RELEVANT CONNECTED PERSONS

The table below sets forth the connected persons of our Company who conduct or will conduct connected transactions with our Group upon Listing and the nature of their connection with our Group:

Name	Connected relationship
CNMC	CNMC indirectly holds 100% of our issued share capital immediately prior to the Global Offering. Immediately following the Global Offering, assuming the Over-allotment Option is not exercised, CNMC indirectly holds 74.93% of our issued share capital. It is our ultimate Controlling Shareholder and constitutes our connected person pursuant to Rule 14A.11(1) of the Listing Rules.
Retained Group	The Retained Group consists of CNMC and its subsidiaries other than our Group. Each of the subsidiaries of CNMC, including but not limited to CNMC International Trade, ZCCZ, Fifteen MCC Africa and Sinotra, constitutes our connected person pursuant to Rule 14A.11(4) of the Listing Rules.
Yunnan Copper Group	Yunnan Copper Group is a Controlling Shareholder of CCS holding 40% of the issued share capital of CCS. It is our connected person pursuant to Rule 14A.11(1) of the Listing Rules.
Subsidiaries of Yunnan Copper Group	The subsidiaries of Yunnan Copper Group, including but not limited to Yunnan Copper and Yunnan Copper Technology, constitute our connected person pursuant to Rule 14A.11(4) of the Listing Rules.
Huachin Minerals	Huachin Minerals is 70% owned by Mr. Ng Siu Kam, who holds the entire interest in Huachin SPRL. Huachin SPRL holds 37.5% of our subsidiary, Huachin. Accordingly Huachin Minerals constitutes our connected person pursuant to Rule 14A.11(4) of the Listing Rules. Save for Mr. Ng Siu Kam's connection to our Group as disclosed in this prospectus, Mr. Ng is an Independent Third Party.

EXEMPT ONE-OFF CONNECTED TRANSACTIONS

Deed of Non-Competition Undertaking

The Deed of Non-Competition Undertaking was entered into between CNMC and our Company on May 14, 2012. A description of the Deed of Non-Competition Undertaking is contained in the section headed "Relationship with Our Controlling Shareholder — Non-Competition Undertaking" in this prospectus. No consideration is payable by either party under the Deed of Non-Competition Undertaking. Accordingly, the Deed of Non-Competition Undertaking is a connected transaction that is exempt from the reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.31(2) of the Listing Rules.

Deed of Indemnity

We entered into the Deed of Indemnity with CNMC on May 14, 2012. A description of the Deed of Indemnity is contained in the section headed "Relationship with Our Controlling Shareholder — Deed of Indemnity" in this prospectus. No consideration is payable by either party under the Deed of Indemnity. Accordingly, the Deed of Indemnity is a connected transaction that is exempt from the reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.31(2) of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

Summary Table of Our Continuing Connected Transactions

Nature of transaction	Applicable Listing Rules	Waiver sought	Annual cap for the year ending December 31,		
			2012	2013	2014
			(US$)	(US$)	(US$)
Exempt continuing connected transactions					
(1) Trademark License Agreement	14A.33(3)	N/A	N/A	N/A	N/A
(2) Loans from CNMC	14A.65(4)	N/A	N/A	N/A	N/A
(3) Guarantees from CNMC	14A.65(4)	N/A	N/A	N/A	N/A
(4) Loans from Yunnan Copper Group	14A.65(4)	N/A	N/A	N/A	N/A
(5) Guarantee from Yunnan Copper Group	14A.65(4)	N/A	N/A	N/A	N/A
(6) Fifteen MCC Africa Agreement	14A.33(3)	N/A	N/A	N/A	N/A
(7) Yunnan Copper Technology Agreement	14A.33(3)	N/A	N/A	N/A	N/A
(8) Guarantee fees to CNMC	14A.33(3)	N/A	1,150,000	800,000	800,000
Non-exempt continuing connected transactions					
(1) CNMC Copper Supply Framework Agreement	14A.35	Yes	961,721,000	1,443,390,000	1,413,588,000
(2) Yunnan Copper Supply Framework Agreement	14A.35	Yes	526,256,000	774,000,000	725,400,000
(3) Huachin Ore Supply Framework Agreement	14A.35	Yes	12,692,000	14,288,000	13,391,000
(4) Mutual Supply Framework Agreement					
— procurement of raw materials, products and services	14A.35	Yes	267,188,000	266,399,000	258,610,000
— supply of raw materials, products and services	14A.35	Yes	12,460,000	7,640,000	4,906,000
(5) Properties Leasing Framework Agreement	14A.35	Yes	7,096,200	7,096,200	7,096,200
(6) Guarantees from CNMC	14A.35	Yes	170,000,000	100,000,000	100,000,000

EXEMPT CONTINUING CONNECTED TRANSACTIONS

1. Trademark License Agreement

We entered into a trademark license agreement (the "Trademark License Agreement") with CNMC on May 14, 2012, pursuant to which CNMC had agreed to license certain trademarks for our use in connection with our copper and cobalt mining operations, assets or projects outside the PRC for a perpetual term on a non-exclusive and royalty-free basis for a term commencing from the date of the Trademark License Agreement to the date of expiry of registration of such trademarks.

As the grant of rights to use certain trademarks by CNMC to our Group is on a royalty-free basis, each of the applicable percentage ratios (other than the profits ratio) calculated for the purpose of Chapter 14A of the Listing Rules will not exceed 0.1% on an annual basis. Accordingly, the Trademark License Agreement falls within the *de minimis* threshold as stipulated under Rule 14A.33(3) of the Listing Rules and the transactions under the Trademark License Agreement are exempt from the reporting, annual review, announcement and independent shareholders' approval requirements.

2. Loans from CNMC

CNMC has provided us with certain loans to fund certain of our capital expenditures and working capital in the past. The table below sets forth the information in respect of loans provided by CNMC to us and the outstanding amounts of such loans as of April 30, 2012, which is the latest practicable date as of which such information is available:

Borrower	Lender	Date of loan agreement	Purpose	Duration	Outstanding loan amount as at April 30, 2012 (US$)	Security
Luanshya	CNMC	November 2, 2009	General working capital	November 2009 – November 2014	8,000,000	Nil
Luanshya	CNMC	October 26, 2011	Financing the Muliashi Project	2011 to 2018	30,000,000	Nil
Luanshya	CNMC	November 18, 2011	Financing the Muliashi Project	November 18, 2011 to November 17, 2018	44,068,092	Nil

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

3. Guarantees from CNMC

CNMC has guaranteed certain of our external borrowings from Independent Third Party financial institutions. Such guarantees have enabled us to obtain more favorable financing terms from such financial institutions. The following table sets out the information in respect of unsecured bank loans procured by us which are guaranteed by CNMC and the outstanding amounts of such bank loans as of April 30, 2012, which is the latest practicable date such information is available:

Borrower	Lender	Date of loan agreement	Maximum loan amount (US$)	Purpose	Duration of loan amount	Outstanding loan amount as at April 30, 2012 (US$)	Guarantor
NFCA	The Export-Import Bank of China, Beijing Branch	January 11, 2008	70,000,000	Construction of Chambishi West Mine	84 months from date of first drawdown and expiring on January 15, 2015	37,000,000	CNMC
	Bank of China, Cayman Branch	October 5, 2009	50,000,000	General working capital	36 months from date of first drawdown	50,000,000	CNMC
Luanshya . .	BOC Finance (Ireland) Limited	August 31, 2010	210,000,000	US$197,450,000 for fixed assets investment and US$12,550,000 for general working capital	US$197,450,000 — 9 years from first drawdown date US$12,550,000 — 3 years from first drawdown date	197,450,000	CNMC
CCS	Bank of China, Cayman Branch	June 10, 2009	60,000,000	General working capital	36 months from the date of first drawdown	60,000,000	CNMC
	BOC Finance (Ireland) Limited	October 11, 2010	150,000,000	US$98,570,000 for fixed assets investment and US$51,430,000 for general working capital	US$98,570,000 — 8 years from first drawdown date US$51,430,000 — 3 years from first drawdown date	80,000,000	60% of the loan (i.e. US$48,000,000) by CNMC and 40% of the loan (i.e. US$32,000,000) by Yunnan Copper Group
Total			540,000,000			424,450,000	

Our Directors are of the view that the guarantees, being a form of financial assistance (as defined in the Listing Rules) provided by CNMC for our benefit, were on normal commercial terms where no security over our assets was granted in respect of such financial assistance provided by CNMC. Accordingly, such guarantees are exempt from all reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.65(4) of the Listing Rules.

4. Loans from Yunnan Copper Group

Yunnan Copper Group has provided certain shareholder loans to our subsidiary, CCS (of which Yunnan Copper Group holds 40% interest), to fund certain of the capital expenditure of CCS. The table below sets forth the information in respect of the loan provided by Yunnan Copper Group to CCS and the outstanding amount of such loan as of April 30, 2012, which is the latest practicable date as of which such information is available:

Borrower	Lender	Date of loan agreement	Purpose	Duration	Outstanding loan amount as at April 30, 2012 (US$)	Security
CCS . . .	Yunnan Copper Group	May 8, 2007	Construction of Chambishi Copper Smelter	From the date CCS drew down on bank loans for specific projects until June 30, 2014	19,660,500	Nil

Our Directors are of the view that the above loan, being a form of financial assistance (as defined in the Listing Rules) provided by Yunnan Copper Group for our benefit, was on normal commercial terms where no security over our assets was granted in respect of such financial assistance. As such, the above loan is exempt from reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.65(4) of the Listing Rules.

5. Guarantee from Yunnan Copper Group

Yunnan Copper Group has guaranteed certain of our external borrowings from Independent Third Party financial institution. Such guarantee has enabled us to obtain more favorable financing terms from such financial institution. The following table sets out the information in respect of unsecured bank loan procured by us which is guaranteed by Yunnan Copper Group and the outstanding amount of such bank loan as of April 30, 2012, which is the latest practicable date as of which such information is available:

Borrower	Lender	Date of loan agreement	Maximum loan amount (US$)	Purpose	Duration	Outstanding loan amount as at April 30, 2012 (US$)	Security
CCS	BOC Finance (Ireland) Limited	October 11, 2010	150,000,000	US$98,570,000 for fixed assets investment and US$51,430,000 for general working capital	US$98,570,000 — 8 years from first drawdown date US$51,430,000 — 3 years from first drawdown date	80,000,000	60% of the loan (i.e. US$48,000,000) by CNMC and 40% of the loan (i.e. US$32,000,000) by Yunnan Copper Group

Our Directors are of the view that the guarantee, being a form of financial assistance (as defined in the Listing Rules) provided by Yunnan Copper Group for the benefit of CCS, was on normal commercial terms where no security over our assets was granted in respect of such financial assistance provided by Yunnan Copper Group. Accordingly, such guarantee is exempt from all reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.65(4) of the Listing Rules.

6. Fifteen MCC Africa Agreement

On July 1, 2009, our subsidiary, CCS, entered into an agreement with Fifteen MCC Africa (the "Fifteen MCC Africa Agreement") pursuant to which CCS agreed to provide certain living quarters to Fifteen MCC Africa on a free of charge basis. Fifteen MCC Africa shall pay for the use of water and electricity and other expenses such as repair and any applicable tax in Zambia. The Fifteen MCC Africa Agreement shall remain in effect for as long as CCS is in existence. As Fifteen MCC Africa provides construction as well as equipment repair and maintenance services to CCS on an ongoing basis, it requires accommodation for its staff based in Zambia, the costs of which would ordinarily be borne by us. Our Directors are of the view that the Fifteen MCC Africa Agreement was negotiated at arm's length on normal commercial terms since by providing living quarters to the relevant staff of Fifteen MCC Africa, we will not have to incur accommodation expenditure for such staff.

As the provision of living quarters by CCS to Fifteen MCC Africa is on a free of charge basis, each of the applicable percentage ratios (other than the profits ratio) calculated for the purpose of Chapter 14A of the Listing Rules will not exceed 0.1% on an annual basis. Accordingly, the Fifteen MCC Africa Agreement falls within the *de minimis* threshold as stipulated under Rule 14A.33(3) of the Listing Rules is exempt from the reporting, annual review, announcement and independent shareholders' approval requirements.

7. Yunnan Copper Technology Agreement

On December 8, 2010, our subsidiary, CCS, entered into a technical service agreement with Yunnan Copper Technology (the "Yunnan Copper Technology Agreement") pursuant to which Yunnan Copper Technology agreed to provide certain technical services in CCS' production process. The Yunnan Copper Technology Agreement commenced on December 9, 2010 and shall terminate upon certain specified targets set out in the Yunnan Copper Technology Agreement being achieved. The total consideration payable by CCS under the Yunnan Copper Technology Agreement is RMB1,000,000 (equivalent of US$154,715).

As each of the applicable percentage ratios (other than the profits ratio) calculated in accordance with Rule 14.07 of the Listing Rules will not exceed 0.1% on an annual basis, such transactions fall within the *de minimis* threshold as stipulated under Rule 14A.33(3) of the Listing Rules and are exempt from the reporting, annual review, announcement and independent shareholders' approval requirements.

8. Guarantee fees to CNMC

CNMC has guaranteed certain of our external borrowings from China Construction Bank, Johannesburg Branch through providing back to back guarantees to China Construction Bank, Beijing Branch which guaranteed these borrowings directly. Please refer to "— Non-exempt Continuing Connected Transactions — 6. Guarantees from CNMC" below for more information.

As China Construction Bank, Beijing Branch charged CNMC certain guarantee fees in respect of the unconditional irrevocable letter of guarantee it issued to China Construction Bank, Johannesburg Branch pertaining to loans granted by China Construction Bank, Johannesburg Branch to CCS and Luanshya (the details of which are set out in "— Non-exempt Continuing Connected Transactions — 6. Guarantees from CNMC" below), CNMC entered into guarantee contracts with CCS and Luanshya, respectively, pursuant to which CCS and Luanshya agreed to reimburse CNMC for any guarantee fees it paid to China Construction Bank, Beijing Branch. The guarantee contracts entered into between CCS and Luanshya, respectively, with CNMC in respect of such loans were dated July 20, 2009 and February 2, 2010, respectively. The following table sets forth the amount of guarantee fees paid by us to CNMC during the three years ended December 31, 2009, 2010 and 2011:

	Year ended December 31,		
	2009	2010	2011
	(US$)	(US$)	(US$)
Guarantee fees	1,737,000	2,733,000	2,135,000

Our Directors estimate that the annual amount of guarantee fees to be paid by us to CNMC will not exceed the following caps for the years ending December 31, 2012, 2013 and 2014:

	Year ended December 31,		
	2012	2013	2014
	(US$)	(US$)	(US$)
Guarantee fees	1,150,000	800,000	800,000

In arriving at the above annual caps, our Directors have considered the following factors: (i) the historical amount of bank loans and corresponding guarantee fees paid by us; (ii) the amount of future bank loans to be guaranteed by CNMC; and (iii) the sources of our capital.

As of April 30, 2012, which is the latest practicable date as of which such information is available, our existing secured bank loans guaranteed by CNMC amounted to US$170 million, of which US$70 million will expire in 2012 while the remaining US$100 million will expire in 2015. We have calculated the above annual caps based on fixed percentages of the guaranteed amounts in accordance with the terms of the relevant contracts. The guarantee fees for the outstanding secured bank loans guaranteed by CNMC were calculated at 0.75% and 0.80% of the guaranteed amounts, respectively, in respect of the US$70 million loan which will expire in 2012 and the US$100 million loan which will expire in 2015, respectively. We do not intend to renew such loans upon their expiry.

As each of the applicable percentage ratios (other than profits ratio) calculated in accordance with Rule 14.07 of the Listing Rules is less than 0.1% on an annual basis, such transactions fall within the *de minimis* threshold as stipulated under Rule 14A.33(3) of the Listing Rules and are exempt from the reporting, annual review, announcement and independent shareholders' approval requirements.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

1. CNMC Copper Supply Framework Agreement

We entered into a copper supply agreement (the "CNMC Copper Supply Framework Agreement") with CNMC on May 14, 2012, pursuant to which we agreed to sell, or procure our subsidiaries to sell, copper products including blister copper and copper cathode to the Retained Group. The CNMC Copper Supply Framework Agreement is for a term of three years commencing on the Listing Date. The term of the CNMC Copper Supply Framework Agreement may be renewed upon agreement provided that the requirements of the Listing Rules in relation to connected transactions are complied with. Either party may terminate any specific agreement entered into pursuant to the CNMC Copper Supply Framework Agreement (but excluding the CNMC Copper Supply Framework Agreement) by giving the other party no less than one month's prior written notice.

Under the terms of the CNMC Copper Supply Framework Agreement, the quantity of each type of copper products to be sold to the Retained Group is not fixed but is to be determined and agreed between the relevant parties from time to time, with pricing referenced to the prevailing market price at the time of each specific agreement to be entered into pursuant to the CNMC Copper Supply Framework Agreement. We are not required to sell a minimum amount or any particular type of copper products to the Retained Group during the term of this agreement.

Our revenue from the sale of copper products to the Retained Group during the three years ended December 31, 2009, 2010 and 2011, was as follows:

	Year ended December 31,		
	2009	2010	2011
	(US$)	(US$)	(US$)
Sale of copper products	200,275,000	750,744,000	654,881,000

Our Directors estimate that the annual amount to be paid by the Retained Group to us for the purchase of copper products will not exceed the following caps for the years ending December 31, 2012, 2013 and 2014:

	Year ended December 31,		
	2012	2013	2014
	(US$)	(US$)	(US$)
Sale of copper products	961,721,000	1,443,390,000	1,413,588,000

In arriving at the above annual caps, our Directors have considered the following factors: (i) historical transaction values and volume; (ii) estimated growth in our copper production capacity and volume; (iii) estimated growth in the demand for copper products by the Retained Group from us; and (iv) reasonable expected price range for the copper products provided by us for the three years ending December 31, 2014.

We have, in particular, taken into consideration the increase in our production output brought about by our development and expansion projects, the details of which are set out in the "Business" section of this prospectus. We expect our production volume for copper cathode to reach approximately 33.8 kt, 51.9 kt and 59.8 kt and blister copper to reach approximately 180.0 kt, 250.0 kt and 250.0 kt in the three years ending December 31, 2014, respectively. In view of the shortage of copper supply in the PRC and the expected order from the Retained Group which is calculated with reference to the percentage of shareholdings our Group has in our subsidiaries producing blister copper and copper cathode, we expect to sell approximately 20.3 kt, 32.8 kt and 40.4 kt of copper cathode and 93.0 kt, 135.0 kt and 135.0 kt of blister copper to the Retained Group in the three years ending December 31, 2014, respectively.

The percentage of increase in the production volume of our copper cathode in 2013 and 2014 is expected to be 53.5% and 15.3%, respectively, and the corresponding increase in the sales volume of our copper cathode to the Retained Group is 61.7% and 23.0%. The percentage of increase in the production volume of blister copper in 2013 and 2014 is expected to be 38.9% and nil, respectively, and the corresponding increase in the sales volume of our blister copper to the Retained Group is 45.2% and nil. In aggregate, for the three years ending December 31, 2014, we expect to increase the production volume of our copper products to 213.8 kt, 301.9 kt and 309.8 kt, respectively, and we expect to sell approximately 113.3 kt, 167.8 kt and 175.4 kt of such copper products to the Retained Group, respectively.

According to Wood Mackenzie, the market supply of copper is expected to remain tight and continued support of high prices is expected over the medium-term, with forecast nominal cash prices for copper to be around US$8,488/t in 2012 and US$8,600/t in 2013. However, by 2014, considerable supply-side increases from new projects will outweigh average demand growth projections. Wood Mackenzie expects nominal cash price for copper to be around US$8,060/t in 2014. In accordance with the projections of Wood Mackenzie, we have calculated the annual caps above on the basis that copper is priced at US$8,488/t in 2012, US$8,600/t in 2013 and US$8,060/t in 2014. Please refer to "Industry Overview — Fee Paid and Assumptions and Parameters for Wood Mackenzie Report — Prices" for more information about the bases for the price forecasts provided by Wood Mackenzie. The increase in annual caps for the sales of copper to the Retained Group is broadly commensurate with the increase in production volume of our Group following the completion of certain of our expansion projects in the near future.

Since the highest of all applicable percentage ratios for the CNMC Copper Supply Framework Agreement calculated in accordance with Rule 14.07 of the Listing Rules are more than 5% and the annual consideration is more than HK$10,000,000, the transactions under the CNMC Copper Supply Framework Agreement are non-exempt continuing connected transactions subject to the reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.35 of the Listing Rules.

2. Yunnan Copper Supply Framework Agreement

We entered into a copper supply agreement (the "Yunnan Copper Supply Framework Agreement") with Yunnan Copper Group on May 14, 2012 pursuant to which we agreed to sell, or procure our subsidiaries to sell, our copper products to Yunnan Copper Group and its subsidiaries, including Yunnan Copper. The Yunnan Copper Supply Framework Agreement is for a term of three years commencing on the Listing Date. The term of the Yunnan Copper Supply Framework Agreement may be renewed upon agreement provided that the requirements of the Listing Rules in relation to connected transactions are complied with. Either party may terminate any specific agreement entered into pursuant to the Yunnan Copper Supply Framework Agreement (but excluding the Yunnan Copper Supply Framework Agreement) by giving the other party no less than one month's prior written notice.

Under the terms of the Yunnan Copper Supply Framework Agreement, the quantity of each type of copper product to be sold to Yunnan Copper Group and its subsidiaries is to be determined and agreed between the relevant parties from time to time, with pricing referenced to the prevailing market price at the time of each specific agreement entered into pursuant to the Yunnan Copper Supply Framework Agreement. We are required to sell 40% of the balance of copper products produced by CCS that is not sold to Independent Third Parties to Yunnan Copper Group.

Our revenue from the sale of copper products to Yunnan Copper Group during the three years ended December 31, 2009, 2010 and 2011, was as follows:

	Year ended December 31,		
	2009	2010	2011
	(US$)	(US$)	(US$)
Sale of copper products	—	—	170,960,000

Our Directors estimate that the annual amount to be paid by the Yunnan Copper Group and its subsidiaries to us for the purchase of copper products will not exceed the following caps for the years ending December 31, 2012, 2013 and 2014:

	Year ended December 31,		
	2012	2013	2014
	(US$)	(US$)	(US$)
Sale of copper products	526,256,000	774,000,000	725,400,000

In arriving at the above annual caps, our Directors have considered the following factors: (i) estimated growth in our copper production capacity and volume; (ii) estimated growth in the demand for copper products by the Yunnan Copper Group and its subsidiaries from us; and (iii) reasonable expected price range for the copper products provided by us for the three years ending December 31, 2014.

We have in particular, taken into consideration the expansion of the Chambishi Copper Smelter which is expected to complete in 2012. We expect our production volume for blister copper to reach approximately 180.0 kt, 250.0 kt and 250.0 kt in the three years ending December 31, 2014, respectively, after the expansion of the Chambishi Copper Smelter. In view of the shortage of copper supply in the PRC and the expected order from Yunnan Copper Group, which is calculated with reference to the percentage of shareholdings Yunnan Copper Group has in our subsidiary, CCS, we expect to sell approximately 62.0 kt, 90.0 kt and 90.0 kt of blister copper to Yunnan Copper Group in the three years ending December 31, 2014, respectively. The percentage of increase in the production volume of blister copper in 2013 and 2014 is expected to be 38.9% and nil, respectively, and the corresponding increase in the sales volume of our blister copper to Yunnan Copper Group is 45.2% and nil. We expect the orders from Yunnan Copper Group to relate only to blister copper as Yunnan Copper Group requires blister copper for its copper processing operations.

In accordance with the projections of Wood Mackenzie, we have calculated the annual caps above on the basis that copper is priced at US$8,488/t in 2012, US$8,600/t in 2013 and US$8,060/t in 2014. Please refer to "Industry Overview — Fee Paid and Assumptions and Parameters for Wood Mackenzie Report — Prices" for more information about the bases for the price forecasts provided by Wood Mackenzie. The increase in annual caps for the sales of copper to Yunnan Copper Group is broadly commensurate with the increase in production volume of our Group following the completion of certain of our expansion projects in the near future.

Since the highest of all applicable percentage ratios for the Yunnan Copper Supply Framework Agreement calculated in accordance with Rule 14.07 of the Listing Rules are more than 5% and the annual consideration is more than HK$10,000,000, the transactions under the Yunnan Copper Supply Framework Agreement are non-exempt continuing connected transactions subject to the reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.35 of the Listing Rules.

3. Huachin Ore Supply Framework Agreement

We entered into an ore supply framework agreement (the "Huachin Ore Supply Framework Agreement") with Huachin Minerals on May 14, 2012, pursuant to which we agreed to buy, or procure our subsidiaries to buy, ores mined by Huachin Minerals. The Huachin Ore Supply Framework Agreement is for a term of three years commencing on the Listing Date. The term of the Huachin Ore Supply Framework Agreement may be renewed upon agreement provided that the requirements of the Listing Rules in relation to connected transactions are complied with. Unless the parties have reached new agreement, the renewed framework agreement shall, to the extent applicable, have the same terms as the Huachin Ore Supply Framework Agreement. Either party may terminate any specific agreement entered into pursuant to the Huachin Ore Supply Framework Agreement (but excluding the Huachin Ore Supply Framework Agreement) by giving the other party no less than one month's prior written notice.

Under the terms of the Huachin Ore Supply Framework Agreement, Huachin Minerals is required to sell all, and we are required to purchase all of the ores mined by Huachin Minerals, except that with our consent, Huachin Minerals may sell ores in excess of our demand to third parties. The prices of ores shall be subject to annual negotiation and a pricing coefficient shall be applied to copper prices in different price range. In respect of 2012, a coefficient of 0.25 shall be applied to copper prices above US$8,000/t. The minimum average copper content for monthly settlement shall be 3.5%. If the monthly average copper content is below 3.5%, such copper shall not be valued. If the copper content is 5% or above for a single delivery, the parties shall negotiate adjustment to the prices and implement the negotiated prices after approval by the shareholders' meeting of our relevant subsidiary. For cobalt ores with cobalt content reaching 2% or above, the prices of the ores shall be determined with reference to market price. If the cobalt content is below 2%, the parties shall refer to the market price of cobalt ores with 2% cobalt content, and negotiate a downward adjustment. Copper in cobalt ores shall not be valued and cobalt in copper ores shall not be valued.

As Huachin Minerals only commenced operations in 2012, we had no transactions with Huachin Minerals during the Track Record Period. The ores supplied by Huachin Minerals will mainly be used for the DRC Project held by Huachin, our subsidiary in the DRC. The DRC Project commenced production in February 2012 using the ores supplied by Huachin Minerals. We entered into the Huachin Ore Supply Framework Agreement to ensure a steady supply of ores for the operation of Huachin in the DRC. Huachin is 37.5% indirectly owned by Mr. Ng Siu Kam, who also owns 70% interest in Huachin Minerals. It was a commercial arrangement between our Group and Mr. Ng Siu Kam that Huachin (in which we hold 62.5% interest) will be controlled by us focusing on leaching operations using ores supplied by Huachin Minerals, while Huachin Minerals (in which we hold 30% interest) will be controlled by Mr. Ng Siu Kam focusing on ore mining to supply ores for the leaching operations undertaken by Huachin.

Our Directors estimate that the annual amount to be paid by us for the purchase of ores from Huachin Minerals will not exceed the following caps for the years ending December 31, 2012, 2013 and 2014:

	Year ended December 31,		
	2012	2013	2014
	(US$)	(US$)	(US$)
Purchase of ores	12,692,000	14,288,000	13,391,000

In arriving at the above annual caps, our Directors have considered the following factors: (i) the estimate ore production capacity of Huachin Minerals; (ii) the grade of the ores; (iii) the reasonable expected price range for copper for the three years ending December 31, 2014; and (iv) the coefficient to be applied for the different price range for copper which coefficient shall be determined by the parties after commercial negotiation, having regard to prevailing coefficient factors applied by ore purchasers in the local markets. As the value of copper ores is intrinsically less than the value of copper, a coefficient is applied to the price of copper to obtain the price of copper ores satisfactory to both parties.

It is expected that the copper content in the ores mined by Huachin Minerals will amount to approximately 5,981, 6,645 and 6,645 tonnes, respectively, for the three years ending December 31, 2014. According to Wood Mackenzie, the nominal cash prices of copper are expected to be around US$8,488/t in 2012, US$8,600/t in 2013 and US$8,060/t in 2004. The annual caps above are derived by applying a coefficient of 0.25 in respect of copper prices above US$8,000, having regard to prevailing coefficient factors applied by copper ore purchasers in the local markets.

Since the highest of all applicable percentage ratios for the Huachin Ore Supply Framework Agreement calculated in accordance with Rule 14.07 of the Listing Rules are less than 5% but the annual consideration is more than HK$10,000,000, the transactions under the Huachin Ore Supply Framework Agreement are non-exempt continuing connected transactions subject to the reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.35 of the Listing Rules.

4. Mutual Supply Framework Agreement

As part of the Reorganization, CNMC retained certain assets and businesses through the Retained Group which will continue to provide certain comprehensive raw materials, products and services to our businesses. We will also provide certain raw materials, products and services to the Retained Group in the ordinary course of our business.

In this connection, on May 14, 2012 we entered into a comprehensive mutual supply of raw materials, products and services framework agreement with CNMC ("Mutual Supply Framework Agreement"), pursuant to which:

(a) both parties agreed to provide, or procure its respective subsidiaries to provide the following to each other:

- Raw material and products supplies, such as raw materials, construction materials, ancillary materials, spare parts, tools, equipment, fuels, water, electricity, gas and steam, and lease of equipment and vehicles;

- social and support services, such as public security, employee training, sharing of service, other non-business services, school, medical and emergency service, telecommunication, property management and other similar services; and

- technical services, such as consultation, design, construction, technical and engineering services, testing and equipment repair, construction and engineering projects supervision; and

(b) CNMC agreed to provide, or procure its subsidiaries to provide transportation and logistic services to us.

Pursuant to the Mutual Supply Framework Agreement, CNMC has undertaken that it will not, and will procure its subsidiaries not to, provide raw materials, products and services to us on terms which are less favorable than those offered to third parties. Each party is entitled to obtain the relevant raw materials, products and services from Independent Third Parties if the other party cannot satisfy its requirements for such raw materials, products and services or the terms offered by Independent Third Parties are more favorable. Each party will provide to the other party on an annual basis an assessment of the raw materials, products and services that it requires in the coming year.

The amount payable for the raw materials, products and services will be determined based on market price. Such market price is determined by reference to the price at which the same or similar type of raw materials, products and services are provided by Independent Third Parties in the ordinary course of business. In the event a market price is unavailable, the fees will be determined by negotiation between the relevant parties, taking into account the reasonable costs and reasonable profits of the relevant parties.

The Mutual Supply Framework Agreement is for a term of three years commencing on the Listing Date. The Mutual Supply Framework Agreement may be renewed upon agreement provided that the requirements of the Listing Rules in relation to connected transactions are complied with. Either party may terminate any specific agreement entered into pursuant to the Mutual Supply Framework Agreement (but excluding the Mutual Supply Framework Agreement) by giving the other party no less than one month's prior written notice, provided that if we cannot conveniently obtain such raw materials, products and services from a third party, CNMC will not be permitted to terminate and will continue to provide such raw materials, products and services under any circumstances.

Our expenditure for the raw materials, products and services provided by the Retained Group during the three years ended December 31, 2009, 2010 and 2011, was as follows:

	Year ended December 31,		
	2009	2010	2011
	(US$)	(US$)	(US$)
Procurement of raw materials, products and services . .	45,074,000	67,894,000	247,291,000

Our revenue from the raw materials, products and services provided to the Retained Group during the three years ended December 31, 2009, 2010 and 2011, was as follows:

	Year ended December 31,		
	2009	2010	2011
	(US$)	(US$)	(US$)
Supply of raw materials, products and services	2,188,000	1,373,000	4,611,000

Our Directors estimate that the annual aggregated amount to be paid by us to the Retained Group for the supply of raw materials, products and services will not exceed the following caps for the years ending December 31, 2012, 2013 and 2014:

	Year ended December 31,		
	2012	2013	2014
	(US$)	(US$)	(US$)
Procurement of raw materials, products and services . .	267,188,000	266,399,000	258,610,000

In arriving at the above annual caps, our Directors have considered the following factors: (i) historical transaction values and volume; (ii) estimated growth in the demand for raw materials, products and services by us from the Retained Group; and (iii) reasonable expected price range for the raw materials, products and services provided by the Retained Group for the three years ending December 31, 2014.

We have, in particular, considered the capital expenditure of our various development and expansion projects for which we plan to procure raw materials, products and services from the Retained Group. In this regard, we have taken into consideration factors such as the progress, nature, products and services as well as types of service providers required for each project. The expected capital expenditure in respect of our major development and expansion projects is set out below:

Development and Expansion Projects	Expected Capital Expenditure in the three years ended December 31,		
	2012	2013	2014
	(US$)	(US$)	(US$)
Exploration and development of the Chambishi Southeast Mine	116,000,000	150,000,000	180,000,000
Luanshya's development and expansion projects	109,002,000	5,585,000	21,367,000
Expansion of the Chambishi Copper Smelter	68,678,000	88,535,000	30,000,000
SML's development projects	103,650,000	61,000,000	21,000,000
Total	397,330,000	305,120,000	252,367,000

Among our development and expansion projects, the Muliashi Project and the expansion at the Chambishi Copper Smelter are expected to commence production in 2012. The increase in production capacity and volume will lead to us requiring more equipment and services for our operations, and we expect to procure a majority of such additional equipment and services from the Retained Group. Consequently, while the amount of capital expenditure is expected to decrease in 2013 and 2014, the annual caps for procurement of raw materials, products and services from the Retained Group are expected to decrease to a lesser extent.

The annual caps were also calculated by reference to the transaction amounts that are expected to be incurred with certain entities within the Retained Group from which we will procure raw materials, products and services. In particular, we intend to outsource the mining operations of the Muliashi Project to the Retained Group. The estimated outsourcing fee for 2012, 2013 and 2014 is US$33 million, US$64.5 million and US$64.5 million, respectively, calculated by reference to the estimated volume of ores mined at 11 Mt, 21.5 Mt and 21.5 Mt, respectively, multiplied by a unit price of US$3 per tonne mined.

Our Directors estimate that the annual aggregate amount to be paid by the Retained Group to us for the supply of raw materials, products and services will not exceed the following caps for the years ending December 31, 2012, 2013 and 2014:

	Year ended December 31,		
	2012	2013	2014
	(US$)	(US$)	(US$)
Supply of raw materials, products and services	12,460,000	7,640,000	4,906,000

In arriving at the above annual caps, our Directors have considered the following factors: (i) historical transaction values and volume; (ii) estimated growth in the demand for raw materials, products and services by the Retained Group from us; and (iii) reasonable expected price range for the raw materials, products and services provided by us for the three years ending December 31, 2014.

Certain entities within the Retained Group located in Zambia, in particular Fifteen MCC Africa, are involved in our development projects and expansion plans and expect to purchase or lease certain ancillary materials or equipment from our Group. Fifteen MCC Africa entered into certain financial lease arrangements with Luanshya in Zambia in December 2010 pursuant to which Fifteen MCC Africa will lease certain equipment from Luanshya at a fee for a fixed period of time. At the end of the relevant period, the ownership of the equipment will be transferred to Fifteen MCC Africa. The current financial lease arrangements will terminate in 2017. The leasing fees payable pursuant to such financial lease arrangements will gradually decrease over the terms of the leases. The equipment subject to the financial lease arrangements are used for the construction of the Muliashi Project and included refueling truck, bull dozer, loader and excavator. Pursuant to the commercial arrangements between Luanshya and Fifteen MCC Africa, Luanshya would provide Fifteen MCC Africa with the machinery and equipment to be used for the construction of the Muliashi Project. In order to better incentivize Fifteen MCC Africa to maintain the machinery and equipment in good condition and thereby facilitate the construction of the Muliashi Project, Luanshya entered into the finance lease arrangements so that Fifteen MCC Africa would retain the residual value of the machinery and equipment after the expiry of the leases. The financial lease arrangements were entered into for the benefit of the Muliashi Project and our Directors are of the view that the financial lease arrangements were wholly necessary for the principal activities of Luanshya and were entered into in the ordinary and usual course of business of the Group pursuant to Rule 14A.10(9) of the Listing Rules. Our Zambian legal adviser is of the view that it is legal for Luanshya to provide the finance lease service to MCC Fifteen Africa in Zambia because the lease is an one-off transaction, and no approvals or permits from any Zambian governmental authorities are required in connection therewith. In addition to the financial lease arrangements, Fifteen MCC Africa is expected to purchase more ancillary products from our Group in 2012 to commence pits drilling for the construction of the Chambishi Southeast Mine. It is expected that such amount incurred will gradually decrease in the next few years with the completion of the drilling in stages. Consequently, the annual cap in 2012 is significantly higher than the amount incurred in 2011 and the cap for 2013. As our development projects and expansion plans are expected to be completed in stages in the next few years, we expect the annual caps for sales or lease of ancillary materials or equipment to the Retained Group to gradually decrease in the three years ending December 31, 2014.

Since the highest of all applicable percentage ratios for the Mutual Supply Framework Agreement calculated in accordance with Rule 14.07 of the Listing Rules is more than 5% and the annual consideration is more than HK$10,000,000, the transactions under the Mutual Supply Framework Agreement are non-exempt continuing connected transactions subject to the reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.35 of the Listing Rules.

5. Properties Leasing Framework Agreement

On May 14, 2012 we entered into a properties leasing framework agreement with CNMC ("Properties Leasing Framework Agreement"), pursuant to which CNMC has agreed to lease certain buildings and properties (the "Leased Properties") to us for general business and ancillary purposes.

The Properties Leasing Framework Agreement will be for a term of 3 years commencing on the Listing Date. The Properties Leasing Framework Agreement may be renewed upon agreement provided that the requirements of the Listing Rules in relation to connected transactions are complied with.

The Leased Properties consisted of properties leased in Zambia and the PRC which are used for administration, support and other miscellaneous purposes. As of May 21, 2012, which is the latest practicable date as of which such information is available, such properties leased in Zambia consisted of an aggregate gross floor area of approximately 20,888 sq.m, comprising approximately 6.5% of the total gross floor area of buildings used by us. As of May 21, 2012, which is the latest practicable date as of which such information is available, such properties leased in the PRC consisted of an aggregate gross floor area of approximately 790.08 sq.m, comprising approximately 0.2% of the total gross floor area of buildings used by us. We believe that the activities carried out on these Leased Properties can be relocated if necessary and therefore the Leased Properties are not significant or crucial to our independent operation.

The total annual rental payable under the Properties Leasing Framework Agreement will be payable every 12 months in arrears and be reviewed every three years. The new amount of rent payable will not be higher than the then prevailing market rent as confirmed by an independent valuer.

We may require the Retained Group to renew the term of the lease by giving six months' notice before the expiry of the lease. We may, at any time before the Properties Leasing Framework Agreement expires, terminate the lease of all or some of the Leased Properties by giving six months' written notice. If the lease of a Leased Property is terminated, the rent payable by us shall be reduced accordingly. According to the Properties Leasing Framework Agreement, the Retained Group cannot terminate a lease unilaterally without our consent unless we have changed the use of the relevant Leased Property without the consent of the Retained Group.

The Retained Group has agreed to pay properties taxes, fees and other statutory charges relating to the Leased Properties.

The rentals paid by us to the Retained Group for the Leased Properties during the three years ended December 31, 2009, 2010 and 2011, was as follows:

	Year ended December 31,		
	2009	2010	2011
	(US$)	(US$)	(US$)
Rentals	3,478,000	4,150,000	5,047,000

Our Directors estimate that the annual rentals to be paid by us to the Retained Group for the Leased Properties will not exceed the following caps for the three years ending December 31, 2012, 2013 and 2014:

	Year ended December 31,		
	2012	2013	2014
	(US$)	(US$)	(US$)
Rentals	7,096,200	7,096,200	7,096,200

In arriving at the above annual caps, our Directors have considered the following factors: (i) historical rental value; (ii) the prevailing market rentals of the Leased Properties; and (iii) we are not expecting a substantial rental increments of the Leased Properties.

The historical rentals of the Leased Properties in Zambia were determined by reference to the amortization rate of properties which were lower than the then market rentals of approximately US$317,000 per month. We started paying the prevailing market rentals of approximately US$557,200 per month from July 1, 2011 and the annual caps reflect the prevailing market rentals of the Leased Properties in Zambia. The historical rentals of the Leased Properties in the PRC were determined by reference to market rentals. Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent property valuer and consultant, has confirmed that the rentals payable by us pursuant to the Properties Leasing Framework Agreement reflect the prevailing market rates in the vicinity of the relevant property and the terms of the Properties Leasing Framework Agreement are fair and reasonable to us.

Since the highest of all applicable percentage ratios for the Properties Leasing Framework Agreement calculated in accordance with Rule 14.07 of the Listing Rules is less than 5% but the annual consideration is more than HK$10,000,000, the transactions under the Properties Leasing Framework Agreement are non-exempt continuing connected transactions subject to the reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.35 of the Listing Rules.

6. Guarantees from CNMC

CNMC has guaranteed certain of our external borrowings from Independent Third Party financial institutions which involved us giving security deposit. The following table sets forth the information in respect of such secured bank loans procured by us which are guaranteed by CNMC and the outstanding amounts of such bank loans as of April 30, 2012, which is the latest practicable date as of which such information is available:

Borrower	Lender	Date of loan agreement	Maximum loan amount	Purpose	Duration of loan amount	Outstanding loan amount as at April 30, 2012	Security
			(US$)			(US$)	
CCS	China Construction Bank, Johannesburg Branch	August 12, 2009	70,000,000	General working capital	3 years, expiring on August 17, 2012	70,000,000	1. Unconditional irrevocable letter of guarantee from China Construction Bank, Beijing Branch 2. Security deposit of US$2,000,000 provided by CCS
Luanshya	China Construction Bank, Johannesburg Branch	February 11, 2010	100,000,000	General working capital	5 years, expiring on February 15, 2015	100,000,000	1. Unconditional irrevocable letter of guarantee from China Construction Bank, Beijing Branch 2. Security deposit of not less than the higher amount of 2% of the facility utilization amount, from time to time or the equivalent of three months interest calculated on the utilization amount, from time to time, provided by Luanshya

All the above loans are guaranteed by unconditional irrevocable letter of guarantee granted by China Construction Bank, Beijing Branch, pursuant to back to back guarantees provided by CNMC dated July 20, 2009 and February 2, 2010, respectively.

Our Directors estimate that the aggregate outstanding secured bank loans guaranteed by CNMC as at December 31, 2012 and 2013 and 2014 will not exceed the following amounts:

	Year ended December 31,		
	2012	2013	2014
	(US$)	(US$)	(US$)
Loan amounts	170,000,000	100,000,000	100,000,000

In arriving at the above annual caps, our Directors have considered the following factors: (i) our capital needs after taking into account our various development and expansion projects; (ii) the sources of our capital; (iii) our existing secured bank loans guaranteed by CNMC; and (iv) additional secured bank loans to be guaranteed by CNMC, if any.

As of April 30, 2012, which is the latest practicable date as of which such information is available, our existing secured bank loans guaranteed by CNMC amounted to US$170 million. We do not intend to take out further secured loans to be guaranteed by CNMC after the expiration of the two loans in accordance with their terms in 2012 and 2015, respectively. Accordingly, the annual cap will drop to US$100 million in 2013 and remain the same in 2014. We do not intend to discharge the guarantees prior to the expiration of the loans as it will not be in our commercial interest to do so since we will be subject to additional charges such as breakage fees, additional interest costs and refinancing costs imposed by the relevant banks. Should we intend to enter into secured loans guaranteed by CNMC for amount exceeding the annual caps, we will comply with the applicable Listing Rules and seek the approvals of the independent shareholders where applicable.

Since the highest of all applicable percentage ratios for the aggregate of the above facilities calculated in accordance with Rule 14.07 of the Listing Rules are more than 5% and the annual consideration is more than HK$10,000,000, the transactions under the above facilities are non-exempt continuing connected transactions subject to the reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.35 of the Listing Rules.

WRITTEN AGREEMENTS

Our Company, our relevant subsidiaries and relevant connected person(s) will enter into written agreements in respect of each individual continuing connected transaction between the parties in relation to the continuing connected transactions as disclosed above.

WAIVERS

Application for waiver

We will continue to enter into or carry out the transactions set out in the sections headed "— Exempt Continuing Connected Transactions" and "— Non-exempt Continuing Connected Transactions" following the Global Offering and these transactions will constitute continuing connected transactions for our Company under the Listing Rules once our Shares are listed on the Hong Kong Stock Exchange. According to the Listing Rules, such transactions may, depending on the nature and value of the transactions, require full disclosure and prior approval by our independent shareholders.

Scope of waiver

Under the Listing Rules, the continuing connected transactions under the CNMC Copper Supply Framework Agreement, the Yunnan Copper Supply Framework Agreement, the Huachin Ore Supply Framework Agreement, the Mutual Supply Framework Agreement, the Properties Leasing Framework Agreement and the secured guarantees provided by CNMC set out under the section "—Non-exempt Continuing Connected Transactions" above are considered to be non-exempt continuing connected transactions under Rule 14A.35 of the Listing Rules and would require compliance with the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules, and the prior independent shareholders' approval requirement set out in Rule 14A.48 of the Listing Rules.

As these connected transactions are expected to be carried out on a continuing and recurring basis and are expected to extend over a period of time, our Directors consider that strict compliance with the announcement and the independent shareholders' approval requirements under the Hong Kong Listing Rules would be unduly burdensome, impractical and would add unnecessary administrative costs to our Company. Accordingly, our Directors have applied to and received from the Hong Kong Stock Exchange a waiver from strict compliance with the announcement and independent shareholders' approval requirements relating to continuing connected transactions under Chapter 14A of the Listing Rules. In addition, we will comply with the applicable provisions under Rules 14A.35(1), 14A.35(2), 14A.36, 14A.37, 14A.38, 14A.39 and 14A.40 of the Listing Rules.

In the event of any future amendments to the Listing Rules imposing more stringent requirements than those as of the date of this prospectus on the continuing connected transactions referred to in this section including, but not limited to, a requirement that these transactions be made conditional on approval by our independent shareholders, we will take immediate steps to ensure compliance with such requirements.

No waivers applied for certain category of continuing connected transactions

No waivers have been applied for the continuing connected transactions set out under the section "— Exempt Continuing Connected Transactions" as they either constitute *de minimis* transactions under Rule 14A.33(3) of the Listing Rules that are exempt from reporting, annual review, announcement and independent shareholders' approval requirements or exempt financial assistance under Rule 14A.65(4) of the Listing Rules that are exempt from reporting, announcement and independent shareholders' approval requirements.

Opinion of our Directors

Our Directors (including the independent non-executive Directors) are of the opinion that (1) each of these continuing connected transactions disclosed above has been entered into, and will be carried out in the ordinary and usual course of business and on normal commercial terms, (2) each of these continuing connected transactions disclosed above is fair and reasonable and in the interest of the Company's Shareholders as a whole, and (3) the maximum aggregate annual value for such continuing connected transactions (where applicable) are fair and reasonable as far as the Company's Shareholders as a whole are concerned.

Confirmation from the Joint Sponsors

The Joint Sponsors are of the view that (1) the continuing connected transactions described above for which waivers are sought are in the ordinary and usual course of our business, on normal commercial terms, fair and reasonable and interest of our Shareholders as a whole, and (2) the maximum aggregate annual value for such continuing connected transactions (where applicable) are fair and reasonable as far as our Shareholders as a whole are concerned.