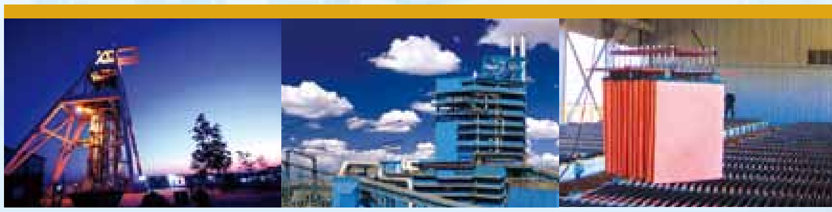
中國有色礦業有限公司
China Nonferrous Mining Corporation Limited

(Incorporated in Hong Kong with limited liability)

Stock Code: 1258

2013
INTERIM REPORT



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CORPORATE INFORMATION

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STOCK CODE

1258

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Non-Executive Director
Mr. Tao Luo *(Chairman)*

Executive Directors
Mr. Xinghu Tao *(Vice Chairman and President)*
Mr. Chunlai Wang *(Vice President)*
Mr. Xingeng Luo *(Vice President)*
Mr. Xinguo Yang *(Vice President)*
Mr. Kaishou Xie *(Vice President)*

Independent Non-Executive Directors
Mr. Chuanyao Sun
Mr. Jingwei Liu
Mr. Shuang Chen

THE COMMITTEES OF THE BOARD

Audit Committee
Mr. Jingwei Liu *(Chairman)*
Mr. Tao Luo
Mr. Shuang Chen

Nomination Committee
Mr. Chuanyao Sun *(Chairman)*
Mr. Tao Luo
Mr. Jingwei Liu

Remuneration Committee
Mr. Shuang Chen *(Chairman)*
Mr. Tao Luo
Mr. Chuanyao Sun

Compliance Committee
Mr. Tao Luo *(Chairman)*
Mr. Shuang Chen
Mr. Chuanyao Sun

JOINT COMPANY SECRETARIES

Mr. Aibin Hu
Ms. Man Yi Wong *(ACIS, ACS)*

LEGAL ADVISER

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Wanchai, Hong Kong

The main mine of Chambishi Copper Mine in daybreak

CHAIRMAN'S STATEMENT

Dear Shareholders,

The past three decades have witnessed our remarkable achievement despite the hardships. On 8 July 2013, Fortune magazine released the "Global 500" for the year 2013, and with operating revenue of US$24.1462 billion since its establishment in 1983, China Nonferrous Metal Mining (Group) Co., Ltd. took the 482nd place on the list. Along the development of China Nonferrous Metal Mining (Group) Co., Ltd., China Nonferrous Mining Corporation Limited (the "Company") and its subsidiaries have made tremendous contributions. The growth of China Nonferrous Metal Mining (Group) Co., Ltd., as a controlling shareholder, will definitely offer strong support for the Company.

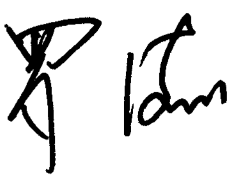
In 2013, the world economy strived forward in an environment with low-speed growth. The capital market was prudently waiting on the sideline, and the price of base metals remained low. Against that backdrop, China Nonferrous Mining Corporation Limited and its subsidiaries recorded in the first half of 2013 a revenue of US$856.2 million, representing an increase of 19.3% period on period; a profit before tax of US$68.0 million and profit attributable to owners of the Company of US$24.2 million, representing a decrease of 32.0% and 56.4% respectively period on period.

In spite of the decrease in profitability of the Company period on period, the production and operation of the Company kept steady growth: in the first half of 2013, the Company produced 20,000 tonnes of contained copper in concentrate, representing a decrease of 7.5% period on period; 96,000 tonnes of blister copper, representing an increase of 11.9% period on period; 17,000 tonnes of copper cathode, representing an increase of 143.9%; 2,500,000 tonnes of sulfuric acid, representing a period-on-period increase of 16.7%.

At the same time, the major projects under progress went smoothly. Phase II expansion project of CCS with designed production capacity of 250,000 tonnes of blister copper and 600,000 tonnes of sulfuric acid continued to progress rapidly, the heap leaching system of Muliashi Project with annual designed production capacity of 40,000 tonnes of copper cathode has commenced heap construction and spraying, Chambishi Southeast Mine with annual production capacity of 63,000 tonnes of copper proceeded smoothly, and Mabende Leach project with annual production capacity of 20,000 tonnes of copper cathode and slag copper recovery project with annual processing volume of 500,000 tonnes were also under construction. All of the above established a solid foundation for further development of the Company. Thanks to the full support from investors, the diligent efforts of the Board of Directors, management and all the staff, and the care from all walks of life, the above achievements were obtained, and I would like to take this chance to express my sincere gratitude to them!

With the mission of "develop resources for society" and the vision of establishing ourselves as "a globally competitive and influential mining enterprise featuring outstanding principal business, advanced management, independent innovation as well as harmony and endeavour", we continued to streamline our corporate governance and improved our standard of operation management whilst adhering to the business philosophy of "refined regulation, synergy and efficiency". By reinforcing exploration, development and acquisition, we further increased our copper and cobalt reserves. In addition, we endeavoured to make progress in management and technology and increased our current production capacity and efficiency in resource utilisation, thereby fully leveraged our strength as a vertically integrated copper producer and delivered excellent results for our Shareholders, employees and the society.

As a transnational mining enterprise, we are devoted to offering green, energy-saving, safe and recyclable nonferrous metal products for social development, and actively shoulder our social responsibility in respect of resource utilisation, labor rights and environmental protection, etc. to achieve the harmonious development of the enterprise as well as that of man, environment and the community.



Tao Luo
Chairman
China Nonferrous Mining Corporation Limited

Hong Kong, 30 August 2013

RESULTS HIGHLIGHTS

OPERATING RESULTS

- In the first half of 2013, the Company and its subsidiaries (the ''Group") recorded revenue of US$856.2 million, representing an increase of 19.3% as compared with the first half of 2012;
- In the first half of 2013, the Group recorded profit attributable to owners of the Company of US$24.2 million, representing a decrease of 56.4% as compared with the first half of 2012.

RAPID GROWTH IN PRODUCT OUTPUT

- In the first half of 2013, blister copper produced amounted to 95,522 tonnes, representing an increase of 11.9% as compared with the first half of 2012;
- In the first half of 2013, copper cathode produced amounted to 17,450 tonnes, representing an increase of 143.9% as compared with the first half of 2012;
- In the first half of 2013, sulfuric acid generated amounted to 244,994 tonnes, representing an increase of 16.7% as compared with the first half of 2012.

STEADY PROGRESS IN PROJECT DEVELOPMENT

- The brand new slag copper recovery project has been deployed.
- Phase II of the Expansion Project of Chambishi Copper Smelter Limited ("CCS"), Project of the Chambishi Southeast Mine, Mabende Project, Mwambashi Mine Development Project and other projects under construction progressed smoothly.

Blister copper products

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

In the first half of 2013, despite the adverse impact from market fluctuations, the Group maintained the growth momentum in business development. However, the results of operations recorded a relatively significant decrease due to the decline in global copper prices and the fact that the production capacity of new projects was still in the early stage of expansion.

During the reporting period, the Group saw a further increase in its production and sales volume and achieved revenue of US$856.2 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$24.2 million, representing a decrease of 56.4% from the same period in the previous year.

Meanwhile, the Congo Huachin Leach Project and the Muliashi Open-pit Mine and leaching projects of the Group commenced production during the reporting period, propping up the Group's competitiveness with significantly enhanced production capacities. For other construction projects of the Group, Phase II of the Expansion Project of CCS and Mabende Leach Project will be completed within this year, the Integrating Exploration and Construction Project of the Chambishi Southeast Mine was under smooth progress, underpinning the Group's business growth in the future.

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 smelting process.

The businesses of the Group are carried out through its four subsidiaries in Zambia: NFC Africa Mining PLC ("NFCA"), CNMC Luanshya Copper Mines PLC ("Luanshya"), Chambishi Copper Smelter Limited ("CCS") and Sino-Metals Leach Zambia Limited ("SML"). SML has three subsidiaries, namely Kakoso Metals Leach Limited ("Kakoso Company") located in Zambia, and Huachin Metals Leach SPRL ("Huachin") and CNMC-Mabende Metel Leach SPRL ("CNMC-Mabende") located in DRC.

From 1 January 2013 to 30 June 2013, the blister copper produced by the Group amounted to 95,522 tonnes, representing an increase of 11.9% over the same period in the previous year; copper cathode amounted to 17,450 tonnes, representing a significant increase of 143.9% over the same period in the previous year; and the sulfuric acid generated increased by 16.7% over the same period in the previous year to 244,994 tonnes. These production growths have spurred a growth of 19.3% in revenue of the Group from US$717.6 million for the first half of 2012 to US$856.2 million for the first half of 2013.

BUSINESS REVIEW *(CONTINUED)*

Production Overview

NFCA

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

From January 2013 to June 2013, copper contained in concentrate produced by the Chambishi Main Mine and Chambishi West Mine amounted to 13,019 tonnes, representing an increase of 3.3% over the same period in the previous year. Such increase in production volume was primarily attributable to the increase in the production volume of Chambishi West Mine.

Central auxiliary shaft of the west mine of Chambishi Copper Mine

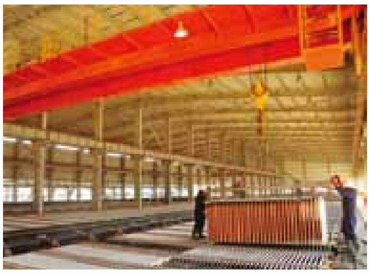
Ore unloading operations of the main mine and the west mine of Chambishi Copper Mine

Luanshya

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

Copper contained in concentrate produced by the Baluba Center Mine for the first half of 2013 amounted to 6,945 tonnes, representing a decrease of 20.1% from the same period in the previous year. The major reason was that mining became more difficult and the mining efficiency declined due to the lower grade of raw ores.

The Muliashi Project produced 10,523 tonnes of copper cathode in the first half of 2013. Muliashi Project merely commenced trial production in the first half of 2012 with an output of 2,198 tonnes. This year, agitation leaching system has commenced production and operated smoothly, which increased the production capacity of Muliashi Project. The heap leaching system has started spray leaching operations.



Electrode workshop of Muliashi Project

BUSINESS REVIEW *(CONTINUED)*

Production Overview *(Continued)*

CCS

CCS mainly operates the Chambishi Smelting Plant.

Smelting

For the first half of 2013, blister copper and sulfuric acid produced by CCS amounted to 95,522 tonnes and 244,994 tonnes, respectively, representing increases of 11.9% and 16.7%, respectively, over the same period in the previous year. The increase of production volume was attributable to the fact that the production volume of blister copper increased as management continued to be strengthened and phase II of the expansion project gradually went into production. In the meantime, production volume of sulfuric acid, a by-product generated during the production of blister copper, also increased.

SML

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

Copper cathode produced by SML in the first half of 2013 increased by 39.7% to 6,927 tonnes from the same period in the previous year. In particular, copper cathode produced by the Chambishi Leach Plant decreased by 30.0% from the same period in the previous year to 1,841 tonnes, primarily due to the suspension of operation in January this year to overhaul the electrolytic cells. Copper cathode produced by Congo Huachin Leach Project increased by 118.4% to 5,086 tonnes from the same period in the previous year. The increase was mainly attributable to the fact that this project commenced production from February last year and its output did not meet the production target.

Settling pond for leaching

Meanwhile, SML Chambishi Processing Plant recorded a production volume of 188 tonnes of copper contained in concentrate in the first half of 2013, representing a decrease of 61.9% as compared with the same period in the previous year. The decrease was mainly due to the rainy season, the suspension and maintenence of operation in January this year and less processing of ore purchased from other mines.

BUSINESS REVIEW *(CONTINUED)*

Production Overview *(Continued)*

The table below sets forth the production volume of the products of the Group and the period-to-period change for the periods indicated.

	Production volume for the first half of 2013[1] *(Tonnes)*	Production volume for the first half of 2012[1] *(Tonnes)*	Period-to-period growth *(%)*
Copper concentrate	**20,152**	21,793	-7.5
Blister copper	**95,522**	85,384	11.9
Copper cathode	**17,450**	7,156[2]	143.9
Sulfuric acid	**244,994**	209,875	16.7

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

(2) The production volume of copper cathode in 2012 also includes a production volume of 2,198 tonnes from the trial operation of the Muliashi Project for the first half of 2012.

Panorama of the ore processing plant of Chambishi Copper Mine

BUSINESS REVIEW (CONTINUED)

Exploration, Development and Mining Cost of the Group

Expenses of exploration, development, and mining activities of the Group for the six months ended 30 June 2013 are set out below:

Unit: Million US dollars	Chambishi Main and West Mine	Chambishi Southeast Mine	Mwambashi	Baluba Center Mine	Muliashi North Mine	Total
Exploration activities						
Drilling	0.36	2.12				2.48
Analysis		0.02				0.02
Others						
Sub-total	**0.36**	**2.14**				**2.50**
Development activities (including mine construction)						
Purchases of assets and equipment		0.16		3.79	9.78	13.73
Civil work for construction of tunnels and roads		23.74		1.41	10.84	35.99
Staff cost				1.07		1.07
Other		4.52	0.20		4.35	9.07
Sub-total		**28.42**	**0.20**	**6.27**	**24.97**	**59.86**
Mining activities (excluding ore processing)						
Staff cost	6.92			13.93	0.20	21.05
Consumables	5.19			14.16	0.99	20.34
Fuel, electricity, water and other services	4.51			3.02		7.53
On-site and remote system management						
Non-income taxes, royalties and other governmental charges						
Others	1.47				0.01	1.48
Sub-contracting charges	32.70			3.02	23.91	59.63
Depreciation	16.73			4.27	2.11	23.11
Sub-total	**67.52**			**38.40**	**27.22**	**133.14**

BUSINESS REVIEW *(CONTINUED)*

Mining Exploration, Mining Development and Ore Mining Activities

Mining Exploration

During the period, NFCA and Luanshya, subsidiaries of the Company, conducted mining exploration for production and exploration purposes, respectively. SML conducted mining exploration activities. In particular:

In the Chambishi Main Mine of NFCA, 25 pit drilling holes were completed for production purposes with 3,051.1 m drilled. In the Chambishi West Mine, 3 pit drilling holes for production purposes were completed with 226.5 m drilled, and 6 surface drilling holes were completed for exploration purposes with 3,745.5 m drilled. In the Chambishi Southeast Mine, 11 surface drilling holes were completed for exploration purposes with 1,869.1 m drilled.

Luanshya conducted drilling in Baluba Mine and Muliashi Open-pit Mine (North Mine) for production and exploration purposes. In particular, 106 drilling holes for production purposes were completed in Baluba Mine with 3,064.6 m drilled. In addition, 17 pit drilling holes were completed in the in-depth, boundary and peripheral areas of mines for exploration purposes with 1,424.7 m drilled. In Muliashi Open-pit Mine, a total of 33 pit drilling holes for production and exploration purposes were completed with 2,268 m drilled. In addition, 29 platform trenches (1 m × 1 m) were completed with a total length of 1,172 m and a total capacity of 1,172 m^3.

SML completed 7 drilling holes for Mwambashi Mine with an aggregate of 936.2 m drilled and 1 section of geophysical magnetotelluric sounding and survey (EH4) with a total of 46 measuring points.

Mining Development

During the period, a project for paste backfilling system was carried out in the Chambishi West Mine for improving mining techniques and raising mining efficiency. An aggregate of US$6,850,000 was invested including the purchase of equipment, construction and installation as well as design.

Chambishi Southeast Mine Project: the diameter of the main shaft was 6.5 m, with 129.4 m completed from a designated length of 1,260 m; the diameter of the auxiliary shaft was 7.2 m, with 110 m completed from a designated length of 1,180 m; the diameter of the south wind shaft was 6.5 m, with 476.2 m completed from a designated length of 785 m; and the diameter of the north wind shaft was 6.5 m, with 689.6 m completed from a designated length of 1,015 m. Ground surface project: the construction of the wall surrounding the supply warehouse and the building of the supply office for the southeast mining area has been completed, and six warehouses were under installation. Temporary power system has been renovated, and the building of part of the fence and roads for the mining area has been initiated.

Ore Mining

During the period, ore produced from Chambishi Main Mine and West Mine amounted to 511,000 tonnes and 321,000 tonnes respectively, and Baluba Mine and Muliashi Open-pit Mine 651,000 tonnes and 2,643,000 tonnes respectively.

Relevant Contracts

Vertical shaft hoisters have been ordered for Chambishi Southeast Mine, whilst 18 mining and engineering vehicles have been purchased for Baluba Mine and Muliashi Open-pit Mine, and 15 engineering vehicles have been purchased for Mwambashi Mine.

BUSINESS REVIEW *(CONTINUED)*

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. Currently, oxygen compressor and vacuum pump plant of series III oxygen stations (8,000m^3/h) were completed, with all the core equipments installed and tested. The main structure of number 4 ($4^{\#}$) converter (major equipment for smelting) was basically completed with the ancillary facilities partly completed. The furnace body of the anode furnace was installed. The whole project is expected to be completed by the end of this year.

The Integrating Exploration and Construction Project of the Chambishi Southeast Mine

The Chambishi Southeast Mine Project under development is one of the key development and construction mine projects of the Company with a designed ore processing capacity of 3,300,000 tonnes per annum and a production capacity of copper contained in concentrate of approximately 63,000 tonnes per annum. As at the end of June in this year, the main shaft, auxiliary shaft, south wind shaft and north wind shaft completed a total drilling volume of 70,000m^3. Such project is expected to commence production by the end of 2016.

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

Currently, the large-scale infrastructure construction is underway, while the orders of large-scale equipment have been basically completed. The project is expected to be completed by the end of this year and deliver individual trial production of equipment.

Mwambashi Mine Development Project

In February 2013, the Group completed the environmental impact assessment and resources check of Mwambashi Mine through drilling. Currently, further survey and review of the project is underway.


Construction site of the leaching cooper project at Mabende

BUSINESS REVIEW *(CONTINUED)*

Projects Under Progress *(Continued)*

Slag Copper Recovery Project

On 7 June 2013, the Group reviewed and approved that Luanshya would carry out a new slag copper recovery project with an estimated annual production capacity of 500,000 tonnes. Currently, personnel from the designing and construction companies have stationed onsite. Preliminary design, design of construction plan and consulting of equipment have been started. The construction of the project is expected to be completed in 2014.

In addition, the Group, based on the market conditions, pressed ahead with the preparation for the projects including recycling cobalt from smelting slag and development of tailing resources (Kakoso), as well as the development of additional reserve projects for securing a continuous growth of the Group.

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 periods indicated.

	For the six months ended 30 June							
	2013				2012			
	Sales Volume[1]	**Average Selling Price**	**Revenue**	**% of Total Revenue**	Sales Volume[1]	Average Selling Price	Revenue	% of Total Revenue
	(Tonnes)	***(US$ per tonne)***	***(US$'000)***	***(%)***	*(Tonnes)*	*(US$ per tonne)*	*(US$'000)*	*(%)*
Blister copper	**98,009**	**7,189**	**704,588**	**82.3**	82,163	7,948	653,029	91.0
Copper cathode	**18,917**	**6,464**	**122,288**	**14.3**	3,708	7,408	27,470	3.8
Sulfuric acid	**186,764**	**157**	**29,338**	**3.4**	195,497	190	37,124	5.2
Total	**303,690**		**856,214**	**100.0**	281,368		717,623	100.0

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

FINANCIAL REVIEW *(CONTINUED)*

Revenue

The revenue of the Group increased by 19.3% from US$717.6 million in the first half of 2012 to US$856.2 million in the first half of 2013, primarily attributable to the growth in the sales volume of blister copper and copper cathode, partially offset by the decline in global copper prices. In the first half of 2013, the Group's revenue from blister copper, copper cathode and sulfuric acid accounted for 82.3%, 14.3% and 3.4%, respectively, of the total revenue.

The revenue from blister copper increased by 7.9% from US$653.0 million in the first half of 2012 to US$704.6 million in the first half of 2013. The sales volume of blister copper of CCS in the first half of 2013 amounted to 98,009 tonnes, representing an increase of 19.3% over the same period of 2012, mainly because the Group managed to increase the production volume of blister copper through enhanced internal management and technological renovation in the first half of this year. Meanwhile, due to the decline in global copper prices, the average selling price of blister copper decreased by 9.5% from US$7,948 per tonne in the first half of 2012 to US$7,189 per tonne in the first half of 2013, partially offsetting the revenue growth attributable to the increase in sales volume.

The revenue from copper cathode increased by 345.2% from US$27.5 million in the first half of 2012 to US$122.3 million in the first half of 2013. The sales volume of copper cathode increased by 410.2% from 3,708 tonnes in the first half of 2012 to 18,917 tonnes in the first half of 2013 while the average selling price of copper cathode, due to the decline in global copper prices, decreased by 12.7% from US$7,408 per tonne in the first half of 2012 to US$6,464 per tonne in the first half of 2013, offsetting the revenue growth attributable to the increase in sales volume.

The revenue from sulfuric acid decreased by 21.0% from US$37.1 million in the first half of 2012 to US$29.3 million in the same period of 2013, primarily attributable to the fact that (1) in order to use the resources of the Group more efficiently, more sulfuric acid was supplied for the internal use of Muliashi Project in the first half of 2013; the sulfuric acid sold outside the Group decreased by 4.5% from 195,497 tonnes in the first half of 2012 to 186,764 tonnes in the first half of 2013; and (2) a decrease of 17.4% in average selling price of sulfuric acid of the Group from US$190 per tonne in the first half of 2012 to US$157 per tonne in the first half of 2013.

Panorama of the plant of CCS

FINANCIAL REVIEW *(CONTINUED)*

Revenue *(Continued)*

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 periods indicated.

	For the six months ended 30 June							
	2013				2012			
	Cost of Sales (US'000)	Unit Cost of Sales (US$ per tonne)	Gross Profit (US'000)	Gross Profit Margin (%)	Cost of Sales (US'000)	Unit Cost of Sales (US$ per tonne)	Gross Profit (US'000)	Gross Profit Margin (%)
Blister copper	640,347	6,534	64,241	9.1	551,992	6,718	101,037	15.5
Copper cathode	87,892	4,646	34,396	28.1	14,328	3,864	13,142	47.8
Sulfuric acid	6,832	37	22,506	76.7	3,935	20	33,189	89.4
Total	735,071		121,143	14.1	570,255		147,368	20.5

Cost of Sales

The cost of sales in the first half of 2013 increased by 28.9% from US$570.3 million in the same period of 2012 to US$735.1 million, primarily due to the increased total costs as a result of the growth in sales volume of the Company's products, partially offset by the decrease in global copper prices.

The cost of sales of blister copper increased by 16.0% from US$552.0 million in the first half of 2012 to US$640.3 million in the first half of 2013, primarily due to the increase in the sales volume of blister copper of CCS, partially offset by a decrease of 2.7% in unit cost of sales of blister copper from US$6,718 per tonne in the first half of 2012 to US$6,534 per tonne in the first half of 2013 as a result of the lower price of copper concentrate purchased from external suppliers attributable to the decrease in global copper prices.

The cost of sales of copper cathode increased by 513.4% from US$14.3 million in the first half of 2012 to US$87.9 million in the first half of 2013, primarily due to an increase of 410.2% in the sales volume of copper cathode, partially offset by an increase of 20.3% in the unit cost of sales of copper cathode from US$3,864 per tonne in the first half of 2012 to US$4,646 per tonne in the first half of 2013.

The cost of sales of sulfuric acid increased by 73.6% from US$3.9 million in the first half of 2012 to US$6.8 million in the first half of 2013, primarily due to an increase of 81.8% in unit cost of sales from US$20 per tonne in the first half of 2012 to US$37 per tonne in the same period of 2013, partially offset by a slight decrease of 4.5% in the sales volume.

FINANCIAL REVIEW *(CONTINUED)*

Gross Profit and Gross Profit Margin

As a result of the foregoing, the Group recorded a gross profit of US$121.1 million in the first half of 2013, representing a decrease of 17.8% from US$147.4 million in the same period of 2012. The gross profit margin decreased from 20.5% in the first half of 2012 to 14.1% in the first half of 2013.

The gross profit margin of blister copper decreased from 15.5% in the first half of 2012 to 9.1% in the first half of 2013, primarily attributable to: (1) the average selling price of blister copper decreased from US$7,948 per tonne in the first half of 2012 to US$7,189 per tonne in the first half of 2013 due to the copper price fluctuations; (2) unit cost of mining and processing of copper concentrate from the own mines increased and (3) the increase of depreciation of newly added equipment increased the unit cost of processing.

The gross profit margin of copper cathode decreased from 47.8% in the first half of 2012 to 28.1% in the first half of 2013, primarily due to (1) the decline in global copper prices; (2) the one month suspension of operation conducted by the headquarter of leaching for overhaul and (3) the capacity and benefits of the projects newly in operation are yet to be fully realised.

The gross profit margin of sulfuric acid decreased from 89.4% in the first half of 2012 to 76.7% in the first half of 2013, primarily attributable to (1) a sharp increase of 81.8% in unit cost of sales of sulfuric acid and (2) a decrease of 17.4% in average selling price.

Distribution and Selling Expenses

The distribution and selling expenses of the Group increased by 18.7% from US$17.7 million in the first half of 2012 to US$21.1 million in the first half of 2013, primarily due to an increase in transportation and freight expenses as well as insurance expenses as a result of the increase in blister copper and copper cathode in the first half of 2013 as compared with that in the first half of 2012.

Administrative Expenses

The administrative expenses increased by 51.7% from US$20.7 million in the first half of 2012 to US$31.3 million in the first half of 2013, primarily due to the increase in salary expenses as a result of increased headcount relating to the expansion of operations as well as the increase in average compensation and the provision for certain taxes made by subsidiaries according to the adjustment in the taxation requirements of Zambia.

FINANCIAL REVIEW *(CONTINUED)*

Finance Costs

The finance costs of the Group increased by 72.6% from US$2.3 million in the first half of 2012 to US$4.0 million in the first half of 2013, primarily due to cessation of capitalization of interest on loans specified for certain projects which have been put into use. This led to the decrease in interest expenses being capitalised during the reporting period.

Gain Arising on Change in Fair Value of Derivatives

The gain arising on change in fair value of derivatives increased by 20.3% from US$0.4 million in the first half of 2012 to US$0.5 million in the first half of 2013. The Group entered into copper futures contracts to hedge its net exposure to the copper price fluctuations due to the timing difference between when it expects to procure copper concentrate from external suppliers and when it expects to sell blister copper to external customers.

Other Expenses

Other expenses of the Group decreased by 85.5% from US$9.4 million in the first half of 2012 to US$1.4 million in the first half of 2013, primarily due to the decrease in expenses related to the listing (which was US$5.9 million in the first half of 2012 and none in the first half of 2013), exchanges loss, bad debt loss and costs for operating hospitals and schools as compared with the same period last year.

Income Tax Expense

The income tax expense of the Group increased by 146.7% from US$7.9 million in the first half of 2012 to US$19.5 million in the first half of 2013. The effective tax rate increased from 7.9% in the first half of 2012 to 28.7% in the first half of 2013, primarily because the provision of Income Tax in Ireland for the dividend income from subsidiaries in Zambia and the provision of DRC Income Tax for the profit of Huachin operating in DRC.

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 decreased by 56.4% from US$55.4 million in the first half of 2012 to US$24.2 million in the first half of 2013. Net profit margins attributable to owners of the Company (being the profit attributable to the owners of the Company as a percentage of revenue) in the first half of 2012 and 2013 were 7.7% and 2.8% respectively.

FINANCIAL REVIEW *(CONTINUED)*

Liquidity and Capital Resources

Cash flows

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

	For the six months ended 30 June	
	2013	2012
	(US$'000)	*(US$'000)*
	(Unaudited)	(Unaudited)
Net cash from operating activities	**153,201**	242,642
Net cash used in investing activities	**(119,739)**	(115,699)
Net cash from financing activities	**192,821**	155,043
Net increase in cash and cash equivalents	**226,283**	281,986
Cash and cash equivalents at beginning of the period	**264,723**	217,303
Effect of foreign exchange rate changes	**(4,624)**	(310)
Cash and cash equivalents at the end of the period	**486,382**	498,979

FINANCIAL REVIEW *(CONTINUED)*

Liquidity and Capital Resources *(Continued)*

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 decreased by 36.9% from US$242.6 million in the first half of 2012 to US$153.2 million in the same period of 2013, primarily attributable to (1) a decrease of 32.0% in the total profit before tax of the Company from US$100.0 million in the first half of 2012 to US$68.0 million in the first half of 2013; and (2) an increase of US$18.7 million in prepayments, receivables and other receivables in the first half of 2013 as compared with a decrease of US$67.6 million in those items in the first half of 2012 as compared with the beginning of the period, which is caused by the amendment of the Zambia value-added tax policy, previously, the Group did not need to pay any value-added tax when purchasing copper concentrates from local suppliers, but in the first half of 2013, the Group had to pay the value-added tax first and then claim the refund later.

Net cash flows used in investing activities

Cash outflows used in investing activities are mainly for the acquisition of properties, plants and equipment for copper production. The net cash flows used in investing activities of the Group increased by 3.5% from US$115.7 million in the first half of 2012 to US$119.7 million in the same period of 2013, primarily due to the increase in the investments in projects such as Chambishi Southeast Mine Project and Mabende Leaching Project in DRC in the first half of 2013.

Net cash flows from financing activities

The cash inflows from financing activities primarily consist of new bank and other borrowings as well as proceeds from increase in capital. The cash outflows from financing activities primarily consist of repayments for bank and other borrowings, dividend payments and interest payment. The net cash flows generated from financing activities of the Group increased by 24.4% from US$155.0 million in the first half of 2012 to US$192.8 million in the same period of 2013. The increase in cash flows generated from financing activities was primarily attributable to the increase in bank loans of the Company in the first half of 2013 as compared with the same period in the previous year.

Night view of Muliashi Project

FINANCIAL REVIEW *(CONTINUED)*

Liquidity and Capital Resources *(Continued)*

Bank balances and cash

The Group's bank balances and cash (including cash, time deposits and demand deposits) increased by US$221.7 million from US$264.7 million as at 31 December 2012 to US$486.4 million as at 30 June 2013. The increase in cash was primarily derived from the increase in bank loans raised as compared with the same period in the previous year and the operating cash flows of the Group.


Isa furnace of CCS

Trade receivables

The trade receivables of the Group decreased by US$4.2 million from US$120.3 million as at 31 December 2012 to US$116.1 million as at 30 June 2013, primarily attributable to the enhanced management of the Group over trade receivables which ensured the timely collection of receivables.

Inventories

The inventories held by the Group increased by US$1.2 million from US$330.4 million as at 31 December 2012 to US$331.6 million as at 30 June 2013, primarily due to the increase of raw materials and spare parts as for certain projects putting into use.

Trade payables

The trade payables of the Group decreased by US$8.0 million from US$192.1 million as at 31 December 2012 to US$184.1 million as at 30 June 2013.

FINANCIAL REVIEW *(CONTINUED)*

Liquidity and Capital Resources *(Continued)*

Bank loans:

As at 30 June 2013, the Group's balance of bank loans amounted to US$788,450,000.

Among which:
(1) Balance of bank loans due within one year amounted to US$61,000,000;
(2) Balance of bank loans due more than one year but not exceeding two years amounted to US$115,000,000;
(3) Balance of bank loans due more than two years but not exceeding five years amounted to US$335,000,000;
(4) Balance of bank loans due more than five years amounted to US$277,450,000.

As at 30 June 2013, the Group's bank loans had no seasonality features.

Monument for the discovery of the copper mine at Luanshya

FINANCIAL REVIEW *(CONTINUED)*

Capital Expenditure

	For the six months ended 30 June	
	2013	2012
	(US$'000)	*(US$'000)*
	(Unaudited)	(Unaudited)
Mining and ore processing facilities at NFCA (Chambishi Main and West Mine)	**254**	621
Mining and ore processing facilities at NFCA (Chambishi Southeast Mine)	**32,596**	12,080
Mining and ore processing facilities at NFCA (Others)	**6,858**	109
Mining and leaching facilities at Luanshya (Muliashi Project)	**24,882**	75,699
Mining and ore processing facilities at Luanshya (Baluba Center Mine)	**7,585**	7,687
Smelting facilities at CCS	**21,582**	30,028
Leaching facilities at Chambishi Leach Plant	**7,202**	1,067
Leaching facilities at Huachin Leach Project	**2,125**	5,996
Leaching facilities at Mabende Project	**22,288**	—
Total	**125,372**	133,287

The total capital expenditure of the Group decreased by US$7.9 million from US$133.3 million for the first half of 2012 to US$125.4 million for the first half of 2013. During the reporting period, the capital expenditure of the Group was primarily used in projects such as the Chambishi Southeast Mine Project, Muliashi Project, phase II of expansion of CCS copper smelting and Mabende copper smelting by leaching.

Panorama of CCS

FINANCIAL REVIEW *(CONTINUED)*

Market Risk Disclosure

In the normal course of business, the Group's market risks mainly comprise commodity price risk, foreign currency 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 ZMW, and Reminbi, or RMB), which exposed the Group to foreign currency exchange risk. In addition, according to the latest policies of Zambian government, all sales and purchases in the country are required to be quoted and paid in ZMW.

Although the Group is exposed to foreign currency exchange risk as a result of certain sales and purchase that are settled in ZMW and RMB, such exposure is not expected to have any significant impact on the Group's businesses, financial condition and results of operation in the foreseeable future since the majority of its assets, liabilities, revenues and expenses are denominated in US dollar. Therefore, during the reporting period, the Group did not engage in any foreign currency hedging activities.

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.

Changes in the Group's performance

From 1 January 2013 to 30 June 2013, save as disclosed in this interim report, there are no material changes in conflict with the Group's performance as disclosed in the annual report for 2012.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Company was listed on the Hong Kong Stock Exchange on 29 June 2012. Net proceeds from the Global Offering have been and will continue to 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, which are in compliance with the intended use of proceeds as disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

According to the intended usages as set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus, the application of such proceeds up to 30 June 2013 was as follow:

	Net Proceeds *(US$'000)*		
Items	**Available**	**Utilised**	**Unutilised**
Exploration and development of the Chambishi Southeast Mine	72,000	72,000	—
Expansion of the Chambishi Copper Smelter	48,000	48,000	—
The Muliashi Project	12,000	12,000	—
Development of the Mwambashi Project	12,000	—	12,000
Acquisitions of Companies with existing exploration rights and additional mining assets	37,000	—	37,000
Repayment of certain existing loans	36,000	36,000	—
Working Capital and other general corporate purposes	30,770	22,160	8,610
Total	247,770	190,160	57,610

The remaining balance of the net proceeds has been placed in interest bearing deposit accounts with banks.

Surface mine of Muliashi Project

PARTICULARS OF SHARE CAPITAL AND SHAREHOLDERS

SHARE CAPITAL

Authorised Share Capital

For the six months ended 30 June 2013, the total authorised share capital of the Company amounted to HK$5,000,000,000, divided into 5,000,000,000 ordinary shares of HK$1.00 each.

Issued and Fully Paid Share Capital

For the six months ended 30 June 2013, the issued and fully paid total share capital of the Company amounted to HK$3,489,036,000, divided into 3,489,036,000 ordinary shares of HK$1.00 each.

PARTICULARS OF SHAREHOLDERS

Substantial Shareholders and Other Persons' Interest and Short Positions in the Shares and Underlying Shares

As at 30 June 2013, so far as it is known to the Directors and chief executive of the Company, the following persons (other than the Directors and chief executive of the Company) had interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company and the Hong Kong Stock Exchange pursuant to the provisions of Section 336 of the SFO:

Substantial Shareholder	Capacity/ Nature of interest	Long/short position	Number of shares	Approximate percentage of shareholdings
CNMD *(Note(1))*	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(1): CNMD 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 CNMD.

As at 30 June 2013, each of the following entities were directly 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 meetings of any other members of the Group:

Member of our 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")	15.0%
Luanshya	ZCCM-IH *(Note(2))*	20.0%
CCS	Yunnan Copper Group	40.0%
SML	Hainan Sino-Africa Mining	30.0%
Huachin	Huachin SPRL	37.5%
Kakoso Company	Shenzen Resources Limited	12.0%
CNMC-Mabende	Huachin SPRL	40.0%

Note(2): As at 31 December 2012, CNMC held another 5% interest in Luanshya on trust for ZCCM-IH. The transfer of such 5% interest by CNMC to ZCCM-IH had been completed by 10 January 2013.

Save as disclosed above and the Directors' and chief executive's interests disclosed at "Directors' and chief executive's interests and short positions in Shares and underlying Shares", as at 30 June 2013, no other person had any interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company and the Hong Kong Stock Exchange pursuant to Section 336 of the SFO or, were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote under all circumstances at general meetings of any other member of the Group.

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE PRACTICES

The Company had 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 for the six months ended 30 June 2013.

The Board of Directors and the management of the Group are committed to achieving and maintaining high standards of corporate governance, which they consider to be critical in safeguarding the integrity of the Company's operations and maintaining investors' trust in the Company.

During the reporting period, the Board of Directors and the committees of the Board complied with laws in performing their duties and operated in accordance with standards. The Group fulfilled relevant procedures and made disclosure in respect of the use of raised proceeds, material investment and connected transactions.

During the reporting period, the Group promoted the establishment of a corporate chief legal consultancy system across the Company and subsidiaries. It also set up a department for legal and compliance matters, formulated the rules of procedure of the general meeting, the board of directors and the president office of China Nonferrous Mining Corporation Limited (《中國有色礦業有限公司股東大會、董事會暨總裁辦公會議事規則》), printed and published the Guidelines on Legal and Compliance Management of China Nonferrous Mining Corporation Limited (《中國有色礦業有限公司法律與合規管理工作指引》), and improved the management system of information disclosure and tracking and management procedures of related party transactions. It also designated company lawyers to organize specific trainings for all Directors, senior management and compliance personnel in respect of compliance items. All these measures improved corporate governance.

Central office building of NFCA

HUMAN RESOURCES

As of 30 June 2013, the Group employed a total of 6,308 employees (as of 30 June 2012: 6,194), which comprised 520 Chinese and 5,788 Zambians. The total cost of employees reflected in the condensed consolidated statement of profit or loss and other comprehensive income amounted to US$46.2 million for the six months end 30 June 2013 (for six months ended 30 June 2012: US$40.2 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.

Employees of CCS participated in the Labour Day parade

The outstanding employees of Luanshya were awarded testimonials and prizes on Labour Day

NFCA's Sino-Zambian Table Tennis Friendly Match

CORPORATE SOCIAL RESPONSIBILITY

"Delivering returns to shareholders, employees and the society through corporate development" is the mission of the Group. From January to June 2013, the subsidiaries of the Group strived to improve corporate development and increase economic benefits in strict compliance with relevant laws and regulations in Zambia concerning safety production and environmental protection. Meanwhile, it spared no efforts in fulfilling its corporate social responsibility in respect of production safety, environment protection, promotion of local economic development, employment provision and local public welfare undertakings.

The Group always adheres to the safe production principle of "safety first, prevention foremost", and firmly embeds the safe production concept of "respect for life, prevention first". The standards for safe production management has been effectively improved through the implementation of an accountability mechanism of the entities responsible for safe production, confirmation of the scope of safe production responsibility, enhancement of education of safe production and risk prevention and control, development of overall safety inspection and hidden danger investigation and governance, constant improvement and optimisation of the contingency plan and reinforcement of emergency rescue team building. From January to June 2013, the condition of safe production of the Group was generally stable and constantly getting better.

The Group has attached great importance to the harmonious relationship between enterprise development and the natural environment, community and residents. The Group endeavours to promote the establishment of an environmental management system, pays attention to using environmental-friendly equipment and advanced technology for production, fully implements energy conservation and emission reduction in the process of production by optimising resource management, and strives to achieve a win-win situation of environmental protection and resource development. From January to June 2013, the Group achieved remarkable results in safety and environmental protection management.

Based on copper resources development, with the self-development and growth of the Group, it follows the "win-win" concept of cooperation, actively cultivates the local market, supports local enterprises and contributes to the local economy and social development and progress in Zambia through the creation of taxes, provision of jobs and development of related industries.

The Group has the utmost respect of a "people-oriented" corporate governance concept and promotes an equal and normative labor policy. We fully respect the cultural background of local staff, protect their legitimate rights and interests, endeavour to improve the working and living conditions of staff, create a healthy and harmonious working and living environment and enhance their sense of belonging. Meanwhile, we attach great importance to enhance quality and ability of staff, to carry out comprehensive and multi-level trainings for our employees and to provide quality environment for their growth, so as to achieve a joint development of employees and enterprise.

From January to June 2013, the Group actively participated in local social welfare undertakings in Zambia through monetary fund and physical assets. It supported urban construction, constructed markets, provided language education, donated medicines, food and housing and benefited local municipal administration, education, medical treatment and public health and public welfare undertakings, which were highly appreciated by Zambian government and local residents and further established a good image for the Sino-Zambian economic cooperation model.

Chinese-language teaching volunteer in Luanshya trust school

Luanshya donated food to the local babies

CCS donated residential houses for the physicians and nurses of local clinics

STRATEGIES AND PROSPECTS

The Group is dedicated to the utilisation of advanced and practical technology as well as resources management and development so as to deliver returns to the Shareholders and employees and promote economic and social development.

The Group will further increase its investment in exploration and development. It will put more efforts in expanding the exploration area, as well as exploration in the peripheral and in-depth areas of existing mines. Meanwhile, the Group will continue to identify suitable acquisition targets in regions with rich copper resources such as Zambia and the DRC, with an aim to increase the Group's resources and increase the proportion of resources generated from its own mines for smelting.

Through implementing the expansion plan for existing smelting projects, the Group will continue to expand its capacities in leaching and smelting operations, and enhance its profitability by tapping into the advantages of vertical integration in operations.

The Group, through using the advanced and practical technology and management, 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. It will continue to improve its capacity of current mining, processing and smelting business, improve its production efficiency, reduce production costs and increase profitability.

The Group always value the strict and diligent performance of environmental laws. It aims to improve its management practices relating to safety and environmental protection through the continuous increase in investment in this respect. The Group highly values the relationship with its stakeholders and aspires to achieve a win-win cooperation. The Group will continue to fulfil its corporate social responsibility by contributing to the economy of the community and social development.

Mine emergency rescue team

Management members of
NFCA participated in the mine rescue drill competition

FUTURE PROSPECTS

Despite the signs of recovery signaled in the global economy, the overall market of non ferrous metals was still in depression in the first half of 2013. Looking forward to the second half of 2013, the Federal Reserve is likely to withdraw from the quantitative easing policy early, the stress on tightened liquidity in the global capital market is expected to be accelerated and the Chinese economy will still be under the pressure of a slowdown in growth. Therefore, the prices of base metals, especially copper prices, will be volatile in the short term. However, from the long-term perspective, the development of the Chinese economy still see huge potential with an evident trend of urbanisation. The global economic recovery will also drive copper demand to increase continuously. Besides, resources are not renewable. Supported by these fundamental factors, the long-term outlook of copper price continues to be optimistic.

Taking into account of the above mentioned information, the Group will continue to increase the reserve and resources of copper and cobalt through exploration and development activities, advance the development of its key projects and enlarge the production capacity of its leaching and smelting operations. Meanwhile, it will continue to optimise 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 has commenced production. In the second half of the year, focus will be put on the testing of the production system in the heap leaching system and the improvement of production. Phase II of the expansion project of CCS will, upon the expected completion of overall construction before the end of the year, bring the production capacity of the Company's blister copper to a new level. The Company will strive to complete the construction of Mabende Leach Project in the second half of 2013, and complete the development of slag copper recovery project in 2014. It will also advance the development of Mwambashi Mine and Chambishi Southeast Mine.

Spray leaching operations in the No.1 stockpile of heap leaching system of Muliashi Project

Leach solution from spray leaching of Muliashi Project

FUTURE PROSPECTS (CONTINUED)

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 in the second half of the year, 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, 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. It will expedite the development of the leach company through intensifying cost control and improving management, so as to maximise efficiency.

The Group will further technological innovation, optimise production process and control the cost of production. In particular, it will further refine the production systems of Chambishi Main Mine and the Chambishi West Mine, increase the leaching rate of agitation leaching and heap leaching of Muliashi Project and reinforce the organisation and production of copper smelting and converter. More efforts will be made in research of cobalt recovery and bio-metallurgical technology to enhance the processing capacity and recovery rate of low-grade ore.

The Group will pay attention to improving its working environment, further enhance ability in human resources management and strengthen staff training to provide guarantee for safe and efficient production.

Bird's-eye view of mining and processing engineering of Chambishi Southeast Mine

OTHER SIGNIFICANT EVENTS

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

As of 30 June 2013, none of the Directors or chief executives had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO (the "SFO")) which would fall to be disclosed to the Company and the Stock Exchange pursuant to Division 7 and 8 of 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 for Securities Transactions by Directors of Listed Companies as stipulated in the Listing Rules.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the period were rights to acquire benefits by means of the acquisition of shares or debentures 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.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors of the company had engaged in any business or had any interest in business which competes or may constitutes competition directly or indirectly (within the meaning of the Listing Rules) with the business of the Group throughout the six months ended 30 June 2013.

AUDIT COMMITTEE

The Company has an Audit Committee which was established with written terms of reference in compliance with the Listing Rules and Corporate Governance Code and Corporate Governance Report as set out in 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 Mr. Tao Luo, a non-executive director, and Mr. Jingwei Liu and Mr. Shuang Chen, independent non-executive directors. The Group's unaudited condensed consolidated financial statements for the six months ended 30 June 2013 have been reviewed by the Audit 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.

DIRECTORS' SECURITIES TRANSACTIONS

The Company had adopted a code of conduct on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers at the Appendix 10 of the Listing Rules. The Company also had made specific enquiry to all directors and confirmed that all of them complied with the Model Code throughout the six months ended 30 June 2013.

PURCHASE, REDEMPTION OR SALE 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 six months ended 30 June 2013.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR ACQUISITION OF CAPITAL ASSETS

Save for those disclosed in this Interim Report, there were no other significant investments held, material acquisitions or disposals of subsidiaries during the period for six months ended 30 June 2013. Apart from those disclosed in this Interim Report, there was no plan approved by the Board for other material investments or acquisition of capital assets at the date of this Interim Report.

CHARGES ON ASSETS

As at 30 June 2013, details of charges on assets are included in note 20 to the condensed consolidated financial statements of this Interim Report.

GEARING RATIO

As at 30 June 2013, the gearing ratio was 39.0% (31 December 2012: 43.4%) which is calculated by the net debts (being bank and other borrowings minus bank balances and cash, and restricted bank balances) divided by the total equity attributable to owners of the Company.

CONTINGENT LIABILITIES

Details of contingent liabilities are included in note 24 to the condensed consolidated financial statements of this Interim Report.

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Deloitte.
德勤

TO THE BOARD OF DIRECTORS OF CHINA NONFERROUS MINING CORPORATION LIMITED
(incorporated in Hong Kong with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of China Nonferrous Mining Corporation Limited (the "Company") and its subsidiaries set out on pages 39 to 68, which comprise the condensed consolidated statement of financial position as of 30 June 2013 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
30 August 2013

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2013

	NOTES	Six months ended 30 June 2013 US$'000 (Unaudited)	30 June 2012 US$'000 (Unaudited)
Revenue	4	**856,214**	717,623
Cost of sales		**(735,071)**	(570,255)
Gross profit		**121,143**	147,368
Other income		**4,106**	2,272
Distribution and selling expenses		**(21,050)**	(17,741)
Administrative expenses		**(31,346)**	(20,660)
Finance costs	6	**(3,967)**	(2,298)
Gain arising on change in fair value of derivatives		**450**	374
Other expenses	7	**(1,355)**	(9,352)
Profit before tax		**67,981**	99,963
Income tax expense	8	**(19,542)**	(7,921)
Profit and total comprehensive income for the period	9	**48,439**	92,042
Profit and total comprehensive income attributable to:			
Owners of the Company		**24,168**	55,444
Non-controlling interests		**24,271**	36,598
		48,439	92,042
Earnings per share, in US¢	11		
— Basic		**0.69**	2.12
— Diluted		**N/A**	2.12

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2013

	NOTES	At 30 June 2013 US$'000 (Unaudited)	At 31 December 2012 US$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	12	**1,088,004**	1,006,959
Interest in an associate	13	**2,143**	2,143
Restricted bank balances		**11,901**	12,128
Other assets		**17,376**	12,916
Finance lease receivables	14	**21,124**	27,015
		1,140,548	1,061,161
CURRENT ASSETS			
Inventories	15	**331,575**	330,415
Finance lease receivables	14	**10,335**	8,793
Trade receivables	16	**116,112**	120,306
Prepayments and other receivables	17	**83,483**	60,594
Derivatives, at fair value		**452**	—
Restricted bank balances		**2,021**	2,281
Bank balances and cash		**486,382**	264,723
		1,030,360	787,112
CURRENT LIABILITIES			
Trade payables	18	**184,127**	192,110
Other payables and accrued expenses	19	**167,631**	84,337
Income tax payable		**15,047**	5,021
Bank loans — due within one year	20	**61,000**	11,000
		427,805	292,468
NET CURRENT ASSETS		**602,555**	494,644
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,743,103**	1,555,805

AT 30 JUNE 2013

	NOTES	**At 30 June 2013 *US$'000* (Unaudited)**	At 31 December 2012 *US$'000* (Audited)
CAPITAL AND RESERVES			
Share capital	21	**447,901**	447,901
Share premium		**165,332**	165,332
Retained profits		**126,427**	102,259
Equity attributable to owners of the Company		**739,660**	715,492
Non-controlling interests		**137,203**	135,546
TOTAL EQUITY		**876,863**	851,038
NON-CURRENT LIABILITIES			
Bank loans — due after one year	20	**727,450**	578,450
Deferred revenue		**21,931**	17,811
Provision for restoration, rehabilitation and environmental costs		**15,909**	15,272
Deferred tax liabilities	8	**100,950**	93,234
		866,240	704,767
		1,743,103	1,555,805

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2013

	Attributable to owners of the Company					
	Share capital	**Share premium**	**Retained profits**	**Sub-total**	**Non-controlling interests**	**Total**
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*
Six months ended 30 June 2012						
At 1 January 2012 (Audited)	333,333	35,256	3,715	372,304	117,046	489,350
Shares issued	112,114	134,535	—	246,649	—	246,649
Share issue expenses	—	(7,550)	—	(7,550)	—	(7,550)
Profit and total comprehensive income for the period	—	—	55,444	55,444	36,598	92,042
At 30 June 2012 (Unaudited)	445,447	162,241	59,159	666,847	153,644	820,491
Six months ended 30 June 2013						
At 1 January 2013 (Audited)	447,901	165,332	102,259	715,492	135,546	851,038
Profit and total comprehensive income for the period	—	—	24,168	24,168	24,271	48,439
Dividend declared	—	—	—	—	(22,614)	(22,614)
At 30 June 2013 (Unaudited)	447,901	165,332	126,427	739,660	137,203	876,863

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2013

	Six months ended	
	30 June	30 June
	2013	2012
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Net cash from operating activities	**153,201**	242,642
Net cash used in investing activities		
Acquisition of property, plant and equipment and other assets	**(131,471)**	(109,451)
Withdrawal of restricted bank balances	**487**	3,885
Purchase of property, plant and equipment under finance leases to a fellow subsidiary	**—**	(14,388)
Repayment of finance lease receivables from a fellow subsidiary	**4,349**	3,771
Investment in an associate	**—**	(2,143)
Interest received	**330**	141
Finance income received under finance leases to a fellow subsidiary received	**1,000**	930
Proceeds from disposal of property, plant and equipment	**847**	1,556
Receipts of government grants	**4,719**	—
	(119,739)	(115,699)
Net cash from financing activities		
Shares issued	**—**	246,649
Share issue expenses paid	**—**	(4,376)
New bank loans raised	**210,000**	—
Repayment of bank and other borrowings	**(11,000)**	(79,000)
Interest paid	**(6,179)**	(8,230)
	192,821	155,043
Net increase in cash and cash equivalents	**226,283**	281,986
Cash and cash equivalents at beginning of the period	**264,723**	217,303
Effect of foreign exchange rate changes	**(4,624)**	(310)
Cash and cash equivalents at the end of the period represented by bank balances and cash	**486,382**	498,979

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, incorporated in the British Virgin Islands, and China Nonferrous Metal Mining (Group) Co., Ltd. ("CNMC"), established 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.

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

The principal activity of the Company is investment holding. The Group's subsidiaries are principally engaged in exploration, mining, ore processing, leaching, smelting and sale of copper cathodes, blister copper and sulfuric acid.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for the derivative financial instruments which are measured at fair value.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2013 are the same as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2012.

In the current interim period, the Group has applied, for the first times, the following new and revised Hong Kong Accounting Standards ("HKASs"), Hong Kong Financial Reporting Standards ("HKFRSs"), amendments and interpretation issued by the Hong Kong Institute of Certified Public Accountants.

3. PRINCIPAL ACCOUNTING POLICIES *(CONTINUED)*

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009–2011 Cycle
Amendments to HKFRS 7	Disclosures — Offsetting Financial Assets and Financial Liabilities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HKAS 19 (as revised in 2011)	Employee Benefits
HKAS 27 (as revised in 2011)	Separate Financial Statements
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income
HK (IFRIC) — Int 20	Stripping Costs in the Production Phase of a Surface Mine

Saved as discussed below, the application of the above new and revised HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

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

In the current interim period, the Group has applied for the first time, HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (as revised in 2011) and HKAS 28 (as revised in 2011) together with the amendments to HKFRS 10, HKFRS 11, HKFRS 12 regarding the transitional guidance.

Impact of the application of HKFRS 10

HKFRS 10 replaces the parts of HKAS 27 "Consolidated and Separate Financial Statements" that deal with consolidated financial statements and HK(SIC) — Int 12 "Consolidation — Special Purpose Entities". HKFRS 10 changes the definition of control such that an investor has control over an investee when (a) it has power over the investee, (b) it is exposed, or has rights, to variable returns from its involvement with the investee, and (c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in HKFRS 10 to explain when an investor has control over an investee.

3. PRINCIPAL ACCOUNTING POLICIES *(CONTINUED)*

Impact of the application of HKFRS 10 *(Continued)*

The directors of the Company (the "Directors") made an assessment as at the date of initial application of HKFRS 10 (i.e. 1 January 2013) as to whether the introduction of the new definition of control under HKFRS 10 has resulted in a change of control over the existing entities treated as subsidiaries of the Company. Previously, the Directors concluded that the Group has control over the existing subsidiaries because the Group has power to govern the financial and operating policies of these subsidiaries so as to obtain benefits from their activities. The power existed because the Group owned more than half of the voting power by virtue of these subsidiaries, and/or has power to cast majority votes at the board of directors meeting. Additionally, the Group has the power over these entities including but not limited to power to appoint, reassign, remove the key management personnel such as executive director of an entity, who has ability to direct relevant activities of that entity which include primarily the sale and purchase, working capital, investments and financing activities. The Directors also made the assessment on whether there is a change in control over the existing entity accounted for as an associate of the Group and concluded that the Group continues to exercise significant influence over its associate but has no power to direct the relevant activities of the associate.

Accordingly, the Directors concluded that the adoption of HKFRS 10 has had no material impact on the Group's condensed consolidated financial statements for the current or prior periods because the Group's control over the existing subsidiaries and the Group's significant influence over the existing associate remained unchanged in accordance with the new definition of control under HKFRS 10.

HKFRS 13 Fair Value Measurement

The Group has applied HKFRS 13 for the first time in the current interim period. HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements, and replaces those requirements previously included in various HKFRSs. Consequential amendments have been made to HKAS 34 to require certain disclosures to be made in the interim condensed consolidated financial statements.

HKFRS 13 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, subject to a few exceptions. HKFRS 13 contains a new definition for "fair value" and defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under the current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosures requirements

The application of HKFRS 13 has no material impact on the Group's profit or loss, other comprehensive income and financial position in the current and prior periods.

3. PRINCIPAL ACCOUNTING POLICIES *(CONTINUED)*

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. In the previous years, the Group's accounting treatment for the stripping costs is consistent with the requirements under HK(IFRIC) — Int 20.

Accordingly, the adoption of HK(IFRIC) — Int 20 has had no material impact on the Group's condensed consolidated financial statements for the current and prior periods.

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to HKAS 1, a "statement of comprehensive income" is renamed as a "statement of profit or loss and other comprehensive income" and an "income statement" is renamed as a "statement of profit or loss". The title of the Group's "condensed consolidated statement of comprehensive income" is therefore changed to "condensed consolidated statement of profit or loss and other comprehensive income".

4. REVENUE

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

	Six months ended	
	30 June 2013	30 June 2012
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Blister copper	**704,588**	653,029
Copper cathodes	**122,288**	27,470
Sulfuric acid	**29,338**	37,124
	856,214	717,623

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 the types of goods produced and mining, leaching and smelting information was reported to the chief operating decision maker in the prior periods.

As the Group's sulfuric copper concentrate produced in the mining division has been solely used for the production of blister copper in the smelting division, they are regarded as a single component of the Group in the current interim period whose operating results are regularly produced and reviewed by the chief operating decision maker to make decisions about resources to be allocated to this component and assess its performance. Moreover, the Group continues to develop its oxide copper mines in the leaching division for the production of copper cathodes that leaching operating results are also regularly produced and reviewed by the chief operating decision maker.

To better reflect the nature and financial effects of the leaching and smelting businesses of the Group and the organisation structure of the Group, the Directors opined that it is more appropriate for the Group to present its operating and reportable segments in the current period in accordance with HKFRS 8 *Operating Segments*, under the following two operating segments. Prior period segment information has been restated by combining the mining and smelting segments to conform to current period's presentation.

5. SEGMENT INFORMATION *(CONTINUED)*

The Group's operating and reportable segments in the current period under HKFRS 8 *Operating Segments* are as follows:

- Leaching — Production and sale of copper cathodes (including exploration and mining of oxide copper mines) which are produced using the solvent extraction-electrowinning technology; and

- Smelting — Production and sale of blister copper (including exploration and mining of sulfuric copper mines) 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 operating and reportable segment.

	Leaching	**Smelting**	**Consolidated**
	US$'000	*US$'000*	*US$'000*
	(Unaudited)	(Unaudited)	(Unaudited)
Six months ended 30 June 2013			
Revenue from external customers	122,288	733,926	856,214
Inter-segment sales	—	7,570	7,570
Total segment revenue	122,288	741,496	863,784
Elimination*	—	(7,570)	(7,570)
Revenue for the period			856,214
Segment profit	1,529	48,001	49,530
Unallocated income**			4,276
Unallocated expenses**			(1,284)
Elimination			(4,083)
Profit for the period			48,439

5. SEGMENT INFORMATION *(CONTINUED)*

Segment revenue and results *(Continued)*

	Leaching *US$'000* (Unaudited)	Smelting *US$'000* (Unaudited)	Consolidated *US$'000* (Unaudited)
Six months ended 30 June 2012			
Revenue from external customers	27,470	690,153	717,623
Inter-segment sales	—	—	—
Total segment revenue	27,470	690,153	717,623
Elimination*	—	—	—
Revenue for the period			717,623
Segment profit	8,091	92,436	100,527
Unallocated expenses**			(5,864)
Elimination			(2,621)
Profit for the period			92,042

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

** The unallocated income and expenses mainly represent the income and expenses of the Company and China Nonferrous Mining Holdings Limited ("CNMH"), 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 period earned by each segment without allocating income and expenses of the investment holding companies. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

5. SEGMENT INFORMATION *(CONTINUED)*

Segment assets and liabilities

	At 30 June 2013 US$'000 (Unaudited)	At 31 December 2012 US$'000 (Audited)
Segment assets		
— Leaching	**515,263**	459,742
— Smelting	**1,538,305**	1,334,704
Total segment assets	**2,053,568**	1,794,446
Unallocated assets*	**138,063**	68,434
Elimination	**(20,723)**	(14,607)
Consolidated total assets	**2,170,908**	1,848,273
Segment liabilities		
— Leaching	**553,170**	420,044
— Smelting	**964,210**	827,252
Total segment liabilities	**1,517,380**	1,247,296
Unallocated liabilities*	**188,081**	689
Elimination	**(411,416)**	(250,750)
Consolidated total liabilities	**1,294,045**	997,235

* The unallocated assets and liabilities represented 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 operating and reportable segments.

5. SEGMENT INFORMATION *(CONTINUED)*

Geographical information

The Group's operation is mainly in Zambia and US$1,072,845,000 (31 December 2012: US$987,636,000) and US$34,678,000 (31 December 2012: US$34,382,000) of its non-current assets (other than financial instruments) are in Zambia and Democratic Republic of Congo ("DRC"), respectively.

The Group's revenue from external customers by their geographical locations is detailed below:

	Six months ended	
	30 June 2013	30 June 2012
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
PRC	**684,553**	548,238
Switzerland	**133,565**	89,512
United Kingdom	**—**	41,921
Zambia	**29,338**	37,124
Luxembourg	**—**	828
South Africa	**8,758**	—
	856,214	717,623

6. FINANCE COSTS

	Six months ended	
	30 June 2013	30 June 2012
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Interest on bank and other borrowings:		
— wholly repayable within five years	**2,996**	2,561
— not wholly repayable within five years	**3,183**	5,093
Total borrowing costs	**6,179**	7,654
The unwinding of the discount	**343**	97
Less: Borrowing costs capitalised in construction in progress	**(2,555)**	(5,453)
	3,967	2,298
The weighted average capitalisation rate on funds borrowed (per annum)	**2.15%-2.25%**	2.51%-2.96%

7. OTHER EXPENSES

	Six months ended	
	30 June	30 June
	2013	2012
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Foreign exchange losses, net	**747**	949
Gain on disposal of property, plant and equipment, net	**(96)**	(89)
Loss on operating hospitals, schools and recreational facilities, net	**189**	692
Impairment loss recognised on trade and other receivables, net	**—**	814
Listing expenses	**—**	5,864
Others	**515**	1,122
	1,355	9,352

8. INCOME TAX EXPENSE

Income tax expense recognised in profit or loss:

	Six months ended	
	30 June	30 June
	2013	2012
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Current Tax:		
— Income Tax in Zambia	**548**	505
— Income Tax in Ireland	**5,177**	—
— Income Tax in DRC	**1,253**	—
	6,978	505
Underprovision of Income Tax in Ireland in respect of prior year	**4,848**	—
Deferred tax	**7,716**	7,416
Total income tax expense	**19,542**	7,921

8. INCOME TAX EXPENSE *(CONTINUED)*

Hong Kong profits tax is calculated at 16.5% (six months ended 30 June 2012: 16.5%) on the estimated assessable profit for the six months ended 30 June 2013. No provision for Hong Kong profits tax has been made as there was no assessable profit arising in, or derived from, Hong Kong during both periods.

Income Tax in Ireland is calculated at 12.5% (six months ended 30 June 2012: 12.5%) on the estimated assessable income for the six months ended 30 June 2013. No provision for Ireland income tax has been made during the six months ended 30 June 2012 as there was no assessable income arising in Ireland.

Income Tax in DRC is calculated at 30% (six months ended 30 June 2012: 30%) on the estimated assessable income for the six months ended 30 June 2013. No provision for DRC income tax has been made during the six months ended 30 June 2012 as there was no assessable income arising in DRC.

Income Tax in Zambia is calculated at 35% (six months ended 30 June 2012: 35%) on the assessable income for the six months ended 30 June 2013, except for that arising from mining activities which is 30% (six months ended 30 June 2012: 30%) on the relevant assessable income.

For both periods, the Group enjoyed the following income tax incentives:

- On 3 April 2009, Chambishi Copper Smelter Limited ("CCS"), a 60% owned subsidiary of the Group, 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 Zambia Income Tax purpose, was 2010.

- On 10 June 2011, Sino-Metal Leach Zambia Limited ("SML"), a 67.75% owned subsidiary of the Group, 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 Zambia Income Tax purpose, was 2008.

In the opinion of the Company's Zambian counsel, pursuant to the Convention between the Republic of Zambia and Ireland for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Tax on Income, distribution of dividends to CNMH, a wholly owned subsidiary of the Company and an investment holding company incorporated under the laws of Ireland, from its Zambian subsidiaries is exempt from withholding tax save for instances where CNMH has a permanent establishment in Zambia. The Directors confirm that CNMH has no permanent establishment in Zambia, and therefore are of the view that no provision for withholding tax on the undistributed profit of the Zambian subsidiaries is required to be made for both periods.

8. INCOME TAX EXPENSE *(CONTINUED)*

Certain dividend income of CNMH from Zambian subsidiaries may be subject to Income Tax in Ireland at 12.5%. As at 30 June 2013, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised was US$12,019,000 (31 December 2012: US$12,547,000). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not be reversed in the foreseeable future.

The tax charge for the period can be reconciled to the profit before tax per the condensed consolidated statement of profit or loss and other comprehensive income as follows:

	Six months ended	
	30 June 2013	30 June 2012
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Profit before tax	**67,981**	99,963
Tax at Profits Tax rate in Hong Kong		
— for operations at 16.5%	**498**	(968)
Tax at Income Tax rate in Ireland		
— for operations at 12.5%	**5,177**	—
Tax at Income Tax rate in DRC		
— for operations at 30%	**3,174**	—
Tax at Income Tax rate in Zambia		
— for operations at 30%	**(179)**	5,726
— for operations at 35%	**20,680**	30,380
	29,350	35,138
Tax effect of expenses not deductible for tax purpose	**7,341**	1,916
Underprovision of Income Tax in Ireland in respect of prior year	**4,848**	—
Tax losses not recognised	**—**	968
Tax effect of income not taxable for tax purpose	**(4,274)**	—
Effect of tax incentives granted to the Group	**(17,723)**	(30,101)
Income tax expense for the period	**19,542**	7,921
Effective tax rate	**28.7%**	7.9%

8. INCOME TAX EXPENSE *(CONTINUED)*

The balances of deferred tax liabilities are as follows:

	At 30 June 2013 **US$'000** **(Unaudited)**	At 31 December 2012 *US$'000* (Audited)
Deferred tax liabilities	**(100,950)**	(93,234)

The following are the major deferred tax balances recognised and movements thereon during the period:

	Property, plant and equipment *US$'000*	**Tax losses** *US$'000*	**Total** *US$'000*
Balance at 1 January 2012 (Audited)	(198,909)	122,620	(76,289)
(Charge) credit to profit or loss	(27,531)	20,115	(7,416)
Balance at 30 June 2012	(226,440)	142,735	(83,705)
Credit (charge) to profit or loss	2,103	(11,632)	(9,529)
Balance at 1 January 2013 (Audited)	(224,337)	131,103	(93,234)
(Charge) credit to profit or loss	(18,344)	10,628	(7,716)
Balance at 30 June 2013	(242,681)	141,731	(100,950)

As at 30 June 2013, the Group has unused tax losses of US$472,437,000 (31 December 2012: US$437,010,000) in respect of the subsidiaries in Zambia available for offset against future profits.

Deferred tax assets of US$141,731,000 have been recognised as at 30 June 2013 in respect of the losses of these subsidiaries in Zambia (31 December 2012: US$131,103,000). Subject to agreement with the Zambia Revenue Authority, the above tax losses of these subsidiaries are available to be carried forward up to a maximum of ten years from the year in which they are incurred for set off against future taxable profits from the same source of those subsidiaries.

9. PROFIT FOR THE PERIOD

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

	Six months ended	
	30 June	30 June
	2013	2012
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	**41,867**	31,362
Staff costs:		
Salaries, wages and welfare (including directors' remuneration)	**41,578**	36,929
Retirement benefit schemes contributions	**7,373**	6,768
Total staff costs	**48,951**	43,697
Less: Amounts included in construction in progress	**(2,731)**	(3,485)
	46,220	40,212
Cost of inventories recognised as an expense	**735,071**	570,255
Minimum lease payments in respect of		
— Land and buildings	**3,508**	3,598
— Machinery and equipment	**—**	8

10. DIVIDENDS

No dividends have been declared in the current interim period (six months ended 30 June 2012: Nil).

The Directors do not recommend the payment of any interim dividend for the six months ended 30 June 2013 (six months ended 30 June 2012: Nil).

11. EARNINGS PER SHARE

	Six months ended	
	30 June 2013 (Unaudited)	30 June 2012 (Unaudited)
Profit for the period attributable to owners of the Company for the purposes of basic and diluted earnings per share *(in US$'000)*	**24,168**	55,444
Weighted average number of shares for the purposes of basic and diluted earnings per share *(in '000)*	**3,489,036**	2,614,341

During the six months ended 30 June 2012, the effect of the over-allotment option on diluted earnings per share is insignificant.

12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June, 2013, the Group acquired property, plant and equipment and incurred construction costs amounting to US$123,663,000 (six months ended 30 June 2012: US$133,257,000).

13. INTEREST IN AN ASSOCIATE

Balance as at 30 June 2013 and 31 December 2012 represented the Group's 30% share of net assets in Huachin Minerals SPRL, a company incorporated in DRC. The associate was inactive and did not have any revenue and results during six months ended 30 June 2013 (six months ended 30 June 2012: nil).

14. FINANCE LEASE RECEIVABLES

The Group has purchased certain machinery and equipment which were leased out under finance leases to a fellow subsidiary. All interest rates inherent in the leases are fixed at the contract date over the lease terms.

	At 30 June 2013	At 31 December 2012
	US$'000	*US$'000*
	(Unaudited)	(Audited)
Analysed as:		
— Current	**10,335**	8,793
— Non-current	**21,124**	27,015
	31,459	35,808

	Minimum lease payments		**Present value of minimum lease payments**	
	30 June 2013	31 December 2012	**30 June 2013**	31 December 2012
	(US$'000)	*(US$'000)*	***(US$'000)***	*(US$'000)*
	(Unaudited)	(Audited)	**(Unaudited)**	(Audited)
Finance lease receivables comprise:				
Within one year	**10,660**	10,660	**10,335**	8,793
In more than one year but not more than two years	**10,660**	10,660	**9,743**	9,327
In more than two years but not more than five years	**13,351**	18,700	**11,381**	17,688
	34,671	40,020	**31,459**	35,808
Less: Unearned finance income	**(3,212)**	(4,212)	**N/A**	N/A
Present value of minimum lease payment receivables	**31,459**	35,808	**31,459**	35,808

Effective interest rates of the above finance leases range from 5.6% to 6.1% per annum for both periods.

The finance leases are not used to pledge as security for any borrowings of the Group. In the event of default by the lessee, the Group has the right to sell the lease assets. At the end of the lease term, the lease assets will be transferred to the fellow subsidiary at nil consideration.

15. INVENTORIES

	At 30 June 2013	At 31 December 2012
	US$'000	*US$'000*
	(Unaudited)	(Audited)
Raw materials	**123,021**	110,781
Spare parts and consumables	**64,682**	52,957
Work in progress	**28,193**	18,442
Finished goods	**115,679**	148,235
	331,575	330,415

16. 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:

	At 30 June 2013	At 31 December 2012
	US$'000	*US$'000*
	(Unaudited)	(Audited)
Within 1 month	**110,445**	108,236
More than 1 month, but less than 3 months	**1,952**	6,652
More than 3 months, but less than 6 months	**1,827**	1,566
More than 6 months, but less than 12 months	**1,722**	1,414
Over 1 year	**166**	2,438
	116,112	120,306

16. TRADE RECEIVABLES *(CONTINUED)*

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.

Included in the Group's trade receivables are balances with the following related parties:

	At 30 June 2013 *US$'000* **(Unaudited)**	At 31 December 2012 *US$'000* (Audited)
Fellow subsidiaries	**79,882**	65,149
Subsidiaries of a non-controlling shareholder of a subsidiary	**7,539**	13,327
	87,421	78,476

The above balances with related parties are unsecured, interest-free and are repayable according to the relevant sales contracts.

17. PREPAYMENTS AND OTHER RECEIVABLES

	At 30 June 2013 *US$'000* **(Unaudited)**	At 31 December 2012 *US$'000* (Audited)
Prepayments for inventories and others	**33,434**	28,985
VAT receivables	**42,545**	19,251
Deposits for futures margin accounts	**4,519**	4,521
Other receivables	**2,985**	7,837
	83,483	60,594

17. PREPAYMENTS AND OTHER RECEIVABLES *(CONTINUED)*

Included in the Group's prepayments and other receivables are balances with the following related parties:

	At 30 June 2013 ***US$'000*** **(Unaudited)**	At 31 December 2012 *US$'000* (Audited)
CNMC and fellow subsidiaries	**15,134**	8,955
Non-controlling shareholder of a subsidiary	**168**	172
	15,302	9,127

The above balances with related parties are unsecured, interest-free and are repayable on demand.

18. TRADE PAYABLES

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

	At 30 June 2013 ***US$'000*** **(Unaudited)**	At 31 December 2012 *US$'000* (Audited)
Within 1 month	**179,649**	117,613
More than 1 month, but less than 3 months	**3,048**	63,202
More than 3 months, but less than 6 months	**506**	8,955
More than 6 months, but less than 12 months	**115**	1,262
Over 1 year	**809**	1,078
	184,127	192,110

The average credit period on purchases of certain goods is within 3 months and most payables are paid within the credit timeframe.

Included in the Group's trade payables are balances with the following related parties:

	At 30 June 2013 ***US$'000*** **(Unaudited)**	At 31 December 2012 *US$'000* (Audited)
CNMC and fellow subsidiaries	**36,862**	29,527

The above balances with related parties are unsecured, interest-free and are repayable on demand.

19. OTHER PAYABLES AND ACCRUED EXPENSES

	At 30 June 2013 *US$'000* (Unaudited)	At 31 December 2012 *US$'000* (Audited)
Receipts in advance from customers	**77,289**	19,202
Accrued expenses	**32,957**	33,991
Payables for property, plant and equipment	**11,682**	17,783
Dividends payable to non-controlling shareholders of subsidiaries	**25,764**	3,150
Other payables	**19,939**	10,211
	167,631	84,337

Included in the Group's other payables and accrued expenses are balances with the following related parties:

	At 30 June 2013 *US$'000* (Unaudited)	At 31 December 2012 *US$'000* (Audited)
CNMC and fellow subsidiaries	**52,684**	47,500
A subsidiary of a non-controlling shareholder of a subsidiary	**29,690**	—
Non-controlling shareholders of subsidiaries	**25,764**	3,150
	108,138	50,650

The above balances with related parties are unsecured, interest-free and are repayable on demand.

20. BANK LOANS

	At 30 June 2013 US$'000 (Unaudited)	At 31 December 2012 US$'000 (Audited)
Bank loans		
— secured *(Note i)*	**170,000**	170,000
— unsecured *(Note ii)*	**618,450**	419,450
	788,450	589,450
Carrying amount repayable:		
Within one year	**61,000**	11,000
More than one year, but not exceeding two years	**115,000**	11,000
More than two year, but not exceeding five years	**335,000**	290,000
More than five years	**277,450**	277,450
	788,450	589,450
Less: Amounts shown under current liabilities	**(61,000)**	(11,000)
	727,450	578,450

Notes:

(i) The bank loans as at 30 June 2013 bore interest at rates varied based on London Interbank Offered Rate ("LIBOR"), ranging from 1.1% to 2.1% per annum (31 December 2012: 1.1% to 2.1% per annum), and are secured by certain restricted bank balances of US$4,150,000 (31 December 2012: US$4,154,000) and are guaranteed by CNMC.

(ii) CNMC had provided guarantees in favor of banks of bank loans of US$378,450,000 (31 December 2012: US$339,450,000) obtained by the Group. Besides, CNMC and a non-controlling shareholder of a subsidiary had provided joint-guarantees in favor of bank for bank loan of US$80,000,000 (31 December 2012: US$80,000,000) obtained by the Group. In addition, a non-controlling shareholder of a subsidiary has provided guarantee in favor of bank loan of US$60,000,000 (31 December 2012: nil) obtained by the Group. The bank loans as at 30 June 2013 bore interest at rates varied based on LIBOR, ranging from 1.83% to 2.92% per annum (31 December 2012: 1.41% to 2.58% per annum).

21. SHARE CAPITAL

	Number of shares		Share capital	
	30 June 2013	31 December 2012	**30 June 2013**	31 December 2012
	('000)	*('000)*	***HK$'000***	*HK$'000*
	(Unaudited)	(Audited)	**(Unaudited)**	(Audited)
Ordinary shares of HK$1.00 each				
Authorised:				
At beginning of the period/year and at end of the period/year	**5,000,000**	5,000,000	**5,000,000**	5,000,000
Issued and fully paid:				
At beginning of the period/year	**3,489,036**	2,600,000	**3,489,036**	2,600,000
Issued pursuant to the global offering	**—**	870,000	**—**	870,000
Issued pursuant to the over-allotment option granted to the international underwriters pursuant to the global offering	**—**	19,036	**—**	19,036
At end of the period/year	**3,489,036**	3,489,036	**3,489,036**	3,489,036

	At 30 June 2013	At 31 December 2012
	US$'000	*US$'000*
	(Unaudited)	(Audited)
Presented in the condensed consolidated financial statements as	**447,901**	447,901

22. COMMITMENTS

(A) Capital Commitments

	At 30 June 2013 *US$'000* (Unaudited)	At 31 December 2012 *US$'000* (Audited)
Capital expenditure contracted for but not provided for in respect of acquisition of property, plant and equipment	**215,041**	245,861
Capital expenditure authorised but not contracted for in respect of acquisition of property, plant and equipment	**1,103,333**	1,117,789

(B) Lease Commitments — the Group As Lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of buildings and properties of CNMC and a fellow subsidiary in the PRC and Zambia for general and ancillary purposes which fall due as follows:

	At 30 June 2013 *US$'000* (Unaudited)	At 31 December 2012 *US$'000* (Audited)
Within one year	**5,890**	6,373
In the second to fifth years inclusive	**—**	3,111
	5,890	9,484

23. RELATED PARTY TRANSACTIONS

Other than the transactions and balances with related parties disclosed elsewhere in these condensed consolidated financial statements, during the period, the Group had the following significant transactions with related parties:

	Notes	**Related parties**	**Six months ended 30 June 2013 US$'000 (Unaudited)**	30 June 2012 *US$'000* (Unaudited)
Sales of:				
— Blister copper	(i)	Fellow subsidiaries	**424,755**	396,356
	(i)	Subsidiaries of a non-controlling shareholder of a subsidiary	**203,913**	176,789
— Copper cathodes	(i)	Fellow subsidiaries	**68,161**	1,119
— Other materials	(i)	A fellow subsidiary	**21**	108
Finance income earned under finance leases	(i)	A fellow subsidiary	**619**	930
Purchases of:				
— Plant and equipment	(i)	Fellow subsidiaries	**17,891**	26,045
— Materials	(i)	Fellow subsidiaries	**27,569**	14,741
— Services	(i)	Fellow subsidiaries	**41,813**	27,741
— Freight and transportation	(i)	A fellow subsidiary	**742**	608
Rental expenses	(i)	CNMC and a fellow subsidiary	**3,276**	3,598
Interest expenses	(ii)	CNMC	**—**	2,416
	(ii)	A non-controlling shareholder of a subsidiary	**—**	194
Guarantee fee expenses	(i)	CNMC	**1,868**	669

Notes:

(i) These transactions were conducted in accordance with terms of the relevant agreements.

(ii) The interest expense arose from unsecured loans from CNMC and a non-controlling shareholder of a subsidiary. These loans were unsecured, bore interest at rates ranging from 2.0% per annum to 7.1% per annum and were fully repaid in 2012.

23. RELATED PARTY TRANSACTIONS *(CONTINUED)*

In addition to the above, during the period, the Group had the following transactions with related parties:

(a) CNMC and a non-controlling shareholder of a subsidiary provided guarantees to banks, at nil consideration, for granting certain unsecured loans to the Group.

(b) The details of remuneration of key management personnel, representing emoluments of the Directors, paid during the period are set out below:

	Six months ended	
	30 June	30 June
	2013	2012
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Salary, bonus and other allowance	**398**	298
Retirement benefit schemes contributions	**23**	18
	421	316

(c) On 1 July 2009, CCS entered into an agreement with Fifteen MCC Africa Construction & Trade Ltd. ("Fifteen MCC Africa"), a fellow subsidiary, (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 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.

24. CONTINGENT LIABILITIES

As at the date of approval of these condensed consolidated financial statements, the Group was the defendant for various claims involving alleged unfair/unlawful termination or breach of employment contracts, wrongful calculation of wages/benefits, compensation for injuries and false imprisonment and defamation.

As at 30 June 2013, the Group has made relevant provision for the potential liabilities of US$300,000 (31 December 2012: US$300,000) which the directors of the Company opined is adequate based on the present assessments of the Group's legal advisers.

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