



中国多金属矿业
CHINA POLYMETALLIC MINING

China Polymetallic Mining Company Limited

中國多金屬礦業有限公司

China Polymetallic Announced Its 2011 Annual Results

[21 March 2012, Hong Kong] **China Polymetallic Mining Company Limited** (“**China Polymetallic**” or the “Company”, together with its subsidiaries, the “Group”) (Stock code: 02133.HK), the largest lead and zinc pure mining company in Yunnan Province of China in terms of resources with abundant and high-grade silver reserves, yesterday announced its annual results for the year ended 31 December 2011 (“the year”).

On 14 December 2011, China Polymetallic was successfully listed on the main board of the Hong Kong Stock Exchange despite the unfavorable global market environment, which signified the milestone of the Company’s development. The successful listing laid a solid foundation for the Company and opened a door for the company to the capital market. For the year ended 31 December 2011, the Group’s revenue amounted to approximately RMB70.2 million. Gross profit amounted to approximately RMB54.0 million with a gross profit margin of around 76.9%. Net profit attributable to owners of the Company for the year before the expensed listing fees and the expense of recognition of equity-settled share-based payment was approximately RMB17.4 million. Total comprehensive loss attributable to owners of the Company for the year was approximately RMB244.3 million, representing a decrease of approximately RMB2.3 million, as compared to approximately RMB246.6 million in loss forecast disclosed in the prospectus of the Company dated 2 December 2011. The board of directors did not recommend the payment of a final dividend for the year.

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Although the global economic condition is still weak and the problem brought by the European debt crisis could not be resolved in short run, China's economy has witnessed a robust growth and keep improving. In addition, with the encouragement of the favorable policies from the "Twelfth Five Year Plan", the Chinese non-ferrous metal industry has been flourishing. Yunnan Province has put in great effort in developing the non-ferrous metal industry and extending the industrial chain through production capacity expansion. It is expected that the demand of ore products will remain strong in the future. Moreover, with the growing momentum of the domestic economy and the non-ferrous metal industry, the price of ore products is expected to maintain a rising trend.

As at 31 December 2011, the Group owns and operates a large-scale, high-grade lead-zinc-silver underground polymetallic mine in Yunnan Province, the Shizishan mine. The Group commenced trial production in the Shizishan mine at the end of July 2011, and started commercial production in October 2011. With our persistent effort in enhancing the mining capacity, the Shizishan mine has increased its mining capacity from 205.0 tonnes per day ("tpd") in August 2011 to 840.0 tpd in December 2011, resulting a total raw ore production of 69.9 kt in 2011. It is expected that the Group's mining capacity will reach 1000.0 tpd in May 2012 and will achieve the full planned mining capacity of 2000.0 tpd in November 2012. Enhancing resources through acquisition has also been one of our main focuses during the year. The Group has obtained an exploration permit for the Dazhupeng mine, a lead-zinc polymetallic mine in Yunnan Province. Besides, the Group has also secured exclusive long-term, low-cost polymetallic raw ore supply from the Lushan mine, a tungsten-tin polymetallic mine in Yunnan province, and entered into a share transfer agreement and an option agreement to acquire the Liziping mine and the Dakuangshan mine respectively, both of which are lead-zinc polymetallic mines in Yunnan province,

On 2 March 2012, the Group has entered into a share transfer agreement with Mr. Xi Wanli to conditionally acquire 90% equity interest in Meng La Chen Feng Mining Development Company Limited, which holds the mining right of the Menghu Mine, for a total consideration of RMB85.5 million. The mine mainly conducts upstream operations in the exploration and mining of primarily high-grade oxidized lead ore. Apart from oxidized lead ore, the Menghu Mine also has huge potential of unexplored sulphurized lead ore resources. Currently, three mining tunnels have been constructed at the Menghu Mine, one of which is conducting mining with a current capacity of approximately 30 tonnes per day. This agreement will provide the Group with an opportunity to increase the polymetallic mine resources and reserves in Yunnan Province and hence expand the Group's revenue and investment return potential.

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Looking ahead, **Mr. Ran Xiaochuan, Chairman and Executive Director of China Polymetallic said**, 'With the continuously growing economy in the PRC and the implementation "Twelfth Five-Year Plan", we believe that the demand for non-ferrous metal and its prices would both increase in 2012. In order to capture the business opportunities brought by the favorable policies from the PRC government, the Group will endeavor to speed up the construction progress of our projects, minimize operating costs, achieve economies of scale and further consolidate the principles on safety and environmental protection by reinforcing the capabilities in operations and management. Besides, we will continue to pursue potential acquisitions to achieve resources and production capacity expansion. We will make every effort to realize significant profit growth in the forthcoming year and we endeavor to generate the highest value for our shareholders.'

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About China Polymetallic Mining Company Limited

China Polymetallic is the largest lead and zinc pure mining company in Yunnan Province in terms of resources with abundant and high-grade silver reserves. It is the first non-ferrous metal pure mining listed company on the Hong Kong Stock Exchange. It currently owns and operates a large-scale, high-grade lead-zinc-silver polymetallic mine in Yunnan Province, the Shizishan Mine. It also owns an exploration permit to the Dazhupeng Mine, a lead-zinc polymetallic mine in Yunnan Province. Moreover, it has secured exclusive long-term, low-cost polymetallic raw ore supply from the Lushan Mine, a tungsten-tin polymetallic mine in Yunnan Province. Besides, it has entered into an agreement to acquire the Liziping Mine, a lead-zinc polymetallic mine in Yunnan Province, and another agreement to acquire the Menghu Mine, a high-grade oxidized lead mine in Yunnan Province. In addition, it has an option to acquire the Dakuangshan Mine, a lead-zinc-silver polymetallic mine in Yunnan Province.

For more information on China Polymetallic, please visit: <http://www.chinapolymetallic.com>.