The following is the text of reports, prepared for the purpose of incorporation in this circular, received from the reporting accountants, Deloitte & Touche, Registered Auditors, South Africa.

30 August 2013

The Directors
Jinchuan Group International Resources Co. Ltd

Dear Sirs,

We set out below our report on the consolidated financial information ("Financial Information of the Metorex Group") regarding Metorex (Proprietary) Limited (formerly named Metorex Limited) ("Metorex") and its subsidiaries (hereinafter collectively referred to as the "Metorex Group") for the period from 1 July 2009 to 31 December 2010, for the years ended 31 December 2011 and 31 December 2012 and for the 6 months ended 30 June 2013 (the "Relevant Periods") for inclusion in a circular ("The Circular") issued by Jinchuan Group International Resources Co. Ltd (the "Company") dated 30 August 2013 in connection with, among others, the proposed acquisition of the entire issued share capital of Jin Rui Mining Investment Limited (the "Target Company"), an intermediate holding company of Metorex.

Metorex is a company incorporated in South Africa with limited liability and focuses on base metal mining industry, primarily copper and cobalt production.

Metorex Group was acquired by Jinchuan Group Co., Ltd. ("Jinchuan Group"), a state-owned enterprise established in the People's Republic of China (the "PRC") and a substantial shareholder of Jin Rui Mining Investment Limited, through the making of a public takeover offer in July 2011 and the takeover and privatisation was completed on 16 January 2012 upon which Jinchuan Group acquired the entire issued share capital of Metorex. Prior to the acquisition by Jinchuan Group, Metorex was listed on the Johannesburg Stock Exchange and the London Stock Exchange since December 1999. Metorex was delisted from the London Stock Exchange in March 2009 and delisted from the Johannesburg Stock Exchange in January 2012 as a result of Jinchuan Group's takeover and privatisation of Metorex.

Particulars of the subsidiaries of Metorex are as follows:

Name of subsidiary	Place and date of incorporation	Issued and fully paid-up share capital	Equity interest attributable to the Target Company					Principal activities
			At 31 December			At 30 June	At the date of this report	
			2010	2011	2012	2013		
Abbey Commodities SA ("Abbey") *(note 1)*	British Virgin Islands ("BVI") 12 March 1997	United States Dollar ("US") $50,000	100%	100%	100%	– *(note 2)*	–	Dormant
Chibuluma Mines plc ("Chibuluma plc") *(note 1)*	Republic of Zambia ("Zambia") 25 September 1997	US$50,000	85%	85%	85%	85%	85%	Copper mining
Copper Resources Corporation ("CRC") *(note 1)*	BVI 25 November 2004	US$104,924,166	100%	100%	100%	100%	100%	Investment holding
Kinsenda Copper Company Sarl ("Kinsenda Sarl")	Democratic Republic of the Congo ("DRC") 29 March 2003	US$1,250,000	77%	77%	77%	77%	77%	Copper mining
Maranda Mines (Proprietary) Limited ("Maranda") *(note 1)*	Republic of South Africa ("South Africa") 19 May 1908	South Africa Rand ("ZAR") 103,289,332	100%	100%	100%	100%	100%	In closure
Metorex Copper Corporation (DRC) (Proprietary) Limited ("Metorex Copper Corp") *(note 1)*	South Africa 29 May 2007	ZAR100	100%	100%	100%	100%	100%	Investment holding
Metorex Commercial Services (Proprietary) Limited ("Metorex Commercial Services") *(note 1)*	South Africa 24 August 2011	ZAR100	100%	100%	100%	– *(note 3)*	–	Dormant
Metorex Share Incentive Scheme (Proprietary) Limited ("Metorex Share Incentive Scheme") *(note 1)*	South Africa 2 June 2010	ZAR100	100%	100%	100%	100%	100%	Dormant
O'Okiep Copper Company (Pty) Limited ("OCC") *(note 1)*	South Africa 25 May 1937	ZAR7,000,000	100%	100%	– *(note 4)*	–	–	In closure
Ruashi Holdings (Proprietary) Limited ("Ruashi Holdings") *(note 1)*	South Africa 3 November 2003	ZAR1,000	100%	100%	100%	100%	100%	Investment holding
Ruashi Mining Sprl ("Ruashi Mining")	DRC 1 July 2010	US$12,000,000	75%	75%	75%	75%	75%	Copper and cobalt mining
Sable Zinc Kabwa Limited ("Sable") *(note 1)*	Zambia 20 December 1999	–	100%	100%	– *(note 5)*	–	–	Processing facility – copper/cobalt

Note:

(1) The subsidiary is directly held by Metorex.

(2) Abbey was dormant for the Relevant Periods. It was liquidated and deregistered during the 6 months ended 30 June 2013.

(3) Metorex Commercial Services was dormant for the Relevant Periods. It was deregistered during the 6 months ended 30 June 2013.

(4) Effective 31 December 2012, the Group disposed of its interest in OCC.

(5) During the year ended 31 December 2011, Sable was classified as an asset held-for-sale and subsequently disposed of during the year ended 31 December 2012.

On 4 June 2010, the directors of Metorex resolved to change the reporting period end date of Metorex from 30 June to 31 December because the directors of Metorex determined to bring the annual reporting period end date of Metorex in line with its major operating subsidiary, Ruashi Mining. All companies comprising the Metorex Group have adopted 31 December as their financial year end date.

We have acted as the auditor of Metorex, Maranda, Metorex Copper Corp, and Ruashi Holdings for the Relevant Periods in accordance with the International Financial Reporting Standards ("IFRSs"). Our audit was performed in accordance with International Standards on Auditing.

The statutory audited financial statements of the following subsidiary were audited by the following certified public accountants registered in its respective jurisdiction in accordance with IFRSs.

Name of subsidiary	Financial period	Name of statutory auditor
Chibuluma plc	Year ended 30 June 2010	Deloitte & Touche, Zambia
	6 months ended 31 December 2010	Deloitte & Touche, Zambia
	Year ended 31 December 2011	Deloitte & Touche, Zambia
	Year ended 31 December 2012	Deloitte & Touche, Zambia

No statutory audited financial statements have been prepared for Abbey, CRC, Kinsenda Sarl, Metorex Commercial Services, Metorex Share Incentive Scheme and Ruashi Mining for the Relevant Periods as there are no statutory IFRS audit requirements.

For the purpose of this report, the directors of Metorex have prepared the consolidated financial statements of the Metorex Group for the Relevant Periods in accordance with IFRSs (the "Underlying Financial Statements"). We have undertaken an independent audit of the Underlying Financial Statements in accordance with International Standards on Auditing and have examined the Underlying Financial Statements in accordance with the Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" as recommended by the Hong Kong Institute of Certified Public Accountants.

The Financial Information of the Metorex Group for the Relevant Periods set out in this report has been prepared from the Underlying Financial Statements. No adjustments to the Underlying Financial Statements were deemed necessary by us in preparing our report for inclusion in the Circular except certain additional disclosures in the notes to the Financial Information of the Metorex Group.

The Underlying Financial Statements are the responsibility of the directors of Metorex who approved their issue. The directors of the Company are responsible for the contents of the Circular in which this report is included. It is our responsibility to form an independent opinion on the Financial Information of the Metorex Group and to report our opinion to you.

In our opinion, the Financial Information of the Metorex Group together with the notes thereon, for the purpose of this report, fairly presents of the state of affairs of the Metorex Group as at 31 December 2010, 31 December 2011, 31 December 2012 and 30 June 2013, and of the consolidated results and consolidated cash flows of the Metorex Group for the Relevant Periods.

The comparative consolidated statements of profit or loss and other comprehensive income, cash flows and changes in equity of the Metorex Group for the 6 months ended 30 June 2012, together with the notes thereon have been extracted from the Metorex Group's unaudited consolidated financial information for the same period (the "30 June 2012 Financial Information of the Metorex Group"), which was prepared by the directors of Metorex solely for the purpose of this report. We have reviewed the 30 June 2012 Financial Information of the Metorex Group in accordance with the International Standard of Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". Our review of the 30 June 2012 Financial Information of the Metorex Group consisted of making enquires, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the 30 June 2012 Financial Information of the Metorex Group. Based on our review, nothing has come to our attention that causes us to believe that the 30 June 2012 Financial Information of the Metorex Group is not prepared, in all material respects, in accordance with the accounting policies consistent with those used in the preparation of the Financial Information of the Metorex Group which conform with IFRSs.

A. FINANCIAL INFORMATION OF THE METOREX GROUP

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		18 months ended 31 December	Year ended 31 December		6 months ended 30 June	
		2010	2011	2012	2012	2013
	Notes	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*
					(unaudited)	
CONTINUING OPERATIONS						
Revenue	5	561,404	507,315	408,051	201,287	203,085
Realisation costs		(78,704)	(64,937)	(54,527)	(28,406)	(24,547)
Cost of production	7	(313,362)	(245,292)	(255,818)	(105,072)	(140,851)
Mining profit		169,338	197,086	97,706	67,809	37,687
Interest income	8	3,158	1,132	822	712	231
Other income and expenses	9	31,431	(40,519)	(22,792)	(12,241)	(10,878)
Amortisation of deferred hedge premium		(11,888)	(11,888)	–	–	–
Held for sale assets, net of tax	21	(3,580)	1,521	–	–	–
Finance costs	10	(16,393)	(6,393)	(5,852)	(3,232)	(2,245)
Profit before taxation	11	172,066	140,939	69,884	53,048	24,795
Impairment – Zambian Taxation	13	–	(9,898)	–	–	–
Income tax expense	13	(38,618)	(60,729)	(41,372)	(20,706)	(12,033)
Profit for the period/year from continuing operations		133,448	70,312	28,512	32,342	12,762
DISCONTINUED OPERATIONS						
Discontinued operations – other expenditure	21	(3,174)	(854)	(490)	(734)	(9)
Loss for the period/year from discontinued operations		(3,174)	(854)	(490)	(734)	(9)
Profit for the period/year		130,274	69,458	28,022	31,608	12,753
Other comprehensive (expense) income:						
Items that may be classified subsequently to profit or loss:						
Exchange differences on translation		(126,408)	15,720	(5,007)	1,110	(19,996)
Fair value change on cash flow hedges, net of income tax		(12,021)	35,018	(4,027)	(3,773)	(83)
Other comprehensive (expense) income for the period/year		(138,429)	50,738	(9,034)	(2,663)	(20,079)
Total comprehensive (expense) income for the period/year		(8,155)	120,196	18,988	28,945	(7,326)

	18 months ended 31 December 2010	Year ended 31 December 2011	Year ended 31 December 2012	6 months ended 30 June 2012	6 months ended 30 June 2013
	US$'000	*US$'000*	*US$'000*	*US$'000* (unaudited)	*US$'000*
Profit (loss) for the period/year attributable to owners of Metorex					
– from continuing operations	116,752	51,304	23,152	25,793	7,636
– from discontinued operations	(3,948)	(854)	(490)	(734)	(9)
Profit for the period/year attributable to owners of Metorex	112,804	50,450	22,662	25,059	7,627
Profit for the period/year attributable to non-controlling interests					
– from continuing operations	16,696	19,008	5,360	6,549	5,126
– from discontinued operations	774	–	–	–	–
Profit for the period/year attributable to non-controlling interests	17,470	19,008	5,360	6,549	5,126
	130,274	69,458	28,022	31,608	12,753
Total comprehensive (expense) income attributable to:					
Owners of Metorex	(21,500)	99,951	3,871	15,776	(12,411)
Non-controlling interests	13,345	20,245	15,117	13,169	5,085
	(8,155)	120,196	18,988	28,945	(7,326)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at 31 December			As at 30 June
		2010	2011	2012	2013
	Notes	*US$'000*	*US$'000*	*US$'000*	*US$'000*
Non-current assets					
Property, plant and equipment	15	485,770	535,006	601,000	599,145
Mineral rights and assets	15	191,840	213,440	215,843	236,293
Goodwill	16	1,745	1,745	–	–
Other non-current assets	17	12,352	8,974	29,281	28,909
		691,707	759,165	846,124	864,347
Current assets					
Inventories	18	50,145	52,700	60,053	64,220
Trade and other receivables	19	81,442	80,110	51,205	53,075
Derivative financial instruments	22	–	7,111	34	862
Tax receivable		2,290	1,478	49	–
Bank balances and cash		66,193	72,331	36,580	16,279
		200,070	213,730	147,921	134,436
Assets classified as held for sale	21	6,257	–	–	–
		206,327	213,730	147,921	134,436
Current liabilities					
Trade and other payables	23	62,365	73,285	63,276	61,932
Borrowings	24	52,703	50,203	70,764	84,906
Short-term provisions	25	3,929	2,227	4,828	4,977
Derivative financial instruments	22	48,073	3,734	331	246
Tax payable		4,291	9,296	8,070	5,107
Bank overdrafts		–	2,589	–	–
		171,361	141,334	147,269	157,168
Liabilities associated with assets classified as held for sale	21	11,118	–	–	–
		182,479	141,334	147,269	157,168
Net current assets (liabilities)		23,848	72,396	652	(22,732)
Total assets less current liabilities		715,555	831,561	846,776	841,615

		As at 31 December			As at 30 June
		2010	**2011**	**2012**	**2013**
	Notes	*US$'000*	*US$'000*	*US$'000*	*US$'000*
Non-current liabilities					
Borrowings	24	76,480	49,527	34,818	15,600
Long-term provisions	25	21,802	21,391	19,984	20,040
Deferred tax liabilities	26	86,924	123,120	139,937	162,012
Post-retirement medical aid		302	199	–	–
Derivative financial instruments	22	9,135	–	–	–
		194,643	194,237	194,739	197,652
Net assets		520,912	637,324	652,037	643,963
Capital and reserves					
Share capital	27	15,161	15,217	–	–
Share premium	27	581,985	582,549	–	–
Stated capital	28	–	–	597,766	597,766
Reserves		(92,178)	8,880	11,776	(993)
Equity attributable to owners of Metorex		504,968	606,646	609,542	596,773
Non-controlling interests		15,944	30,678	42,495	47,190
Total equity		520,912	637,324	652,037	643,963

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of Metorex											
	Share capital	Share premium	Stated capital	Translation reserve	Hedging reserve	Equity reserve	Share option reserve	Accumulated (losses) profits	Assets classified as held for sale	Total	Non–controlling interests	Total
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*
At 1 July 2009	11,252	451,418	–	(35,925)	(12,544)	(17,774)	7,211	(17,900)	(22,156)	363,582	69,279	432,861
Profit for the period	–	–	–	–	–	–	–	112,804	–	112,804	17,470	130,274
Other comprehensive (expense) income for the period	–	–	–	(150,477)	(7,896)	–	–	24,069	–	(134,304)	(4,125)	(138,429)
Total comprehensive (expense) income for the period	–	–	–	(150,477)	(7,896)	–	–	136,873	–	(21,500)	13,345	(8,155)
Issue of shares, net of costs	3,935	130,567	–	–	–	–	–	–	–	134,502	–	134,502
Disposal of subsidiaries/assets classified as held for sale	–	–	–	–	–	2,618	(262)	–	22,511	24,867	(65,428)	(40,561)
Share option scheme	(26)	–	–	–	–	–	–	–	–	(26)	–	(26)
Recognition of share-based payments	–	–	–	–	–	–	3,543	–	–	3,543	–	3,543
Dividends paid to non-controlling shareholders of subsidiaries	–	–	–	–	–	–	–	–	–	–	(1,252)	(1,252)
At 31 December 2010	15,161	581,985	–	(186,402)	(20,440)	(15,156)	10,492	118,973	355	504,968	15,944	520,912
Profit for the year	–	–	–	–	–	–	–	50,450	–	50,450	19,008	69,458
Other comprehensive income (expense) for the year	–	–	–	15,720	33,781	–	(8,510)	8,510	–	49,501	1,237	50,738
Total comprehensive income (expense) for the year	–	–	–	15,720	33,781	–	(8,510)	58,960	–	99,951	20,245	120,196
Issue of shares, net of costs	56	564	–	–	–	–	–	–	–	620	–	620
Disposal of subsidiaries/assets classified as held for sale	–	–	–	3,444	–	–	–	–	(355)	3,089	–	3,089
Recognition of share-based payments	–	–	–	–	–	–	(1,982)	–	–	(1,982)	–	(1,982)
Dividends paid to non-controlling shareholders of subsidiaries	–	–	–	–	–	–	–	–	–	–	(5,511)	(5,511)
At 31 December 2011	15,217	582,549	–	(167,238)	13,341	(15,156)	–	177,933	–	606,646	30,678	637,324

	Attributable to owners of Metorex											
	Share capital	Share premium	Stated capital	Translation reserve	Hedging reserve	Equity reserve	Share option reserve	Accumulated (losses) profits	Assets classified as held for sale	Total	Non-controlling interests	Total
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*
At 31 December 2011	15,217	582,549	–	(167,238)	13,341	(15,156)	–	177,933	–	606,646	30,678	637,324
Profit for the year	–	–	–	–	–	–	–	22,662	–	22,662	5,360	28,022
Other comprehensive (expense) income for the year	–	–	–	(5,007)	(13,784)	–	–	–	–	(18,791)	9,757	(9,034)
Total comprehensive (expense) income for the year	–	–	–	(5,007)	(13,784)	–	–	22,662	–	3,871	15,117	18,988
Transfer of share capital, share premium and reserves	(15,217)	(582,549)	597,766	23,917	–	17,151	–	(41,068)	–	–	–	–
Disposal of subsidiaries	–	–	–	(975)	–	–	–	–	–	(975)	–	(975)
Dividends paid to non-controlling shareholders of a subsidiary	–	–	–	–	–	–	–	–	–	–	(3,300)	(3,300)
At 31 December 2012	–	–	597,766	(149,303)	(443)	1,995	–	159,527	–	609,542	42,495	652,037
Profit for the period	–	–	–	–	–	–	–	7,627	–	7,627	5,126	12,753
Other comprehensive expense for the period	–	–	–	(19,996)	(42)	–	–	–	–	(20,038)	(41)	(20,079)
Total comprehensive (expense) income for the period	–	–	–	(19,996)	(42)	–	–	7,627	–	(12,411)	5,085	(7,326)
Elimination upon liquidation of a subsidiary	–	–	–	1,519	–	–	–	(1,877)	–	(358)	–	(358)
Dividend paid to non-controlling shareholders of a subsidiary	–	–	–	–	–	–	–	–	–	–	(390)	(390)
At 30 June 2013	–	–	597,766	(167,780)	(485)	1,995	–	165,277	–	596,773	47,190	643,963

	Attributable to owners of Metorex											
	Share capital	Share premium	Stated capital	Translation reserve	Hedging reserve	Equity reserve	Share option reserve	Accumulated profits	Assets classified as held for sale	Total	Non-controlling interests	Total
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*
At 1 January 2012	15,217	582,549	–	(167,238)	13,341	(15,156)	–	177,933	–	606,646	30,678	637,324
Profit for the period	–	–	–	–	–	–	–	25,059	–	25,059	6,549	31,608
Other comprehensive income (expense) for the period	–	–	–	1,110	(10,393)	–	–	–	–	(9,283)	6,620	(2,663)
Total comprehensive income (expense) for the period	–	–	–	1,110	(10,393)	–	–	25,059	–	15,776	13,169	28,945
Transfer of share capital, share premium and reserves	(15,217)	(582,549)	597,766	(2,358)	–	(625)	–	2,983	–	–	–	–
Dividends paid to non-controlling shareholders of a subsidiary	–	–	–	–	–	–	–	–	–	–	(1,800)	(1,800)
At 30 June 2012 (unaudited)	–	–	597,766	(168,486)	2,948	(15,781)	–	205,975	–	622,422	42,047	664,469

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	18 months ended 31 December 2010 US$'000	Year ended 31 December 2011 US$'000	Year ended 31 December 2012 US$'000	6 months ended 30 June 2012 US$'000 (unaudited)	6 months ended 30 June 2013 US$'000
OPERATING ACTIVITIES						
Cash generated from operations	A	118,774	200,130	123,612	46,312	42,762
Dividends paid		(1,252)	(5,511)	(3,300)	(1,800)	(390)
Taxation paid		(19,543)	(29,510)	(19,419)	(12,196)	(12,680)
Interest income		3,158	1,132	822	712	231
Finance costs		(16,393)	(6,393)	(5,852)	(3,232)	(2,245)
NET CASH FROM OPERATING ACTIVITIES		84,744	159,848	95,863	29,796	27,678
INVESTING ACTIVITIES						
Gross proceeds on disposal of shares in subsidiary/investments		141,836	15,934	–	–	–
Purchase of property, plant and equipment and mineral rights and assets		(131,030)	(130,246)	(115,622)	(41,596)	(43,816)
Movement in assets classified as held for sale/discontinued operations		(19,295)	(5,179)	–	–	–
Decrease (increase) in other non-current assets		–	1,514	(18,562)	(8,923)	372
Proceeds from disposal of property, plant and equipment and mineral rights and assets		–	4	–	–	365
NET CASH USED IN INVESTING ACTIVITIES		(8,489)	(117,973)	(134,184)	(50,519)	(43,079)
FINANCING ACTIVITIES						
Shares issued		134,476	620	–	–	–
Repayment of borrowings		(175,388)	(45,453)	(32,648)	(7,810)	(23,851)
New borrowings raised		–	16,000	38,500	19,744	18,774
NET CASH (USED IN) FROM FINANCING ACTIVITIES		(40,912)	(28,833)	5,852	11,934	(5,077)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		35,343	13,042	(32,469)	(8,789)	(20,478)
Cash and cash equivalents at the beginning of the period/year		2,914	66,193	69,742	69,742	36,580
Effect of foreign exchange rate changes		29,004	(8,571)	(667)	875	177
Disposals of subsidiaries		(1,068)	(922)	(26)	–	–
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD/YEAR	B	66,193	69,742	36,580	61,828	16,279

	18 months ended 31 December 2010 US$'000	Year ended 31 December 2011 US$'000	2012 US$'000	6 months ended 30 June 2012 US$'000 (unaudited)	2013 US$'000
A. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS					
Profit for the period/year	130,274	69,458	28,022	31,608	12,753
Adjustments for:					
Income tax expense	38,618	60,729	41,372	20,706	12,033
Impairment – Zambian Taxation	–	9,898	–	–	–
(Profit) loss for the period/year from subsidiary sold/discontinued operations/assets classified as held for sale/investments	(56,875)	(10,321)	(2,964)	–	3
Amortisation of deferred hedge premium	11,888	11,888	–	–	–
Loss (gain) on disposal of property, plant and equipment and mineral rights and assets	239	25	88	–	(18)
Share option costs	2,973	3,201	–	–	–
Net finance costs	13,235	5,261	5,030	2,520	2,014
Depreciation and amortisation of property, plant and equipment and mineral rights and assets	57,327	43,530	43,267	21,201	21,401
Other non-cash movements	–	–	(45)	(45)	737
Operating cash flows before movements in working capital	197,679	193,669	114,770	75,990	48,923
Increase in inventories	(21,479)	(4,451)	(7,353)	(7,063)	(4,167)
(Increase) decrease in trade and other receivables	(35,318)	(3,925)	26,582	16,120	(1,998)
(Decrease) increase in trade and other payables and provisions	(22,108)	14,837	(10,387)	(38,735)	4
Cash generated from operations	118,774	200,130	123,612	46,312	42,762
B. CASH AND CASH EQUIVALENTS					
Bank balances and cash	66,193	72,331	36,580	61,828	16,279
Bank overdrafts	–	(2,589)	–	–	–
	66,193	69,742	36,580	61,828	16,279

NOTES TO THE FINANCIAL INFORMATION OF THE METOREX GROUP

1. GENERAL AND BASIS OF PRESENTATION OF FINANCIAL INFORMATION OF THE METOREX GROUP

Metorex is a company incorporated in South Africa with limited liability and focuses on base metal mining primarily copper and cobalt production. Metorex's immediate holding company is Newshelf 1124 (Proprietary) Limited, a company incorporated in South Africa, and its ultimate holding company is Jinchuan Group, a company established in the PRC. The address of its registered office and the address of its principal place of business is 5th floor, the Mall Offices, Corner Cradock Avenue and Baker Street, Rosebank, 2196, South Africa.

Jinchuan Group acquired Metorex through a public takeover offer in July 2011. The takeover and privatisation was completed on 16 January 2012, upon which Jinchuan Group acquired the entire issued share capital of Metorex.

The Financial Information of the Metorex Group is presented in US$, which is the functional currency of Metorex.

On 4 June 2010, the directors of Metorex resolved to change the reporting period end date of Metorex from 30 June to 31 December because the directors of Metorex were determined to bring the annual reporting period end date of Metorex in line with its major operating subsidiary, Ruashi Mining. Accordingly, the consolidated statements of profit or loss and other comprehensive income, cash flows and related notes for the period from 1 July 2009 to 31 December 2010 covering 18 months ended 31 December 2010 were presented.

In preparing the Financial Information of the Metorex Group, the directors of the Metorex Group have given careful consideration to the future liquidity of the Metorex Group in light of the net current liabilities of the Metorex Group amounting to US$ 22,732,000 as at 30 June 2013.

The Financial Information of the Metorex Group has been prepared on a going concern basis because the Metorex Group has entered into a financing facility of US$80,000,000 with the China Development Bank Corporation subsequent to 30 June 2013. In addition, the Metorex Group is in the process of renegotiating all facilities with Standard Bank as at the date of this circular. The directors are of the opinion that the Metorex Group is able to meet in full its financial obligation as and when they fall due in the foreseeable future.

2. APPLICATION OF IFRSs

For the purpose of preparing and presenting the Financial Information of the Metorex Group for the Relevant Periods, the Metorex Group has consistently applied the International Accounting Standards ("IAS"s), IFRSs, Amendments and Interpretations ("IFRIC") (hereinafter collectively referred to as the "IFRSs") which are effective for accounting period beginning on 1 January 2013 throughout the Relevant Periods.

At the date of this report, the following IFRSs have been issued but are not yet effective:

Amendments to IFRS 9 and IFRS 7	Mandatory effective date of IFRS 9 and transition disclosures[2]
Amendments to IFRS 10, IFRS 12 and IAS 27	Investment entities[1]
IFRS 9	Financial instruments[2]
Amendments to IAS 32	Offsetting financial assets and financial liabilities[1]
Amendments to IAS 36	Recoverable amount disclosures for non-financial assets[1]
Amendments to IAS 39	Novation of derivatives and continuation of hedge accounting[1]
IFRIC 21	Levies[1]

1 Effective for annual periods beginning on or after 1 January 2014.
2 Effective for annual periods beginning on or after 1 January 2015.

The directors of Metorex anticipate that the application of these IFRSs will have no material impact on the Metorex Group's financial performance and positions.

3. SIGNIFICANT ACCOUNTING POLICIES

The Financial Information of the Metorex Group has been prepared on the historical cost basis except for derivative financial instruments that are measured at fair value in accordance with the accounting policies set out below which conform with IFRSs. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. These policies have been consistently applied throughout the Relevant Periods.

Basis of consolidation

The Financial Information of the Metorex Group incorporates the financial statements of Metorex and entities controlled by Metorex (its subsidiaries). Control is achieved where Metorex (i) has power over the entity, (ii) is exposed, or has rights to variable returns from its involvement with the entity; and (iii) has the ability to use its power to affect its return.

Metorex reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of controls listed date.

Income and expenses of subsidiaries acquired or disposed of during the Relevant Periods are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Metorex Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Metorex Group's equity therein.

Allocation of total comprehensive income to non-controlling interests

Total comprehensive income and expense of a subsidiary is attributed to the owners of Metorex and to the non-controlling interests even if the non-controlling interests having a deficit balance.

Changes in the Metorex Group's ownership interests in existing subsidiaries

When the Metorex Group loses control of a subsidiary, it (i) derecognises the assets and liabilities of the subsidiary at its carrying amounts at the date when control is lost, (ii) derecognises the carrying amount of any non-controlling interests in the former subsidiary at the date when control is lost (including any components of other comprehensive income attributable to them), and (iii) recognises the aggregate of the fair value of the consideration received, with any resulting difference being recognised as a gain or loss in profit or loss attributable to the Metorex Group.

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Metorex Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Metorex Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold in the normal course of business, net of discounts and sales related taxes. Sales are recognised when the product is delivered to the destination specified by the customer or the customer's premises.

For certain sales of minerals, the sales price is determined on a provisional basis at the date of sale, as the final selling price is subject to the grades of copper in the Metorex Group's copper products and movements in market prices up to the date of final pricing, normally 30 and 90 days after initial booking. Revenue on provisionally priced sales is recognised based on the estimated grades of copper in the Metorex Group's copper products and fair value of the total consideration receivable. The revenue adjustment mechanism embedded within provisionally priced sales arrangements has the character of a commodity derivative. Accordingly, the fair value of the final sales price adjustment is re-estimated continuously and changes in fair value are recognised as an adjustment to revenue. In all cases, fair value is estimated by reference to forward market prices.

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Property, plant and equipment and mineral rights

Mining assets

Mining assets, including building and infrastructure, plant, machinery and shafts, and construction in progress, are recorded at cost of acquisition.

Expenditure incurred to develop new ore bodies, to define mineralisation in existing ore bodies, to establish or expand productive capacity and expenditure designed to maintain productive capacities, are capitalised until commercial levels of production are achieved.

Mineral rights

Mineral rights are recorded at cost of acquisition.

Freehold land

Freehold land is shown at cost and is not depreciated.

Gain or loss on disposal or retirement of assets

An item of property, plant and equipment and mineral rights and assets is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment and mineral rights and assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Mine development and deferred waste stripping

Mine development costs are capitalised and amortised based on estimated proved and probable ore resources using the unit of production method (the "UOP"). Mine development costs consist of the establishment of access to deposits, preparation for commercial production including permanent excavations, roads, tunnels and advanced removal of overburden and waste rock.

Stripping costs

Normalised stripping costs that are incurred for the production during the period are recognised as an expense during the period in which they are incurred and are not deferred.

Deferred stripping costs that are incurred on overburden stripping, which provide improved access to ore, are capitalised as mine development costs and subsequently amortised based on estimated proved and probable ore resources using the UOP.

Depreciation of mining assets and mineral rights

Mining rights and assets, including building and infrastructure and plant, machinery and shafts and mineral rights are depreciated to their residual values based on estimated proved and probable ore reserves using the UOP.

Depreciation of non-mining assets

Buildings and other non-mining assets are recorded at cost and depreciated on the straight-line basis over their expected useful lives, which vary between 4 to 10 years.

Impairment

At the end of the reporting period, the Metorex Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Exploration and evaluation assets

Exploration and evaluation assets are recognised at cost on initial recognition. Subsequent to initial recognition, exploration and evaluation assets are stated at cost less any accumulated impairment losses. Costs of exploration are capitalised pending a determination of whether sufficient quantities of potentially mineral reserves have been discovered.

Exploration and evaluation assets include the cost of exploration rights and the expenditures incurred in the search for mineral resources as well as the determination of the technical feasibility and commercial viability of extracting those resources. When the technical feasibility and commercial viability of extracting mineral resources become demonstrable, previously recognised exploration and evaluation assets are reclassified as tangible assets. These assets are assessed for impairment before reclassification.

Impairment of exploration and evaluation assets

The carrying amount of the exploration and evaluation assets is reviewed annually. Impairment test is performed in accordance with IAS 36 "Impairment of assets" whenever one of the following events or changes in circumstances indicate that the carrying amount may not be recoverable (the list is not exhaustive):

- the period for which the Metorex Group has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed.

- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned.

- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Metorex Group has decided to discontinue such activities in the specific area.

- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset exceeds its recoverable amount.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period/year. Taxable profit differs from 'profit before taxation' as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes income and expense that are never taxable nor deductible. The Metorex Group's liability for current tax is calculated using the tax rate that has been enacted or substantially enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Information of the Metorex Group and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Metorex Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Metorex Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at that date.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the Financial Information of the Metorex Group, the assets and liabilities of the foreign operation are translated into the presentation currency of the Metorex Group (i.e. US$) at the rate of exchange prevailing at the end of the reporting period, and their income and expenses are translated at the average exchange rates for the period/year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (the translation reserve).

On the disposal of a foreign operation (i.e. a disposal of the Metorex Group's entire interest in a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of Metorex are reclassified to profit or loss.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Consumable stores and product inventories

Consumable stores are valued at the lower of cost, determined on a weighted average basis, and estimated net realisable value. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Obsolete and slow-moving consumable stores are identified and are written down to their net realisable values. Product inventories are valued at the lower of cost, determined on a weighted average basis, and net realisable value. Costs include direct mining costs and mine overheads.

Retirement benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. Payments made to state-managed schemes are dealt with as defined contribution plans where the Metorex Group's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit plan.

Provisions

Provisions are recognised when the Metorex Group has a legal or constructive obligation resulting from past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using cash flows estimated to settle a present obligation, its carrying amount is the present value of those cash flows.

Provision for rehabilitation and environmental expenditure

Long-term environmental obligations are based on the Metorex Group's environmental plans, in compliance with current environmental and regulatory requirements.

Full provision is made based on the net present value of the estimated cost of restoring the environmental disturbance that has occurred up to the end of the reporting period. Increases due to additional environmental disturbances are capitalised as property, plant and equipment and depreciated based on estimated proved and probable ore reserves using the UOP.

The estimated cost of rehabilitation is reviewed annually and adjusted as appropriate for changes in legislation or technology. Cost estimates are not reduced by the potential proceeds from the sale of assets or from plant clean-up at closure, in view of the uncertainty of estimating the potential future proceeds.

Financial instruments

Financial assets and financial liabilities are recognised on the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

The Metorex Group's financial assets are classified into one of the following categories including financial assets at fair value through profit or loss ("FVTPL") and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of asset within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

Financial assets at fair value through profit or loss

Financial assets at FVTPL has two subcategories, including financial assets held for trading and those designated as at FVTPL on initial recognition.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the Metorex Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Metorex Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms a part of a contract containing one or more embedded derivatives, and IAS 39 "Financial Instruments: Recognition and measurement" permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are measured at fair value, with changes in fair value arising from remeasurement recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets and is included in the other gains, losses and expenses line item in the consolidated statement of profit or loss and other comprehensive income.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables are carried at amortised cost using the effective interest method, less any identified impairment losses.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of the reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial reorganisation.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Metorex Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Metorex Group after deducting all of its liabilities. Equity instruments issued by the Metorex Group are recognised at the proceeds received, net of direct issue costs.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as at FVTPL where the financial liabilities are either held for trading or those designated as FVTPL on initial recognition.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing in the near term; or
- on initial recognition it is a part of portfolio of identified financial instruments that the Metorex Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Metorex Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

- it forms part of a contract containing one or more embedded derivatives, and IAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with gains or losses arising on remeasurement recognised directly in profit or loss in the period in which they arise. The net gain or loss is included in the other gains, losses and expenses line item in the consolidated statement of profit or loss and other comprehensive income.

Other financial liabilities

Other financial liabilities are subsequently measured at amortised cost, using the effective interest method.

Derivative financial instruments and hedging

In the ordinary course of its operations, the Metorex Group may enter into a variety of derivative financial instruments to manage its exposure to commodity prices and foreign exchange rate risk.

Derivatives are initially recognised at fair value at the date when a derivative contract is entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Hedge accounting

The Metorex Group designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of commodity price risk or foreign currency risk, as either fair value hedges or cash flow hedges. Hedges of commodity price risk or foreign exchange risk or firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the Metorex Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Metorex Group documents whether the hedging instrument that is used in a hedging relationship is effective in offsetting changes in fair values or cash flows of the hedged item.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income and accumulated in hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss and is included in the other income and expenses line item in the consolidated statement of profit or loss and other comprehensive income.

Amounts previously recognised in other comprehensive income and accumulated in equity (hedging reserve) are reclassified to profit or loss in the period when the hedged item is recognised in profit or loss in the same line of the consolidated statement of profit or loss and other comprehensive income as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity (hedging reserve) are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the Metorex Group revokes the hedging relationships, the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity (hedging reserve) at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in equity is recognised immediately in profit or loss.

Derecognition

The Metorex Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Metorex Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Metorex Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. If the Metorex Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Metorex Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

The Metorex Group derecognises financial liabilities when, and only when, the Metorex Group's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a liability and released as a reduction of rental expense over the lease term on a straight-line basis.

Equity participation plan

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on the straight-line basis over the vesting period, based on the Metorex Group's estimate of equity instruments that will eventually vest. At each reporting date, the Metorex Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss over the remaining vesting period, with a corresponding adjustment to the equity-settled employee benefits reserve.

Non-current assets held-for-sale

Non-current assets and disposal groups are classified as held-for-sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held-for-sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Metorex Group's accounting policies, which are described in note 3, the directors of Metorex have identified the following judgements and key sources of estimation uncertainty that have significant effect on the amounts recognised in the Financial Information of the Metorex Group.

The key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is disclosed below.

Provision for rehabilitation and environmental expenditure

The provision for rehabilitation and environmental costs has been determined by the directors of Metorex based on their best estimates. The directors of Metorex estimated this liability for final reclamation and mine closure based upon detailed calculations of the amount and timing of future cash flows spending for a third party to perform the required work, escalated for inflation, then discounted at a discount rate that reflects current market assessments of the time value of money, adjusted for inflation and the risks specific to the liability, such that the provision reflects the present value of the expenditures expected to be required to settle the obligation. However, as the effect on the land and the environment from current mining activities becomes apparent in future periods, the estimate of the associated costs may be subject to change in the future. The provision is reviewed regularly to verify that it properly reflects the present value of the obligation arising from the current and past mining activities (see note 25).

Revenue recognition

The Metorex Group produces copper cathodes and copper concentrate. Copper products are sold under provisional pricing arrangements where final grades of copper in copper products are agreed based on third-party examination and final prices are set at a specified date based on market prices. Revenues are recognised when title and risk are passed to the customer using history of grades of copper in copper products based on internal examination statistics and forward prices for the expected date of final settlement. Besides, changes between the prices recorded upon recognition of revenue and the final price due to fluctuations in copper market prices result in the existence of an embedded derivative in trade receivables. This embedded derivative, is recorded at fair value, with changes in fair value classified as a component of revenue.

Mineral reserves

Technical estimates of the Metorex Group's mineral reserves are inherently imprecise and represent only approximate amounts because of the subjective judgements involved in developing such information. There are authoritative guidelines regarding the engineering criteria that have to be met before estimated mineral reserves can be designated as "proved" and "probable". Proved and probable mineral reserves estimates are updated on a regular basis and take into account recent economic production and technical information about each mine. In addition, as production levels and technical standards change from year to year, the estimate of proved and probable mineral reserves also changes. Despite the inherent imprecision in these technical estimates, these estimates are used as the basis for calculation of depreciation of mining assets and mining rights and for assessment of impairment losses as appropriate.

Depreciation of mining assets and mineral rights

Mining assets and mineral rights are depreciated using the UOP. The calculation of the UOP rate of depreciation, and therefore the annual depreciation charge to operations, can fluctuate from initial estimates. This could generally result when there are significant changes in any of the factors or assumptions used in estimating mine reserves, notably changes in the geology of the reserves and assumptions used in determining the economic feasibility of the reserves. Estimates of proved and probable reserves are prepared by experts in extraction, geology and reserve determination. Assessments of UOP rates against the estimated reserve base and operating and development plan are performed regularly. Any change in estimates will increase or decrease the cost of sales for the period in which the changes occur. The carrying amounts of mining assets and mining rights are set out in note 15.

Deferred tax assets

Deferred tax assets are recognised for all temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. Recognition primarily involves judgement regarding the future performance of the particular legal entity or tax group in which the deferred tax asset has been recognised. A variety of other factors are also evaluated in considering whether there is convincing evidence that it is probable that some portion or all of the deferred tax assets will ultimately be realised, such as the amounts of the future taxable profit and tax planning strategies.

Impairment of non-financial assets

The Metorex Group assesses whether there are any indicators of impairment for all non-financial assets at the end of the reporting period. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The calculation of the fair value less costs to sell is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, the management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. As at 31 December 2010, 31 December 2011, 31 December 2012 and 30 June 2013, the carrying amounts of non-current assets (other than unlisted investments, loan receivable and rehabilitation trust fund) are US$679,355,000, US$750,191,000, US$838,588,000 and US$856,996,000, respectively.

Assets held-for-sale and discontinued operations

Management had to make judgement as to which non-current assets and discontinued operations full within the scope of the standard and had to be reclassified and measured in terms of IFRS5 "Non-current assets held-for-sale and discontinued operations" (refer to note 21).

5. REVENUE

Revenue represents revenue arising from sales of goods. An analysis of the Metorex Group's revenue from continuing operations for the Relevant Periods is as follows:

	18 months ended 31 December	**Year ended 31 December**		**6 months ended 30 June**	
	2010	**2011**	**2012**	**2012**	**2013**
	US$'000	*US$'000*	*US$'000*	*US$'000* (unaudited)	*US$'000*
Continuing operations:					
Sales of copper	426,241	411,904	353,691	171,346	178,485
Sales of cobalt	135,163	95,411	54,360	29,941	24,600
	561,404	507,315	408,051	201,287	203,085

6. SEGMENT INFORMATION

IFRS 8 "Operating segments" requires operating segments to be identified on the basis of internal reports about components of the Metorex Group that are regularly reviewed by the chief operating decision maker ("CODM") in order to allocate resources to the segment and assess its performance.

The CODM has been identified as the directors of Metorex and senior management of the Metorex Group. They review the Metorex Group's internal reporting for the purpose of resource allocation and assessment of segment performance.

For the 18 months ended 31 December 2010, the years ended 31 December 2011 and 31 December 2012 and the 6 months ended 30 June 2012 and 30 June 2013, the CODM was provided with internal reports on a site basis for the Metorex Group's mining operations and the reportable and operating segments of the Metorex Group are identified as follows:

- Ruashi Mining
- Chibuluma plc
- Kinsenda Sarl

Segment revenue and results

The following is an analysis of the Metorex Group's revenue and results by operating segments.

For the 18 months ended 31 December 2010

	Ruashi Mining	**Chibuluma plc**	**Kinsenda Sarl**	**Total**
	US$'000	*US$'000*	*US$'000*	*US$'000*
Segment revenue	380,643	180,761	–	561,404
Segment results	84,293	85,045	–	169,338
Unallocated corporate income				68,419
Unallocated corporate expenses				(65,691)
Profit before taxation (continuing operations)				172,066

For the year ended 31 December 2011

	Ruashi Mining	**Chibuluma plc**	**Kinsenda Sarl**	**Total**
	US$'000	*US$'000*	*US$'000*	*US$'000*
Segment revenue	360,700	146,615	–	507,315
Segment results	126,516	70,570	–	197,086
Unallocated corporate income				15,852
Unallocated corporate expenses				(71,999)
Profit before taxation (continuing operations)				140,939

For the year ended 31 December 2012

	Ruashi Mining	Chibuluma plc	Kinsenda Sarl	Total
	US$'000	*US$'000*	*US$'000*	*US$'000*
Segment revenue	265,403	142,648	–	408,051
Segment results	36,852	60,854	–	97,706
Unallocated corporate income				1,885
Unallocated corporate expenses				(29,707)
Profit before taxation (continuing operations)				69,884

For the 6 months ended 30 June 2012 (unaudited)

	Ruashi Mining	Chibuluma plc	Kinsenda Sarl	Total
	US$'000	*US$'000*	*US$'000*	*US$'000*
Segment revenue	131,618	69,669	–	201,287
Segment results	34,941	32,868	–	67,809
Unallocated corporate income				1,611
Unallocated corporate expenses				(16,372)
Profit before taxation (continuing operations)				53,048

For the 6 months ended 30 June 2013

	Ruashi Mining	Chibuluma plc	Kinsenda Sarl	Total
	US$'000	*US$'000*	*US$'000*	*US$'000*
Segment revenue	142,672	60,413	–	203,085
Segment results	14,398	23,289	–	37,687
Unallocated corporate income				297
Unallocated corporate expenses				(13,189)
Profit before taxation (continuing operations)				24,795

Note:

Unallocated corporate income mainly includes gain on disposal of subsidiaries, interest income, exchange gains and other unallocated corporate income.

Unallocated corporate expenses mainly includes royalties, share option expense, finance costs and other unallocated corporate expenses.

The accounting policies of operating segments are the same as the Metorex Group's accounting policies described in note 3. Segment revenue and segment results comprise turnover from external customers and mining profit generated by each segment, respectively.

Segment assets and liabilities

The following is an analysis of the Metorex Group's assets and liabilities by reportable and operating segments:

	Ruashi Mining	**Chibuluma plc**	**Kinsenda Sarl**	**Total**
	US$'000	*US$'000*	*US$'000*	*US$'000*
At 31 December 2010				
Assets				
Segment assets	609,226	144,669	51,906	805,801
Assets classified as held for sale				6,257
Unallocated corporate assets				85,976
Consolidated total assets				898,034
Liabilities				
Segment liabilities	255,304	82,918	5,282	343,504
Liabilities associated with assets classified as held for sale				11,118
Unallocated corporate liabilities				22,500
Consolidated total liabilities				377,122

	Ruashi Mining	**Chibuluma plc**	**Kinsenda Sarl**	**Total**
	US$'000	*US$'000*	*US$'000*	*US$'000*
At 31 December 2011				
Assets				
Segment assets	653,745	155,022	81,799	890,566
Unallocated corporate assets				82,329
Consolidated total assets				972,895
Liabilities				
Segment liabilities	196,754	94,008	2,931	293,693
Unallocated corporate liabilities				41,878
Consolidated total liabilities				335,571

	Ruashi Mining *US$'000*	Chibuluma plc *US$'000*	Kinsenda Sarl *US$'000*	Total *US$'000*
At 31 December 2012				
Assets				
Segment assets	689,898	184,052	108,226	982,176
Unallocated corporate assets				11,869
Consolidated total assets				994,045
Liabilities				
Segment liabilities	251,631	81,879	3,875	337,385
Unallocated corporate liabilities				4,623
Consolidated total liabilities				342,008

	Ruashi Mining *US$'000*	Chibuluma plc *US$'000*	Kinsenda Sarl *US$'000*	Total *US$'000*
At 30 June 2013				
Assets				
Segment assets	698,955	172,411	123,767	995,133
Unallocated corporate assets				3,650
Consolidated total assets				998,783
Liabilities				
Segment liabilities	267,474	64,263	3,679	335,416
Unallocated corporate liabilities				19,404
Consolidated total liabilities				354,820

Note: Segment assets and segment liabilities comprise total assets and total liabilities of each segment, respectively.

Other segment information

	Ruashi Mining	Chibuluma plc	Kinsenda Sarl	Unallocated	Total
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*
For the 18 months ended 31 December 2010					
Amounts included in the measure of segment results and segment assets:					
Addition to non-current assets *(note)*	72,145	31,273	27,508	104	131,030
Depreciation and amortisation of property, plant and equipment and mineral rights and assets	42,231	15,018	–	4,052	61,301
Loss on disposal of property, plant and equipment and mineral rights and assets	169	67	–	3	239
Exploration expenses	1,097	–	5,252	–	6,349

	Ruashi Mining	Chibuluma plc	Kinsenda Sarl	Unallocated	Total
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*
For the year ended 31 December 2011					
Amounts included in the measure of segment results and segment assets:					
Addition to non-current assets *(note)*	79,680	21,396	29,008	162	130,246
Depreciation and amortisation of property, plant and equipment and mineral rights and assets	28,737	14,619	–	174	43,530
Loss on disposal of property, plant and equipment and mineral rights and assets	–	25	–	–	25
Exploration expenses	974	2,162	4,632	–	7,768

	Ruashi Mining	Chibuluma plc	Kinsenda Sarl	Unallocated	Total
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*
For the year ended 31 December 2012					
Amounts included in the measure of segment results and segment assets:					
Addition to non-current assets *(note)*	83,119	17,367	35,774	1,107	137,367
Depreciation and amortisation of property, plant and equipment and mineral rights and assets	26,189	16,900	–	178	43,267
Loss on disposal of property, plant and equipment and mineral rights and assets	83	1	–	4	88
Exploration expenses	2,677	1,586	353	–	4,616

	Ruashi Mining *US$'000*	Chibuluma plc *US$'000*	Kinsenda Sarl *US$'000*	Unallocated *US$'000*	Total *US$'000*
For the 6 months ended 30 June 2012 (unaudited)					
Amounts included in the measure of segment results and segment assets:					
Addition to non-current assets *(note)*	23,786	6,046	11,700	66	41,598
Depreciation and amortisation of property, plant and equipment and mineral rights and assets	11,744	9,280	–	177	21,201
Exploration expenses	329	439	266	–	1,034

	Ruashi Mining *US$'000*	Chibuluma plc *US$'000*	Kinsenda Sarl *US$'000*	Unallocated *US$'000*	Total *US$'000*
For the 6 months ended 30 June 2013					
Amounts included in the measure of segment results and segment assets:					
Addition to non-current assets *(note)*	20,316	7,917	15,541	42	43,816
Depreciation and amortisation of property, plant and equipment and mineral rights and assets	13,775	7,427	–	199	21,401
Gain on disposal of property, plant and equipment and mineral rights and assets	–	18	–	–	18
Exploration expenses	2,770	2,256	6	–	5,032

Note: Non-current assets excludes loans receivable and rehabilitation trust fund.

Geographical information

As at 31 December 2010, 31 December 2011, 31 December 2012 and 30 June 2013, the Metorex Group's non-current assets (excluding loan receivable and rehabilitation trust fund) are located in Africa. The following is an analysis of the Metorex Group's revenue from external customers by geographical location of the customers:

	18 months ended 31 December	Year ended 31 December		6 months ended 30 June	
	2010	2011	2012	2012	2013
	US$'000	*US$'000*	*US$'000*	*US$'000* (unaudited)	*US$'000*
Africa	285,996	273,343	234,667	117,723	102,507
PRC	135,163	95,411	54,360	29,941	24,600
Switzerland	140,245	138,561	119,024	53,623	75,978
	561,404	507,315	408,051	201,287	203,085

Information about major customers

The following is an analysis of revenue from customers of the corresponding year/period contributing over 10% of the total revenue:

	18 months ended 31 December	Year ended 31 December		6 months ended 30 June	
	2010	2011	2012	2012	2013
	US$'000	*US$'000*	*US$'000*	*US$'000* (unaudited)	*US$'000*
Customer A (note a)	180,761	146,615	142,648	69,669	60,413
Customer B (note a)	140,245	138,561	119,024	53,623	75,978
Customer C (note a)	105,235	126,728	92,019	45,786	*
Customer D (note b)	135,163	95,411	54,360	29,941	24,600
Customer E (note a)	–	–	–	–	40,897

Notes:

(a) Revenue from above customers arises from sales of copper.

(b) Revenue from above customer arises from sales of cobalt.

* Amount less than 10% of the total revenue.

7. COST OF PRODUCTION

	18 months ended 31 December 2010 US$'000	Year ended 31 December 2011 US$'000	2012 US$'000	6 months ended 30 June 2012 US$'000 (unaudited)	2013 US$'000
Continuing operations:					
Mining costs	48,301	24,406	27,596	11,610	18,557
Staff costs	43,759	45,145	52,336	20,965	31,249
Processing fee	95,907	71,895	65,861	29,220	44,422
Engineering and technical costs	30,625	26,653	27,159	12,676	12,494
Safety, health, environment and community costs	–	–	1,852	1,331	1,602
Other on-site mining cost *(note)*	37,443	33,663	37,747	8,069	11,126
Depreciation and amortisation of property, plant and equipment and mineral rights and assets	57,327	43,530	43,267	21,201	21,401
	313,362	245,292	255,818	105,072	140,851

Note: Other on-site mining cost includes fuel, consumables and other costs.

8. INTEREST INCOME

	18 months ended 31 December 2010 US$'000	Year ended 31 December 2011 US$'000	2012 US$'000	6 months ended 30 June 2012 US$'000 (unaudited)	2013 US$'000
Continuing operations:					
Bank Interest income	3,158	1,132	822	712	231

9. OTHER INCOME AND EXPENSES

	18 months ended 31 December	Year ended 31 December		6 months ended 30 June	
	2010	2011	2012	2012	2013
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*
				(unaudited)	
Continuing operations:					
(Loss) gain on disposal of property, plant and equipment and mineral rights and assets	(239)	(25)	(88)	–	18
Exchange (losses) gains	(570)	3,232	734	899	48
Gain (loss) on disposal of subsidiaries *(Note 34)*	65,261	9,654	329	–	(3)
Share option expense	(2,973)	(3,201)	–	–	–
Decommissioning expense	(981)	(529)	(924)	(288)	(314)
Royalties	(24,787)	(20,242)	(20,699)	(11,559)	(10,088)
Write off of project expenses for takeover transactions	–	(29,721)	–	–	–
Others	(4,280)	313	(2,144)	(1,293)	(539)
	31,431	(40,519)	(22,792)	(12,241)	(10,878)

10. FINANCE COSTS

	18 months ended 31 December	Year ended 31 December		6 months ended 30 June	
	2010	2011	2012	2012	2013
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*
				(unaudited)	
Continuing operations:					
Interest on borrowings wholly repayable within five years *(note)*	16,393	6,393	5,852	3,232	2,245

Note: Included in the amounts for the year ended 31 December 2012 and for the period ended 30 June 2013 were US$208,000 and US$59,000 relating to interest payable on term loan due to ultimate holding company, respectively.

11. PROFIT BEFORE TAXATION

	18 months ended 31 December	Year ended 31 December		6 months ended 30 June	
	2010	2011	2012	2012	2013
	US$'000	*US$'000*	*US$'000*	*US$'000* (unaudited)	*US$'000*
Continuing operations:					
Profit before taxation has been arrived at after charging:					
Staff costs					
Directors' emoluments *(note 12)*	2,034	1,727	7,630	7,082	872
Other staff costs					
– Salaries and other benefits	37,862	39,706	46,321	17,836	28,068
– Retirement benefits schemes contribution	3,863	3,712	4,463	2,125	2,309
	43,759	45,145	58,414	27,043	31,249
Auditor's remuneration	470	283	197	97	105
Agency and refining charge (included in realisation cost)	10,044	16,667	14,633	7,027	6,916
Depreciation and amortisation of property, plant and equipment and mineral rights and assets	61,301	43,530	43,267	21,201	21,401
Operating lease rentals in respect of equipment, premises and vehicles	1,220	1,045	2,181	214	1,983
Transportation and export clearing costs (included in realisation cost)	68,660	48,270	39,894	21,379	17,631

12. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

(a) Non-executive directors

The remuneration paid to non-executive directors is reflected in the table below:

	18 months ended 31 December	Year ended 31 December		6 months ended 30 June	
	2010	2011	2012	2012	2013
	US$'000	*US$'000*	*US$'000*	*US$'000* (unaudited)	*US$'000*
D Chen	–	–	28	11	16
P Deneen	–	–	18	7	7
J Gao	–	–	18	7	10
T Gao	–	–	18	6	10
X Zhou	–	–	18	7	10
R Still	180	147	–	–	–
A Barrenechea	40	38	–	–	–
H Hickey	14	50	1	–	–
N Hathor	34	42	28	15	10
V Mabuza	43	47	34	17	11
P Molapo	11	48	1	–	–
L Paton	45	51	1	–	–
Total	367	423	165	70	74

(b) Executive directors

The remuneration paid to executive directors is reflected below:

For the 18 months ended 31 December 2010

	Salary	Retirement contributions	Total guaranteed remuneration	Performance incentives(Note)	Other benefits(Note 1)	Total
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*
T Goodlace	605	114	719	261	–	980
M Smith	354	43	397	166	124	687
Total	959	157	1,116	427	124	1,667

For the year ended 31 December 2011

	Salary	Retirement contributions	Total guaranteed remuneration	Performance incentives(Note)	Other benefits(Note 1)	Total
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*
T Goodlace	456	85	541	182	–	723
M Smith	301	36	337	121	123	581
Total	757	121	878	303	123	1,304

For the year ended 31 December 2012

	Salary	Retirement contributions	Total guaranteed remuneration	Performance incentives(Note)	Other benefits(Note 1)	Share based payments	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
M Benfield (Note 2)	148	23	171	8	–	–	179
J Ferreira (Note 3)	284	58	342	45	–	–	387
T Goodlace (Note 4)	244	47	291	82	–	4,653	5,026
M Smith (Note 5)	161	19	180	49	219	1,425	1,873
Total	837	147	984	184	219	6,078	7,465

For the 6 months ended 30 June 2012 (unaudited)

	Salary	Retirement contributions	Total guaranteed remuneration	Performance incentives(Note)	Other benefits(Note 1)	Share based payments	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
M Benfield (Note 6)	22	3	25	–	–	–	25
J Ferreira (Note 7)	73	15	88	–	–	–	88
T Goodlace (Note 4)	244	47	291	82	–	4,653	5,026
M Smith (Note 5)	161	19	180	49	219	1,425	1,873
Total	500	84	584	131	219	6,078	7,012

For the 6 months ended 30 June 2013

	Salary	Retirement contributions	Total guaranteed remuneration	Performance incentives(Note)	Other benefits(Note 1)	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
M Benfield	114	18	132	101	–	233
J Ferreira	191	39	230	335	–	565
Total	305	57	362	436	–	798

Note: The performance incentives are determined with reference to the operating results and individual performance during all years/periods.

Note 1: Other benefits include retention payments.

Note 2: Employed on 1 June 2012, guaranteed remuneration represents 7 months.

Note 3: Employed on 1 May 2012, guaranteed remuneration represents 8 months.

Note 4: Resigned on 30 April 2012, guaranteed remuneration represents 4 months.

Note 5: Resigned on 31 May 2012, guaranteed remuneration represents 5 months.

Note 6: Employed on 1 June 2012, guaranteed remuneration represents 1 month.

Note 7: Employed on 1 May 2012, guaranteed remuneration represents 2 months.

Mr. T Goodlace was appointed chief executive of the Metorex Group with affect from 2 March 2009 to 30 April 2012. Mr. J Ferreira was the chief executive of Metorex Group from 1 May 2012. Their emoluments disclosed above include those for services rendered by them during their appointment as the chief executive.

(c) Employees' emoluments

The five highest paid individuals included 2, 2, 1, 1 and 1 directors of Metorex for the 18 months ended 31 December 2010, the year ended 31 December 2011 and 31 December 2012 and the 6 months ended 30 June 2012 and 30 June 2013, respectively, details of whose emolument are included above. The emoluments of the remaining highest paid individuals during the Relevant Periods were as follows:

	18 months ended 31 December	Year ended 31 December		6 months ended 30 June	
	2010	**2011**	**2012**	**2012**	**2013**
	US$'000	*US$'000*	*US$'000*	*US$'000* (unaudited)	*US$'000*
Salaries and other benefits	1,727	1,307	1,288	759	644
Retirement benefits schemes contributions	76	59	76	40	34
Performance related incentive payments	449	1,076	684	196	216
	2,252	2,442	2,048	995	894

Their emoluments were within the following bands:

	18 months ended 31 December	Year ended 31 December		6 months ended 30 June	
	2010	**2011**	**2012**	**2012**	**2013**
	No. of employees	*No. of employees*	*No. of employees*	*No. of employees* (unaudited)	*No. of employees*
HK$1,000,001 to HK$1,500,000 (equivalent to US$128,205 to equivalent to US$192,308)	–	–	–	–	2
HK$1,500,001 to HK$2,000,000 (equivalent to US$192,309 to equivalent to US$256,410)	–	–	–	3	1
HK$2,500,001 to HK$3,000,000 (equivalent to US$320,513 to equivalent to US$384,615)	–	–	–	1	1
HK$3,000,001 to HK$3,500,000 (equivalent to US$384,616 to equivalent to US$448,177)	–	–	1	–	–
HK$3,500,001 to HK$4,000,000 (equivalent to US$448,178 to equivalent to US$512,821)	–	–	2	–	–
HK$4,500,001 to HK$5,000,000 (equivalent to US$576,923 to equivalent to US$641,026)	1	1	–	–	–
HK$5,000,001 to HK$5,500,000 (equivalent to US$641,027 to equivalent to US$705,128)	–	1	1	–	–
HK$6,000,001 to HK$6,500,000 (equivalent to US$769,231 to equivalent to US$833,333)	1	–	–	–	–
HK$6,500,001 to HK$7,000,000 (equivalent to US$833,334 to equivalent to US$897,436)	1	–	–	–	–
HK$9,000,001 to HK$9,500,000 (equivalent to US$1,153,846 to equivalent to US$1,217,949)	–	1	–	–	–

13. INCOME TAX EXPENSE

	18 months ended 31 December 2010 US$'000	Year ended 31 December 2011 US$'000	Year ended 31 December 2012 US$'000	6 months ended 30 June 2012 US$'000 (unaudited)	6 months ended 30 June 2013 US$'000
Continuing operations:					
The tax charge comprises:					
Corporate income tax in South Africa:					
Current period/year	3,314	–	–	–	–
Prior period/year	(13)	33	49	–	–
	3,301	33	49	–	–
Corporate income tax in other jurisdictions:					
Current period/year	15,843	25,582	22,974	13,069	9,401
Prior period/year	865	(210)	–	–	–
	16,708	25,372	22,974	13,069	9,401
Deferred taxation *(note 26)*					
Current period/year	18,770	27,878	10,556	7,637	2,552
Prior period/year	(161)	7,446	7,793	–	80
	18,609	35,324	18,349	7,637	2,632
	38,618	60,729	41,372	20,706	12,033

The tax charge can be reconciled to profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

	18 months ended 31 December	**Year ended 31 December**		**6 months ended 30 June**	
	2010	**2011**	**2012**	**2012**	**2013**
	US$'000	*US$'000*	*US$'000*	*US$'000* (unaudited)	*US$'000*
Profit before taxation	172,066	140,939	69,884	53,048	24,795
Less: Held-for-sale assets, net of tax	3,580	(1,521)	–	–	–
Profit before taxation – continuing operations	175,646	139,418	69,884	53,048	24,795
Tax charge at the domestic taxation rate of 28%	49,181	39,037	19,568	14,853	6,942
Tax effect of expenses not deductible for tax purposes	2,838	17,976	5,467	2,289	3,735
Underprovision in prior years	691	7,269	7,842	–	80
Foreign exchange gains	–	–	1,024	–	13
Deferred tax assets not recognised	(5,672)	(263)	1,348	858	556
Effect of different tax rates of subsidiaries in other jurisdictions	(8,691)	(3,816)	6,210	2,044	707
Others	271	526	(87)	662	–
Taxation for the period/year – continuing operations	38,618	60,729	41,372	20,706	12,033

Corporate income tax in South Africa and DRC are calculated at 28% and 30% of the estimated assessable profits during the 18 months ended 31 December 2010, years ended 31 December 2011 and 31 December 2012, and 6 months ended 30 June 2012 and 30 June 2013, respectively. Corporate income tax in Zambia is calculated at 30% of the estimated assessable profits during the 18 months ended 31 December 2010. In accordance with the new mining tax regime implemented by the government of Zambia, its corporate income tax is calculated at 42% during the years ended 31 December 2011 and 31 December 2012, and 6 months ended 30 June 2012 and 30 June 2013, respectively.

The Chibuluma plc variable taxes and historic windfall taxes of US$9,898,000 were recorded as a receivable from the Government of the Republic of Zambia ("GRZ") against the taxation account in 2010. Following extensive discussions with the GRZ and other industry players in Zambia, the directors of Metorex resolved to impair the taxation receivable from GRZ amounting to US$9,898,000 during 2011. This receivable related to historic taxes in excess of those permitted under the Chibuluma Development Agreement.

14. (LOSS) EARNINGS PER SHARE

No (loss) earnings per share information is presented as its inclusion, for the purpose of this report, is not considered meaningful.

15. PROPERTY, PLANT AND EQUIPMENT AND MINERAL RIGHTS AND ASSETS

	Freehold land	Buildings and infrastructure	Plant, machinery and shafts	Construction in progress	Mineral rights and assets	Others	Total
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000* *(note)*	*US$'000*
At 1 July 2009, net of accumulated depreciation	953	4,907	65,856	419,123	207,241	34,615	732,695
Additions	5,620	2,728	33,246	46,018	34,581	8,837	131,030
Depreciation and amortisation provided during the period	–	(1,455)	(45,214)	–	(9,123)	(5,509)	(61,301)
Disposals	–	(53)	310	–	–	(11)	246
Transfers	–	5,586	349,846	(354,979)	(5,063)	4,610	–
Transfer to assets classified as held for sale	(951)	(455)	(7,964)	–	(3,983)	(3,071)	(16,424)
Currency realignment	(620)	(841)	(11,385)	(58,936)	(31,813)	(5,041)	(108,636)
At 31 December 2010, net of accumulated depreciation	5,002	10,417	384,695	51,226	191,840	34,430	677,610
At 31 December 2010							
Cost	5,002	17,198	528,407	51,226	466,661	46,098	1,114,592
Accumulated depreciation	–	(6,781)	(143,712)	–	(274,821)	(11,668)	(436,982)
Carrying amount	5,002	10,417	384,695	51,226	191,840	34,430	677,610
At 1 January 2011, net of accumulated depreciation	5,002	10,417	384,695	51,226	191,840	34,430	677,610
Additions	–	553	17,821	81,787	28,878	1,207	130,246
Depreciation and amortisation provided during the year	–	(1,457)	(32,345)	–	(6,217)	(3,511)	(43,530)
Disposals	–	–	–	–	–	(22)	(22)
Transfers	372	6,012	54,067	(40,120)	3,276	(20,170)	3,437
Transfer to assets classified as held for sale	–	(132)	(14,901)	–	(322)	(993)	(16,348)
Currency realignment	–	42	1,195	(2)	(4,015)	(167)	(2,947)
At 31 December 2011, net of accumulated depreciation	5,374	15,435	410,532	92,891	213,440	10,774	748,446
At 31 December 2011							
Cost	5,374	23,763	600,295	92,891	498,850	27,135	1,248,308
Accumulated depreciation	–	(8,328)	(189,763)	–	(285,410)	(16,361)	(499,862)
Carrying amount	5,374	15,435	410,532	92,891	213,440	10,774	748,446

	Freehold land *US$'000*	Buildings and infrastructure *US$'000*	Plant, machinery and shafts *US$'000*	Construction in progress *US$'000*	Mineral rights and assets *US$'000*	Others *US$'000* *(note)*	Total *US$'000*
At 1 January 2012, net of accumulated depreciation	5,374	15,435	410,532	92,891	213,440	10,774	748,446
Additions	–	583	14,330	58,991	40,704	1,014	115,622
Depreciation and amortisation provided during the year	–	(1,564)	(35,023)	–	(4,084)	(2,596)	(43,267)
Disposals	–	–	(17)	–	–	(626)	(643)
Transfers	–	2,924	3,733	(12,259)	(34,217)	40,537	718
Currency realignment	–	(104)	(619)	–	–	(3,310)	(4,033)
At 31 December 2012, net of accumulated depreciation	5,374	17,274	392,936	139,623	215,843	45,793	816,843
At 31 December 2012							
Cost	5,374	24,675	614,625	139,623	539,554	65,778	1,389,629
Accumulated depreciation	–	(7,401)	(221,689)	–	(323,711)	(19,985)	(572,786)
Carrying amount	5,374	17,274	392,936	139,623	215,843	45,793	816,843
At 1 January 2013, net of accumulated depreciation	5,374	17,274	392,936	139,623	215,843	45,793	816,843
Additions	–	182	5,624	19,207	18,217	586	43,816
Depreciation and amortisation provided during the period	–	(793)	(17,213)	–	(2,069)	(1,326)	(21,401)
Disposals	–	(302)	–	–	–	(45)	(347)
Transfers	59	1,627	15,451	(13,184)	6,439	(11,670)	(1,278)
Currency realignment	–	–	–	–	(2,137)	(58)	(2,195)
At 30 June 2013, net of accumulated depreciation	5,433	17,988	396,798	145,646	236,293	33,280	835,438
At 30 June 2013							
Cost	5,433	25,634	602,817	145,646	560,221	43,718	1,383,469
Accumulated depreciation	–	(7,646)	(206,019)	–	(323,928)	(10,438)	(548,031)
Carrying amount	5,433	17,988	396,798	145,646	236,293	33,280	835,438

As at 31 December 2010, 31 December 2011, 31 December 2012 and 30 June 2013, the Metorex Group's property, plant and equipment and mineral rights and assets with carrying value of US$490,871,000, US$545,066,000, US$581,409,000 and US$589,136,000, respectively, were pledged to secure borrowings.

Note: Included in others are exploration and evaluation assets, decommissioning assets, motor vehicles, furniture and fixtures and computer equipment.

16. GOODWILL

	US$'000
COST	
Balances at 1 July 2009, 31 December 2010 and 31 December 2011	1,745
Impairment loss recognised in 2012	(1,745)
Balance at 31 December 2012 and 30 June 2013	–

Goodwill acquired in a business combination is allocated at acquisition to the cash-generating units that are expected to benefit from that business combination.

Management impaired the goodwill during the year ended 31 December 2012 due to the change in cash-generating units as the composition of the Metorex Group was significantly different from when the goodwill arose. The majority of these operations were disposed of in 2012 and the previous years and do not form part of the Metorex Group any longer. Therefore the goodwill related to these cash-generating units was impaired.

17. OTHER NON-CURRENT ASSETS

	As at 31 December			As at
	2010	2011	2012	30 June 2013
	US$'000	US$'000	US$'000	US$'000
Unlisted investments, at cost	2,816	–	–	–
Loan to a DRC state-owned power company *(note a)*	8,572	8,130	7,426	7,258
Royalty prepayment to non-controlling shareholders of subsidiaries	–	–	21,745	21,558
Rehabilitation trust fund *(note b)*	964	844	110	93
	12,352	8,974	29,281	28,909

Notes:

(a) It represents a loan provided to a DRC state-owned power company for the construction and commissioning of a high-voltage powerline and substation in the DRC. The loan carries interest at London Interbank Offered Rate plus 2% per annum. It is unsecured and recoverable over five years commencing from April 2011.

(b) As at 31 December 2010, 31 December 2011, 31 December 2012 and 30 June 2013, the balance of the rehabilitation trust fund, were US$964,000, US$844,000, US$110,000 and US$93,000, respectively. Payments are made to rehabilitation trusts or investment accounts held by banking institutions with the intention of fully funding these liabilities as required by the governments in respective jurisdictions.

18. INVENTORIES

	As at 31 December			As at
	2010	**2011**	**2012**	**30 June 2013**
	US$'000	*US$'000*	*US$'000*	*US$'000*
Consumable stores	31,986	35,776	37,436	39,602
Product inventories	18,159	16,894	22,617	24,618
Others	–	30	–	–
	50,145	52,700	60,053	64,220

As at 31 December 2010, 31 December 2011, 31 December 2012 and 30 June 2013, certain items of inventory amounting to US$1,800,000, US$5,200,000, nil and nil, respectively, were carried at net realisable value.

As at 31 December 2010, 31 December 2011, 31 December 2012 and 30 June 2013, the Metorex Group's inventories of US$41,419,000, US$44,976,000, US$58,336,000 and US$63,082,000, respectively, were pledged to secure borrowings.

19. TRADE AND OTHER RECEIVABLES

	As at 31 December			As at
	2010	**2011**	**2012**	**30 June 2013**
	US$'000	*US$'000*	*US$'000*	*US$'000*
Trade receivables	52,002	21,097	23,379	27,522
Other receivables and prepayments	26,699	56,411	13,853	14,955
Value-added tax recoverable	2,741	2,602	13,973	10,598
	81,442	80,110	51,205	53,075

The following is an aged analysis of trade receivables at the end of the reporting period presented based on invoice date which is approximate to revenue recognition date.

	As at 31 December			As at
	2010	**2011**	**2012**	**30 June 2013**
	US$'000	*US$'000*	*US$'000*	*US$'000*
0 – 30 days	45,714	14,409	21,037	25,521
31 – 60 days	1,557	1,305	1,104	829
61 – 90 days	4,731	5,383	1,238	1,172
	52,002	21,097	23,379	27,522

As at 31 December 2010, 31 December 2011, 31 December 2012 and 30 June 2013, the Metorex Group provided customers a credit period ranging from 15 days to 90 days. Before accepting new customers, the Metorex Group uses a credit bureau to perform a credit assessment to assess the potential customers' credit limit and credit quality.

As at 31 December 2010, 31 December 2011, 31 December 2012 and 30 June 2013, the Metorex Group's trade receivables of approximately US$52,000,000, US$14,000,000, US$15,000,000 and US$13,000,000, respectively, were pledged to secure borrowings.

Included in trade and other receivables at 31 December 2010, 31 December 2011, 31 December 2012 and 30 June 2013 was an amount due from ultimate holding company of nil, US$7,201,000 and US$3,172,000 and US$4,665,000 which was of trade nature. The Metorex Group allowed credit period of 30 days.

There were no trade receivables that are past due as at 31 December 2010, 31 December 2011, 31 December 2012 and 30 June 2013.

20. PLEDGE OF FINANCIAL ASSETS

The following were the Metorex Group's financial assets that were pledged to banks by discounting those receivables on a fully recourse basis. As the Metorex Group has not transferred the significant risk and rewards relating to these receivables, it continues to recognise the full carrying amount of the receivables and has recognised the cash received on the transfer as a secured borrowing. These financial assets are carried at amortised cost in the Metorex Group's consolidated statement of financial position.

	Trade receivables discounted to banks with full recourse			
	As at 31 December			As at
	2010	2011	2012	30 June 2013
	US$'000	*US$'000*	*US$'000*	*US$'000*
Carrying amount of transferred assets	5,173	4,971	4,963	4,964
Carrying amount of associated liabilities	(5,173)	(4,971)	(4,963)	(4,964)
	–	–	–	–

21. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE/DISCONTINUED OPERATIONS

During the 18 months ended 31 December 2010, Consolidated Murchison ("CM") division was classified as assets held for sale and subsequently disposed of during the year ended 31 December 2011. Sable Zinc Kabwe Limited ("Sable") was classified as assets held for sale and disposed of during the year ended 31 December 2011. O'Okiep Copper Company (Proprietary) Limited ("OCC") and Maranda which were classified as discontinued operations during the 18 months ended 31 December 2010, the years ended 31 December 2011 and 31 December 2012, and the 6 months ended 30 June 2013. OCC was disposed of during the year ended 31 December 2012.

The operating results of CM, Sable, OCC and Maranda are detailed below:

	18 months ended 31 December	Year ended 31 December		6 months ended 30 June	
	2010	2011	2012	2012	2013
				(unaudited)	
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*
Revenue	105,983	46,369	–	–	–
Cost of production and realisation cost	(111,181)	(46,296)	–	–	–
Other income, other gains, losses and expenses and finance costs	(436)	1,281	–	–	–
(Loss) profit before taxation	(5,634)	1,354	–	–	–
Income tax credit	2,054	167	–	–	–
(Loss) profit for the period/year for assets classified as held for sale	(3,580)	1,521	–	–	–
Discontinued operations	(3,174)	(854)	(490)	(734)	(9)
(Loss) profit for the period/year	(6,754)	667	(490)	(734)	(9)

The assets and liabilities classified as held for sale of CM and Sable are detailed below:

	As at 31 December			As at
	2010	**2011**	**2012**	**30 June 2013**
	US$'000	*US$'000*	*US$'000*	*US$'000*
Inventories	1,928	–	–	–
Trade and other receivables	4,297	–	–	–
Bank balances and cash	32	–	–	–
Total assets classified as held for sale	6,257	–	–	–
Trade and other payables	5,579	–	–	–
Provisions	5,020	–	–	–
Bank overdrafts	519	–	–	–
Total liabilities associated with assets classified as held for sale	11,118	–	–	–

22. DERIVATIVE FINANCIAL INSTRUMENTS

The Metorex Group may enter into forward contracts in order to hedge their exposure to fluctuations in mineral prices and exchange rates on specific transactions. The contracts are matched with anticipated future cash flows from mineral sales.

Commodity derivative contracts utilised by the Metorex Group are mainly standardised copper futures contracts quoted in London Metal Exchange. The fair value of the commodity derivative contracts represents the difference between the quoted market price of commodity derivative contracts at the end of the reporting period and the quoted price at inception of the contracts. The fair value of the foreign currency swap contracts, which are estimated using valuation provided by the counterparty banks, was insignificant.

Hedge accounting

The Metorex Group utilises commodity derivative contracts to hedge its exposure to variability in cash flows attributable to price fluctuation risk associated with highly probable forecast sales of copper products. The Metorex Group's foreign currency forward contracts have been designated as highly effective hedging instruments in order to manage the Metorex Group's foreign currency exposure in relation to foreign currency denominated monetary items e.g. payable for local purchases. For the purpose of hedge accounting, these hedging transactions of the Metorex Group are classified as cash flow hedge.

At the inception of above hedging relationships, the Metorex Group formally designates and documents the hedge relationship, risk management objective and strategy for undertaking the hedge. The cash flow hedge mentioned above was assessed to be highly effective.

23. TRADE AND OTHER PAYABLES

	As at 31 December			As at
	2010	**2011**	**2012**	**30 June 2013**
	US$'000	*US$'000*	*US$'000*	*US$'000*
Trade payables	46,440	31,142	36,561	31,583
Other payables and accruals	15,925	42,143	26,715	30,349
	62,365	73,285	63,276	61,932

The following is aged analysis of trade payables based on the invoice date at the end of the reporting period.

	As at 31 December			As at
	2010	**2011**	**2012**	**30 June 2013**
	US$'000	*US$'000*	*US$'000*	*US$'000*
0 – 30 days	27,556	27,332	21,980	21,776
31 – 60 days	17,282	10	8,267	9,253
61 – 90 days	99	2,941	2,457	44
Over 90 days	1,503	859	3,857	510
	46,440	31,142	36,561	31,583

As at 31 December 2010, 31 December 2011, 31 December 2012 and 30 June 2013, the credit period on purchases of goods ranged from 30 days to 60 days.

Included in other payables and accruals are accruals for freight charges and export clearing charges, and other general operational related payables.

24. BORROWINGS

	As at 31 December			As at
	2010	**2011**	**2012**	**30 June 2013**
	US$'000	*US$'000*	*US$'000*	*US$'000*
Term loans *(note)*	124,010	94,759	100,619	95,542
Instalment finance and invoice discounting facility	5,173	4,971	4,963	4,964
	129,183	99,730	105,582	100,506

As at 31 December 2010, 31 December 2011, 31 December 2012 and 30 June 2013, borrowings amounted to US$129,183,000, US$99,730,000, US$73,566,000 and US$51,977,000, respectively, are secured by the assets of the Metorex Group. The remaining nil, nil, US$32,016,000 and US$48,529,000, respectively are borrowed by the subsidiaries of the Metorex and are guaranteed by Metorex.

The Metorex Group's borrowings are repayable as follows:

	As at 31 December			As at
	2010	**2011**	**2012**	**30 June 2013**
	US$'000	*US$'000*	*US$'000*	*US$'000*
Within one year	52,703	50,203	70,764	84,906
More than one year, but not exceeding two years	31,001	30,527	22,818	7,200
More than two years, but not exceeding five years	45,479	19,000	12,000	8,400
	129,183	99,730	105,582	100,506
Less: Amount due within one year shown under current liabilities	(52,703)	(50,203)	(70,764)	(84,906)
Amount due after one year shown as non-current liabilities	76,480	49,527	34,818	15,600

As at 31 December 2010, 31 December 2011, 31 December 2012 and 30 June 2013, all the outstanding borrowings are denominated in US$.

Note: As at 31 December 2010, 31 December 2011, 31 December 2012 and 30 June 2013, term loan due to Jinchuan Group Co., Ltd and Jinchuan HK, included above amounted to nil, US$6,597,000, US$3,174,000 and US$10,341,000, respectively. Jinchuan Group Co., Ltd is the ultimate holding company of the Metorex Group as at 31 December 2012 and 30 June 2013. The term loans carried at effective interest rate of 4.68% during the year ended 31 December 2012, and at effective interest rate ranged from 3.25% to 4.68% during the period ended 30 June 2013. The term loans are repayable within one year.

25. PROVISIONS

	As at 31 December 2010	2011	2012	As at 30 June 2013
	US$'000	*US$'000*	*US$'000*	*US$'000*
Long-term provisions				
Rehabilitation and environmental provision *(note)*	21,386	21,391	19,984	20,040
Others	416	–	–	–
	21,802	21,391	19,984	20,040
Short-term provisions				
Terminal benefits	256	48	92	74
Rehabilitation and environmental provision *(note)*	1,045	930	982	982
Leave pay and bonus	1,074	1,105	3,754	3,921
Others	1,554	144	–	–
	3,929	2,227	4,828	4,977
	25,731	23,618	24,812	25,017

	18 Months ended 31 December 2010	Year ended 31 December 2011	2012	As at 30 June 2013
	US$'000	*US$'000*	*US$'000*	*US$'000*
At beginning of the period/year	32,510	25,731	23,618	24,812
Transfer from assets classified as held for sale	712	–	–	–
Utilised during the period/year	(7,941)	(1,875)	(852)	(2,040)
Released during the period/year	(1,272)	(203)	(136)	(116)
Provided during the period/year	6,612	940	5,785	2,721
Disposal of a subsidiary	–	–	(3,334)	–
Currency realignment	(4,890)	(975)	(269)	(360)
At end of the period/year	25,731	23,618	24,812	25,017

Note: The Metorex Group is exposed to environmental liabilities relating to its mining operations. Estimates of the cost of environmental and other remedial work such as reclamation costs, close-down and restoration and pollution control are made on an annual basis, based on the estimated life of the mines.

Rehabilitation and environmental provisions classified as short-term represent the amount estimated to be settled within one year as at the end of the reporting period.

26. DEFERRED TAX

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	As at 31 December			As at
	2010	**2011**	**2012**	**30 June 2013**
	US$'000	*US$'000*	*US$'000*	*US$'000*
Deferred tax assets	(66,468)	(37,736)	(17,682)	(21,547)
Deferred tax liabilities	153,392	160,856	157,619	183,559
	86,924	123,120	139,937	162,012

	As at 31 December			As at
	2010	**2011**	**2012**	**30 June 2013**
	US$'000	*US$'000*	*US$'000*	*US$'000*
Deferred tax liabilities				
Recognised directly in profit or loss:				
Property, plant and equipment and mineral rights and other assets	136,415	146,979	150,825	148,771
Leave pay provision	(387)	(160)	(204)	(256)
Other provisions	(3,251)	(3,298)	(1,034)	(3,960)
Foreign exchange	(682)	(10,937)	(4,851)	34,545
Assessable tax losses	(62,148)	(23,341)	(11,593)	(17,331)
Other	15,037	11,712	6,794	243
Recognised directly in other comprehensive income:				
Other	1,940	2,165	–	–
Net deferred tax liabilities	86,924	123,120	139,937	162,012
Reconciliation of deferred tax liabilities				
Net deferred tax liabilities at the beginning of the period/year	71,106	86,924	123,120	139,937
Deferred tax charge for the period/year	18,609	35,324	18,349	2,632
Deferred tax charge for the period – other comprehensive income	–	–	3,758	19,549
Currency realignment	(1,539)	(895)	(2,255)	(748)
Disposals of subsidiaries	(3,193)	(4,626)	–	–
Deferred tax raised (released) on additional mineral rights and other assets	1,941	6,393	(3,035)	642
Net deferred tax liabilities at the end of the period	86,924	123,120	139,937	162,012
Deferred tax asset not recognised				
Property, plant and equipment and mineral rights and other assets	27,835	21,637	26,690	20,804
Assessable losses	1,069	1,087	71	1,538
	28,904	22,724	26,761	22,342
The following table shows the movement in the unrecognised deferred tax asset for the period:				
Opening balance	30,883	28,904	22,724	26,761
Net unrecognised deferred tax asset during the current year/period	(1,979)	(6,180)	4,037	(4,419)
Closing balance	28,904	22,724	26,761	22,342

As at 31 December 2010, 31 December 2011, 31 December 2012 and 30 June 2013, the Metorex Group has deductible temporary differences in respect of property, plant and equipment and mineral rights and other assets and tax losses of approximately US$28,904,000, US$23,724,000, US$26,761,000 and US$22,342,000, respectively. No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

27. SHARE CAPITAL AND SHARE PREMIUM

	As at 31 December			As at 30 June	As at 31 December			As at 30 June
	2010	2011	2012	2013	2010	2011	2012	2013
	Number of ordinary shares of ZAR0.1 each				*US$'000*	*US$'000*	*US$'000*	*US$'000*
SHARE CAPITAL								
Authorised:								
Balances at the beginning of the period/year	1,500,000,000	1,500,000,000	1,500,000,000	–	22,729	22,729	22,729	–
Converted to stated capital	–	–	(1,500,000,000)	–	–	–	(22,729)	–
Balances at the end of the period/year	1,500,000,000	1,500,000,000	–	–	22,729	22,729	–	–
Issued and fully paid:								
Balances at the beginning of the period/year	742,538,403	1,002,263,403	1,004,263,403	–	11,252	15,161	15,217	–
Issue of shares	259,725,000	2,000,000	–	–	3,935	56	–	–
Converted to stated capital	–	–	(1,004,263,403)	–	–	–	(15,217)	–
Balances at the end of the period/year	1,002,263,403	1,004,263,403	–	–	15,187	15,217	–	–
Treasury shares					(26)	–	–	–
					15,161	15,217	–	–
SHARE PREMIUM								
Balance at the beginning of the period/year					451,418	581,985	582,549	–
Issue of shares, net of costs					130,567	564	–	–
Transfers					–	–	(582,549)	–
Balance at the end of the period/year					581,985	582,549	–	–

28. STATED CAPITAL

During the year ended 31 December 2012, Metorex was delisted from the Johannesburg Stock Exchange and converted into a private company. A new memorandum of incorporation was lodged and the share capital and share premium was converted to stated capital.

29. FINANCIAL INSTRUMENTS

Capital risk management

The Metorex Group manages its capital to ensure that it will be able to continue as a going concern with the ultimate objective of maximising the return to stakeholders through the optimisation of the debt and equity balance. The Metorex Group is in a growth phase and strategically aims at rightsizing the scope of new projects to its financial means through a risk-based approach.

The capital structure of the Metorex Group consists of debt, which includes borrowings, cash and cash equivalents and equity, comprising share capital, stated capital, share premium, reserves, and accumulated profits as disclosed in the consolidated statements of changes in equity.

The management regularly reviews the capital structure of the Metorex Group.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Metorex Group. The Metorex Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as means of mitigating the risk.

The Metorex Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the consolidated statements of financial position are net of allowances for doubtful receivables, estimated by the management based on the current economic environment.

The Metorex Group's copper and cobalt sales are allocated between four customers, all of whom have a good track record with respect to settling invoices within the agreed terms.

The credit risk on liquid funds is limited because the counterparties are recognised banking institutions with high credit ratings.

The Metorex Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Metorex Group defines counterparties as having similar characteristics if they are related entities.

Currency and commodity price risk

The Metorex Group may enter into forward contracts in order to hedge their exposure to fluctuations in mineral prices and exchange rates on specific transactions. The contracts are matched with anticipated future cash flows from mineral sales.

Metorex Group has foreign currency denominated monetary assets and liabilities at the end of the reporting period. No sensitivity analysis on foreign currency exposure is presented as the effect is not material.

Interest rate and liquidity risk

Fluctuations in interest rates impact the value of short-term investment and financing activities, giving rise to interest rate risk.

In the ordinary course of business, the Metorex Group receives cash proceeds from its operations and is required to fund working capital and capital expenditure requirements. The cash is managed to ensure that surplus funds are invested to maximise returns whilst ensuring that capital is safeguarded to the maximum extent by only investing with reputable financial institutions.

Contractual arrangements for committed borrowing facilities are maintained with several banking counterparties to meet the Metorex Group's normal and contingency funding.

Interest rate risk

The Metorex Group is exposed to interest rate risk as entities within the Metorex Group borrow funds at both fixed and floating interest rates.

Interest rate sensitivity analysis

The sensitivity analysis has been determined based on the exposure to interest rates at the end of the reporting period. The effect of the interest rate exposure of the Metorex Group on the consolidated statements of profit or loss and other comprehensive income is not material.

Liquidity risk

Ultimate responsibility for liquidity risk management rests with Metorex's board of directors, which has built an appropriate 12-month rolling monthly cash flow forecast model for the management's short-term funding and liquidity requirements linked to a commodity price sensitivity matrix. The Metorex Group manages liquidity risk by seeking to generate adequate reserves, banking facilities and reserve borrowings facilities, by continually monitoring forecast and actual cash flows and matching maturity profiles of financial assets and liabilities.

The Metorex Group has access to financing facilities. The Metorex Group expects to meet its financial obligations from operating cash flows and proceeds from maturing financial assets.

The following table indicates the Metorex Group's remaining contractual maturity from its non-derivative financial liabilities:

	Weighted average interest rate	Less than 12 months	1-5 years	Total
	%	*US$'000*	*US$'000*	*US$'000*
As at 31 December 2010				
Trade payables	–	46,440	–	46,440
Short-term borrowings	3.1	52,703	–	52,703
Long-term borrowings	2.7	–	76,480	76,480
As at 31 December 2011				
Trade payables	–	31,142	–	31,142
Short-term borrowings	2.9	50,203	–	50,203
Long-term borrowings	2.6	–	49,527	49,527
As at 31 December 2012				
Trade payables	–	36,561	–	36,561
Short-term borrowings	3.2	70,764	–	70,764
Long-term borrowings	3.8	–	34,818	34,818
As at 30 June 2013				
Trade payables	–	31,583	–	31,583
Short-term borrowings	2.9	84,906	–	84,906
Long-term borrowings	4.5	–	15,600	15,600

Fair value measurements of financial instruments

The fair value of financial assets and financial liabilities other than derivative financial instruments is determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The fair values of derivative financial instruments are measured at fair value by reference to the valuation provided by counterparty financial institutions for these instruments.

The directors of the Metorex Company consider that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the Financial Information approximate to their far values.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities.

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers between Levels 1, 2 and 3 during the Relevant Periods.

The fair value of commodity derivative contracts as at 31 December 2010, 31 December 2011, 31 December 2012 and 30 June 2013 are liability of US$53,805,000, asset of US$3,376,000, liability of US$331,000 and asset of US$862,000, respectively, determined by those derived by the forward rate (from observable forward rates in active market at the end of the reporting period)

The valuation of all commodity derivative contracts are classified in level 1 of the fair value hierarchy with the fair value derived from quoted price (unadjusted) in active market for identifiable assets or liabilities.

The fair value of foreign currency forward contracts as at 31 December 2010, 31 December 2011, 31 December 2012 and 30 June 2013 are liability of US$3,403,000, nil, asset of US$ 34,000 and liability of US$246,000, respectively, determined by discounted cash flow that future cash flow are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and forward contracted forward rates, discounted at a rate that reflects the credit risk of various counterparties.

The valuation of all foreign currency forward contracts are classified in level 2 of the fair value hierarchy with the fair value derived from inputs other than quoted prices that are observable for the asset or liability,either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Except as detailed above, the directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost approximate to their fair values.

Commodity derivative contracts and foreign currency forward contracts are measured at fair value subsequent to initial recognition and grouped into Level 1 and Level 2, respectively.

30. LEASE COMMITMENTS

At the end of the reporting period, the Metorex Group was committed to make the following future minimum lease payments under non-cancellable operating leases which fall due as follows:

	As at 31 December			As at
	2010	**2011**	**2012**	**30 June 2013**
	US$'000	*US$'000*	*US$'000*	*US$'000*
Within one year	686	313	2,465	2,451
In the second to fifth years inclusive	2,357	1,597	2,230	2,224
	3,043	1,910	4,695	4,675

Operating lease payments represent rental payable by the Metorex Group for certain of its equipment, premises and vehicles. Lease is negotiated and rental is fixed originally for a lease term ranging from one to five years.

31. COMMITMENTS

	As at 31 December			As at
	2010	**2011**	**2012**	**30 June 2013**
	US$'000	*US$'000*	*US$'000*	*US$'000*
Capital expenditure in respect of property, plant and equipment and mineral rights and assets				
– authorised but not contracted for	44,936	18,249	9,005	221,882
– contracted for but not provided	2,659	1,800	5,540	38,691
	47,595	20,049	14,545	260,573

Capital commitments mainly relate to projects at Ruashi and Kinsenda. The Kinsenda Project will be funded by a combination of the utilisation of the US$80,000,000 Chinese Development Bank facility as well as a project finance facility and the possibility of a capital raising.

32. SHARE-BASE PAYMENTS

The Metorex Group had a share incentive scheme for eligible employees of the Metorex Group. Options were offered at a price equal to the average quoted market price of Metorex's shares on the trading day preceding the offer date. The vesting period was between one and five years and exercise was subject to the approval from Metorex's board of directors. Options lapsed if not exercised within 10 years of the option date. Options were forfeited if the employee leaves the Metorex Group on account of resignation or dismissal.

Details of the share options outstanding during the period/year are:

	As at 31 December						As at 30 June	
	2010		2011		2012		2013	
	Number of share options	Weighted average exercise price *ZAR*	Number of share options	Weighted average exercise price *ZAR*	Number of share options	Weighted average exercise price *ZAR*	Number of share options	Weighted average exercise price *ZAR*
Outstanding at the beginning of the period/year	33,909,750	3.22	33,871,100	2.82	28,996,850	3.04	–	–
Granted during the period/year	11,342,000	4.07	–	–	–	–	–	–
Options amended, cancelled, lapsed	(4,622,250)	6.44	(2,524,150)	1.45	–	–	–	–
Exercised during the period/year	(6,758,400)	4.17	(2,350,100)	1.68	–	–	–	–
Settled during the period/year	–	–	–	–	(28,996,850)	N/A	–	N/A
Outstanding at the end of the period/year	33,871,100	2.82	28,996,850	3.04	–	–	–	–
Exercisable at the end of the period/year	7,776,050		11,909,550		–		–	

During the Relevant Periods, the weighted average share price at the date of exercise for share options was exercised ZAR3.92, ZAR6.99, nil and nil, respectively.

Options were exercisable between one and nine years.

All share options were settled when the Jinchuan acquisition transaction became effective in January 2012 and the company de-listed from the Johannesburg Stock Exchange.

The fair values were calculated using the American binomial option-pricing model. The inputs into the model were as follows:

	As at 31 December			As at
	2010	2011	2012	30 June 2013
Weighted average share price	ZAR2.79	ZAR3.01	–	–
Weighted average exercise price	ZAR2.82	ZAR3.04	–	–
Expected volatility	41%-64%	41%-64%	N/A	N/A
Expected life	2-5 years	2-5 years	N/A	N/A
Risk-free rate	8.2%-8.9%	8.2%-8.9%	N/A	N/A
Expected dividend yield	2.5%-4.6%	2.5%-4.6%	N/A	N/A

Excepted volatility was determined by calculating the historical volatility of Metorex's share price over the previous eight years. The expected life used in the model has been adjusted, based on the management's best estimate, for the effects of non-transferability, exercise restrictions and behaviour considerations.

The Metorex Group recognised total expenses of US$3 million, US$3 million, nil, nil and nil for the 18 months ended 31 December 2010, the years ended 31 December 2011 and 31 December 2012 and the 6 months ended 30 June 2012 and 30 June 2013 related to equity-settled share-based payment transactions, respectively.

33. RETIREMENT BENEFIT INFORMATION

Contributions are made by the South African companies to independent pension and provident funds which are defined contribution retirement benefit plans governed by the Pension Funds Act, 1956. All eligible employees are required to become members of these schemes.

DRC employees contribute to the DRC National Social Security Fund in accordance with applicable labour laws. All eligible Zambian employees are required to join and contribute to an external pension fund, African Life. Both funds are defined contribution retirement benefits plan.

The assets of the schemes are held separately from those of the Metorex Group in funds under the control of the trustees. The amounts incurred for retirement benefit scheme contributions are disclosed in note 11. According to the respective schemes, those contributions are not refundable nor forfeitable.

34. DISPOSAL OF SUBSIDIARIES

For the 18 months ended 31 December 2010

During the 18 months ended 31 December 2010, the Metorex Group disposed of its interest in Vergenoeg Mining Company (Proprietary) Limited ("VMC") and Pan African Resources plc ("PAR"). Details are as follows:

On 1 July 2009, the Metorex Group disposed of its interests in PAR.

On 26 December 2009, the Metorex Group disposed of its entire interest in VMC.

	PAR	**VMC**	**Total**
	US$'000	*US$'000*	*US$'000*
Book value of net assets sold			
Current assets			
Cash and cash equivalents	4,584	1,971	6,555
Trade and other receivables	2,783	5,123	7,906
Inventories	687	10,878	11,565
Non-current assets			
Property, plant and equipment and mineral rights and assets	111,647	19,109	130,756
Goodwill	33,577	–	33,577
Current liabilities			
Trade and other payables	8,454	2,925	11,379
Provisions	29,307	3,346	32,653
Non-current liabilities			
Borrowings	–	1,131	1,131
Deferred tax liabilities	922	2,271	3,193
Net assets disposed of	114,595	27,408	142,003
Non-controlling interests	58,091	7,337	65,428
Proceeds			
Proceeds received in cash and cash equivalents	56,504	85,332	141,836
Gain on disposal	–	65,261	65,261

For the year ended 31 December 2011

During the year ended 31 December 2011, the Metorex Group disposed of its interest in Sable and CM. The Metorex Group also disposed of its investment in Cuprachem.

Effective from 28 February 2011, the Metorex Group disposed of its interest in CM, which was disclosed as assets classified as held for sale at 31 December 2010.

Effective from 30 September 2011, the Metorex Group disposed of its entire interest in Sable.

	Cuprachem	**CM**	**Sable**	**Total**
	US$'000	*US$'000*	*US$'000*	*US$'000*
Book value of net assets (liabilities) sold				
Current assets				
Cash and cash equivalents	–	2	3,123	3,125
Trade and other receivables	–	2,747	6,795	9,542
Inventories	–	2,076	6,090	8,166
Non-current assets				
Property, plant, equipment and mineral rights and assets	–	–	14,443	14,443
Investment	2,423	–	106	2,529
Current liabilities				
Trade and other payables	–	4,717	9,819	14,536
Bank overdraft	–	1,291	–	1,291
Non-current liabilities				
Borrowings	–	–	4,409	4,409
Deferred tax liabilities	–	–	4,626	4,626
Provisions	–	6,011	652	6,663
Net assets (liabilities) disposed of	2,423	(7,194)	11,051	6,280
Proceeds				
Proceeds received (paid) in cash and cash equivalents	1,000	(8,523)	23,457	15,934
(Loss) gain on disposal	(1,423)	(1,329)	12,406	9,654

For the year ended 31 December 2012

In December 2012, the Metorex Group disposed of the entire interests in OCC for a consideration of ZAR10 (equivalent to US$1).

	US$'000
Book value of net liabilities sold	
Current assets	
Cash and cash equivalents	26
Trade and other receivables	35
Non-current assets	
Property, plant, equipment	2,253
Current liabilities	
Trade and other payables	36
Non-current liabilities	
Provisions	2,607
Net liabilities disposed of	(329)
Proceeds	
Proceeds paid in cash and cash equivalents	–
Gain on disposal	329

For the period ended 30 June 2013

During the period ended 30 June 2013, the Metorex Group made no disposals. During the period, Abbey was deregistered and liquidated and Metorex Commercial Services was deregistered. Both these companies were dormant with limited transactions.

35. RELATED PARTY TRANSACTIONS

(a) Transaction with related parties

Apart from details of the balances with related companies disclosed in the respective notes, the Metorex Group entered into the following transactions with related parties during the Relevant Periods:

	18 months ended 31 December	**Year ended 31 December**		**6 months ended**	
	2010	**2011**	**2012**	**30 June 2012**	**30 June 2013**
	US$'000	*US$'000*	*US$'000*	*US$'000* (unaudited)	*US$'000*
Sales of goods to ultimate holding company	–	–	52,785	28,366	24,600
Interest expenses on term loan due to ultimate holding company	–	–	208	–	59

(b) Compensation of key management personnel

Details of the remuneration of key management personnel, who are the five highest paid individuals, during the Relevant Periods, are set out in note 12.

B. EVENTS AFTER THE END OF REPORTING PERIOD

The Metorex Group has entered into a financing facility of US$80,000,000 with the China Development Bank Corporation subsequent to 30 June 2013. In addition, the Metorex Group is in the process of renegotiating all facilities with Standard Bank as at the date of this circular.

C. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Metorex Group, Metorex or its subsidiaries in respect of any period subsequent to 30 June 2013.

Deloitte & Touche
Registered Auditors
Per Ian Marshall
Partner
Johannesburg
South Africa

30 August 2013

2. MANAGEMENT DISCUSSION AND ANALYSIS OF THE METOREX GROUP

Metorex is headquartered in South Africa and has control over two mining projects in Africa which are in operation and are profit generating: (i) Ruashi Mine, a copper and cobalt mine located in the DRC; and (ii) Chibuluma South Mine, a copper mine located in Zambia. In addition, Metorex also has control over the Kinsenda Project, a brownfields project under construction and located in the DRC which is held by Kinsenda Sarl, and two advanced stage Exploration Projects located in the DRC, namely (i) Lubembe Project; and (ii) Musonoi Est Project. The shares of Metorex were listed on the Johannesburg Stock Exchange until 16 January 2012 when the entire issued share capital of Metorex was acquired by the Target Company (through Newshelf), which is an indirect wholly-owned subsidiary of Jinchuan Group, by way a public takeover and as a result Metorex was privatised and delisted from the Johannesburg Stock Exchange.

Consolidated Statements of Profit or Loss and Other Comprehensive Income

	For the 18 months ended 31 December 2010	For the year ended 31 December 2011	For the year ended 31 December 2012	For the six months ended 30 June 2012	2013
	(US$'000)	*(US$'000)*	*(US$'000)*	*(US$'000) (unaudited)*	*(US$'000)*
CONTINUING OPERATIONS					
Revenue	561,404	507,315	408,051	201,287	203,085
Realisation costs	(78,704)	(64,937)	(54,527)	(28,406)	(24,547)
Cost of production	(313,362)	(245,292)	(255,818)	(105,072)	(140,851)
Mining profit	**169,338**	**197,086**	**97,706**	**67,809**	**37,687**
Interest income	3,158	1,132	822	712	231
Other income and expenses	31,431	(40,519)	(22,792)	(12,241)	(10,878)
Amortisation of deferred hedge premium	(11,888)	(11,888)	–	–	–
Held-for-sale assets, net of tax	(3,580)	1,521	–	–	–
Finance costs	(16,393)	(6,393)	(5,852)	(3,232)	(2,245)
Profit before taxation	**172,066**	**140,939**	**69,884**	**53,048**	**24,795**
Impairment – Zambian Taxation	–	(9,898)	–	–	–
Income tax expense	(38,618)	(60,729)	(41,372)	(20,706)	(12,033)
Profit for the period/year from continuing operations	**133,448**	**70,312**	**28,512**	**32,342**	**12,762**
DISCONTINUED OPERATIONS					
Discontinued operations – other expenditure	(3,174)	(854)	(490)	(734)	(9)
Loss for the period/year from discontinued operations	(3,174)	(854)	(490)	(734)	(9)
Profit for the period/year	**130,274**	**69,458**	**28,022**	**31,608**	**12,753**
Other comprehensive (expense) income:					
Items that may be classified subsequently to profit or loss:					
Exchange differences on translation	(126,408)	15,720	(5,007)	1,110	(19,996)
Fair value change on cash flow hedges, net of income tax	(12,021)	35,018	(4,027)	(3,773)	(83)
Other comprehensive (expense) income for the period/year	(138,429)	50,738	(9,034)	(2,663)	(20,079)
Total comprehensive (expense) income for the period/year	**(8,155)**	**120,196**	**18,988**	**28,945**	**(7,326)**
Profit (loss) for the period/year attributable to owners of Metorex					
– from continuing operations	116,752	51,304	23,152	25,793	7,636
– from discontinued operations	(3,948)	(854)	(490)	(734)	(9)
Profit for the period/year attributable to owners of Metorex	112,804	50,450	22,662	25,059	7,627
Profit for the period/year attributable to non-controlling interests					
– from continuing operations	16,696	19,008	5,360	6,549	5,126
– from discontinued operations	774	–	–	–	–
Profit for the period/year attributable to non-controlling interests	17,470	19,008	5,360	6,549	5,126
	130,274	69,458	28,022	31,608	12,753
Total comprehensive (expense) income attributable to:					
Owners of Metorex	(21,500)	99,951	3,871	15,776	(12,411)
Non-controlling interests	13,345	20,245	15,117	13,169	5,085
	(8,155)	**120,196**	**18,988**	**28,945**	**(7,326)**

(a) Six months ended 30 June 2012 compared to six months ended 30 June 2013

Selected items of the statements of profit or loss and other comprehensive income

Revenue for continuing operations

	For the six months ended 30 June 2012 *(unaudited)*	For the six months ended 30 June 2013
Volume of copper sold *(t)*	**21,247**	**24,320**
– Ruashi Mining	12,661	16,056
– Chibuluma plc	8,586	8,264
Volume of cobalt sold *(t)*		
– Ruashi Mining	**1,616**	**1,421**
Revenue from sales of copper *(US$'000)*	**171,346**	**178,485**
– Ruashi Mining	101,677	118,072
– Chibuluma plc	69,669	60,413
Revenue from sales of cobalt *(US$'000)*		
– Ruashi Mining	**29,941**	**24,600**
Total Revenue *(US$'000)*	**201,287**	**203,085**
Average price received per tonne sold *(US$/t)*		
– Copper	8,064	7,339
– Cobalt	18,528	17,312

The total revenue of the Metorex Group is generally determined by reference to LME copper prices and cobalt prices quoted on the Metal Bulletin as well as volumes sold. The total revenue for the six months ended 30 June 2013 increased marginally by 0.9% to US$203.1 million from US$201.3 million for the six months ended 30 June 2012. The total revenue remained steady because the increase of 14.5% in the volume of copper sold was offset by the decrease of 12.1% in the volume of cobalt sold and the decrease in the average price received per tonne of copper and cobalt sold. The decrease in the average price received per tonne of copper and cobalt sold was due to the decreasing trend of the copper and cobalt commodity prices over the period. Selling prices for copper and cobalt for all of the offtake agreements entered into by the Metorex Group are referenced to movements in the general commodity prices.

The Metorex Group countered the downward pressure on the copper and cobalt prices by increasing the volume of copper produced and hence sold for the six months ended 30 June 2013, which was brought about by the utilisation of leased diesel powered generators since February 2013. The utilisation of these generators were able to supplement the unsteady power supplied by SNEL and therefore increasing the efficiency and utilisation of the mining equipment, which increased the overall copper output volume of the Ruashi Mine.

Realisation costs of continuing operations

	For the six months ended 30 June 2012 *(unaudited)*	**For the six months ended 30 June 2013**
Total realisation costs *(US$'000)*	**28,406**	**24,547**
– Copper	18,208	16,525
– Cobalt	10,198	8,022
Realisation costs per tonne of copper sold *(US$/t)*	857	679
Realisation costs per tonne of cobalt sold *(US$/t)*	6,311	5,645

Realisation costs represent the off-mine costs incurred by the Metorex Group when it sells its copper and cobalt. The realisation costs are primarily comprised of transportation expenses, ocean freight expenses, custom clearing expenses, and treatment charges and refining charges for the operations of Chibuluma mines.

The total realisation costs of the Metorex Group for the six months ended 30 June 2013 decreased by 13.7% to US$24.5 million from US$28.4 million for the six months ended 30 June 2012. The decrease was primarily due to a one-off adjustment on prepaid royalties made for the six months ended 30 June 2012 which resulted in an additional charge of US$3.8 million and no similar adjustment was made for the six months ended 30 June 2013.

Cost of production of continuing operations

	For the six months ended 30 June 2012 *US$'000* *(unaudited)*	**For the six months ended 30 June 2013** *US$'000*
Mining costs	11,610	18,557
Salaries and wages	20,965	31,249
Processing fee	29,220	44,422
Engineering and technical costs	12,676	12,494
Safety, health, environment and community costs	1,331	1,602
Other on-site mining cost (which includes fuel cost, consumables and other costs)	8,069	11,126
Depreciation and amortisation of property, plant and equipment and mineral rights and assets	21,201	21,401
	105,072	140,851

Cost of production represents the on-mine costs associated with the production of copper and cobalt sold by the Metorex Group. Because of the nature of mining operations, a portion of the cost of production of the Metorex Group comprises costs which are not completely associated with production volume such as salaries and wages, other on-site mining costs, and depreciation and amortisation costs. As Ruashi Mining produces both copper and cobalt from the same orebody at the Ruashi Mine, and the production of these two metals undergo certain common production and processing processes, the cost of production incurred for the production of copper and cobalt is not clearly distinguishable and cannot be meaningfully allocated. Accordingly, it is not possible to determine a per unit cost of production for copper and cobalt sold respectively. For illustration purpose, the cost of production per tonne of copper sold (net of the cobalt revenue credits) for the six months ended 30 June 2013 was US$4,909 per tonne of copper sold, and for the six months ended 30 June 2012 was US$3,875 per tonne of copper sold.

Cost of production of the Metorex Group for the six months ended 30 June 2013 increased by 34.1% to US$140.9 million from US$105.1 million for the six months ended 30 June 2012. The increase in the overall cost of production was primarily due to the increase in mining costs as a result of the increase in the volume of the copper produced and sold by Ruashi Mining, general inflationary increase in staff's salaries and wages, payments of retention benefits to certain management personnel in relation to Jinchuan Group's acquisition of Metorex, payments of retrenchment benefits to certain other personnel, increase in processing fee because of the increase in the throughput volume to the processing plant, conditions of certain ground area at the Ruashi Mine which temporarily required more acid consumption to leach the copper and cobalt ores, and increase in other on-site mining cost as the utilisation of leased power generators had increased the fuel cost for the six months ended 30 June 2013, as compared with those for the six months ended 30 June 2012.

Mining profit of continuing operations

As a result of the changes in the items described above, the mining profit of the Metorex Group decreased by 44.4% to US$37.7 million for the six months ended 30 June 2013 from US$67.8 million for the six months ended 30 June 2012.

Other income and expenses for continuing operations

Other expenses of the Metorex Group for the six months ended 30 June 2013 decreased by 10.7% to US$10.9 million from US$12.2 million for the six months ended 30 June 2012. This was primarily due to the decrease in the amount of royalties by 12.9% to US$10.1 million for the six months ended 30 June 2013 from US$11.6 million for the six months ended 30 June 2012, which was due to a one-off adjustment on prepaid royalties made for the six months ended 30 June 2012 which resulted in an additional charge of US$2.3 million, and no similar adjustment was made for the six months ended 30 June 2013.

Finance costs of continuing operations

The finance costs of the Metorex Group for the six months ended 30 June 2013 decreased by 31.3% to US$2.2 million from US$3.2 million for the six months ended 30 June 2012, partly due to the refinancing of certain borrowings with lower interest rates.

Profit before taxation of continuing operations

As a result of the changes in the items described above, the Metorex Group's profit before taxation decreased by 53.2% to US$24.8 million for the six months ended 30 June 2013 from US$53.0 million for the six months ended 30 June 2012.

Income tax expense of continuing operations

Income tax expense of the Metorex Group for the six months ended 30 June 2013 decreased by 42.0% to US$12.0 million from US$20.7 million for the six months ended 30 June 2012. The decrease was primarily resulted from the decrease in the profit before taxation for the six months ended 30 June 2013 as compared with that for the six months ended 30 June 2012.

Profit for the year of continuing operations

As a result of the above, the profit for the year of the Metorex Group decreased by 60.4% to US$12.8 million for the six months ended 30 June 2013 from US$32.3 million for the six months ended 30 June 2012.

(b) Year ended 31 December 2012 compared to the year ended 31 December 2011

Selected items of the statements of profit or loss and other comprehensive income

Revenue for continuing operations

	For the year ended 31 December 2011	For the year ended 31 December 2012
Volume of copper sold *(t)*	**52,161**	**44,730**
– Ruashi Mining	34,642	26,799
– Chibuluma plc	17,519	17,931
Volume of cobalt sold *(t)*		
– Ruashi Mining	**3,952**	**3,202**
Revenue from sales of copper *(US$'000)*	**411,904**	**353,691**
– Ruashi Mining	265,289	211,043
– Chibuluma plc	146,615	142,648
Revenue from sales of cobalt *(US$'000)*		
– Ruashi Mining	**95,411**	**54,360**
Total Revenue *(US$'000)*	**507,315**	**408,051**
Average price received per tonne sold *(US$/t)*		
– Copper	7,897	7,907
– Cobalt	24,142	16,977

The total revenue of the Metorex Group for the year ended 31 December 2012 decreased by 19.6% to US$408.1 million from US$507.3 million for the year ended 31 December 2011. The decrease in the total revenue was primarily due to the decrease in the volumes of copper and cobalt produced and therefore sold by Ruashi Mining as a result of large scale power disruptions in the DRC. As the Ruashi Mine was only able to operate at approximately 75% of its production capacity, the total volume of copper and cobalt sold by Ruashi Mining for the year ended 31 December 2012 decreased to approximately 26,799 tonnes and 3,202 tonnes respectively, from approximately 34,642 tonnes and 3,952 tonnes respectively for the year ended 31 December 2011, representing a decrease of 22.6% and 19.0% respectively. The decrease in the total revenue was also due to the decrease in the average price received for the cobalt sold by the Metorex Group from 2011 to 2012 as a result of the decrease of the cobalt commodity prices from 2011 to 2012.

Realisation costs of continuing operations

	For the year ended 31 December 2011	**For the year ended 31 December 2012**
Total realisation costs *(US$'000)*	**64,937**	**54,527**
– Copper	41,882	34,936
– Cobalt	23,055	19,591
Realisation costs per tonne of copper sold *(US$/t)*	803	781
Realisation costs per tonne of cobalt sold *(US$/t)*	5,834	6,118

The total realisation costs of the Metorex Group for the year ended 31 December 2012 decreased by 16.0% to US$54.5 million from US$64.9 million for the year ended 31 December 2011. The decrease was primarily due to the decrease in the volumes of copper and cobalt sold by Ruashi Mining during 2012 as compared with 2011.

Cost of production of continuing operations

	For the year ended 31 December 2011 *US$'000*	**For the year ended 31 December 2012** *US$'000*
Mining costs	24,406	27,596
Salaries and wages	45,145	52,336
Processing fee	71,895	65,861
Engineering and technical costs	26,653	27,159
Safety, health, environment and community costs	–	1,852
Other on-site mining cost (which includes fuel cost, consumables and other costs)	33,663	37,747
Depreciation and amortisation of property, plant and equipment and mineral rights and assets	43,530	43,267
	245,292	**255,818**

For illustration purpose, the cost of production of the Metorex Group per tonne of copper sold (net of the cobalt revenue credits) for the year ended 31 December 2012 was US$4,755 per tonne of copper sold, and for the year ended 31 December 2011 was US$3,284 per tonne of copper sold.

Cost of production of the Metorex Group for the year ended 31 December 2012 increased by 4.3% to US$255.8 million from US$245.3 million for the year ended 31 December 2011. The marginal increase in the cost of production was primarily due to the increase in salaries and wages for staff working on the Operating Mines, particularly to comply with the relevant labour regulations namely, the DRC Labour Act in the DRC and to standardise as far as possible the condition offered to employees at each of the Operating Mines, and the increase in other on-site mining costs in the form of import duty related costs for the year ended 31 December 2012 as compared to such costs incurred for the year ended 31 December 2011. The upward pressure on the cost of production was partially offset by the decrease in processing costs of Ruashi Mining as a result of the reduction of throughput volume to the processing plant due to the decrease in production and sales volume in 2012.

Mining profit of continuing operations

As a result of the changes in the items described above, the mining profit of the Metorex Group decreased by 50.4% to US$97.7 million for the year ended 31 December 2012 from US$197.1 million for the year ended 31 December 2011.

Other income and expenses for continuing operations

Other expenses of the Metorex Group for the year ended 31 December 2012 decreased by 43.7% to US$22.8 million from US$40.5 million for the year ended 31 December 2011. This was because of the one-off expenses in the total amount of US$29.7 million incurred in 2011 relating to the takeover of Metorex, which primarily consisted of consulting and advisory fees and break fees paid by Metorex to terminate the transaction with Vale S.A., the initial offeror. Such decrease in other expenses was partially offset by the decrease in gain on disposal of subsidiaries derived for the year ended 31 December 2012 as compared with the gain on disposal of subsidiaries derived for the year ended 31 December 2011 as the Metorex Group engaged in fewer divestment activities in 2012 as compared with 2011.

Amortisation of deferred hedge premium for continuing operations

For the year ended 31 December 2012, no amortisation of deferred hedge premium was charged as compared with the amortisation charged in the amount of US$11.9 million for the year ended 31 December 2011. This was because the premium paid by the Metorex Group for acquiring the copper price hedging instrument had been fully amortised in 2011.

Finance costs of continuing operations

The finance costs of the Metorex Group remained relatively steady for the year ended 31 December 2012 at US$5.9 million as compared with US$6.4 million for the year ended 31 December 2011. This was because the total amount of the outstanding loans of the Metorex Group had remained steady in 2012 as compared with that in 2011.

Profit before taxation of continuing operations

As a result of the changes in the items described above, the Metorex Group's profit before taxation decreased by 50.4% to US$69.9 million for the year ended 31 December 2012 from US$140.9 million for the year ended 31 December 2011.

Income tax expense of continuing operations

Income tax expense of the Metorex Group for the year ended 31 December 2012 decreased by 31.8% to US$41.4 million from US$60.7 million for the year ended 31 December 2011. The decrease was primarily resulted from the decrease in the profit before taxation and the incurrence of fewer non-tax deductible expenses (i.e. import clearing charges and penalties, and payroll taxes) for the year ended 31 December 2012 as compared with those incurred for the year ended 31 December 2011.

Profit for the year of continuing operations

As a result of the above, the profit for the year of the Metorex Group decreased by 59.5% to US$28.5 million for the year ended 31 December 2012 from US$70.3 million for the year ended 31 December 2011.

(c) Year ended 31 December 2011 compared to 18 months ended 31 December 2010

The following discussion compares the operating results for the year ended 31 December 2011 and the operating results for the 18 months ended 31 December 2010, as Metorex changed its financial year end from 30 June to 31 December during the period ended 31 December 2010. Due to the difference in the length of these periods, the results may not be comparable and the discussions set out below may be distorted or not complete and the Shareholders should read the following discussions with caution.

Selected items of the statements of profit or loss and other comprehensive income
Revenue of continuing operations

	For the 18 months ended 31 December 2010	For the year ended 31 December 2011
Volume of copper sold *(t)*	**69,208**	**52,161**
– Ruashi Mining	43,037	34,642
– Chibuluma plc	26,171	17,519
Volume of cobalt sold *(t)*		
– Ruashi Mining	5,125	3,952
Revenue from sales of copper *(US$'000)*	**426,241**	**411,904**
– Ruashi Mining	245,480	265,289
– Chibuluma plc	180,761	146,615
Revenue from sales of cobalt *(US$'000)*		
– Ruashi Mining	135,163	95,411
Total Revenue *(US$'000)*	**561,404**	**507,315**
Average price received per tonne sold *(US$/t)*		
– Copper	6,159	7,897
– Cobalt	26,373	24,142

The total revenue of the Metorex Group for the year ended 31 December 2011 was US$507.3 million, which was 9.6% lower than the revenue of US$561.4 million for the 18 months ended 31 December 2010, whilst the volumes of copper and cobalt sold for the year ended 31 December 2011 were 24.6% and 22.9% lower than the volumes of copper and cobalt sold for the 18 months ended 31 December 2010, respectively. The difference in the total revenue is smaller than the difference in sales volumes was primarily because the average price received per tonne of copper sold increased from US$6,159/t for the 18 months ended 31 December 2010 to US$7,897/t for the year ended 31 December 2011, as a result of the general increasing trend of the copper commodity prices from 2010 to 2011. However, this was offset by the decrease of the average price received per tonne of cobalt sold from US$26,373 for the 18 months ended 31 December 2010 to US$24,142 for the year ended 31 December 2011 as a result of the general weakening trend of the cobalt commodity prices from 2010 to 2011. Discounting the distorted impact of comparing the results of a 12-month period with the results of a 18-month period, on an annualised basis, the total revenue and total volumes of copper and cobalt sold increased in 2011.

Realisation costs of continuing operations

	For the 18 months ended 31 December 2010	**For the year ended 31 December 2011**
Total realisation costs *(US$'000)*	**78,704**	**64,937**
– Copper	51,942	41,882
– Cobalt	26,762	23,055
Realisation costs per tonne of copper sold *(US$/t)*	751	803
Realisation costs per tonne of cobalt sold *(US$/t)*	5,222	5,834

The total realisation costs of the Metorex Group for the year ended 31 December 2011 were 17.5% lower than those for the 18 months ended 31 December 2010, which was primarily due to the distorted impact of comparing a 12-month period with a 18-month period. Discounting this impact, on an annualised basis, the total realisation costs for the year ended 31 December 2011 increased as this could be shown in the increase in the realisation costs per tonne of copper sold and per tonne of cobalt sold by 6.9% and 11.7%, respectively. The increase in the unit realisation costs was attributable to the increase in transportation expenses and custom clearing expenses for the operations of Ruashi Mining.

Cost of production of continuing operations

	For the 18 months ended 31 December 2010 *US$'000*	**For the year ended 31 December 2011** *US$'000*
Mining costs	48,301	24,406
Salaries and wages	43,759	45,145
Processing	95,907	71,895
Engineering and technical costs	30,625	26,653
Other on-site mining cost (which includes fuel cost, consumables and other costs)	37,443	33,663
Depreciation and amortisation of property, plant and equipment and mineral rights and assets	57,327	43,530
	313,362	**245,292**

For illustration purpose, the cost of production of the Metorex Group per tonne of copper sold (net of the cobalt revenue credits) for the year ended 31 December 2011 was US$3,284 per tonne of copper sold, and for the 18 months ended 31 December 2010 was US$2,884 per tonne of copper sold.

Cost of production of the Metorex Group for the year ended 31 December 2011 was 21.7% lower than that for the 18 months ended 31 December 2010, which was primarily due to the distorted impact of comparing the results of a 12-month period with the results of a 18-month period. Discounting this impact, on an annualised basis, the cost of production for 2011 increased which could be shown by the increase in the cost of production per tonne of copper sold (net of the cobalt revenue credits). The increase in the cost of production was primarily due to the increase in salaries and wages because of annual wage increase and the increase in engineering and technical costs because of the increase in equipment maintenance costs of Ruashi Mining, coupled by the increase in processing costs resulting from the increase in sales volumes.

Mining profit of continuing operations

As a result of changes in the items described above, the mining profit of the Metorex Group for the year ended 31 December 2011 was US$197.1 million, which was 16.4% higher than the mining profit of US$169.3 million for the 18 months ended 31 December 2010.

Other income and expenses of continuing operations

For the year ended 31 December 2011, the Metorex Group incurred an overall other expenses of US$40.5 million compared with an overall other income of US$31.4 million for the 18 months ended 31 December 2010. This was because the Metorex Group derived a substantial gain of US$65.3 million from the disposal of Vergenoeg Mining Company (which was a subsidiary of Metorex engaged in the mining and production of fluospar) during the 18 months ended 31 December 2010, whilst no similar size of gain was derived from the disposals occurred for the year ended 31 December 2011, and also because Metorex incurred a substantial amount of one-off expenses of US$29.7 million in respect of takeover transactions occurred during the year ended 31 December 2011. For more details of the divestment activities of the Metorex Group during the year ended 31 December 2011 and the 18 months ended 31 December 2010 respectively, please refer to note 34 to the financial information of the Metorex Group contained in Appendix II to this circular.

Amortisation of deferred hedge premium of continuing operations

This amount of expense remained the same for the year ended 31 December 2011 as compared with that for the 18 months ended 31 December 2010 as this represented an allocated amount of amortisation charge associated with the premium paid by the Metorex Group for acquiring a copper price hedging instrument which had a term of 12-months which expired in June 2011.

Finance costs of continuing operations

The finance costs of the Metorex Group of US$6.4 million incurred for the year ended 31 December 2011 were 61.0% lower than those of US$16.4 million incurred for the 18 months ended 31 December 2010. This was because the total amount of outstanding loans was lower during the year ended 31 December 2011 as compared with that during the 18 months ended 31 December 2010, and also because of the distorted impact of comparing the costs incurred for a 12-month period with those incurred for a 18-month period.

Profit before taxation of continuing operations

As a result of the items described above, the profit before taxation of the Metorex Group for the year ended 31 December 2011 was US$140.9 million, which was 18.1% lower than the profit before taxation of US$172.1 million for the 18 months ended 31 December 2010.

Income tax expense of continuing operations

The income tax expense of the Metorex Group of US$60.7 million for the year ended 31 December 2011 were 57.3% higher than the income tax expense of US$38.6 million for the 18 months ended 31 December 2010. This was primarily because of a substantial increase in non-tax deductible expenses and the increase in the corporate income tax rate in Zambia from 30% to 42% for the year ended 31 December 2011 compared with those for the 18 months ended 31 December 2010.

Impairment – Zambian taxation

During the year ended 31 December 2011, the Metorex Group incurred an additional tax expense of US$9.9 million, which represented a one-off impairment of an amount of tax which the Metorex Group previously expected to recover from the Zambian tax authority. This was resulted from a change in tax rates as compared to those taxes contained in the development agreement entered into between Chibuluma plc and the Government of Zambia. No such similar impairment was made during the 18 months ended 31 December 2010.

Profit for the year/period of continuing operations

As a result of the above, the profit of the Metorex Group for the year of US$70.3 million for the year ended 31 December 2011 was 47.3% lower than the profit for the period of US$133.4 million for the 18 months ended 31 December 2010.

LIQUIDITY AND CAPITAL RESOURCES

In the six months ended 30 June 2013, the years ended 31 December 2012 and 31 December 2011, and the 18 months ended 31 December 2010, the principal source of liquidity was cash generated from operating activities. The Metorex Group may use funding from future debt financing, equity financing and internally generated cash resources for the provision of working capital, general exploration and development activities.

The following table represents selected data from the Metorex Group's statements of cash flows for the periods indicated below:

Cashflows	For the 18 months ended 31 December 2010	For the year ended 31 December 2011	For the year ended 31 December 2012	For the six months ended 30 June 2013
	US$'000	*US$'000*	*US$'000*	*US$'000*
Cash generated from operating activities	84,744	159,848	95,863	27,678
Cash used in investing activities	(8,489)	(117,973)	(134,184)	(43,079)
Cash (used in) generated from financing activities	(40,912)	(28,833)	5,852	(5,077)
Net Increase/(Decrease) in Cash and Cash Equivalents	35,343	13,042	(32,469)	(20,478)

Operating activities

The net cash flows generated from operating activities in the six months ended 30 June 2013 amounted to US$27.7 million. Operating profit before working capital was primarily impacted by an increase in trade and other receivables of US$2.0 million and an increase in inventories of US$4.2 million.

The net cash flows generated from operating activities in the year ended 31 December 2012 amounted to US$95.9 million. Operating profit before working capital was primarily impacted by a decrease in trade and other receivables of US$26.6 million and a decrease in trade and other payables provisions of US$10.4 million.

The net cash flows generated from operating activities in the year ended 31 December 2011 amounted to US$159.8 million. Operating profit before working capital was primarily impacted by an increase in trade and other payables and provisions of US$14.8 million.

The net cash flows generated from operating activities in the 18 months ended 31 December 2010 amounted to US$84.7 million. Operating profit before working capital was impacted by an increase in inventories of US$21.5 million, an increase in trade and other receivables of US$35.3 million and a decrease in trade and other payables and provisions of US$22.1 million.

Investing activities

The net cash flows used in investing activities in the six months ended 30 June 2013 amounted to US$43.1 million, primarily attributable to the additions to property, plant and equipment and mineral rights and assets of US$43.8 million.

The net cash flows used in investing activities in the year ended 31 December 2012 amounted to US$134.2 million, primarily attributable to the additions to property, plant and equipment and mineral rights and assets of US$115.6 million.

The net cash flows used in investing activities in the year ended 31 December 2011 amounted to US$118.0 million, primarily attributable to additions to property, plant and equipment and mineral rights and assets of US$130.2 million, offset by proceeds received from the disposal of Sable Zinc Kabwe Limited and Cuprachem.

The net cash flows used in investing activities in the 18 months ended 31 December 2010 amounted to US$8.5 million. This was primarily because of additions to property, plant and equipment and mineral rights and assets of US$131.0 million, offset by proceeds received from disposal of interests in Vergenoeg Mining Company and Pan African Resources to independent third parties of the Metorex Group as part of the strategy of the Metorex Group to refocus its operation as a base metals proceducer. For details of the disposals, please refer to the section headed "Information on the Target Group – Overview" of this circular, the paragraphs headed "Material Disposals of Investments" of this Appendix II and note 34 to the financial statements contained in this Appendix II.

Financing activities

The net cash flows used in financing activities in the six months ended 30 June 2013 amounted to US$5.1 million. This was primarily attributable to the repayment of borrowings of US$23.9 million, offset by new borrowings raised of US$18.8 million.

The net cash generated from financing activities in the year ended 31 December 2012 amounted to US$5.9 million. This was because of raising of new borrowings of US$38.5 million, offset by repayment of borrowings of US$32.6 million.

The net cash flows used in financing activities in the year ended 31 December 2011 amounted to US$28.8 million. This was primarily attributable to the repayment of borrowings of US$45.5 million, offset by new borrowings raised of US$16.0 million.

The net cash flows used in financing activities in the 18 months ended 31 December 2010 amounted to US$40.9 million. This was because of repayment of borrowings of US$175.4 million.

The Metorex Group holds its bank balances and cash principally in U.S. Dollar and South African Rand. Bank balances and cash consist of cash and short-term deposits. As at 31 December 2010, 31 December 2011, 31 December 2012 and 30 June 2013, the Metorex Group had bank balances and cash of US$66.2 million, US$72.3 million, US$36.6 million and US$16.3 million, respectively. The overall decrease in bank balances and cash was primarily due to capital expenditure of the Metorex Group for various projects and repayment of certain borrowings.

As at 31 December 2010, 31 December 2011 and 31 December 2012, the Metorex Group had net current assets of US$23.8 million, US$72.4 million, US$0.7 million, respectively. As at 30 June 2013, the Metorex Group had net current liabilities of US$22.7 million, primarily due to the increase in the short term borrowings to US$84.9 million from US$70.8 million as of 31 December 2012. The change from a net current assets position as of 31 December 2012 to a net current liabilities position as of 30 June 2013 was primarily a result of the making of capital expenditures in developing the Kinsenda Project which were partly funded by internal cash resources of the Metorex Group. Since 30 June 2013, the Metorex Group had entered into a facility agreement in respect of a term loan facility of US$80 million from the China Development Bank Corporation to support its working capital requirements.

INDEBTEDNESS AND FINANCING ACTIVITIES

As at 31 December 2010, the Metorex Group's total outstanding interest-bearing liabilities amounted to US$129.2 million, of which US$124.0 million consisted of term loans from lending banks. As at 31 December 2011, the Metorex Group's total outstanding interest-bearing liabilities amounted to US$99.7 million, of which US$94.8 million consisted of term loans from lending banks. As at 31 December 2012, the Metorex Group's total outstanding interest-bearing liabilities amounted to US$105.6 million, consisting of term loans from lending banks of US$97.4 million and a term loan from ultimate holding company of US$3.2 million. As at 30 June 2013, the Metorex Group's total outstanding interest-bearing liabilities amounted to US$100.5 million, consisting of term loans from lending banks of US$85.2 million and loans of US$1.3 million from Jinchuan Group and US$9 million from Jinchuan HK, respectively. All of the Metorex Group's outstanding interest-bearing liabilities are denominated in U.S. dollars and these liabilities are at variable interest rates, save for the pre-off-take financing for Jinchuan Group's purchase of contained cobalt metals under the Cobalt Off-take Agreement provided by Jinchuan Group which is charged at a fixed annual interest rate of 4.68%.

The following table sets out the repayment obligations of the Metorex Group's borrowings:

	As at 31 December			As at 30 June
	2010	**2011**	**2012**	**2013**
	US$'000	*US$'000*	*US$'000*	*US$'000*
Within one year	52,703	50,203	70,764	84,906
More than one year, but not exceeding two years	31,001	30,527	22,818	7,200
More than two years, but not exceeding five years	45,479	19,000	12,000	8,400
	129,183	99,730	105,582	100,506

The following table summarises the details of the loans and guarantees provided by Jinchuan Group or its subsidiaries to or in favour of the Metorex Group as at the 30 June 2013:

Name of Agreement	Parties	Date of agreement	Purpose	Duration	Outstanding amount as at 30 June 2013 Date	Security provided
Facility Agreement in respect of the revolving loan facility of US$30 million	Ruashi Mining (as borrower) and The Standard Bank of South Africa Limited (as lender)	13 July 2012	Funding of (i) the construction and commissioning of a cobalt flash dryer; (ii) the acquisition and installation of back-up generators and ancillary equipment at Ruashi Mine; and (iii) the feasibility study in respect of Musonoi Est Project	1 August 2012 to 31 July 2014	US$28.3 million	Industrial and Commercial Bank of China Limited ("**ICBC**") has provided a guarantee ("**ICBC Guarantee**") in favour of the lender. In consideration for the ICBC Guarantee being provided, Jinchuan Group had entered into an agreement regarding the provision of such guarantee with ICBC, pursuant to which, Jinchuan Group, inter alia, was required to pay certain service fees for the ICBC Guarantee
Facility Agreement in respect of the term loan facility of US$80 million	Metorex (as borrower) and China Development Bank Corporation (as lender)	28 June 2013	Working capital requirements and daily production and operation requirements of Metorex	8 July 2013 to 8 July 2014	–	Jinchuan Group has provided a corporate guarantee in favour of the lender in respect of all liability of Metorex under the facility agreement

The guarantees provided by Jinchuan Group set out in the table above are for the benefit of the Metorex Group and on normal commercial terms. No security over the Enlarged Group's assets will be granted in favour of Jinchuan Group. Accordingly, the provision of these guarantees should, upon Completion, be exempt from all reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.65(4) of the Listing Rules.

The above loan facilities are on attractive interest rate terms (LIBOR plus 2.25% for the US$80 million term loan and LIBOR plus 2.00% for the US$30 million revolving loan) compared to the interest rate in the range of LIBOR plus 5% to 7% for loan facilities of the Metroex Group which are not supported by corporate guarantee from Jinchuan Group. Accordingly, it is in the commercial interest of the Enlarged Group to secure these loan facilities with the assistance of Jinchuan Group on a cost effective basis.

COMMITMENTS FOR EXPENDITURE

(a) Commitments

At the end of the years/period indicated below, the Metorex Group was committed to make the following future minimum capital expenditure:

	As at 31 December			As at 30 June
	2010	**2011**	**2012**	**2013**
	US$'000	*US$'000*	*US$'000*	*US$'000*
Capital expenditure in respect of property, plant and equipment and mineral rights				
– authorised but not contracted for	44,936	18,249	9,005	221,882
– contracted for but not provided	2,659	1,800	5,540	36,691
	47,595	20,049	14,545	258,573

(b) Lease Commitments

At the end of the years/period indicated below, the Metorex Group was committed to make the following future minimum lease payments under non-cancellable operating leases which fall due as follows:

	As at 31 December			As at 30 June
	2010	**2011**	**2012**	**2013**
	US$'000	*US$'000*	*US$'000*	*US$'000*
Within one year	686	313	2,465	2,451
In the second to fifth years inclusive	2,357	1,597	2,230	2,224
	3,043	1,910	4,695	4,675

Operating lease payments represent rental payable by the Metorex Group for certain of its equipment, premises and vehicles. Lease is negotiated and rental is fixed originally for a lease term ranging from one to five years.

CONTINGENT LIABILITIES

Metorex and its subsidiaries are defendants from time to time in legal proceedings arising from the conduct of their businesses. The Metorex Group does not consider that the outcome of any of these proceedings ongoing as at 30 June 2013, either individually or in aggregate, is likely to have a material effect on its financial position.

CHARGE ON ASSETS

As at 31 December 2010, 31 December 2011, 31 December 2012 and 30 June 2013, the Metrorex Group's property, plant and equipment and mineral rights and assets with carrying value of US$490.9 million, US$545.1 million, US$581.4 million and US$589.1 million, respectively, were pledged to secure borrowings of US$129.2 million, US$99.7 million, US$73.6 million and US$52.0 million, respectively.

MATERIAL DISPOSALS OF INVESTMENTS

In the 18 months ended 31 December 2010, the Metorex Group disposed of its interest in Pan African Resources Plc on 1 July 2009 for a consideration of US$56.5 million and no gain or loss on disposal was derived, and disposed of its entire interest in Vergenoeg Mining Company (Pty) Limited on 26 December 2009 for a consideration of US$85.3 million and a gain on disposal of US$65.3 million was recorded for the period.

In the year ended 31 December 2011, the Metorex Group disposed of its interest in Sable Zinc Kabwe Limited, Consolidated Murchison and Cuprachem, respectively, to different purchasers. The Metorex Group received an overall sales proceeds of US$23.4 million and derived an overall gain on disposal of subsidiaries of US$12.4 million for the year.

In the year ended 31 December 2012, the Metorex Group disposed of its interest in O'Okiep Copper Company (Proprietary) Limited for nominal consideration and derived a gain on disposal of US$0.3 million for the year.

No material disposal of investment was made in the six months ended 30 June 2013.

PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

For 2011

The Metorex Group had budgeted capital expenditures in the total amount of approximately US$98 million, primarily driven by the completion of the construction of the acid plant and the establishment of Pit 3 at the Ruashi Mine, expenditure in terms of the holding costs for the Kinsenda Project and other recurring capital costs. The budgeted capital expenditures were expected to be funded by the cashflow derived from the sales of copper and cobalt produced by the Ruashi Mine and the Chibuluma South Mine. There was no other material investment or acquisition of capital assets budgeted for the year of 2011.

For 2012

The Metorex Group had budgeted capital expenditures in the total amount of approximately US$110 million, primarily driven by the expenditure for waste stripping of Pit 3 at the Ruashi Mine, the construction of a new drier plant at the Ruashi Mine, expenditure in terms of the holding costs for the Kinsenda Project and expenditure to bring the Musonoi Est Project to the status for conducting the bankable feasibility study. The budgeted capital expenditures were expected to be funded by the cashflow derived from the sales of copper and cobalt produced by the Ruashi Mine and the Chibuluma South Mine. There was no other material investment or acquisition of capital assets budgeted for the year of 2012.

For the second half of 2013 (and onwards to 2014)

The planned material investments of the Metorex Group for 2013 and 2014 comprise the following:

- The amounts for funding the development of the Kinsenda Project which are estimated at US$70.5 million and US$182.2 million for the second half of 2013 and 2014 respectively. Such amounts are expected to be financed by the proceeds of the Placing(s) and/or debt financing.

- The amounts for funding the development of the underground mine at the Chifupu deposit which are estimated at US$2.5 million and US$3.8 million for the second half of 2013 and 2014 respectively. Such costs are expected to be financed by the proceeds of the Placing(s) and/or debt financing.

- The costs to be incurred for the feasibility studies in respect of the Exploration Projects which are estimated at US$2.7 million and US$7.1 million in the second half of 2013 and 2014 respectively. Such costs will be financed by the proceeds of the Placing(s) and/or debt financing.

- The capital expenditure in 2013 of US$32.6 million relating to various projects at Ruashi Mine including, stripping of Ruashi III at the Ruashi Mine, completion of the acquisition and installation of the ASFDs, completion of the acquisition and installation of diesel powered generators, which will be funded from operating cash flows of Ruashi Mining.

- The capital expenditure in 2014 of US$25.3 million relating to various projects at Ruashi Mine including, drilling, surfacing of roads, refurbishment of the acid plant and SHEC related projects, which will be funded from operating cash flows of Ruashi Mining.

- The capital expenditure of US$9.6 million and US$17.9 million in the second half of 2013 and 2014 respectively, relating to underground mine development, replacement of underground mining equipment such as trucks, loaders and drill rigs, metallurgical plant related projects, SHEC related projects and exploration activities in each of the years for the Chibuluma South Mine (excluding the development of the Chifupu deposit), Chibuluma Central as well as neighbouring areas. The projects will be funded from operating cash flows of Chibuluma plc.

RISKS MANAGEMENT

Capital risk management

The Metorex Group manages their capital to ensure that it will be able to continue as a going concern with the ultimate objective of maximising the return to stakeholders through the optimisation of the debt and equity balance. The Metorex Group is in a growth phase and strategically aims at rightsizing the scope of new projects to its financial means through a risk-based approach.

The capital structure of the Metorex Group consists of debt, which includes borrowings, cash and cash equivalents and equity, comprising share capital, stated capital, share premium, reserves, and accumulated profits as disclosed in the consolidated statements of changes in equity.

The management of the Metorex Group regularly reviews the capital structure of the Metorex Group.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Metorex Group. The Metorex Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as means of mitigating the risk.

The Metorex Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the consolidated statements of financial position are net of allowances for doubtful receivables, estimated by the management based on the current economic environment.

The Metorex Group's copper and cobalt sales are allocated between four customers, all of whom have a good track record with respect to settling invoices within the agreed terms.

The credit risk on liquid funds is limited because the counterparties are recognised banking institutions with high credit ratings.

The Metorex Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Metorex Group defines counterparties as having similar characteristics if they are related entities.

Currency and commodity price risk

The Metorex Group may enter into forward contracts in order to hedge their exposure to fluctuations in mineral prices and exchange rates on specific transactions. The contracts are matched with anticipated future cash flows from mineral sales.

No sensitivity analysis on foreign currency exposure is presented as the Metorex Group did not have significant foreign currency exposure at the end of the reporting period.

Interest rate and liquidity risk

Fluctuations in interest rates impact the value of short-term investment and financing activities, giving rise to interest rate risk.

In the ordinary course of business, the Metorex Group receives cash proceeds from its operations and is required to fund working capital and capital expenditure requirements. The cash is managed to ensure that surplus funds are invested to maximise returns whilst ensuring that capital is safeguarded to the maximum extent by only investing with reputable financial institutions.

Contractual arrangements for committed borrowing facilities are maintained with several banking counterparties to meet the Metorex Group's normal and contingency funding.

Interest rate risk

The Metorex Group is exposed to interest rate risk as entities within the Metorex Group borrow funds at both fixed and floating interest rates.

Interest rate sensitivity analysis

The sensitivity analysis has been determined based on the exposure to interest rates at the end of the reporting period. The effect of the interest rate exposure of the Metorex Group on the consolidated statements of comprehensive income is not material.

Liquidity risk

Ultimate responsibility for liquidity risk management rests with Metorex's board of directors, which has built an appropriate 12-month rolling monthly cash flow forecast model for the management's short-term funding and liquidity requirements linked to a commodity price sensitivity matrix. The Metorex Group manages liquidity risk by seeking to generate adequate reserves, banking facilities and reserve borrowings facilities, by continually monitoring forecast and actual cash flows and matching maturity profiles of financial assets and liabilities.

The Metorex Group has access to financing facilities. The Metorex Group expects to meet its financial obligations from operating cash flows and proceeds from maturing financial assets.

The following table indicates the Metorex Group's remaining contractual maturity from its non-derivative financial liabilities:

	Weighted average interest rate	Less than 12 months	1-5 years	Total
	%	*US$'000*	*US$'000*	*US$'000*
As at 31 December 2010				
Trade payables	–	46,440	–	46,440
Short-term borrowings	3.1	52,703	–	52,703
Long-term borrowings	2.7	–	76,480	76,480
As at 31 December 2011				
Trade payables	–	31,142	–	31,142
Short-term borrowings	2.9	50,203	–	50,203
Long-term borrowings	2.6	–	49,527	49,527
As at 31 December 2012				
Trade payables	–	36,561	–	36,561
Short-term borrowings	3.2	70,764	–	70,764
Long-term borrowings	3.8	–	34,818	34,818
As at 30 June 2013				
Trade payables	–	31,583	–	31,583
Short-term borrowings	2.9	84,906	–	84,906
Long-term borrowings	4.5	–	15,600	15,600

GEARING RATIO

The gearing ratio of the Metorex Group at period/year-end was as follows:

	As at 31 December			As at 30 June
	2010	**2011**	**2012**	**2013**
	US$'000	*US$'000*	*US$'000*	*US$'000*
Total debt	129,183	99,730	105,582	100,506
Cash and cash equivalents, net of restricted cash	(66,193)	(72,331)	(36,580)	(16,279)
Net interest-bearing debt	62,990	27,399	69,002	84,227
Equity	504,968	606,646	609,542	596,773
Net debt equity ratio	12.5%	4.5%	11.3%	14.1%