



中国多金属矿业
CHINA POLYMETALLIC MINING

China Polymetallic Mining Limited

CHINA POLYMETALLIC MINING LIMITED ANNOUNCES INTERIM RESULTS FOR 2015

[26th Aug. 2015, Hong Kong] **China Polymetallic Mining Limited** (“**China Polymetallic**” or the “**Company**”, together with its subsidiaries, the “**Group**”, **stock code: 2133**), a leading silver, lead and zinc mining company in China, today announces its unaudited interim results for the six months ended 30 June 2015 (the "Review Period").

During the six months ended 30 June 2015, the global economy continued to exhibit mixed growth patterns, with the US enjoying generally good growth and enhanced payroll numbers whilst the Eurozone remained weak despite significant monetary stimulus. Although advancing at a faster rate than the developed countries, the emerging markets continued to experience growth at a level much lower than in the past, resulting in capital outflows and a growing understanding that structural issues existing within many of the economies that are likely to impact future growth rates. In the domestic market, GDP for the first half of 2015 rose by 7.0% year-on-year; however there is downward pressure on economic growth and concern over debt levels that have caused considerable stock market volatility and the need for intervention. Economic challenges have impacted the energy and metals markets for some time and this has not eased in the current reporting period. More particularly, levels of lead production decreased by 3.5% in the Review Period. However, this still resulted in a surplus. Zinc production also fell but more markedly by 10.4%. The second half of 2015 is likely to see a continuation of the challenges for the energy and metals markets. As it is now known that heightened investor concerns have led to market volatility and increasing worry over the ability of many emerging market economies to sustain themselves.

During the Review Period, the Group recorded revenue of approximately RMB 78.3 million, and a gross profit of approximately RMB 42.5million, while gross profit margin was approximately 54.3%. The Group has recorded loss of RMB 6.5 million for the Review Period. As on 30 June 2015, the balance of cash and cash equivalents was approximately RMB 702 million.

The decrease in revenue was mainly due to lower sales volume of lead-silver concentrates and zinc-silver concentrates resulting from the lower raw ore output from the Shizishan Mine. On the other hand, the decrease in the prevailing market prices of lead and silver also results in the decreasing average selling price of lead-silver concentrates. During the Review Period, as the mining work proceeded to the middle part of 1,150 level, the ore body is still fragmented, which slightly improved as compared to the 1,200 level. The total raw ore mined in the Shizishan Mine decreased by 59.5 kt during the Review Period, representing a drop of 41.6% as compared to the corresponding period of 2014. The production volume of lead, zinc and silver also decreased by 1,131 t, 1,099 t and 1,185 kg respectively, representing a decline of 25.2%, 27.8% and 12.6% respectively, as compared to the corresponding period of 2014. The total raw ore mined of the Dakuangshan Mine during the Review Period increased by 8.0 kt or 44.9% as compared with the corresponding period of 2014.

During the Review Period, the Company constantly improved its technological innovation capability of geological research and mining in order to maximize the potential of its current mines. The feed grade of lead, zinc and silver in the Shizishan Mine has increased from 3.8%, 3.5% and 86 g/t of the same period last year to 5.3%, 4.4% and 119.1% g/t respectively. The recovery rate of silver in zinc and lead concentrate was also higher as compared to the corresponding period of 2014.

The management of China Polymetallic said, “With China's economic slowdown and insufficient domestic and foreign demand for non-ferrous metals, in the future, the Group will continue to face challenges and difficulties caused by external factors. There is however some room for cautious optimism. The price of lead may well find support as a result of smelter capacity being reduced due to down time for inspections and maintenance together with demand from the lead storage battery industry. For zinc, the decline in production offers a better opportunity for an improved demand and supply balance and for silver, whilst a strong US dollar weighs down price expectations, there is still a general sense of upward momentum. Looking forward to the second half of 2015, we believe that following the gradual implementation of policies regarding steady growth and structural adjustments by the PRC government, the demand in non-ferrous metals market will improve gradually, thereby fostering a favourable environment for the steady development of the non-ferrous metals industry. As always, we will continue to enhance the Group's project development abilities as well as manufacturing and operational capabilities, ramp up production, optimize cost control, and continuously improve the Group's core competitiveness to achieve sustainable growth and bring better returns for our shareholders. Meanwhile, the Company constantly expands its team and absorbs operating force. With CEO Dr. Li's participation, we are sure to have a bright prospect in the future.”

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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. Through owning the Shizishan Mine and the Dakuangshan Mine which have both reached full capacity, the Company continues to develop and explore large and high-grade resources. Currently, all of our operations are located in Yunnan Province and 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 is also exploring the lead-zinc-silver Dazhupeng Mine in a proactive and orderly manner. We have also secured long-term ore supply from the Lushan Mine, a tungsten-tin mine, at low cost and on an exclusive basis. We will fully leverage our unique position as a leading Chinese mining company and close proximity to our major 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>.

This press release is issued by Porda Havas International Finance Communications Group for and on behalf of **China Polymetallic Mining Limited**.

For further information, please contact:

Porda Havas International Finance Communications Group

Ms. Keely Chan	+852 3150 6760	keely.chan@pordahavas.com
Ms. Susan Chen	+852 3150 6733	susan.chen@pordahavas.com
Ms. Rachel Liu	+852 3150 6767	rachel.liu@pordahavas.com
Ms. Rose Guo	+852 3150 6704	rose.guo@pordahavas.com
Fax:	+852 3150 6728	