



中国多金属矿业
CHINA POLYMETALLIC MINING

China Polymetallic Mining Limited

Announcement of 2014 Interim Results

[20th August 2014, Hong Kong] **China Polymetallic Mining 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 unaudited interim results for the six months ended 30 June 2014 (the “Review Period”).

During the Review Period, the world economy recovered slowly due to the shift in the global economic landscape and generally more intense competition in the metal industry on a global scale. The currency policies of major economies, trading investment momentum and bulk commodity prices added more uncertainties to the industry. The anticipation of the scaling down of the US quantitative easing policies also cast a shadow over the Asian capital markets in general. On the domestic front, key factors underpinning China’s development have been changing significantly. It was a period of structural adjustment and decelerated growth with the economy facing increasing downward pressure.

China Polymetallic’s revenue for the Review Period amounted to approximately RMB104.4 million, primarily from the sales of lead-silver concentrates and zinc-silver concentrates. The gross profit amounted to approximately RMB61.0 million. The Group’s net profit for the Review Period was approximately RMB27.7 million.

The Board proposed payment of an interim dividend of HK\$0.0035 per share (equivalent to RMB0.0028 per share) for the Review Period.

During the Review Period, two earthquakes with magnitudes of 5.6 and 6.1 hit Yingjiang County where the Shizishan Mine located respectively on 24 May 2014 and 30 May 2014. The earthquakes and their aftershocks damaged the tunnels of the Shizishan Mine, which increased difficulty for safe operation in the mine and continuously hampered mining work. However, mining and production resumed gradually during the Review Period after frequent safety inspections.

Given the above reasons, the total raw ore mined in the Shizishan Mine decreased by

120.5kt, representing a drop of 45.7% as compared to the corresponding period of 2013. The production volume of lead, zinc and silver also dropped by 11,043 kt, 8,007 kt and 26,545 kg respectively, down 71.1%, 67.0% and 73.9% as compared to the corresponding period of 2013.

The decrease in revenue was also driven by the fall in mining and processing output from the Dakuangshan Mine. The Dakuangshan Mine has reached the designed mining and processing capacity of 600 tpd since September 2013. However, the Dakuangshan Mine was unable to operate at full capacity during the Review Period, primarily due to the lack of water supply to generate electricity during the dry season. As a result, electric power supply could merely support one processing production line with a capacity of 300 tpd. Besides, setbacks in tunnel construction led to interruptions of mining transport and a decrease in output.

Due to the aforementioned factors, the volume of the raw ore mined in the Dakuangshan Mine during the Review Period decreased by 17.1 kt, or 49.0% as compared with the corresponding period of 2013, while the volume of the raw ore processed during the Review Period increased by 5.1kt, or 21.4% as compared with the corresponding period of 2013.

Looking forward, the Group is cautiously optimistic about the prospects of the market demand in medium to long term. The Chinese government will focus on promoting and deepening reform, speeding up development transformation and structural adjustments and strengthening the support to new urbanization in the mid-west region of the PRC, which will help promoting the transformation and increasing the demand in the non-ferrous metals industry. The Group will continue to make strenuous efforts in upgrading the production technology and enhancing operation efficiency, with the aim to promoting organic growth and generating better returns for shareholders.

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About China Polymetallic Mining Limited

China Polymetallic Mining Limited (“China Polymetallic” or “The Company”) is one of the leading silver, lead and zinc mining companies in China and was the first company which solely engaged in mining non-ferrous metals to list on the Hong Kong Stock Exchange. With the Shizishan Mine and the Dakuangshan Mine having reached full capacity, the Company continues to develop and explore large and high-grade reserves. With all of our current operations in Yunnan Province, we own and operate the Shizishan Mine, a large-scale and high-grade lead-zinc-silver mine, and the Dakuangshan Mine, a lead-zinc-silver mine. The Company is developing the Liziping Mine, a lead-zinc-silver mine and the Menghu Mine, a lead-zinc mine. The Company also explored the lead-zinc-silver Dazhupeng Mine in a proactive and orderly manner. We have also secured the long-term ore supply from the Lushan Mine, a tungsten-tin mine, at low cost and on an exclusive basis. We will further leverage our unique position as a leading Chinese mining company and close proximity to our key

customers to meet the demand for silver, lead and zinc while maximizing returns for our shareholders.

For more information on China Polymetallic, please visit:

<http://www.chinapolymetallic.com>