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Hunan Nonferrous Metals Corporation Limited*

湖南有色金屬股份有限公司

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2626)

ANNOUNCEMENT

ESTABLISHMENT OF A JOINT VENTURE COMPANY – Hunan Bismuth Industry Co., Ltd. (湖南鈹業有限責任公司)

The Board of the Company would like to announce that on 26 June 2008, a non-wholly owned subsidiary of the Company, Shizhuyuan, established the Joint Venture Company with 5 other independent third parties, namely Beijing Xinhualian Mining Co., Ltd. (北京新華聯礦業有限公司), Hunan Jinwang Industrial Co., Ltd. (湖南金旺實業有限責任公司), Yangshan Province Jiangying Zhen Luzi Kongwenbang Shan Lead and Zinc Mine (陽山縣江英鎮陸仔控溫榜山鉛鋅礦), Yongxian Province Tian Yuan Nonferrous Metals Trading Co., Ltd. (永興縣天源有色金屬貿易有限公司) and Anren Xian Yong Sheng Lead Industry Co., Ltd. (安仁縣永盛鉛業有限公司) in Chenzhou City, Hunan Province (湖南省郴州市), the PRC, with a registered capital of RMB150 millions to develop the mining resources of bismuth in Chenzhou. Shizhuyuan contributed RMB76.5 millions to the registered capital of the Joint Venture Company and owned 51% interest of the Joint Venture Company.

This announcement is made on voluntary basis of the Company.

THE JOINT VENTURE

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INFORMATION OF THE COMPANY AND SHIZHUYUAN

The Company is principally engaged in the mining and smelting of nonferrous metals and is the largest nonferrous metals (excluding aluminum) manufacturer in the PRC.

Shizhuyuan is principally engaged in ore processing, smelting, processing and sale in relation to nonferrous metals and also engaged in the production and sale of the other related products.

REASONS FOR AND BENEFIT OF FORMING THE JOINT VENTURE COMPANY

The mining resources of bismuth are rich in Chenzhou, Hunan Province. The Directors are of the view that by forming the Joint Venture Company, the Company is able to explore the mining resources of bismuth and increase its mining reserves.

To the best knowledge of the directors of the Company, each of the 5 other parties to the Joint Venture Company is independent from and not connected with any of the directors, chief executive and substantial shareholders of the Company or any of its subsidiaries, or any of their respective associates within the meaning of the Listing Rules.

GENERAL

This announcement is made on voluntary basis of the Company.

DEFINITIONS

In this announcement, unless otherwise indicated in the context, the following expressions have the meaning set out below:

“%”	per cent
“Board”	the board of Directors
“Company”	湖南有色金屬股份有限公司 (Hunan Nonferrous Metals Corporation Limited), a joint stock limited company incorporated in the PRC with limited liability
“Director(s)”	the director(s) of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Joint Venture Company”	Hunan Bismuth Industry Co., Ltd. (湖南鈹業有限責任公司), a joint venture company established in the PRC on 26 June 2008 by Shizhuyuan, Beijing Xinhualian Mining Co., Ltd. (北京新華聯礦業有限公司), Hunan Jinwang Industrial Co., Ltd. (湖南金旺實業有限責任公司), Yangshan Province Jiangying Zhen Luzi Kongwenbang Shan Lead and Zinc Mine (陽山縣江英鎮陸仔控溫榜山鉛鋅礦), Yongxian Province Tian Yuan Nonferrous Metals Trading Co., Ltd. (永興縣天源有色金屬貿易有限公司) and Anren Xian Yong Sheng Lead Industry Co., Ltd. (安仁縣永盛鉛業有限公司)
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“PRC”	the People’s Republic of China, but for the purpose of this announcement, excludes Hong Kong, Macau SAR and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shizhuyuan”	Hunan Shizhuyuan Nonferrous Metals Co., Ltd. (湖南柿竹園有色金屬有限責任公司), a limited liability company organized under the laws of the PRC, 97.35% of its equity interest is owned by the Company

As at the date of this announcement, the Board of Directors of the Company comprises Messrs. He Renchun, Li li, Liao Luhai, and Chen Zhixin as executive directors, Messrs. Cao Xiuyun, Wu Longyun, Zhang Yixian, and Yu Jiang as non-executive directors and Messrs. Gu Desheng, Chen Xiaohong, Chan Waidune and Wan Tenlap as independent non-executive directors.

By order of the Board
Hunan Nonferrous Metals Corporation Limited*
He Renchun
Chairman

Changsha, the PRC, 2 July 2008

* *The Company’s English name is for identification purpose only.*