister copper, copper cathode and sulfuric acid accounted for 86.3%, 9.6% and 4.1%, respectively, of the total revenue.

The revenue from blister copper increased by 11.4% from US$1,186.8 million in 2011 to US$1,321.9 million in 2012. Due to the decline in international copper prices, the average selling price of blister copper decreased by 0.9% from US$8,030 per tonne in 2011 to US$7,957 per tonne in 2012. Notwithstanding this, the Group managed to increase the production volume of blister copper through enhanced internal management and technological renovation in 2012, ensuring the increase of revenue from blister copper. In addition, CCS had a full-year operation in 2012 as compared with one-month suspension of production due to routine maintenance of ISA furnace in June 2011, which also led to the increase in the production volume of blister copper of CCS in 2012 as compared with 2011. The sales volume of blister copper of CCS in 2012 amounted to 166,143 tonnes, representing an increase of 12.4% from 2011.

The revenue from copper cathode increased significantly by 152.7% from US$58.2 million in 2011 to US$147.1 million in 2012. The sales volume of copper cathode increased by 190.4% from 7,004 tonnes in 2011 to 20,337 tonnes in 2012, which was attributable to the significant increase in production volume of copper cathode of the Congo Huachin Leach Project and the agitation leaching system of Muliashi Project since their commencement of production in 2012, partially offset by the decrease in production volume of SML due to the routine repair and maintenance of the electrolytic cells. Although the average selling price of copper cathode, due to the decline in international copper prices, decreased by 13.0% from US$8,313 per tonne in 2011 to US$7,233 per tonne in 2012, the revenue from copper cathode still increased significantly due to the significant increase in the production volume of copper cathode. In addition, the heap leaching system of Muliashi Project has commenced heap construction, further bolstering the growth potential of the Group's production capacity of copper cathode in the future.

The revenue from sulfuric acid increased by 63.0% from US$38.8 million in 2011 to US$63.3 million in 2012, primarily attributable to:

(1) the increase in the production volume of blister copper in 2012 as compared with that in 2011, which in turn increased the production volume and accordingly the sales volume of sulfuric acid, a by-product generated during the production of blister copper, by 6.3% from 338,208 tonnes in 2011 to 359,678 tonnes in 2012; and

(2) an increase of 53.0% in average selling price of sulfuric acid of the Group from US$115 per tonne in 2011 to US$176 per tonne in 2012 in line with the increase in local market price of sulfuric acid.

Cost of sales

The following table sets forth the cost of sales, unit cost of sales, gross profits and gross profit margins of the products of the Group during the years indicated.

	For the year ended 31 December							
	2012				2011			
	Cost of Sales	**Unit Cost of Sales**	**Gross Profit**	**Gross Profit Margin**	Cost of Sales	Unit Cost of Sales	Gross Profit	Gross Profit Margin
	(US'000)	*(US$ per tonne)*	*(US'000)*	*(%)*	*(US'000)*	*(US$ per tonne)*	*(US'000)*	*(%)*
Blister copper	**1,144,335**	**6,888**	**177,588**	**13.4%**	1,059,694	7,170	127,146	10.7%
Copper cathode	**94,501**	**4,647**	**52,601**	**35.8%**	25,974	3,709	32,249	55.4%
Sulfuric acid	**10,529**	**29**	**52,761**	**83.4%**	9,980	30	28,863	74.3%
Total	**1,249,365**		**282,950**	**18.5%**	**1,095,648**		**188,258**	**14.7%**

The cost of sales increased by 14.0% from US$1,095.6 million in 2011 to US$1,249.4 million in 2012, primarily due to the increased total costs as a result of the growth in sales volume of blister copper, partially offset by the decrease in international copper prices.

The cost of sales of blister copper increased by 8.0% from US$1,059.7 million in 2011 to US$1,144.3 million in 2012, primarily due to the increase in the sales volume of blister copper of CCS in 2012 over the same period of 2011, partially offset by a decrease of 3.9% in unit cost of sales of blister copper from US$7,170 per tonne in 2011 to US$6,888 per tonne in 2012 as a result of the lower price of copper concentrate purchased from external suppliers attributable to the decrease in international copper prices in 2012.

The cost of sales of copper cathode increased by 263.8% from US$26.0 million in 2011 to US$94.5 million in 2012, primarily due to an increase of 190.4% in the sales volume of copper cathode, coupled with an increase in the unit cost of sales of copper cathode from US$3,709 per tonne in 2011 to US$4,647 per tonne in 2012 as a result of a higher proportion of materials purchased from external supplier for the agitation leaching system of Muliashi Project which was newly put into production.

The cost of sales of sulfuric acid increased by 5.5% from US$10.0 million in 2011 to US$10.5 million in 2012, primarily due to an increase of 6.3% in sales volume of sulfuric acid in 2012 over the same period of 2011, partially offset by a decrease of 0.7% in unit cost of sales from US$30 per tonne in 2011 to US$29 per tonne in 2012.

Gross profit and gross profit margin

The Group recorded a gross profit of US$283.0 million in 2012, representing an increase of 50.3% from US$188.3 million in 2011. The gross profit margin increased by 3.8% from 14.7% in 2011 to 18.5% in 2012. The increases were mainly attributable to the increase in sales volumes of the Group's products, partially offset by the drop in international copper prices and increased volume of copper purchased from external suppliers.

The gross profit margin of blister copper increased from 10.7% in 2011 to 13.4% in 2012, primarily attributable to the following: (1) the lowered fixed costs due to the enhanced economy of scale in the production of blister copper as a result of the increase in the production volume of blister copper, which lowered the unit cost of production of blister copper; and (2) the increased proportion of the blister copper sold by the Group to 中色國際貿易有限公司 (CNMC International Trade Ltd*) ("CNMC International Trade") and 雲南銅業集團有限公司 (Yunnan Copper Industry (Group) Co., Ltd*) ("Yunnan Copper Group") to the total sales of blister copper (the terms of the sales contracts entered into by the Group with CNMC International Trade and Yunnan Copper Group determined that the selling prices to these two parties, inclusive of cost, insurance and freight expenses, were higher than the average selling prices to other customers of the Group determined on an Ex Works (EXW) basis), partially offset by the decrease in the average selling price of blister copper in line with the decline in international copper prices which decreased the average selling price of the copper sales of the Group's own mines.

The gross profit margin of copper cathode decreased by 19.6% from 55.4% in 2011 to 35.8% in 2012, primarily due to the decline in international copper prices, coupled with the higher proportion of external copper purchase by the agitation leaching system of the Company's Muliashi Project at the initial stage since it commenced production which lowered the overall gross profit margin of the Company's copper cathode. However, the Company expects an improved gross profit margin for its Muliashi Project as the proportion of self-produced copper increases.

The gross profit margin of sulfuric acid increased from 74.3% in 2011 to 83.4% in 2012, primarily attributable to a sharp increase of 53.3% in average selling price, partially offset by a decrease of 0.7% in unit cost of sales of sulfuric acid.

Distribution and selling expenses

The distribution and selling expenses of the Group increased by 24.9% from US$27.9 million in 2011 to US$34.9 million in 2012, primarily due to an increase in transportation and freight expenses as well as insurance expenses as a result of the increase in blister copper sold to CNMC International Trade and Yunnan Copper Group in 2012 as compared with that in 2011.

Administrative expenses

The administrative expenses increased by 26.1% from US$37.0 million in 2011 to US$46.6 million in 2012, primarily due to the increases in, among others, salary expenses and travel expenses as a result of the expansion of operations.

Finance costs

The finance costs of the Group decreased by 35.6% from US$9.2 million in 2011 to US$6.0 million in 2012, primarily due to an increased proportion of the balance of project loans to the total loans of the Group and a decreased proportion of current borrowings in 2012, which led to the increase in interest expenses being capitalised during the reporting period.

Gains/Loss from change in fair value of derivatives

The gains from change in fair value of derivatives decreased by 91.0% from US$10.4 million in 2011 to US$0.9 million in 2012. The Group entered into copper futures contracts to hedge its net exposure to the copper price fluctuations due to the timing difference between the time it expects to procure copper concentrate from external suppliers and the time it expects to sell blister copper to external customers. In 2012, the Group entered into less future contracts in light of market conditions and the copper price fluctuations were less volatile than those in 2011, which led to a smaller gain from change in fair value of derivatives.

Other expenses

Other expenses of the Group decreased by 7.9% from US$11.0 million in 2011 to US$10.1 million in 2012, primarily due to a decrease in costs for operating hospitals and schools from US$3.2 million in 2011 to US$0.8 million, a decrease in exchanges loss from US$4.7 million in 2011 to US$2.9 million, and no bad debt loss in 2012 as compared to a bad debt loss of US$1.2 million in 2011, partially offset by an increase of US$3.6 million in expenses related to the Listing from US$2.3 million in 2011 to US$5.9 million for the reporting period as a result of the completion of the Listing of the Company in 2012.

Income tax expense

The income tax expense of the Group increased by 64.5% from US$15.0 million in 2011 to US$24.7 million in 2012. The effective tax rate increased by 0.1% from 12.7% in 2011 to 12.8% in 2012.

Profit and net profit margin attributable to owners of the Company

As a result of the foregoing, the profit attributable to owners of the Company increased by 40.7% from US$70.0 million in 2011 to US$98.5 million in 2012. Net profit margins attributable to owners of the Company (being the profit attributable to the owners of the Company as a percentage of revenue) were 5.5% in 2011 and 6.4% in 2012 respectively.

LIQUIDITY AND CAPITAL RESOURCES

Cash flows

The following table sets forth certain information regarding the consolidated statements of cash flows of the Group for the periods indicated:

	For the year ended 31 December	
	2012	2011
	(US$'000)	*(US$'000)*
Net cash from operating activities	**176,348**	168,509
Net cash used in investing activities	**(187,760)**	(412,420)
Net cash from financing activities	**58,648**	126,468
Net increase/(decrease) in cash and cash equivalents	**47,236**	(117,443)
Cash and cash equivalents at beginning of the year	**217,303**	336,789
Effect of foreign exchange rate changes	**184**	(2,043)
Cash and cash equivalents at end of the year	**264,723**	217,303

Net cash flows from operating activities

Cash inflows from operating activities are primarily attributable to the sales revenue of copper products and cash outflows are primarily attributable to various operating expenses. Net cash flows generated from the operating activities of the Group increased by 4.7% from US$168.5 million in 2011 to US$176.3 million in 2012, primarily attributable to an increase of 62.9% in the total profit before tax of the Company from US$118.3 million in 2011 to US$192.8 million in 2012, partially offset by the larger increase in inventories in 2012.

Net cash flows used in investing activities

Cash outflows used in investing activities are mainly for the purchase of properties, plants and equipment for copper production. The net cash flows used in investing activities of the Group decreased by 54.5% from US$412.4 million in 2011 to US$187.8 million in 2012, primarily due to the relatively large-scale investment in the in-depth exploration project of the Main Mine at NFCA in 2011. In addition, after the completion of investments in the Congo Huachin Leach Project, the Muliashi Project and the Baluba Center Mine, investments in the reporting period declined comparatively. However, given that a number of the Group's projects are still under construction, the cash investments in fixed assets are expected to remain at a high level. The Group plans to continuously increase the investments in fixed assets, thus underpinning the long-term growth in the results of the Group.

Net cash flows from financing activities

The net cash flows generated from financing activities of the Group in 2012 were US$58.6 million. The cash inflows from financing activities primarily consist of new bank and other borrowings as well as proceeds from capital increase. The cash outflows from financing activities primarily consist of repayments for bank and other borrowings, dividend payments and interest payments. The decrease in cash flows generated from financing activities in 2012 was primarily attributable to the decrease in the balance of bank loans and increase in dividends payment to minority shareholders, partially offset by the proceeds raised from the Company's global offering.

Bank balances and cash

The Group's bank balances and cash (including cash, time deposits and demand deposits) increased by US$47.4 million from US$217.3 million as at 31 December 2011 to US$264.7 million as at 31 December 2012.

Trade receivables

The trade receivables of the Group increased by US$24.5 million from US$95.8 million as at 31 December 2011 to US$120.3 million as at 31 December 2012, which is in line with the expansion of the Group's operations.

Inventories

The inventories held by the Group increased by US$166.1 million from US$164.3 million as at 31 December 2011 to US$330.4 million as at 31 December 2012, primarily due to (1) an increase of US$77.7 million in the inventories of finished products in transit as at 31 December 2012 compared to that as at 31 December 2011 as a result of increased sales to the far east region; and (2) an increase of US$80.6 million in the inventories of raw materials of the Group as at 31 December 2012 compared to that as at 31 December 2011 due to changes in the production plan and the market trend.

Trade payables

In line with the expansion of the Group's operations, trade payables of the Group increased by US$84.7 million from US$107.4 million as at 31 December 2011 to US$192.1 million as at 31 December 2012.

Capital expenditure

	For the year ended 31 December	
	2012	2011
	(US$'000)	*(US$'000)*
Mining and ore processing facilities at NFCA	**40,026**	87,109
Mining and ore processing facilities at Luanshya (Baluba Center Mine)	**15,874**	14,696
Smelting facilities at CCS	**70,750**	37,672
Leaching facilities at SML	**11,991**	45,307
Mining and leaching facilities at Luanshya (Muliashi Project)	**63,313**	214,474
Total	**201,954**	399,258

The total capital expenditure of the Group decreased from US$399.3 million in 2011 to US$202.0 million in 2012. During the reporting period, the capital expenditure of the Group was primarily used in the Muliashi Project and phase II of the expansion project of CCS.

MARKET RISK DISCLOSURE

In the normal course of business, the Group's market risks mainly comprise commodity price risk, foreign exchange risk and interest rate risk.

Commodity price risk

The Group's commodity price risk is mainly the exposure to fluctuations in the market price of copper which affect the prices of the major commodities purchased, produced and sold by the Group. To mitigate this risk, the Group has entered into copper futures contracts and provisional price arrangement to manage its exposure in relation to forecasted sales of copper products, forecasted purchase of copper concentrate, inventories and the Group's commitment to sell its copper products.

Foreign currency exchange risk

The Group operates business in Zambia and most of its sales and purchases in the past were denominated in US dollar, its functional currency, while certain sales and purchases were settled in currencies other than its functional currency (mainly Zambia Kwacha, or ZMK, and Reminbi, or RMB), which exposed the Group to foreign currency risk. In addition, according to the latest policies of Zambian government, all sales and purchases in Zambia are required to be quoted and paid in ZMK, which affects the Group's business operation. During the reporting period, the Group did not engage in any foreign currency hedging activities. The Group minimized the effect of such risk primarily through fixing the transactions price at the same timing.

Interest rate risk

The Group is exposed to interest rate risk of cash flow under the impact of interest rates changes of interest-bearing financial assets and liabilities which mainly include interest-bearing restricted bank balances, bank balances and bank and other borrowings at variable interest rates. The Group currently does not have any interest rate hedging policy. However, the Directors of the Group will consider hedging significant interest rate risk should the need arise.

HUMAN RESOURCES

As of 31 December 2012, the Group employed a total of 6,159 employees (as of 31 December 2011: 5,137 employees). The total cost of employees reflected in the consolidated statement of comprehensive income amounted to approximately US$85.7 million (in 2011: US$68.9 million). The increase in the cost of employees was attributable to the increase in the number of employees due to expansion of production scale and the growth in average salaries.

2013 OUTLOOK

Strategy and Prospects

In adherence to expanding exploration and development, the Group continued to increase copper and cobalt reserves and resources. Meanwhile, the Group enhanced the capacities in mining and processing businesses as well as in copper leaching and smelting operations. The Group will continue its focus on research and development along the copper production chain, especially in the areas of separation of copper and cobalt and bioleaching technology.

Investment in exploration and development will be further increased. We will push ahead with the construction of the Chambishi Southeast Mine, actively develop new mines including the Mwambashi Mine, pay great attention to and more efforts in expanding the exploration area, as well as exploration in the areas immediately surrounding and in the depth of the existing mines. Meanwhile, the Group will continue to identify suitable acquisition targets in regions with rich copper resources such as the DRC, with an aim to increase the Group's resources.

It is also the Group's aspiration to, through the development of the Muliashi Project, the 20,000-tonne Mabende Project and the phase II of the expansion project of CCS, expand its capacities in copper smelting and leaching operations, increase the proportion of resources generated from its own mines for copper production and ultimately enhance its profitability by tapping into the advantages of vertical integration in operations.

The Group will further improve its management practices, increase investment and stay in strict compliance with relevant laws and regulations in respect of safety and environmental protection. Meanwhile, it will continue with its social responsibilities, maintain a good corporate image, and provide active support to the local economic and social development.

Future Prospects

Looking into 2013, the effect of European debt crisis and the uncertainties in world economic environment will persist. Recovery of U.S. economy has been lackluster, while emerging economies' growths are lower than expected due to their needs for structural adjustments. China has set a lower growth rate for its economy and adopted a moderately tighter monetary policy. All these factors make the economic environment in 2013 more complicated and volatile. As the demand for base metals, particularly copper, has been dampened, a substantial price recovery is unlikely. However, from a long-term perspective, China's urbanization trend is evident. Under the effect of "steady growth" policy, including pre-tune and fine-tune strategies, China's economy is expected to grow gradually. Copper supply growth rate will not change in the near-term, the long-term outlook of copper price continues to be optimistic.

In 2013, the Group will continue to promote the construction of key projects, and further enlarge our reserve and resources of copper and cobalt, and the production capacity of leaching and smelting operations through exploration and development activities. Meanwhile, we will continue to optimize internal management, intensify cost control and improve operation efficiency, so as to secure its profitability.

1. Continue the construction of key projects

With regard to the Muliashi Project, its agitation leaching system was successfully put into production in the second half of 2012, and the heap leaching system is expected to become operational in the first half of 2013. At the same time, we will further strengthen the operation management of open-pit mines and ensure the stability of ore grade and volume. Being scheduled to be completed in 2013, phase II of the expansion project of CCS will, upon completion, bring the production capacity of the Company's blister copper to a new level. In 2013, the 20,000-tonne Mabende Project will also be a main focus of construction, and development of Chambishi Southeast Mine will be carried out in a faster pace.

2. *Improve performance of existing operations*

The Group will continue to pay due efforts in its mining activities at Chambishi Main Mine, Chambishi West Mine and Baluba Center Mine, so as to increase the production volume of copper concentrate from its own mines. While boosting the production volume of blister copper and sulfuric acid of CCS as well as the leaching operations, the Group will expedite the validation and verification of the cobalt recovery program, with a view to further increase the existing production capacity and returns.

The Group will further technological innovation and optimize production process. In particular, more efforts will be made in research of bio-metallurgical technology to enhance the processing capacity of low-grade ore. The Group will strengthen cost control and improve management practices to maximize profit. In addition, we will further enhance ability in human resources management and strengthen staff training to provide guarantee for safe and efficient production, while fulfilling corporate social responsibilities.

OTHER INFORMATION

ANNUAL GENERAL MEETING

It is proposed that the Annual General Meeting of the Company will be held on Friday, 7 June 2013. Notice of the Annual General Meeting will be published and issued to shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

The share register of the Company will be closed from Tuesday, 4 June 2013 to Friday, 7 June 2013 (both days inclusive), during which no transfer of shares will be effected. In order to be entitled to attend the forthcoming Annual General Meeting of the Company, all completed share transfer forms accompanying with the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited of shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Monday, 3 June 2013.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings as set out in the Model Code for Securities Transactions by Directors of Listed Issuers ("**Model Code**") as contained in Appendix 10 of the Listing Rules.

The Company had made specific enquiry to all the Directors and confirmed that all of them have complied with the Model Code throughout the period from 29 June 2012 to 31 December 2012.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITION IN SHARES AND UNDERLYING SHARES

As at 31 December 2012, none of the Directors or chief executive had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance of Hong Kong (Chapter 571 of the Laws of Hong Kong) (the "**SFO**")) which would fall to be disclosed to the Company and The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") pursuant to Division 7 and 8 at the Part XV of the SFO; or interest or short positions required to be recorded in the register kept by the Company pursuant to Section 352 of the SFO; or interests or short positions which fall to be disclosed to the Company and the Stock Exchange pursuant to the Model Code as stipulated in the Listing Rules.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

At no time during the period were rights to acquire benefits by means of the acquisition of shares of the Company granted to any director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, or any of its subsidiaries a party to any arrangement to enable those persons to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As of 31 December 2012, so far as it is known to the Director and chief executive of the Company, interests or short positions which would fall to be disclosed to the Company and Stock Exchange pursuant to the provisions of Division 2 and 3 at the Part XV of the SFO is as follows:

Substantial Shareholder	Capacity/Nature of interest	Long/short position	Number of shares	Approximate percentage of shareholdings
China Nonferrous Mining Development Limited *(Note)*	Registered owner	Long position	2,600,000,000	74.52%
CNMC	Interest in a controlled corporation	Long position	2,600,000,000	74.52%

Note: China Nonferrous Mining Development Limited is a wholly-owned subsidiary of CNMC and therefore, by virtue of the SFO, CNMC is deemed or taken to be interested in all the shares which are owned by China Nonferrous Mining Development Limited.

As at 31 December 2012, each of the following entities were directly and/or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any other members of the Group:

Member of the Group	Entity with 10% or more interest (other than member of the Group)	Percentage of that entity's interest
NFCA	Zambia Consolidated Copper Mines Investments Holdings Plc ("ZCCM-IH")	15%
Luanshya	ZCCM-IH	15%
CCS	Yunnan Copper Group	40%
SML	Hainan Sino-Africa Mining Investment Ltd	30%
Huachin	Huachin SPRL	37.5%
Kakoso Company	Shenzen Resources Limited	12%
CNMC-Mabende	Huachin SPRL	40%

Save as disclosed above and in the paragraph headed "Directors' and chief executive's interests and short position in shares and underlying shares", as at 31 December 2012, no person had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

CORPORATE GOVERNANCE

The Company has complied with the code provisions as set out in the Corporate Governance Code and Corporate Governance Report contained in Appendix 14 of the Listing Rules throughout the period from 29 June 2012 to 31 December 2012.

AUDIT COMMITTEE

The Company has an Audit Committee which was established with written terms of reference in compliance with Rules 3.22 of the Listing Rules and paragraph C3 of the Corporate Governance Code and Corporate Governance Report at Appendix 14 of the Listing Rules. The primary duties of the Audit Committee are to supervise the financial reporting process and internal control system of the Group. The Audit Committee consists of three members being Mr. Tao Luo (non-executive Director), Mr. Jingwei Liu and Mr. Shuang Chen (independent non-executive Directors). The Group's financial statements for the year ended 31 December 2012 have been reviewed by the committee, who were of the opinion that such statements complied with the applicable accounting standards, the Listing Rules and legal requirements, and that adequate disclosures had been made.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities throughout the period from 29 June 2012 to 31 December 2012.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

The annual results announcement is published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.cnmcl.net). The annual report will be despatched to the shareholders and will be available on the websites of the Stock Exchange and the Company in due course.

By Order of the Board
China Nonferrous Mining Corporation Limited
Tao LUO
Chairman

Hong Kong, 19 March 2013

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Xinghu Tao, Mr. Chunlai Wang, Mr. Xingeng Luo, Mr. Xinguo Yang, Mr. Kaishou Xie, as executive Directors; Mr. Tao Luo as non-executive Director; Mr. Chuanyao Sun, Mr. Jingwei Liu and Mr. Shuang Chen as independent non-executive Directors.

Unless the context otherwise requires, terms undefined herein shall have the meanings ascribed to them in the prospectus of the Company dated 20 June 2012.