



中国多金属矿业
CHINA POLYMETALLIC MINING

China Polymetallic Mining Company Limited

Announces Annual Results for Year Ended 31 December 2012

[25 March 2013, Hong Kong] **China Polymetallic Mining Company Limited** (“**China Polymetallic**” or the “**Company**”, together with its subsidiaries, the “**Group**”) (Stock code: 02133.HK), China’s leading private silver, lead and zinc mining company, today announces its annual results for the year ended 31 December 2012 (the “**Year**”).

Financial Highlights

2012 was a record financial year for the Company with significant growth in revenues and profits, reflecting the strong production growth. The Company has a strong balance sheet with RMB327.0 million in cash and cash equivalents making it well placed to continue to develop its quality asset portfolio.

Financial Highlights	For the Year Ended 31 December (RMB'000)		
	2012	2011	Changes
Revenue	477,106	70,180	+5.79 Times
Gross Profit	390,194	53,966	+6.23 Times
Gross Profit Margin	81.78%	76.90%	+4.88 Percentage Points
Total Comprehensive Income/(Loss) Attributable to Owners of the Company	176,984	(244,268)	N/A
Basic and Diluted Earnings/(Loss) Per Share	RMB0.09	RMB(0.21)	N/A

Operational Highlights

2012 has been a transformational year for the Company underpinned by a robust operational performance that has seen a number of key milestones reached and a substantial increase in production working to generate significant revenue growth:

- Achieved full ramp up at Shizishan to 2,000 tonnes per day capacity
- Achieved commercial production at Dakuangshan with full ramp up scheduled for Q3 2013 at a capacity of 600 tonnes per day
- Maintained position as a low cost producer on the global cost curve
- Strong growth in the Group's mineral resource and reserve base through the acquisitions of the Menghu, Dakuangshan and Liziping mines

During the Year, the Group's revenue increased from RMB70.2 million in 2011 to approximately RMB477.1 million, representing year-on-year growth of approximately 5.79 times. The surge in revenue was principally attributed to the continued increase in mining and processing output of the Group in 2012 and the fact that the Group started commercial production in October 2011. The total sales volume of lead-silver concentrates and zinc-silver concentrates were 36,443t and 32,911t, respectively. The total comprehensive income attributable to owners of the Company amounted to approximately RMB177.0 million, against a loss of RMB244.3 million in 2011. The gross profit margin increased from 77% to 82%, representing a year-on-year growth of 4.88 percentage points. The increase in gross profit margin was because the decrease in average unit cost of sales of lead-silver concentrates and zinc-silver concentrates outweighed the decrease in average unit selling price of zinc-silver concentrates.

Mr. Ran Xiaochuan, Chairman and Executive Director of China Polymetallic said:

"The Group made strong progress in its first year since listing, advancing its stated strategy of acquiring mineral resources and enhancing production during the Year. The Shizishan Mine, our flagship operation, successfully achieved ramp-up and met its production target as planned. The newly acquired Dakuangshan Mine also moved into commercial production during the Year. The rapid expansion of production capacity at these two mines enabled the Group to increase access to the lead, zinc and silver markets, capitalize on economies of scale and improve production efficiency. Going forward, the Group will continue to increase its mineral resources and reserves to enhance production capacity as we expect to benefit from government policy which reinforces industry integration and drives the demand for non-ferrous metal resources. By continuing to deliver organic growth, pursuing strategic acquisitions, enhancing production capacity, and leveraging its scale, China Polymetallic will further solidify its leading position in the industry and generate value for our shareholders."

Business Review for Year Ended 31 December 2012

Strategic Asset Acquisitions

The Group made several mineral acquisitions in Yunnan Province during the Year, including the Dakuangshan Mine (a lead-zinc-silver polymetallic mine), the Liziping Mine (a large-scale lead-zinc-silver polymetallic mine), and the Menghu Mine (a high-grade oxidized lead mine). The significant potential scale and high grade nature of the Group's resource base, when combined with achieved operational efficiencies, have created a robust platform from which the Group can capitalize on opportunities to further increase revenues and investment returns.

Achieved Full Ramp-Up of Mining and Processing Capacity

The Group's Shizishan Mine attained the planned full mining capacity of 2,000 tpd by the end of

December 2012. With the expansion of the Group's production volumes, the total raw ore mined during the Year significantly increased by 274.4kt to 344.3kt. Total production of lead-silver concentrate and zinc-silver concentrate significantly increased to 37.6kt and 33.8kt respectively, and correspondingly, production of lead, zinc and silver were also increased to 20.3kt, 16.5kt and 42.8kg, respectively. In line with the current mine plan, mining has initially focused on lower grade areas of the orebody which has allowed the Company to try various mining methods and to fine tune the milling and processing functions. As more of the orebody becomes available, the Company expects to move toward higher grade areas which will bring grade in-line with stated reserves.

Additionally, the Dakuangshan Mine commenced commercial production in early December 2012, and the Company expects this mine to augment overall profitability during the coming year. In December 2012, the Dakuangshan Mine's mined and processed volume of raw ore was approximately 5.3kt and 5.1kt, respectively.

Outlook

The Group is optimistic about the development of China's non-ferrous metals industry for the next ten years. With a particular focus on developing the western region and urbanization, the Chinese government is committed to the development of the country's resource base by facilitating the exploration of non-ferrous metal resources in Yunnan, Xinjiang, Gansu, Qinghai, Tibet, Inner Mongolia and Heilongjiang. This policy provides significant potential for the future development of the Group.

To capture these opportunities, the Group will further maximize operational efficiencies and production volumes through management and technological innovation. Meanwhile, leveraging the Group's position as a consolidation vehicle for the non-ferrous metal resources in Yunnan Province and as a leading and growing producer in China, the Group will remain focused on maintaining the strong momentum generated during the Year and will continue to capitalize on opportunities to further accelerate the growth of the business through both organic and acquisitive means.

- End -

About China Polymetallic Mining Company Limited

China Polymetallic Mining Limited ("China Polymetallic" or "The Company") is China's leading private silver, lead and zinc mining company. China Polymetallic was the first non-ferrous metal Pure Mining Company listed on the Hong Kong Stock Exchange. With a quality portfolio of assets in the ramp-up, development and exploration stages, China Polymetallic controls a growing resource base with large and high-grade reserves. All of the Company's operations are in Yunnan Province, with two large mines currently in production - Shizishan, a large-scale, high-grade silver, lead and zinc mine and the silver, lead and zinc Dakuangshan Mine. The Company is also developing the Liziping Mine, a large-scale lead-zinc project and the Menghu Mine, a high-grade oxidized lead mine. It also owns an exploration permit to the lead-zinc Dazhupeng Mine and has secured an exclusive long-term, low-cost polymetallic raw ore supply from Lushan, a tungsten-tin mine. China Polymetallic will leverage its unique position as a leading Chinese mining company with proximity to key customers to meet demand for silver, lead and zinc while maximizing returns for shareholders.

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