China Nonferrous Mining Corporation Limited
中 國 有 色 礦 業 有 限 公 司

(Incorporated in Hong Kong with limited liability under the Companies Ordinance)

(Stock Code: 1258)

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2017

Financial Highlights of the Group

In the first half of 2017, the Group recorded revenue of US$873.7 million, representing an increase of 38.6% from US$630.3 million in the first half of 2016.

In the first half of 2017, the Group recorded net profit of US$109.5 million, representing an increase of 529.3% from US$17.4 million in the first half of 2016.

In the first half of 2017, the Group recorded profit attributable to owners of US$65.7 million, representing an increase of 880.6% from US$6.7 million in the first half of 2016.

In the first half of 2017, basic earnings per share attributable to owners of the Group was approximately US¢1.88, representing an increase of approximately 889.5% from US¢0.19 in the first half of 2016.

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2017.

UNAUDITED INTERIM RESULTS

The board of directors (the "Board") of China Nonferrous Mining Corporation Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 June 2017, together with comparative financial information for the corresponding period in 2016.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2017

	Notes	Six months ended 30 June 2017 US$'000 (Unaudited)	30 June 2016 US$'000 (Unaudited)
Revenue	3, 4	**873,687**	630,320
Cost of sales		**(671,954)**	(565,571)
Gross profit		**201,733**	64,749
Other income		**3,665**	3,466
Distribution and selling expenses		**(22,874)**	(12,432)
Administrative expenses		**(23,016)**	(22,110)
Finance costs	5	**(12,229)**	(10,765)
Other expenses		**(10,202)**	(7,469)
Other gains and losses	6	**8,140**	7,234
Profit before tax		**145,217**	22,673
Income tax expense	7	**(35,760)**	(5,247)
Profit and total comprehensive income for the period	4	**109,457**	17,426
Profit and total comprehensive income attributable to:			
Owners of the Company		**65,658**	6,711
Non-controlling interests		**43,799**	10,715
		109,457	17,426
Earnings per share	9		
– Basic *(US cent per share)*		**1.88**	0.19

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2017

	Notes	**At 30 June 2017** **US$'000** **(Unaudited)**	At 31 December 2016 US$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**946,837**	905,087
Mining right		**6,667**	10,366
Interest in an associate		**2,143**	2,143
Finance lease receivables		**728**	1,089
Other assets		**19,584**	13,826
Restricted bank balances		**21,777**	6,027
Deferred tax assets		**55,357**	59,702
		1,053,093	998,240
CURRENT ASSETS			
Inventories	10	**264,910**	316,824
Finance lease receivables		**1,099**	2,447
Trade receivables	11	**161,450**	224,225
Prepayments and other receivables		**182,096**	163,578
Restricted bank balances		**805**	1,100
Bank deposits		**–**	38,000
Bank balances and cash		**876,100**	685,327
		1,486,460	1,431,501
CURRENT LIABILITIES			
Trade payables	12	**196,564**	275,985
Other payables and accrued expenses		**56,404**	33,885
Income tax payable		**42,021**	27,325
Bank and other borrowings – due within one year	13	**151,020**	58,000
Derivative, at fair value		**1,740**	8,233
		447,749	403,428
NET CURRENT ASSETS		**1,038,711**	1,028,073
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,091,804**	2,026,313

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Continued)

AT 30 JUNE 2017

	Notes	At 30 June 2017 US$'000 (Unaudited)	At 31 December 2016 US$'000 (Audited)
CAPITAL AND RESERVES			
Share capital		**613,233**	613,233
Retained profits		**97,072**	31,414
Equity attributable to owners of the Company		**710,305**	644,647
Non-controlling interests		**240,753**	198,999
TOTAL EQUITY		**951,058**	843,646
NON-CURRENT LIABILITIES			
Bank and other borrowings – due after one year	13	**1,055,467**	1,100,487
Deferred income		**15,479**	15,818
Provision for restoration, rehabilitation and environmental costs		**19,728**	19,863
Deferred tax liabilities		**50,072**	46,499
		1,140,746	1,182,667
		2,091,804	2,026,313

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2017

	Attributable to owners of the Company			Non-controlling interests	Total equity
	Share capital	Retained profits	Total		
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*
Six months ended 30 June 2017					
At 1 January 2017 (Audited)	613,233	31,414	644,647	198,999	843,646
Profit and total comprehensive income for the period	–	65,658	65,658	43,799	109,457
Dividend declared by a subsidiary	–	–	–	(2,045)	(2,045)
At 30 June 2017 (Unaudited)	613,233	97,072	710,305	240,753	951,058
Six months ended 30 June 2016					
At 1 January 2016 (Audited)	613,233	19,582	632,815	154,656	787,471
Profit and total comprehensive income for the period	–	6,711	6,711	10,715	17,426
At 30 June 2016 (Unaudited)	613,233	26,293	639,526	165,371	804,897

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2017

	For the six months ended 30 June	
	2017	2016
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
NET CASH GENERATED FROM OPERATING ACTIVITIES	**210,758**	116,742
NET CASH (USED IN) GENERATED FROM INVESTING ACTIVITIES	**(50,279)**	14,979
NET CASH GENERATED FROM FINANCING ACTIVITIES	**29,505**	34,335
NET INCREASE IN CASH AND CASH EQUIVALENTS	**189,984**	166,056
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	**685,327**	560,246
Effect of foreign exchange rate changes	**789**	439
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		
Represented by:		
Bank balances and cash	**876,100**	727,300
Bank overdrafts	**–**	(559)
	876,100	726,741

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2017

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules").

The financial information relating to the year ended 31 December 2016 that is included in these condensed consolidated financial statements as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements is as follows:

The Company delivered the financial statements for the year ended 31 December 2016 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

The Company's auditor has reported on those financial statements. The auditor's report was unqualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report, and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for the derivative financial instruments which are measured at fair value.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2017 are the same as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2016.

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA that are mandatorily effective for the current interim period.

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Amendments to HKAS 7	*Disclosure Initiative*
Amendments to HKAS 12	*Recognition of Deferred Tax Assets for Unrealised Losses*
Amendments to HKFRS 12	*As part of the Annual Improvements to HKFRSs 2014–2016 Cycle*

Except as described below, the application of the above amendments to HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

Additional disclosures about changes in liabilities arising from financing activities, including both changes from cash flows and non-cash changes on application of amendments to HKAS 7 will be provided in the consolidated financial statements for the year ending 31 December 2017.

3. REVENUE

An analysis of the Group's revenue from sale of goods is as follows:

	Six months ended	
	30 June	30 June
	2017	2016
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Blister copper	**619,325**	457,408
Copper cathodes	**227,407**	157,617
Sulfuric acid	**26,955**	15,295
	873,687	630,320

4. SEGMENT INFORMATION

The Group's operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker, being the Operating Management Committee (the "CODM"), in order to allocate resources to the segments and to assess their performance.

Information reported to the CODM for the purposes of resource allocation and assessment of segment performance focuses on the types of goods produced. The Group's operating and reportable segments in current period under HKFRS 8 Operating Segments are as follows:

- Leaching – Production and sale of copper cathodes (including exploration and mining of oxide copper mines) which are produced using the solvent extraction-electrowinning technology; and

4. SEGMENT INFORMATION *(Continued)*

- Smelting – Production and sale of blister copper (including exploration and mining of sulfuric copper mines) and sulfuric acid which are produced using ISA smelting technology. Sulfuric acid are by-products in the production of blister copper.

No operating segments have been aggregated to be derived from the reportable segments of the Group.

Segment revenue and results

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

	Leaching *US$'000* (Unaudited)	Smelting *US$'000* (Unaudited)	Consolidated *US$'000* (Unaudited)
Six months ended 30 June 2017			
Revenue from external customers	**227,407**	**646,280**	**873,687**
Inter-segment sales	**3,179**	**9,206**	**12,385**
Total segment revenue	**230,586**	**655,486**	**886,072**
Elimination			**(12,385)**
Revenue for the period			**873,687**
Segment profit	**57,353**	**53,770**	**111,123**
Unallocated income*			**1,517**
Unallocated expenses#			**(3,183)**
Profit for the period			**109,457**

4. SEGMENT INFORMATION *(Continued)*

Segment revenue and results *(Continued)*

	Leaching *US$'000* (Unaudited)	Smelting *US$'000* (Unaudited)	Consolidated *US$'000* (Unaudited)
Six months ended 30 June 2016			
Revenue from external customers	157,617	472,703	630,320
Inter-segment sales	–	10,568	10,568
Total segment revenue	157,617	483,271	640,888
Elimination			(10,568)
Revenue for the period			630,320
Segment profit	11,011	8,752	19,763
Unallocated income*			473
Unallocated expenses#			(2,810)
Profit for the period			17,426

* The unallocated income mainly represents the interest income arising from the bank deposits and bank balances of the Company, China Nonferrous Mining Holdings Limited, a directly wholly-owned subsidiary of the Company which directly holds the Group's shareholdings in the subsidiaries in Zambia, China Nonferrous Mining Hong Kong Holdings Limited ("CNMHK") and China Nonferrous Mining Hong Kong Investment Limited, directly controlling subsidiaries of the Company which directly hold the Group's shareholdings in the subsidiaries in Democratic Republic of Congo ("DRC"), (collectively referred to as the "Holding Companies").

The unallocated expenses mainly represent the administrative expenses, interest expenses and income tax expenses of the Holding Companies.

4. SEGMENT INFORMATION *(Continued)*

Segment revenue and results *(Continued)*

The accounting policies of the operating and reportable segments are the same as the Group's accounting policies. Segment profit represents the profit for the period earned by each segment. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Inter-segment sales are charged at prevailing market rates.

Segment assets and liabilities

	At 30 June 2017	At 31 December 2016
	US$'000	*US$'000*
	(Unaudited)	(Audited)
Segment assets		
– Leaching	**780,293**	767,561
– Smelting	**1,498,726**	1,403,571
Total segment assets	**2,279,019**	2,171,132
Unallocated assets*	**282,613**	267,824
Elimination	**(22,079)**	(9,215)
Consolidated total assets	**2,539,553**	2,429,741
Segment liabilities		
– Leaching	**592,499**	659,697
– Smelting	**890,071**	806,129
Total segment liabilities	**1,482,570**	1,465,826
Unallocated liabilities*	**128,004**	129,484
Elimination	**(22,079)**	(9,215)
Consolidated total liabilities	**1,588,495**	1,586,095

* The unallocated assets and liabilities mainly represent those of the Holding Companies.

4. SEGMENT INFORMATION *(Continued)*

Segment assets and liabilities *(Continued)*

For the purposes of monitoring segment performance and allocating resources between segments, all assets and liabilities, except for certain assets and liabilities of the Holding Companies, are allocated to reportable and operating segments.

Geographical information

The Group's operations are mainly in Zambia and DRC and US$875,632,000 (31 December 2016: US$822,436,000) and US$99,599,000 (31 December 2016: US$108,986,000) of its non-current assets other than financial instruments and deferred tax assets are located in Zambia and DRC, respectively.

The Group's revenue from external customers by their geographical locations is detailed below:

	Six months ended	
	30 June 2017	30 June 2016
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
PRC	**626,401**	516,209
Switzerland	**117,872**	62,734
Africa	**27,941**	11,636
Singapore	**60,161**	7,481
Luxemburg	**41,312**	32,260
	873,687	630,320

5. FINANCE COSTS

	Six months ended	
	30 June 2017	30 June 2016
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Interest on bank and other borrowings	**22,109**	15,731
Unwinding of discount	**166**	212
	22,275	15,943
Less: Amount capitalised in the cost of qualifying assets	**(10,046)**	(5,178)
	12,229	10,765

6. OTHER GAINS AND LOSSES

	Six months ended	
	30 June 2017	30 June 2016
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Foreign exchange gain, net	**6,881**	6,082
Gain/(loss) on disposal of property, plant and equipment, net	**192**	(9)
Gain arising on change in fair value of derivatives	**1,067**	1,335
Reversal of impairment losses on trade receivables	**–**	461
Others	**–**	(635)
	8,140	7,234

7. INCOME TAX EXPENSE

	Six months ended 30 June 2017 US$'000 (Unaudited)	30 June 2016 US$'000 (Unaudited)
Current tax:		
Income Tax in Zambia	**14,943**	3,375
Income Tax in DRC	**12,899**	6,820
Income Tax in Ireland	**–**	20
	27,842	10,215
Deferred tax	**7,918**	(4,968)
Total income tax expense	**35,760**	5,247

8. DIVIDENDS

The Directors do not recommend the payment of interim dividend for the current period (six months ended 30 June 2016: Nil).

9. EARNINGS PER SHARE

	Six months ended 30 June 2017 (Unaudited)	30 June 2016 (Unaudited)
Profit for the period attributable to owners of the Company for the purpose of basic earnings per share *(in US$'000)*	**65,658**	6,711
Number of shares for the purpose of basic earnings per share *(in '000)*	**3,489,036**	3,489,036

During the six month periods ended 30 June 2017 and 2016, there was no potential ordinary share outstanding.

10. INVENTORIES

	At 30 June 2017 US$'000 (Unaudited)	At 31 December 2016 US$'000 (Audited)
Raw materials	**140,336**	200,182
Spare parts and consumables	**75,264**	76,019
Work in progress	**36,949**	32,504
Finished goods	**12,361**	8,119
	264,910	316,824

11. TRADE RECEIVABLES

	At 30 June 2017 US$'000 (Unaudited)	At 31 December 2016 US$'000 (Audited)
Trade receivables	**164,371**	227,146
Less: Allowance for doubtful debts	**(2,921)**	(2,921)
	161,450	224,225

The following is an aged analysis of trade receivables, presented based on the invoice dates, net of allowance for doubtful debts:

	At 30 June 2017 US$'000 (Unaudited)	At 31 December 2016 US$'000 (Audited)
0 to 30 days	**144,453**	183,925
31 to 90 days	**13,030**	29,160
91 to 180 days	**2,358**	6,726
181 to 365 days	**1,537**	3,410
1–2 years	**72**	1,004
	161,450	224,225

11. TRADE RECEIVABLES *(Continued)*

The Group sells blister copper and copper cathodes under provisional pricing arrangements where final grades of copper, gold and silver 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 pass to the customer using past history of grades of copper, gold and silver in copper products based on internal examination statistics and forward prices for the expected date of final settlement.

Revenue on provisionally priced sales resulted in the revenue adjustment mechanism embedded within provisionally priced sales arrangements has the character of a commodity derivative which included in the Group's trade receivables amounting to US$3,568,000 (an asset) as at 30 June 2017 (31 December 2016:US$27,024,000 (an asset)).

12. TRADE PAYABLES

The following is an aged analysis of trade payables, presented based on the invoice date:

	At 30 June 2017 *US$'000* **(Unaudited)**	At 31 December 2016 *US$'000* (Audited)
0 to 30 days	**69,226**	51,855
31 to 90 days	**30,058**	58,740
91 to 180 days	**31,779**	79,213
181 to 365 days	**25,870**	53,360
1–2 years	**20,938**	21,263
2–3 years	**14,682**	11,554
3–4 years	**4,011**	–
	196,564	275,985

12. TRADE PAYABLES *(Continued)*

The average credit period on purchases of certain goods is within 3 months and most payables are paid within the credit timeframe.

The Group purchases copper concentrates under provisional pricing arrangements where final grades of copper, gold and silver in copper products are agreed based on third-party examination and final prices are set at the quotation period based on prevailing spot prices. According to industry practice, the purchase terms of metal in these contracts contain provisional pricing arrangements pursuant to which the purchase prices for metal in concentrate are based on prevailing spot prices at a specified future period after shipment by suppliers (the "quotation period"). Adjustments to the purchase price occur based on movements in quoted market prices up to the date of final settlement. The period between provisional invoicing and final settlement is within three months. Accordingly, for accounting purposes, the provisional price arrangement is required to be separated from the host contract for purchase of metal in concentrate once the significant risks and rewards of ownership has been transferred to the Group. The host contract is the purchase of metal in concentrate and the embedded derivative is the forward contract for which the provisional price is subsequently adjusted. The adjustment is re-estimated in trade payables on the consolidated financial position and changes in fair value are recognised in profit or loss. In all cases, fair value is estimated by reference to forward market price.

Provisionally priced purchase arrangements have the character of commodity derivatives which are included in the Group's trade payables amounting to US$2,985,000 (a liability) as at 30 June 2017 (31 December 2016: US$21,261,000 (a liability)) and changes in fair value are recognised in profit or loss.

13. BANK AND OTHER BORROWINGS

During the current interim period, the Group obtained new bank and other borrowings amounting to approximately US$98,000,000 (six months ended 30 June 2016: US$375,000,000), and repaid bank and other borrowings amounting to approximately US$50,000,000 (six months ended 30 June 2016: US$305,505,000).

The Group's borrowings included a loan from China Nonferrous Metal Mining (Group) Co., Ltd.* ("CNMC") of US$1,077,000 (31 December 2016: US$1,077,000), which is unsecured and bears interest at rate varies based on benchmark interest rate published by the People's Bank of China of 3.3% per annum (six months ended 30 June 2016: 3.3%), and loans of US$255,000,000 (31 December 2016: US$300,000,000) from a fellow subsidiary, which are unsecured and bear interest at a rate of 4% per annum.

* *Translation of English terms for reference purposes only*

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

In the first half of 2017, in the face of ongoing oscillation and adjustment of the world economy, the Group held to the principle of "standardized management and innovative operation" to carry out work with steadfast determination and persistent diligence. As a result, the operating results substantially improved and various tasks progressed smoothly.

During the reporting period, the production volume of blister copper, copper cathode and sulfuric acid, the main products of the Group, all increased substantially. The revenue increased by 38.6% to US$873.7 million over the same period last year. Profit attributable to owners of the Company amounted to US$65.7 million, representing an increase of 880.6% over the same period last year, which was mainly attributable to the substantial increase in the price and sales volume of copper as compared with the same period last year and better control of production costs.

At the same time, with the rapid advancement of the Integrating Exploration and Construction Project of the Chambishi Southeast Mine and Lualaba copper smelting project, a solid foundation will be laid for the Group's further development of business.

Business Review

The Group is a leading, fast growing and vertically integrated copper producer, focusing on mining, ore processing, leaching, smelting and sales of copper, based in Zambia and DRC. The Group also produces sulfuric acid, a by-product generated during the smelting process.

The businesses of the Group are carried out mainly through the following companies: NFC Africa Mining PLC ("NFCA"), CNMC Luanshya Copper Mines PLC ("Luanshya"), Chambishi Copper Smelter Limited ("CCS") and Sino-Metals Leach Zambia Limited ("SML") located in Zambia, as well as through Huachin Metals Leach SA ("Huachin Leach") and CNMC Huachin Mabende Mining SA ("CNMC Huachin Mabende") located in DRC.

From January to June 2017, blister copper accumulatively produced by the Group amounted to 114,012 tonnes, representing an increase of 8.2% over the same period last year; copper cathode amounted to 43,870 tonnes, representing an increase of 22.2% over the same period last year; and sulfuric acid amounted to 309,618 tonnes, representing an increase of 18.7% over the same period last year. Revenue of the Group increased by 38.6% from US$630.3 million for the first half of 2016 to US$873.7 million for the first half of 2017.

Production overview

NFCA

NFCA mainly operates two mines, namely the Chambishi Main Mine and Chambishi West Mine, as well as the ancillary processing plant.

In the first half of 2017, copper contained in concentrate accumulatively produced by the Chambishi Main Mine and Chambishi West Mine amounted to 14,079 tonnes, representing an increase of 13.6% over the same period last year. This was primarily due to the increase in the volume of ore processed, ore grade and recovery in ore processing in the same period of this year.

Luanshya

Luanshya operates Baluba Center Mine, Muliashi North Mine and Muliashi South Mine, three copper mines, as well as the Muliashi Leach Plant.

Baluba Center Mine continued to be under maintenance and production was suspended in the first half of 2017 due to low copper price and inadequate electricity supply.

The Muliashi Project produced 20,064 tonnes of copper cathode in the first half of 2017, representing an increase of 20.3% over the same period last year. The increase was mainly attributable to the increasing scale of heap leaching, leading to continuous improvement in the output capacity of the system. Production of slag copper recovery has resumed with accumulative production of 517 tonnes of copper concentrate since April 2017.

CCS

CCS mainly operates the Chambishi Smelting Plant.

In the first half of 2017, blister copper and sulfuric acid accumulatively produced by CCS amounted to 114,012 tonnes and 309,618 tonnes, respectively, representing an increase of 8.2% and 18.7%, respectively, over the same period last year. It was mainly attributable to the abundant supply of raw materials, a higher loading rate of production and an increase in production over the same period last year.

SML

SML mainly operates the Mwambashi Mine and the Chambishi Leach Plant.

Copper cathode accumulatively produced by SML in the first half of 2017 increased by 10.8% to 2,531 tonnes as compared with the same period last year. Processing plants under SML produced 928 tonnes of copper contained in copper concentrate in the first half of 2017, representing an increase of 83.4% over the same period last year, mainly attributable to the abundant supply of raw materials as a result of the sustained supply of ores provided by Mwambashi Mine.

CNMHK

CNMHK completed acquisitions of equity interests of Huachin Leach and CNMC Huachin Mabende in the DRC held by SML on 30 June 2016. Since 1 July 2016, Huachin Leach and CNMC Huachin Mabende in the DRC became the subsidiaries of CNMHK.

Copper cathode accumulatively produced by CNMC Huachin Mabende in the first half of 2017 increased by 36.0% to 14,828 tonnes as compared with the same period last year. Copper cathode produced by Huachin Leach increased by 7.0% to 6,448 tonnes as compared with the same period last year. In particular, the increase in production of CNMC Huachin Mabende was due to the sustained release of production capacity as a result of the stable supply of electricity and the increase in production of Huachin Leach was mainly due to the increase in the volume of ore processed and ore grade this year.

The table below sets forth the production volume of the products of the Group and the period-to-period change for the periods indicated.

	Production volume for the first half of 2017 ***(Tonnes)***	Production volume for the first half of 2016 *(Tonnes)*	Period-to-period growth *(%)*
Copper concentrate	**15,524**	12,904	20.3%
Blister copper	**114,012**	105,391	8.2%
Copper cathode	**43,870**	35,888	22.2%
Sulfuric acid	**309,618**	260,848	18.7%

Note: The production volumes of all the products are on a contained-copper basis, except for sulfuric acid.

EXPLORATION, DEVELOPMENT AND MINING COST OF THE GROUP

Expenses of exploration, development and mining activities of the Group for the six months ended 30 June 2017 are set out below:

	NFCA				Luanshya			SML	
Unit: Million US dollars	Chambishi Main Mine	Chambishi West Mine	Chambishi Southeast Mine	Baluba Center Sulphide Mine	Muliashi North Mine	Muliashi South Mine	Baluba East Mine	Mwambashi Mine	Total
Exploration activities									
Including:									
– Others	0.30	0.86	–	–	–	–	–	–	**1.16**
Sub-total	**0.30**	**0.86**	**–**	**–**	**–**	**–**	**–**	**–**	**1.16**
Development activities (including mine construction)									
Including:									
– Purchases of assets and equipment	–	0.43	13.27	–	–	–	–	–	**13.70**
– Civil work for construction of tunnels and roads	–	–	32.93	–	1.83	–	–	–	**34.76**
– Staff cost	–	–	–	–	–	–	–	–	**–**
– Others	–	–	15.56	–	–	0.16	1.39	–	**17.11**
Sub-total	**–**	**0.43**	**61.76**	**–**	**1.83**	**0.16**	**1.39**	**–**	**65.57**
Mining activities (excluding ore processing)									
Including:									
– Staff cost	1.51	1.17	–	–	0.11	–	–	0.07	**2.86**
– Consumables	0.82	2.04	–	–	0.59	0.07	–	–	**3.52**
– Fuel, electricity, water and other services	2.80	2.65	–	–	–	–	–	0.11	**5.56**
– Non-income taxes, royalties and other expenses	–	–	–	–	4.75	0.97	–	–	**5.72**
– Depreciation	1.18	2.68	–	–	19.33	1.32	–	0.14	**24.65**
– Sub-contracting charges	7.03	23.51	–	–	6.15	1.86	–	1.45	**40.00**
– Others	0.08	0.23	–	–	–	–	–	1.49	**1.80**
Sub-total	**13.42**	**32.28**	**–**	**–**	**30.93**	**4.22**	**–**	**3.26**	**84.11**

PROJECTS IN PROGRESS

NFCA

The Integrating Exploration and Construction Project of the Chambishi Southeast Mine

The Chambishi Southeast Mine Project under development is one of the key development mine projects of the Company with a designed ore processing capacity of 3,300,000 tonnes per annum and a production capacity of copper contained in copper concentrate of approximately 63,000 tonnes per annum. As at the end of June 2017, the aggregate shaft work of 26,336.4 m/548,122.1 m^3 with underground drilling depth of 16,767.4 m was completed, the aggregate project investments amounted to US$410.27 million, representing 49.3% of total project investments. The construction works are scheduled to be completed and put into production in the third quarter of 2018.

CCS

The Liquid Sulphur Dioxide Project

This project produces liquid sulphur dioxide with smelting by-products and existing public facilities. It has a scale of an annual output of 16,500 tonnes of liquid sulphur dioxide with an aggregate investment of US$9.58 million and a construction period of one year. The project is currently under preparation.

Tailings Pond Project Phase II

The project is one of the planned projects under the Preliminary Design for the Expansion Construction Phase II of the Company. The tailings pond is a compacted earth-rock dam with three sides of dam being constructed at the same time. The highest elevation of the dam is 1,250 m, the height of the largest dam is 20 m with a site area of approximately 350,000 m^2.The foundation cleaning and excavated volume amounts to 35,000 m^3, the work of dam construction is 540,000 m^3, and the storage capacity is 3 million m^3, which can satisfy the storage requirement of tailing for ten years. The aggregate project investment amounts to US$10 million with a construction period of two years, and an investment of US$5 million is scheduled to be contributed in 2017.

As at 30 June 2017, the surface cleaning of the pond area and base excavation of the eastern dam were completed and the completed part reached a height of 1,239 m, with invested amount of US$2,306,700. The project is expected to be completed in August 2018.

SML

Mwambashi Strip Mine project

The project comprises a strip mine with designed capacity of 600,000 tonnes of ores per annum and a processing plant with a capacity of 2,000 tonnes per day. The construction commenced in September 2013 with total investment of US$71.57 million. Since May 2015, production of the strip mine was transformed to parallel arrangement of stripping and mining which was completed and formally commenced production at the end of June 2016. The total stripping capacity amounted to 5,473,600 m^3 as at the end of June 2017. Upon approval by the Board in April 2016, the proposal of construction of a processing plant with a capacity of 2,000 tonnes per day was changed to expansion of the current processing plant from the then capacity of 1,000 tonnes per day to a capacity of 2,000 tonnes per day, the total investment was adjusted to US$57.39 million accordingly. The expansion of the processing plant commenced construction in April 2016 and was scheduled to be completed and come into operation in August 2017. The total amount invested by the end of June 2017 amounted to US$41.688 million, representing 72.64% of the total investment.

FINANCIAL REVIEW

Results of Operations

The following table sets forth sales volume, average selling price, revenue and percentage contribution to total revenue of the Group's products for the periods indicated.

	For the six months ended 30 June							
	2017				2016			
	Sales Volume (1)	**Average Selling Price**	**Revenue**	**% of Total Revenue**	Sales Volume (1)	Average Selling Price	Revenue	% of Total Revenue
	(Tonnes)	*(US$ per tonne)*	*(US$'000)*	*(%)*	*(Tonnes)*	*(US$ per tonne)*	*(US$'000)*	*(%)*
Blister copper	**113,991**	**5,433**	**619,325**	**70.9**	105,026	4,355	457,408	72.6
Copper cathode	**43,316**	**5,250**	**227,407**	**26.0**	37,478	4,206	157,617	25.0
Sulfuric acid	**221,135**	**122**	**26,955**	**3.1**	135,009	113	15,295	2.4
Total	**378,442**		**873,687**	**100.0**	277,513		630,320	100.0

Note: (1) The sales volumes of all the products are on a contained-copper basis, except for sulfuric acid.

Revenue

The revenue of the Group increased by 38.6% from US$630.3 million in the first half of 2016 to US$873.7 million in the first half of 2017, primarily attributable to the substantial increase in global copper prices and the sales volume of blister copper, copper cathode and sulfuric acid as compared with the same period last year.

The revenue of blister copper increased by 35.4% from US$457.4 million in the first half of 2016 to US$619.3 million in the first half of 2017, primarily due to the increase in copper price and sales volume.

The revenue of copper cathode increased by 44.3% from US$157.6 million in the first half of 2016 to US$227.4 million in the first half of 2017, mainly attributable to the substantial increase in copper price and sales volume as compared with the same period last year.

The revenue of sulfuric acid increased by 76.5% from US$15.3 million in the first half of 2016 to US$27.0 million in first half of 2017, primarily attributable to the substantial increase in demands for sulfuric acid from leaching in DRC.

The following table sets forth the cost of sales, unit cost of sales, gross profits and gross profit margins of the products of the Group for the periods indicated.

	For the six months ended 30 June							
	2017				2016			
	Cost of Sales	**Unit Cost of Sales**	**Gross Profit**	**Gross Profit Margin**	Cost of Sales	Unit Cost of Sales	Gross Profit	Gross Profit Margin
	(US$'000)	***(US$ per tonne)***	***(US$'000)***	***(%)***	*(US$'000)*	*(US$ per tonne)*	*(US$'000)*	*(%)*
Blister copper	**538,493**	**4,724**	**80,832**	**13.1**	427,449	4,070	29,959	6.6
Copper cathode	**127,788**	**2,950**	**99,619**	**43.8**	131,668	3,513	25,949	16.5
Sulfuric acid	**5,673**	**26**	**21,282**	**79.0**	6,454	48	8,841	57.8
Total	**671,954**		**201,733**	**23.1**	565,571		64,749	10.3

Cost of sales

The cost of sales of the Group in the first half of 2017 increased by 18.8% to US$672.0 million from US$565.6 million in the first half of 2016, primarily due to the increase in global copper prices and sales volume of products.

The cost of sales of blister copper increased by 26.0% from US$427.4 million in the first half of 2016 to US$538.5 million in the first half of 2017, primarily due to the increase in the costs of copper concentrates resulting from the increase in global copper prices.

The cost of sales of copper cathode decreased by 3.0% from US$131.7 million in the first half of 2016 to US$127.8 million in the first half of 2017, primarily due to a combination of the decrease in unit production cost and the increase in sales volume of copper cathode.

The cost of sales of sulfuric acid decreased by 12.3% from US$6.5 million in the first half of 2016 to US$5.7 million in the first half of 2017, primarily due to a combination of the decrease in unit production cost and the increase in sales volume of sulfuric acid.

Gross profit and gross profit margin

Due to the above factors, the Group recorded a gross profit of US$201.7 million in the first half of 2017, representing an increase of 211.7% from US$64.7 million in the same period of 2016. The gross profit margin increased from 10.3% in the first half of 2016 to 23.1% in the first half of 2017.

Distribution and selling expenses

The distribution and selling expenses of the Group increased by 84.7% from US$12.4 million in the first half of 2016 to US$22.9 million in the first half of 2017, primarily due to the substantial increase in freight caused by larger volume of sulfuric acid sold to DRC in the current period.

Finance costs

The finance costs of the Group increased by 13.0% from US$10.8 million in the first half of 2016 to US$12.2 million in the first half of 2017, primarily due to the expansion of the financing scale in the current period.

Other gains and losses

Other gains and losses of the Group changed from net gains of US$7.2 million in the first half of 2016 to net gains of US$8.1 million in the first half of 2017, primarily due to the appreciation of ZMK in the current period, resulting in a significant fluctuation in the amount of refundable value-added tax and monetary assets denominated in ZMK.

Income tax expense

The income tax expense of the Group increased by 588.5% from US$5.2 million in 2016 to US$35.8 million in the first half of 2017. Effective tax rate increased from 23.1% in the first half of 2016 to 24.6% in the first half of 2017, primarily due to the increase in the proportion of assessable income of subsidiaries with higher effective tax rate in DRC.

Profit attributable to owners of the Company

Due to the aforementioned factors, profit attributable to owners of the Company significantly increased by 880.6% from US$6.7 million in the first half of 2016 to US$65.7 million in the first half of 2017.

LIQUIDITY AND CAPITAL RESOURCES

Cash flows

The following table sets forth certain information regarding the condensed consolidated statements of cash flows of the Group for the periods indicated:

	For the six months ended 30 June	
	2017	2016
	(US$'000)	*(US$'000)*
	(Unaudited)	(Unaudited)
Net cash generated from operating activities	**210,758**	116,742
Net cash (used in) generated from investing activities	**(50,279)**	14,979
Net cash generated from financing activities	**29,505**	34,335
Net increase in cash and cash equivalents	**189,984**	166,056
Cash and cash equivalents at beginning of the period	**685,327**	560,246
Effect of foreign exchange rate changes	**789**	439
Cash and cash equivalents at the end of the period		
Represented by:		
Bank balances and cash	**876,100**	727,300
Bank overdrafts	**–**	(559)
	876,100	726,741

Net cash flows generated from operating activities

Net cash flows generated from the operating activities of the Group increased by US$94.1 million from US$116.7 million in the first half of 2016 to US$210.8 million in the first half of 2017, primarily attributable to the significant increase in net profit during the period as compared with the same period last year.

Net cash flows (used in) generated from investing activities

The net cash outflow used in investing activities of the Group was US$50.3 million in the first half of 2017, representing an increase of US$65.3 million as compared to the net cash inflow generated from investing activities of US$15.0 million in the same period of 2016, mainly attributable to the increase in investment in fixed assets, the decrease in bank time deposits available and the increase in restricted bank deposits.

Net cash flows generated from financing activities

The net cash flow generated from financing activities of the Group was US$29.5 million in the first half of 2017, representing a decrease of US$4.8 million as compared to the net cash flow generated from financing activities of US$34.3 million in the same period of 2016, mainly attributable to the decrease in new bank borrowings for the period.

Bank balances and cash

The Group's bank balances and cash (including cash and demand deposits) increased by US$190.8 million from US$685.3 million as at 31 December 2016 to US$876.1 million as at 30 June 2017.

Trade receivables

Trade receivables of the Group decreased by US$62.7 million from US$224.2 million as at 31 December 2016 to US$161.5 million as at 30 June 2017, primarily attributable to the relatively high recovery ratio of accounts receivable of blister copper.

Inventories

Inventories held by the Group decreased by US$51.9 million from US$316.8 million as at 31 December 2016 to US$264.9 million as at 30 June 2017, primarily due to the decrease in stocks of copper concentrate.

Trade payables

Trade payables of the Group decreased by US$79.4 million from US$276.0 million as at 31 December 2016 to US$196.6 million as at 30 June 2017, primarily due to the decrease in balance of the copper concentrates purchase payables.

Capital expenditure

	For the six months ended 30 June	
	2017	2016
	(US$'000)	*(US$'000)*
	(Unaudited)	(Unaudited)
Mining and ore processing facilities at Southeast Mine of NFCA	**68,824**	24,945
Other mining and ore processing facilities at NFCA	**10,387**	10,946
Mining and ore processing facilities at Luanshya (Baluba East Mine)	**1,390**	–
Mining and leaching facilities at Luanshya (Muliashi Project)	**1,931**	11,278
Smelting facilities at CCS	**7,277**	4,890
Leaching facilities at Chambishi Leach Plant	**2,069**	3,685
Leaching facilities at CNMC Huachin Leach Project	**933**	291
Leaching facilities at Mabende Project	**1,512**	3,825
Total	**94,323**	59,860

The total capital expenditure of the Group increased by US$34.4 million from US$59.9 million in the first half of 2016 to US$94.3 million in the first half of 2017, primarily due to the increase in investments in the mining and ore processing facilities at the Southeast Mine of NFCA and the smelting facilities at CCS.

MARKET RISK DISCLOSURE

In the ordinary course of business, the Group's market risks mainly comprise commodity price risk, foreign exchange risk and interest rate risk.

Commodity price risk

The Group's commodity price risk is mainly the exposure to fluctuations in the market price of copper which affect the prices of the major commodities purchased, produced and sold by the Group. To mitigate this risk, the Group has entered into copper futures contracts and provisional price arrangement to manage its exposure in relation to forecasted sales of copper products, forecasted purchase of copper concentrate, inventories and the Group's commitment to sell its copper products.

Foreign currency exchange risk

The Group operates its business in Zambia and the DRC and most of its businesses in the past were settled in US dollar, its functional currency, while certain businesses were settled in currencies other than its functional currency (mainly Zambia Kwacha, or ZMK, CDF, currency of the DRC and Reminbi, or RMB), which exposed the Group to foreign currency risk. To mitigate such risk, the Group engaged in foreign currency exchange hedging activities through various methods including locking the signing and settlement currency and speeding up tax rebates.

Interest rate risk

The Group is exposed to interest rate risk of cash flow under the impact of interest rates changes of interest-bearing financial assets and liabilities which mainly include interest-bearing restricted bank balances, bank deposits, bank balances, bank and other borrowings at variable interest rates. The Group currently does not have any interest rate hedging policy. However, the directors of the Company (the "Directors") will consider hedging significant interest rate risk should the need arise.

Employee information

As of 30 June 2017, the Group employed a total of 5,598 employees (as at 30 June 2016: 6,009), which comprised 503 foreign employees and 5,095 local employees in Zambia and the DRC. The total cost of employees reflected in the condensed consolidated statement of profit or loss and other comprehensive income amounted to approximately US$37.3 million (30 June 2016: US$34.0 million). The year-on-year increase in the total cost of employees was primarily attributable to the appreciation of ZMK and the increase of production volume, which led to the increase of performance-based salaries of employees.

FUTURE PROSPECTS

In the first half of 2017, the US and China, the world's top two economies, maintained their economic growth trends in a steady manner, despite a plenty of challenges faced by the global economy. After a five-year-long period of profound adjustments in the bulk commodity market, the prices of base metals such as copper started to pick up at the end of 2016. With an upward trend in the economy and a more balanced supply-demand, the prospect for copper price remains promising in the long-term.

In the second half of 2017, the Group will continue to follow its own development strategy. It will keep increasing investments in geological exploration and development, pay high attention to and more efforts in expanding the exploration areas, as well as exploring the surrounding areas and in the depth of the existing mines, notably in the region of Kambove, DRC. Meanwhile, the Group will continue to identify suitable acquisition targets in regions with rich copper resources such as Zambia and the DRC, with an aim to increase the Group's resources.

The Group will continue to improve the operation efficiency of its existing mines and smelters through optimizing the internal value chain management, boosting the integration construction of production-supply-marketing in the same region, intensifying cost control and other modern management methods, so as to continuously enhance its profitability. The Group will continue to pay due efforts in its mining activities in underground mines (including Chambishi Main Mine and Chambishi West Mine in Zambia) and the Muliashi Open-pit Mine and Mwambashi Strip Mine Project in Zambia and Silver Back Resources (SBR) Open-pit Mine in DRC, so as to increase the production volume of copper concentrate and oxide ore from its own mines. Great efforts will be put in the management of the technology of CCS, Muliashi Leaching and Smelting and SML in Zambia and Huachin Leach and CNMC Huachin Mabende in DRC so as to promote the standardised production and improve the output and quality of blister copper, copper cathode and sulphuric acid, with a view to further increasing the operating efficiency and profit from existing production capacity.

The Group will keep its emphasis on the construction of key projects. It will continue to expedite the exploitation in Chambishi Southeast Mine with a view to ensuring the commencement of operation in the third quarter of 2018; and concentrate on the blister copper smelting project in DRC, in hope of enhancing efficiency and providing new production sources for the Company.

In an effort to consistently follow the development philosophy of “innovative, coordinated, green, open and shared”, the Group will constantly improve the working environment, ensure production safety and efficiency, and fulfill its corporate social responsibility while committing itself to bringing good returns to the shareholders, according to the requirements of the Environmental, Social and Governance Reporting Guide.

OTHER INFORMATION

General Information

The Company was incorporated in Hong Kong on 18 July 2011 and its shares are listed on The Stock Exchange of Hong Kong Limited. The Company’s parent and ultimate holding company are China Nonferrous Mining Development Limited, incorporated in the British Virgin Islands, and CNMC, which is wholly-owned by State-owned Assets Supervision and Administration Commission of the State Council and is incorporated in the People’s Republic of China, respectively.

The registered office of the Company is located at Room 1201, Allied Kajima Building, 138 Gloucester Road, Wanchai, Hong Kong, and its principal places of business are located at 32 Enos Chomba Road, Kitwe, Zambia and Lubumbashi, Katanga Province, Congo (DRC), respectively.

The principal activity of the Company is investment holding. The Group's subsidiaries are principally engaged in exploration, mining, ore processing, leaching, smelting and sale of copper cathodes, blister copper and sulfuric acid. The condensed consolidated financial statements are presented in United States dollars ("US$"), which is also the functional currency of the Company and the Group.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2017, none of the Directors or chief executives had any interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which would fall to be disclosed to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO; or interests and short positions required to be recorded in the register kept by the Company pursuant to Section 352 of the SFO; or interests and short positions which fall to be disclosed to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as stipulated in the Listing Rules.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

During the reporting period, the Company or any of its subsidiaries did not make any arrangements to enable any Directors or their respective spouse or minor children to obtain benefits by means of the acquisition of shares of the Company or other body corporates.

SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS' INTEREST AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2017, interests or short positions which shall be disclosed to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying the rights to vote in all circumstances at the general meetings of any other members of the Group:

Long positions in Shares:

Substantial Shareholder	Capacity/ Nature of interest	Number of shares	Approximate percentage of shareholdings
CNMD(Note)	Registered owner	2,600,000,000	74.52%
CNMC	Interest in a controlled corporation	2,600,000,000	74.52%

Note: China Nonferrous Mining Development Limited ("CNMD") is a wholly-owned subsidiary of CNMC and therefore, according to the SFO, CNMC is deemed or taken to be interested in all the Shares which are owned by CNMD.

Save as disclosed above, as at 30 June 2017, no other person had any interests or short positions in the Shares or underlying Shares of the Company which was required to be recorded in the register to section 336 of the SFO.

As at 30 June 2017, each of the following entities was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group:

Member of the Group	Entity with 10% or more interest (other than member of the Group)	Percentage of that entity's interest
NFCA	Zambia Consolidated Copper Mines Investments Holdings Plc ("ZCCM-IH")	15%
Luanshya	ZCCM-IH	20%
CCS	Yunnan Copper Industry (Group) Co., Ltd* (雲南銅業集團有限公司)	40%
SML	Hong Kong Zhongfei Mining Investment Limited ("Hong Kong Zhongfei")	30%
Huachin Leach	Huachin SARL	32.5%
CNMC Huachin Mabende	Huachin SARL	35%
CNMHK	Hong Kong Zhongfei	30%
Kambove Mining SAS	La Generale Des Carrieres Et Des Mines SA	45%
Lualaba Copper Smelter SAS	Yunnan & HongKong Metal Company Limited	40%

* *Translation of English terms for reference purposes only*

Save as disclosed above, as at 30 June 2017, no other person had any interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company and the Stock Exchange pursuant to Section 336 of the SFO or, were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote under all circumstances at general meetings of any other member of the Group.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors had engaged in any business which competes or may compete directly or indirectly with the business of the Group for the six months ended 30 June 2017.

CORPORATE GOVERNANCE

Save as disclosed in the 2016 annual report of the Company that Mr. Xinghu Tao served as the Chairman and President of the Company which is at variance with code provision A.2.1 of the CG Code (as hereafter defined), none of the Directors is aware of any information which would reasonably indicate that the Company has not, for any part of the six months ended 30 June 2017, complied with the code provisions as set out in the Corporate Governance Code and Corporate Governance Report ("CG Code") contained in Appendix 14 of the Listing Rules.

The Board had been searching for a suitable candidate to act as the President of the Company. Mr. Xinghu Tao ceased to be the President of the Company and Mr. Lin Zhang was appointed as executive Director and President of the Company during the period under review, since then, the roles of Chairman and President of the Company are not performed by the same individual. The Company had complied with code provision A.2.1 of the CG Code as at 30 June 2017.

AUDIT COMMITTEE

The Company has an audit committee which was established with written terms of reference in compliance with the Rule 3.22 of the Listing Rules and paragraph C3 of Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 of the Listing Rules. The primary duties of the Audit Committee are to supervise the financial reporting process and internal control and risk management systems of the Group. Members of the Audit Committee are Mr. Diyong Yan, a non-executive Director, and Mr. Jingwei Liu and Mr. Huanfei Guan, independent non-executive Directors. The Group's unaudited condensed financial statements for the six months ended 30 June 2017 have been reviewed by the Audit Committee, and were of the opinion that such unaudited condensed financial statements complied with the applicable accounting standards, the Listing Rules and legal requirements, and that disclosures had been made.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company had adopted a code of conduct on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 to the Listing Rules ("Model Code"). The Company had also made specific enquiries to all Directors and confirmed that all of them complied with the Model Code throughout the six months ended 30 June 2017.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of its listed securities throughout the six months ended 30 June 2017.

SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

Saved as disclosed in this announcement, there were no other significant events affecting the Company nor any of its subsidiaries after the reporting period as at 30 June 2017 requiring disclosure in this announcement.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

The interim results announcement is published on the websites of the Company (www.cnmcl.net) and the Stock Exchange (www.hkexnews.hk). The interim report for the six months ended 30 June 2017 which set out all information required under the Listing Rules, will be despatched to the shareholders and available on the above websites in due course.

By Order of the Board
China Nonferrous Mining Corporation Limited
Xinghu TAO
Chairman

Hong Kong, 29 August 2017

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Xinghu Tao, Mr. Lin Zhang, Mr. Chunlai Wang, Mr. Wei Fan and Mr. Kaishou Xie, as executive Directors; Mr. Diyong Yan as non-executive Director; and Mr. Chuanyao Sun, Mr. Jingwei Liu and Mr. Huanfei Guan as independent non-executive Directors.