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Hunan Nonferrous Metals Corporation Limited*

湖南有色金属股份有限公司

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

(Stock Code: 2626)

**ANNOUNCEMENT
PROFIT WARNING**

The announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the inside information provisions under Part XIVA of the Securities and Futures Ordinance.

PROFIT WARNING

The Board hereby informs its shareholders and potential investors that based on the unaudited consolidated management accounts of the Group for the six months ended 30 June 2014, it is anticipated that the loss attributable to the owners of the Company for the six months ended 30 June 2014 of the Group will substantially increase as compared with the same period of the year of 2013.

Potential investors and shareholders of the Company should exercise caution when dealing with the securities of the Company.

This announcement is made by Hunan Nonferrous Metals Corporation Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

PROFIT WARNING

Based on the unaudited consolidated management accounts of the Group for the six months ended 30 June 2014, the board of directors of the Company (the “**Board**”) anticipates that the loss attributable to the owners of the Company for the six months ended 30 June 2014 of the Group will substantially increase as compared with the same period of the year of 2013.

The unaudited loss attributable to owners of the Company for the six months ended 30 June 2013 amounted to RMB160,707,000.

The Board is of the view that the anticipated significant increase in the unaudited loss attributable to the owners of the Company for the six months ended 30 June 2014 as compared with the same period of the year of 2013, is mainly attributable to the following factors: (i) the operating results of China Tungsten and Hightech Materials Co., Ltd. (中鎢高新材料股份有限公司), a subsidiary of the Company, changed from profitable to loss as a result of dual adverse factors, (a) that affected by the economic environment, low demand of main products market and intensifying competition leads to a substantial decrease in the prices of raw materials and products, as well as (b) that due to the large amount of inventory, the pressure of digesting the inventory cost of raw materials and alloys products increases. It is anticipated that the net profit of the report period is RMB-0.2 billion to RMB-0.18 billion (as compared with the net profit for the same period of the year of 2013, being RMB0.11634 billion); and (ii) the decline in the prices and sales volume of antimony products, the decline in the prices of tungsten concentrates, and the substantial decrease in the gross profit of the products of nonferrous metal mine, as compared with the same period of the year of 2013.

The profit warning is merely made on the basis of the preliminary calculations of the Group’s management accounts by the Board, and may have difference with the final audited results. The Board hereby invites shareholders and investors of the Company to read the interim results of the six months ended 30 June 2014 of the Company carefully, which is expected to be published around the end of August 2014 on the Company’s website at www.hnc2626.com and that of The Stock Exchange of Hong Kong Limited at www.hkex.com.hk.

Potential investors and shareholders of the Company should exercise caution when dealing with the securities of the Company.

By Order of the Board
Hunan Nonferrous Metals Corporation Limited*
Li Fuli
Chairman

Changsha, the PRC

14 July 2014

As at the date of this announcement, the Board of the Company comprises Mr. Li Fuli, Ms. Deng Yingjie, Mr. He Yawen and Mr. Wu Xiaopeng as executive directors, Mr. Cao Xiuyun, Mr. Huang Guoping, Mr. Chen Zhixin and Mr. Yang Guang as non-executive directors and Mr. Kang Yi, Ms. Chen Xiaohong, Mr. Wan Ten Lap and Mr. Choi Man Chau, Michael as independent non-executive directors.

**For identification purpose only*