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中國大冶有色金屬礦業有限公司

China Daye Non-Ferrous Metals Mining Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 00661)

ANNOUNCEMENT PURSUANT TO RULE 13.09(1) OF THE LISTING RULES

This announcement is made by China Daye Non-Ferrous Metals Mining Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The Company, through its 51%-owned subsidiary, China Reservoir Mining Limited (“**CRML**”), holds a 55% equity interest in Reservoir Moly Mongolia LLC (“**Reservoir Moly**”), which is a company incorporated in Mongolia and holds the mining right to the molybdenum mine located in the Sukhbaatar Province, Mongolia (the “**Aleinuer Mine**”). The remaining 45% equity interest in Reservoir Moly is held by Nomin Deposit LLC (the “**Mongolian JV Partner**”), which is an independent third party. The Group currently holds the mining rights to two principal mines and the Aleinuer Mine is one of them.

At the time of the establishment of Reservoir Moly in December 2005, the Mongolian JV Partner transferred the mining right to the Aleinuer Mine to Reservoir Moly as part of its capital contribution, while CRML undertook to meet its capital contribution by financing the further development of Aleinuer Mine. Reservoir Moly has since completed exploration works at the Aleinuer Mine. Commercial production at the Aleinuer Mine has not yet begun and the Company does not derive any revenue or profit from the Aleinuer Mine. Reservoir Moly currently has no material assets (other than the mining right to the Aleinuer Mine) or liabilities.

In June 2011, the Mongolian JV Partner initiated arbitration proceedings against CRML with respect to the alleged failure on the part of CRML to develop the Aleinuer Mine in accordance with the terms of the various agreements signed between the parties (the “**Mongolian Proceedings**”). CRML, based on the advice of its Mongolian legal advisers, contested the Mongolian Proceedings and submitted a response to the Mongolian National Arbitration Center at the Mongolian National Chamber of Commerce and Industry (the “**Mongolian Arbitration Center**”). On 4 October 2011, CRML received the written arbitral award issued by the Mongolian Arbitration Center in relation to the Mongolian Proceedings, pursuant to which the Mongolian Arbitration Center ruled that the mining right to the Aleinuer Mine has to be returned by Reservoir Moly to the Mongolian JV Partner.

According to the advice of CRML's Mongolian legal advisers, (a) in order to enforce the arbitral award, the Mongolian JV Partner is required to submit such award to the enforcement authority which in turn will request the relevant mining authority to amend the mining licence to the Aleinuer Mine, and before the mining licence to the Aleinuer Mine is so amended, the mining right remains with Reservoir Moly; and (b) CRML has the right to appeal to the Court of Appeal of Mongolia against the arbitral award and if the Court of Appeal of Mongolia accepts the appeal application, the enforcement of the arbitral award will be suspended pending the outcome of the appeal. CRML has decided to lodge an appeal to the Court of Appeal of Mongolia against the arbitral award.

Further announcement(s) in relation to the Mongolian Proceedings will be issued by the Company as and when appropriate.

By order of the board of directors
China Daye Non-Ferrous Metals Mining Limited
Wan Bi Qi
Chairman

Hong Kong, 7 October 2011

As at the date of this announcement, the board of directors of the Company comprises three executive directors, namely Mr. Wan Bi Qi (Chairman of the board of directors), Mr. Chen Xiang and Ms. Yuan Ping; and three independent non-executive directors, namely Mr. Wang Qihong, Mr. Wang Guoqi and Mr. Qiu Quan Zhou.

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.