

Tongling Nonferrous Metals (Group) Inc., PRC

Development Strategy for

Copper Resource

June 2006



**One. Brief Introduction to Tongling
Nonferrous Metals (Group) Inc.**

**Two. Copper Resource Development
Strategy**

**Three. Cooperation with Canada in
Copper Resource**

One. Brief Introduction to Tongling Nonferrous Metals (Group) Inc.

The Inc. was put into production in June 1952, which was one of the earliest established copper industry bases of the new China, and the cradle of the Chinese copper industry. Now it becomes a mega diversified and associated group of enterprises, with its main business in **copper mining, selection, refinery and manufacturing, as well as integration of trade, research and design, machine producing, construction and installation, well and alley building, geographic survey, and tourism services**, etc, which is one of the key mega group enterprises in Anhui Province. It ranks the 174th amongst the Top 500 enterprises of China and takes the 11th place among the world copper refinery companies.

One. Brief Introduction to Tongling Nonferrous Metals (Group) Inc.

Information on Main Sectors

It now consists of more than 50 enterprises including enterprises of independent investment, share and share holdings, among which, Jinlong Copper Co. Ltd. is the biggest Sino foreign joint venture smelting company in Anhui Province as well as in the nonferrous metals circle. Anqing Copper Co. is the first mine with a new pattern nationwide and Dongguanshan Copper Mine so far has the biggest modern pit mining. Tongling Jinwei Copper Co. is the biggest Sino-foreign joint venture for copper manufacturing. Anhui Tongdu Copper Stock Co. is the first listed enterprise in Chinese copper industry. Projects under construction have capacity of 100 thousand tons of copperplates and strips and 75 thousand tons of brass bar.

Sino-Foreign Joint Venture Jinlong Copper Co., Ltd.



**First National Nonferrous Metal Mine with a New Pattern
—Anshan Copper Mine Co.**



Ecotype Mine—Dongguashan Copper Mine Co.



Zhangjiagang Copper Co.



铜都铜业金昌冶炼厂

Tongdu Copper Jinchang Smelting Plant



Copper wire and cable plant of Tongdu Copper Co.



Workshop for enamelled wire



Layout Drawing of Projects under Construction for High Precise Copperplates and Strips



安徽铜都铜业股份有限公司高精度铜板带技术改造工程总体效果图

**Jinwei 1250mm
Horizontal Cutting
Machine Group**



2006/06

One Brief Introduction to Tongling Nonferrous Metals (Group) Inc.

Product Brands & Business

- ❖ The main product of the company is copper cathode. “Copper Crown” is a well-known brand in China and rated as satisfactory products nationwide for its high purity copper cathode; the high purity copper cathodes of “Jintun” brand and “Copper Crown” brand have been registered in London Metals Exchange and become world famous brands. Copper cathode, oxygen free copper rod, and round enamelled copper wire, bluestone, plastic cable, ceramic filter and T150 borer, etc. are provincially famous brand products.
- ❖ The company entered the global economy during early period and participated in the market competition. Presently the company has established economic and trade cooperation relationship with over 30 countries and regions, and dozens of products are being exported to more than 10 countries like Japan, Germany, USA and Singapore and so on. Now it is among the Top 100 enterprises who possess foreign trade entitlements and its total imp. & exp. trade volume is ranked the 175th among the Top 500 enterprises of China.

Import from (15 countries): Chile, Canada, Australia, USA, Malaysia, Indonesia, Lebanon, South Africa, Namibia, Romania, France, Italy, Finland, Peru, Argentina

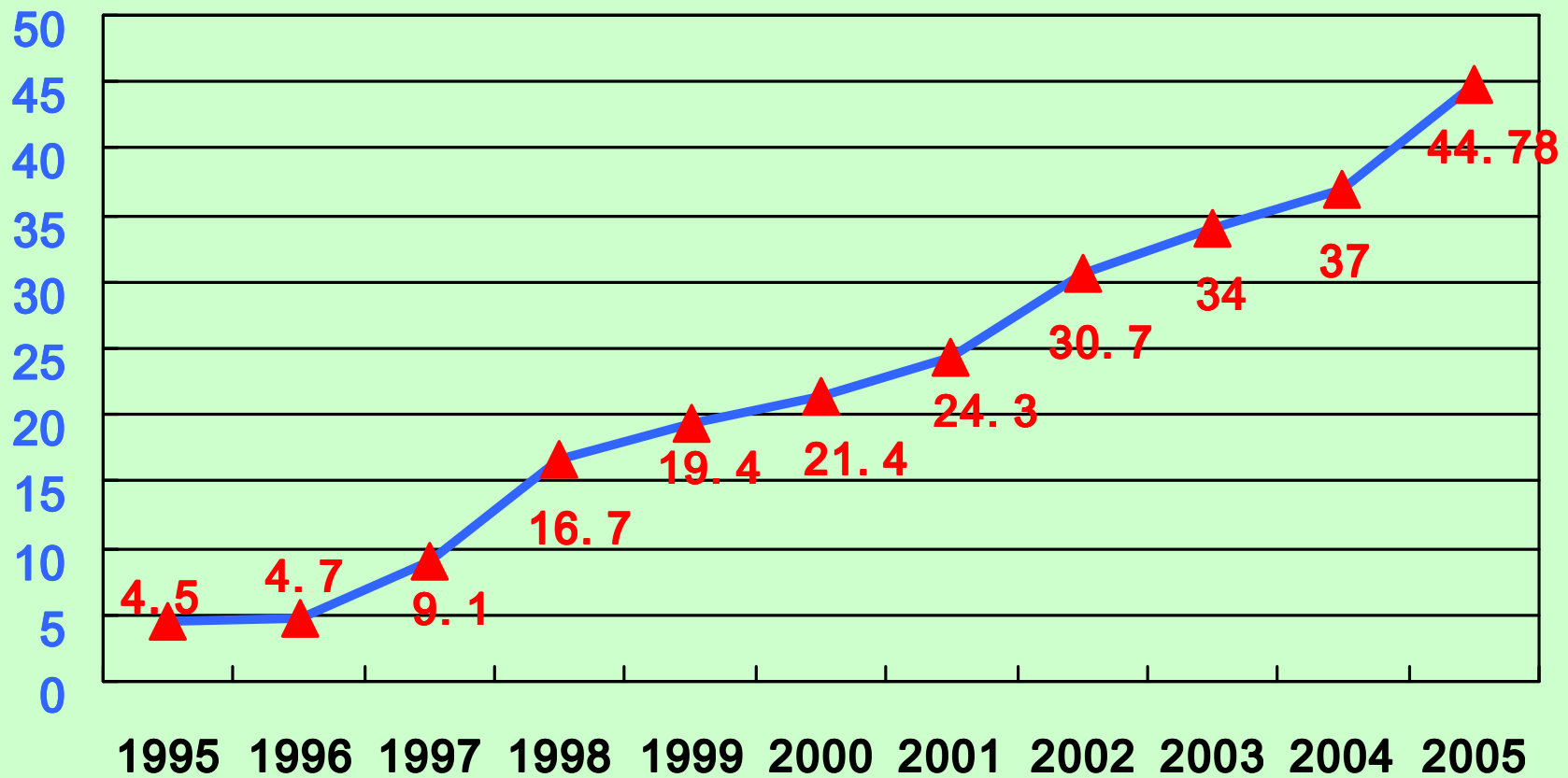
Export to (12 countries & regions): Hong Kong, Japan, Philippines, Thailand, Pakistan, Bangladesh, India, Lebanon, South Korea, Australia, Taiwan, Malaysia



进口国家（15个）：智利 加拿大 澳大利亚 美国 马来西亚 印度尼西亚 黎巴嫩 南非 纳米比亚 罗马尼亚 法国 意大利 芬兰 秘鲁 阿根廷

出口国家和地区（12个）：香港 日本 菲律宾 泰国 巴基斯坦 孟加拉国 印度 黎巴嫩 韩国 澳大利亚 台湾 马来西亚

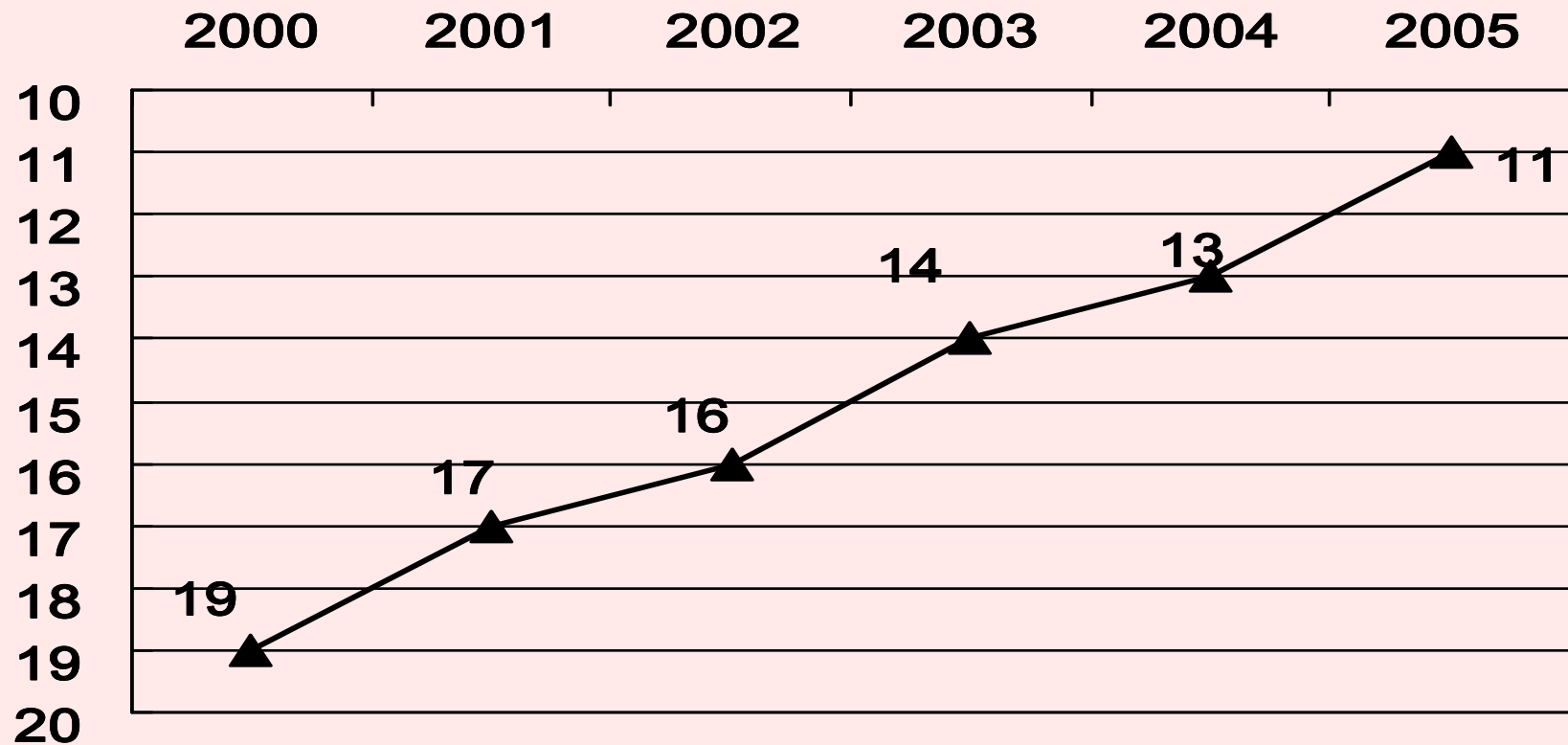
Copper Cathodes Accomplished during 1995—2005



Ranking among the Top 500 of China



Ranking among Copper Refinery Companies in the World





国家科学技术进步奖
证书

为表彰国家科学技术进步奖获得者，特颁发此证书。

项目名称：常温变量喷射-动力波洗涤闪速炼铜技术

奖励等级：一 等

获 奖 者：铜陵有色金属（集团）公司



2001年1月3日

证书号：J-215-1-01-D02

Set up province level corporate tech centre & corporate post-doctor research workstation

《 Continuous Mining Technics and Equipment for Underground Mines 》 ,
《 Variable Spay under Normal Temperature—Power Wave Wash Quick Flash Smelting Copper Technology 》 won the 1st prize of the State Science & technology Progress Awards.



国家科学技术进步奖
证书

为表彰国家科学技术进步奖获得者，特颁发此证书。

项目名称：地下矿山高阶段强化开采新工艺综合技术研究

奖励等级：二 等

获 奖 者：铜陵有色金属（集团）公司



2001年1月3日

证书号：J-210-2-08-D01

Two. Copper Resource Development Strategy

Tongling Nonferrous Metals Inc. is a mega associated Group based on copper resource development, which made great contribution to the development of Chinese copper industry during the past five decades, especially during the “First 5-Year Plan”, the copper production of Tongling Nonferrous Metals Inc. accounted for 52% of the total production of the whole country.

As the company is growing bigger and bigger, its demand for copper resource is getting higher and higher. To keep in pace with the development of the company, we are seeking both home and abroad cooperation partners, with whom we undertake joint exploitation of copper mine resources both home and abroad.

Two. Copper Resource Development Strategy

Ways for Obtaining Resources

- ❖ Exploitation of subordinate mines
- ❖ Spot transactions and futures trading
- ❖ Venture prospecting
- ❖ Purchase of mine titles (prospecting and mining)
- ❖ Share or share holding of the current productive mines

Two. Copper Resource Development Strategy Objective of Resources Strategy

- ❖ **Through venture prospecting, mining title operation, share and share holding of productive mines, after 15-20 years' efforts, to obtain total copper resource of 12 million tons, among which 2 million tons will be acquired domestically and 10 million tons internationally.**
- ❖ **In conformance with the development of the enterprise, to set up and perfect the resources strategy system and the system to secure a safe and stable resource supply.**

Two. Copper Resource Development Strategy

Implementation Plan for Investment in Copper Mine Resources of Foreign Countries

- ❖ **Have the Copper Crown Resource Share Holding Co. Ltd. registered in English Virgin Islands**
- ❖ **Make investments in foreign copper mine resources projects through Copper Crown Resources Share Holding Co. Ltd.**
- ❖ **Intent for some joint development projects of resources has been reached after contacting with the governments and enterprises of Chile, Peru, Australia, Indonesia, Laos, etc.**

Three Cooperation with Canada in Copper Resource

- ❖ **Venture Prospecting**
- ❖ **Mine Title Transfer**
- ❖ **Cooperation in
Exploitation**

Thank You !

