



西部矿业
WESTERN MINING

腾飞的西部矿业

Soaring Western Mining



<http://www.westmining.com>



Company Profile



The Western Mining is a relatively state holding enterprise with the diversified shareholding。 Its headquarter is located at Xi Ning, a beautiful plateau ancient city. It is preparing to construct an investment and project management center as well as a trade financing center. It has 7,186 staff with the registered capital of 1.6 billion Yuan.

The Company strictly adheres to the resource exploitation strategy and internationalization strategy. With the joint efforts of all the staff, it has reached the target of maintaining and enhancing the value of capital. It has gradually entered into the period of healthy and rapid development.

The business scope is investment in and operation of mining resources and energy projects. It owns mining rights over many large and top mines , including Xitieshan Lead and Zinc Mine, Saishitang Copper Mine, Tongyugou Copper Mine, Chaka and Keke Salt Lakes in Qinghai Province; Huogeqi Copper Mine in Inner Mongolia ; Xiacun Silver-polymetallic Metal Mine and Xiasai Silver-polymetallic Metal Mine in Sicuan Province, Yulong Copper Mine and Lawu Copper-Zinc Mine in Tibet, Stannum Mine in the Kirghizia, which have laid down strong resource foundation for its long term development. The enterprise has



Mr Mao Xiaobing , Chairman of the Board



Mr Sun Yonggui Party Secretary

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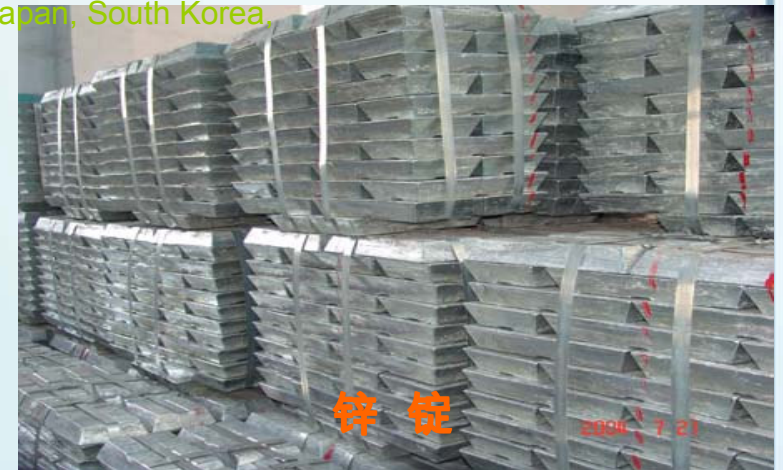
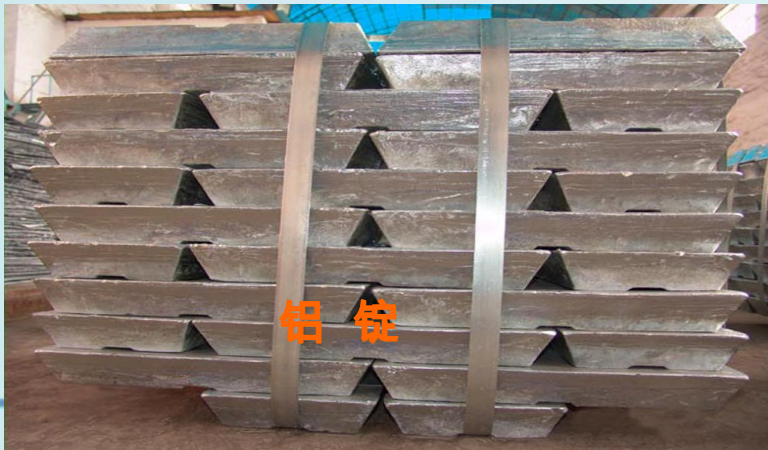
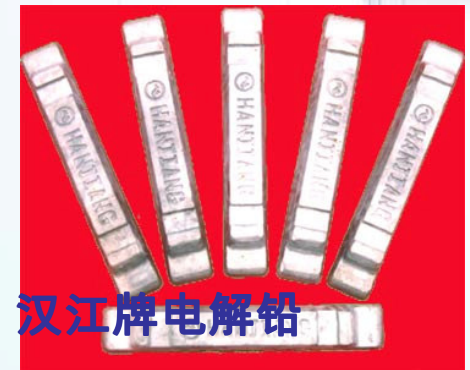
established over 40 sole proprietorship or holding enterprises and one provincial

Company Profile



At present, the company has formed ten industrial blocks, including the exploitation, mill run and metallurgy of lead and zinc; the exploitation, mill run and metallurgy of copper, salt chemical industry, the coal - electricity- aluminum industry, geological survey; the non-ferrous metal resources including indium, lithium, cobalt, nickel, antimony, etc; black metal resources; hi-tech, international resources exploitation and processing giving priority to that in Africa and Middle Asia, and comprehensive development.

The main products are lead- zinc- copper ore concentrate; electrolysed lead, zinc, aluminum and manganese, zinc oxide and lead-base alloys, sulfuric acid, indium Ingots and chrome ingots, industrial and edible sodium chloride etc. These products sell well in domestic markets and are exported to countries and regions including Japan, South Korea, USA, Australia , Germany, Switzerland, Hong Kong and so on.



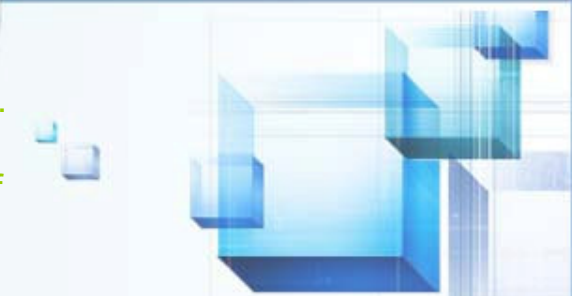
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Western Mining Co. Ltd is a holding enterprise, founded on 28 Dec, 2000. In 2004, it successfully issued 190 million new shares and raised funds of 570 million Yuan. It turned to be a foreign- invested stockholding company. Now it is actively preparing for overseas listing.



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Company Profile

In 2000, the company established Qinghai Ganhe Industrial Zone in Huangzhong County of Xining City, which is the largest one in Qinghai. Under the development guideline of “market-oriented mechanism, enterprise operation and social development”, the Industrial Zone makes good use of incentives and actively promote trade and foreign investment as well as introduce intelligence. At present, the Industrial Zone is establishing a cycled economic industrial chain in three industries of lead, zinc and aluminum. It has set up an electrolytic aluminum plant with an annual output of 100,000 tons, an electrolytic zinc plant with an annual output of 40,000 tons, kalifeldspar lead chloride plant of 50,000 tons annually which is one of the “two high and one excellent ”projects introduced from Sweden. Besides, many projects are under the construction, i.e.a zinc smelting expansion project, a comprehensive recycling system of 800- ton cadmium and 20-ton indium, 20,000-30,000 ton blister copper- electrolytic copper transformation project, production lines of 60,000 ton aluminum ingots and 90,000 ton aluminum sticks, and 18,000 ton sodium metal project. Qinghai Ganhe Industrial Zone of ecotype and environment-



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The informationization construction enjoys fruitful results which provide favorable conditions for improving staff efficiency and standardizing the workflow in the company. The office automation and logistics information management system and the multifunctional multimedia videoconferencing system have been installed and utilized in Xining headquarter, Ganhe area, Xitieshan area, Laohekou area of Hubei, and Chengdu area of Sichuan and etc.

The company also enjoys rapid development in personnel cultivation and introduction as well as scientific research and development. The successful launch of post doctoral station provides a platform for the company to attract international high profile intelligence. Through the establishment of systems of “cooperation between companies and universities” and “cooperation between companies and institutes” with China Geology University, Beijing Science and Technology University, Zhongnan University, Qinghai University and some non-ferrous scientific research institutes in Beijing and Changsha , it provides a stage for the company to foster and train personnel and develop high- tech industries.



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In recent years, the company has successively won “the Second Chinese Mining (Oilfields) Top Ten Enterprises” (the only non-ferrous enterprise winning this honor in China), “National May 1 Labor Medal”, “National Model Enterprises for Harmonious Working Relationship ”, “Major Contribution to Profits and Taxes” for 10 years awarded by Qinghai, “Financial Backbone Enterprises” for two years awarded by Qinghai, ranking the first in “national lead-zinc mine mill run industry” for the third time in 2005 after being rewarded as one of Top Ten Enterprises in national lead-zinc industry in 2003 and 2004, and ranking the first in national copper mine mill run industry in 2005. Meanwhile, there are many national well-known mining experts and technological models such as Mr. Deng Jiniu and Mr. Yang Zuojun coming forth.

Through the hardships, the company has formed the entrepreneurship of “Faith, Patience, Enterprising and Success” , fostered a diligent, patient, brave and dedicated team, and cultivated working style of building modern mines in the conditions of high altitude and harsh



西部矿业股份有限公司
博士后科研工作站
POSTDOCTORAL PROGRAMME

中华人民共和国人事部
全国博士后管委会
二〇〇三年十二月



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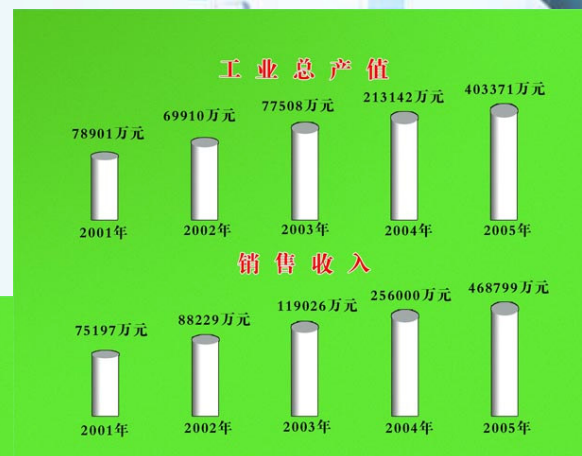
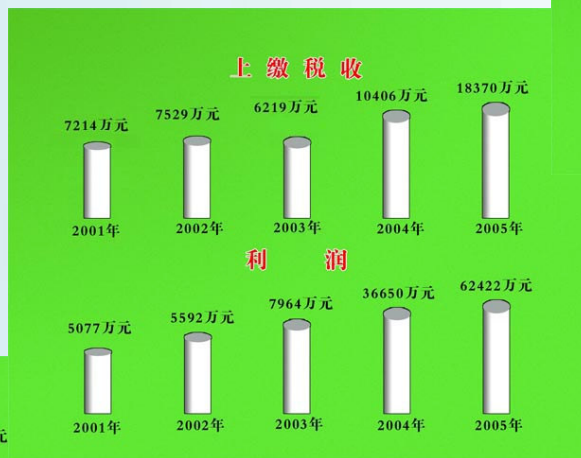
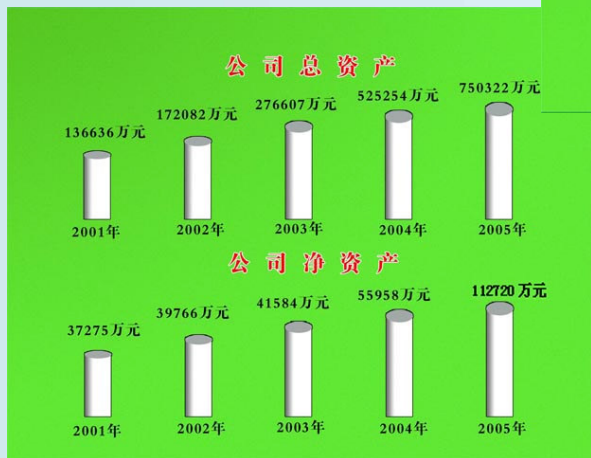
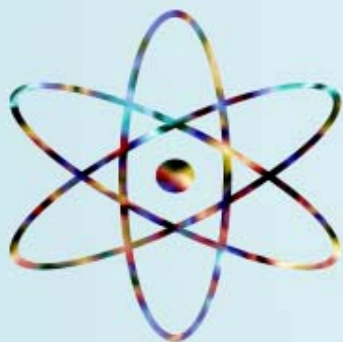


New era brings new march. Confronted by the new global competition, Western Mine is challenging itself, challenging tomorrow, and striving to establish a well-known large multinational mining group and a world nonferrous giant group.



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Company Profile— Industrial Economic Index



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Major Mine— Xietieshan Lead-Zinc Mine

Xietieshan Lead -Zinc Mine is located at Dachaidan Xitieshan Town, Haixi County, Qinghai Province, 132 km south to Ge'rmu, 13 km southeast to Qinghai-Tibet Railway, 3 km west to Dunge Highway. The altitude of the mine is 3000-3500 meters which belongs to high altitude area. It enjoys convenient traffic and plentiful mineral resources. Now the nonferrous minerals detected here are mainly zinc blende, galena, iron sand ; more than 10 associated minerals e.g. gold, silver, sulfur, copper, germanium, gallium and cadmium.

With favorable mining conditions and geological structures, the Mine enjoys low investment costs but high efficiency. It also enjoys good humane environment since 90% residents are workers in the Mine and their families. The ore concentrate in Xitieshan is the best in China and one of the best in the world, which has won high praise from its clients.



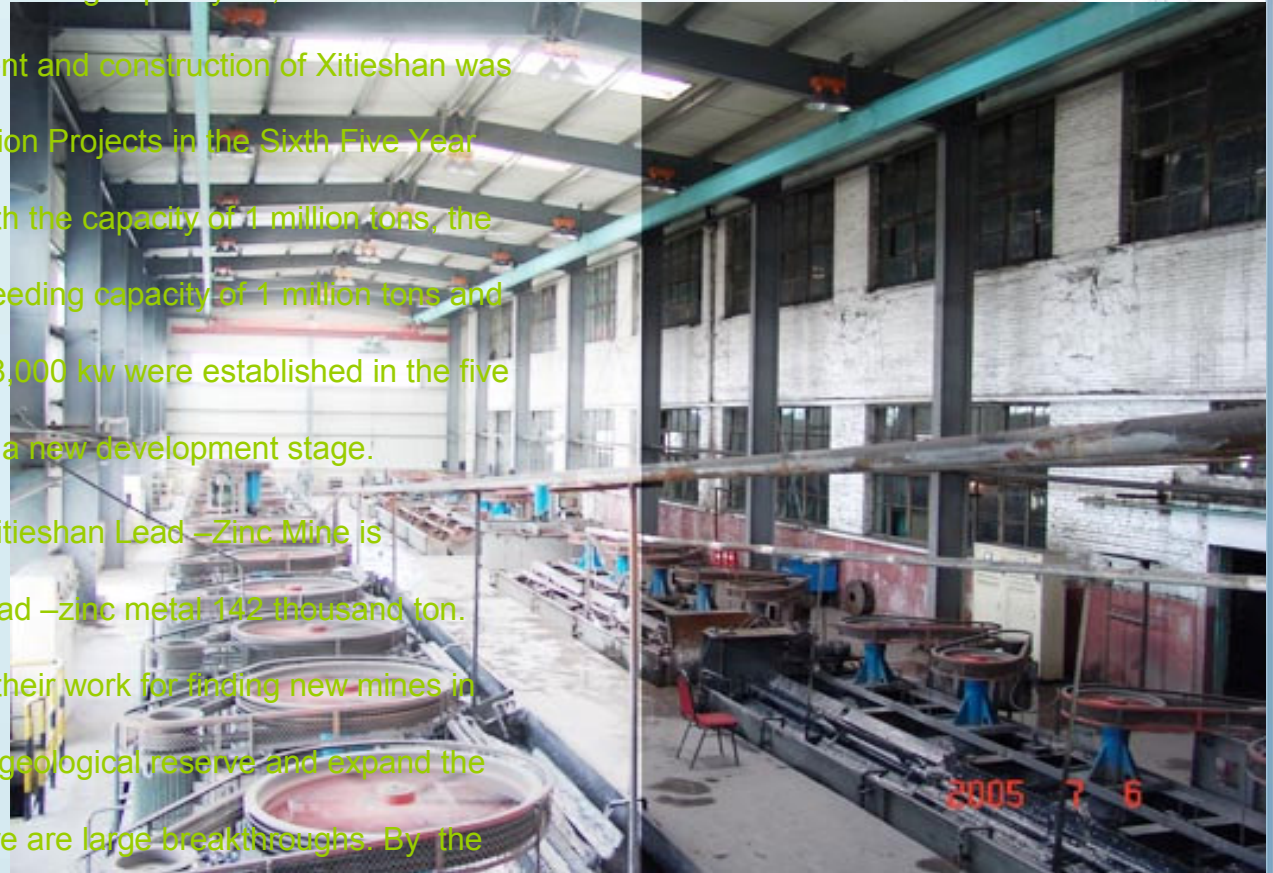


Major Mine– Xitieshan Lead- Zinc Mine



The mine enjoys a long history of exploitation. During the period of Emperor Xianfeng of Qing Dynasty, the Northwest Lead Bureau of the Government began the exploitation here. After the foundation of the People's Republic of China, small - scale exploitation was continued, and a small mill run plant with a proceeding capacity 50,000 tons was established in 1979. The development and construction of Xitieshan was listed in the “National Key Construction Projects in the Sixth Five Year Plan” in 1981. The Second mine with the capacity of 1 million tons, the large mill out plant with annual proceeding capacity of 1 million tons and the power plant with a capacity of 18,000 kw were established in the five years. Since then Xitieshan entered a new development stage.

The annual mill capacity of the Xitieshan Lead –Zinc Mine is 1.5million ton with a production of lead –zinc metal 142 thousand ton. Since 2001, the Mine strengthened their work for finding new mines in around area, in order to expand the geological reserve and expand the service period of the mine. Now there are large breakthroughs. By the end of 2003, the explored new reserve is 2.1717 million tons. Since 2004,



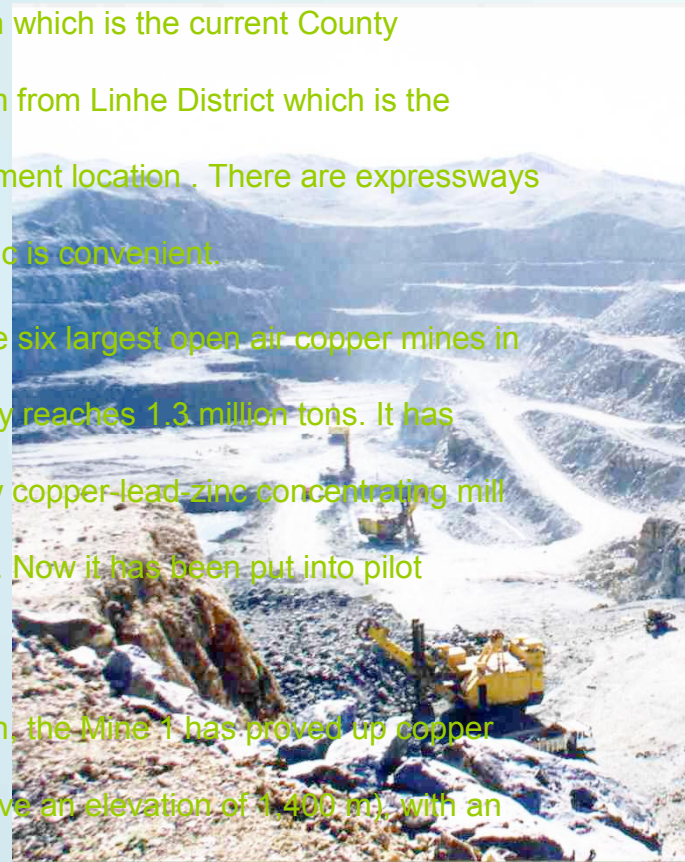


Major Mine -- Huogeqi Copper Mine

The Huogeqi Copper Mine located in the north side of the middle of the Lang Mountain where is in the Wulatehouqi County, Bayanzhuoer City, Inner Mongolia Autonomous Region. The Mine is 35km away from Saiwusuo Town which is the former County Government location, 86 km away from Dongshengmiao Town which is the current County Government location and 135 km from Linhe District which is the Bayanzhuoer Municipal Governement location . There are expressways connecting the Mine and the traffic is convenient.

The Huogeqi Mine is one of the six largest open air copper mines in the country. Its annual productivity reaches 1.3 million tons. It has finished the construction of a new copper-lead-zinc concentrating mill with the capacity of 800,000 tons. Now it has been put into pilot production.

After sixteen years exploitation, the Mine 1 has proved up copper reserves of 32,980,000 tons (above an elevation of 1,400 m), with an average geological grade of 1.28%, mineral resources of 42,310,000





Major Mine -- Huogeqi Copper Mine

The bio-metallurgy project cooperating with Australia has been formally launched in 2006.

According to the resource exploration thought of Western Mine Co. Ltd that is 'based on resource exploration and undertaking the responsibility of developing national economy', combined with resources available and geological situation of Huokeqi Diggings, the Mine brings forward its development strategy, that is, synthetically exploring resources, focusing on the main industry, positively exploring downstream products, enhancing the product core competence and finally leading to favorable development of integrated exploration, sweeping exploration and eco-exploration. Based on the strategy, the Mine stipulates '123' development plan. '1' refers to 1- million- ton lead-zinc mill run, '2' refers to 2- million iron mill run and '3' refers to 3- million copper mill run.

With the implementation of '123' plan, it is expected to achieve a sales yield of 1 billion Yuan with 115 million yuan tax and 3,000 jobs created.



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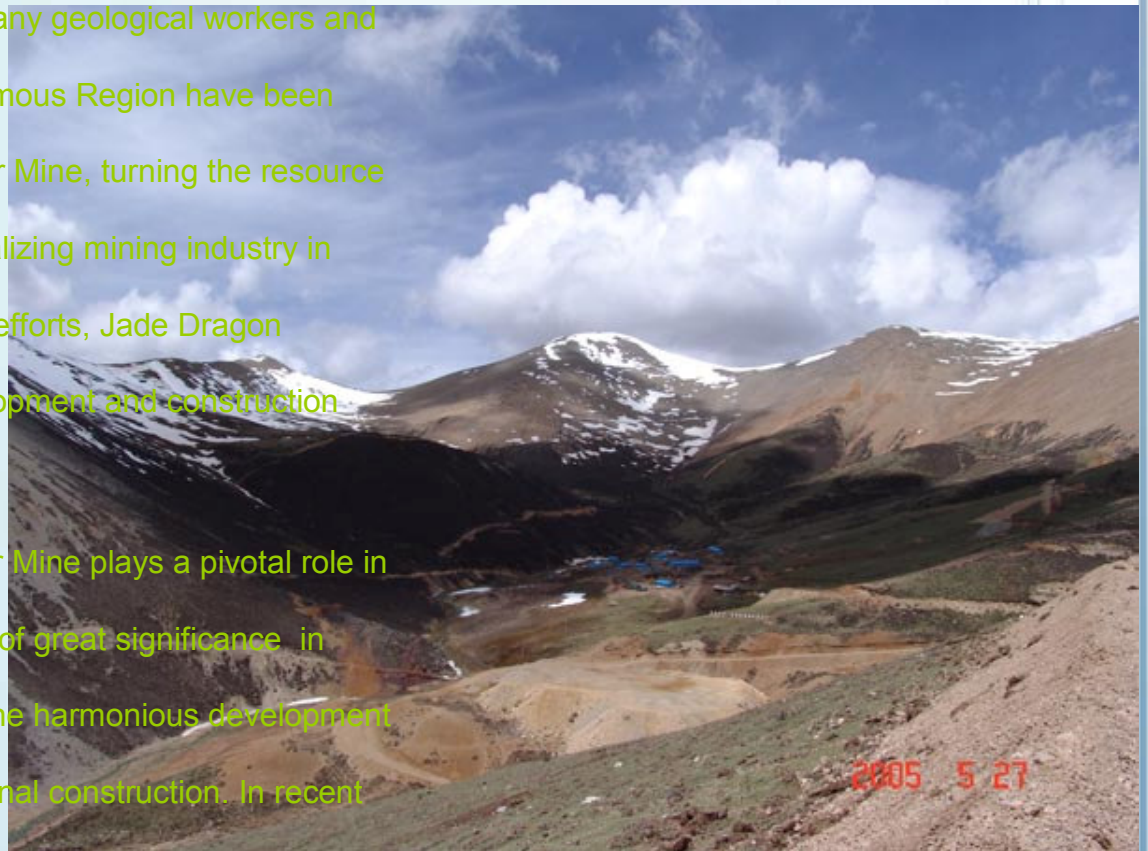
Major Mine— Jade Dragon Copper Mine



Jade dragon Copper Mine is located in Qing Ni Dong, Jiang Da County, Changdu Prefecture of Tibet with 6.26 million tons of copper reserves. It is China's second largest copper mine with perspective reserves amounting to 10 million tons.

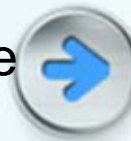
Since the Mine was found in the 1960s, many geological workers and the successive governments in Tibet Autonomous Region have been plodding the exploration Jade Dragon Copper Mine, turning the resource advantages into economic advantages, revitalizing mining industry in Tibet, benefiting the locals. After decades of efforts, Jade Dragon Copper Mine finally have a preliminary development and construction conditions.

The development of Jade Dragon Copper Mine plays a pivotal role in the development of the Eastern Tibet, and is of great significance in Tibet's sustainable economic development, the harmonious development between man and nature and the entire national construction. In recent years, our demands to copper were strong, copper imports were





Major Mine— Jade Dragon Copper Mine



On April 6, 2005, the signing ceremony of the joint development and construction agreement of Jade Dragon Copper Mine was held in Lhasa, Tibet. The agreement clarifies that there are five companies which initiated and founded Tibetan Jade Dragon Copper Co. Ltd to explore and construct Jade Dragon Copper Mine. The five companies are West Mine Co. Ltd, Zijin Mining Group Co., Ltd., the 6th Geological Unit of Geology and Mineral Resources Prospecting and Developing Bureau of the Tibet Autonomous Region, the State-owned Asset Management Company in Changdu Prefecture in Tibet, and Tibet Mining Development Corporation

The newly established Tibet Jade Dragon Copper Co. Ltd has registered capitals 625 million, of which West Mine Co. Ltd accounted for 41% of the total shares, Zijin Mining Group Co., Ltd. 39%, the Sixth Geological Unit of Geology and Mineral Resources Prospecting and Developing Bureau of the Tibet Autonomous Region 10%, the State-owned Asset Management Company in Changdu Prefecture in Tibet 8%, and Tibet Mining Development Corporation 2%.



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Tibet Jade Dragon Copper Company held its General Assembly on May



Major Mine– Duobaoshan Copper Mine



Duobaoshan Mine is located in Nenjiang Country , Heihe City in Heilongjiang Province, including two large copper-molybdenum multi-metal deposits at Baoshan and Tongshan. After 40 years of exploration and research it has proved with 3.87 million tons of copper, ranking the 3rd largest reserves in China; 154,000 tons of molybdenum, 87 tons of gold, associated with minerals e.g. silver, platinum, palladium, rhenium, cadmium, sulfur, and osmium etc. It is a large copper-molybdenum deposit.

Duobaoshan Copper Mine plays an important role in boosting economic development of the Western Heilongjiang with its characteristics of excessive mines, abundant reserves, plentiful associated beneficial elements and low grades etc. It is requested to implement overall development and integrated recovery by adopting advanced technologies and introducing mining enterprises with technological and economical strengths. Currently, Heilongjiang Mining Corporation Co. Ltd, on behalf of Helongjiang Province, is undertaking overall development for Duobaoshan Copper mines under the work





Major Mine— Duobaoshan Copper Mine



The company finished its preparatory work within 2005 and on April 30, 2006 the first phase of the project started construction. The total investment of the project is about 3.8 billion yuan, which is going to be used to establish large-scale mines, mill out plants and a copper and molybdenum smelting plant with annual production of 100,000 tons. Meanwhile, Heilongjiang Mining Group Co Ltd has signed an agreement on Mergers & Restructuring of Heihe Duobaoshan Copper Mine with the Heihe municipal government, the M&R of the old mining enterprises have been completed, and it is now exploiting mines at the surrounding areas of remote old mines.

Duobaoshan Copper exploration can not only bring better economic benefits for enterprises but also bring obvious social benefits.

Major Mine– Xiacun Silver Multi-Metal Mine

Xiacunyin Multi-metal Mine, located at Magong area of Taiqu, Baiyu County, Ganzi Tibetan Autonomous Prefecture of Sichuan Province, is a multi-metal deposit with abundant resources, e.g. silver, copper, lead, zinc, gold etc, which are high-grade, easy to exploit, hard to mill out, and with a complex technical flow. Retained ore reserves reach 7.81 million tons, among which 1,867 tons of silver metal content, 80,000 tons of copper metal content, 400,000 tons of lead metal content, 650,000 tons of zinc metal content, and 5 tons of gold metal content.

Major projects that are currently under construction include: external highways, mining and selection plant with annual processing capability of 500,000 tons, hydropower plants of 3x3500KW and supporting facilities. During more than a year of construction, the mine has created several championships in Ganzi prefecture: the No. 1 in the construction of the company; the first time to utilize large-size equipments on site during construction; the first one to hold a large opening ceremony at Baiyu County at the prefecture history record; the first one to carry out mine construction work in the wintertime; the first structural steelwork house of colored boards in Ganzi; and the first time to use heating boilers (coal-fired) in the mines.

Mill run project has achieved success in air load testing in June 2006. According to the preliminary design completed by the end of 2003, the budgetary estimated inputs for mill run projects (including external Highway) totaled 334.340 million yuan, that of hydropower projects was 126.22 million yuan. Project-off annual sales processing products, the average sales revenue amounted to approximately 269.9926 million yuan (including VAT), the average profits for sales of mill run products amounted to 93.2309 million yuan and after-tax profits to 72.1847 million yuan while the project turned to operate and mill run products were sold.



Enhance comprehensive utilization levels and develop cycled economy

In recent years, the company has associated with the economic cycle and the main results are 11 items: new tech for using the acid dross of sulphur extract on the plateau, the new plateau flee electrical potential regulatory flotation technology research, biological leaching technology, tech of lithium extracting from salt lakes, cycling techniques for low level gold of pyrite washed ore, etc, among which, in 2005, declaration of two research achievements won the second prize of state scientific and technological progress awards of the nonferrous metals industry.

Currently, the company continues to expand the chain of industrial economic cycle, the economic cycle of a multi-level developments industrial ecology model has appeared. Such as before the selection, direct export of primary products, the abandoned tailings, low value-added products mean resources have not been fully utilized, and environmental pollution have become increasingly prominent. In recent years, from the sustainable development perspective, with the economic cycle of the reductions, reuse and resource-based principles, through the introduction of new products and project development, enterprises are enabled to extend the industry chain, deep processing of tailings sulphur concentrate, to the production of sulphur downstream industries, downstream sulphur products to the boric acid plant extension





Enhance comprehensive utilization levels and develop cycled economy

Meanwhile, water resources has shaped recycling pattern, thus enabling Xitieshan Lead-zinc mine realize efficient utilization of resources and closed circulation of materials.

With the extended industrial chain and low emissions and "zero emissions" of pollutants, the integration of economic, environmental and social benefits has been achieved.

Ganhe Industrial Zone uses the recycled sulphuric waste for the production of sulphuric acid, recycled water slags for the production of cement, lead scraps for refining gold, silver, and other precious metals. While enhancing the value-added products, it also reduced the environmental hazards.

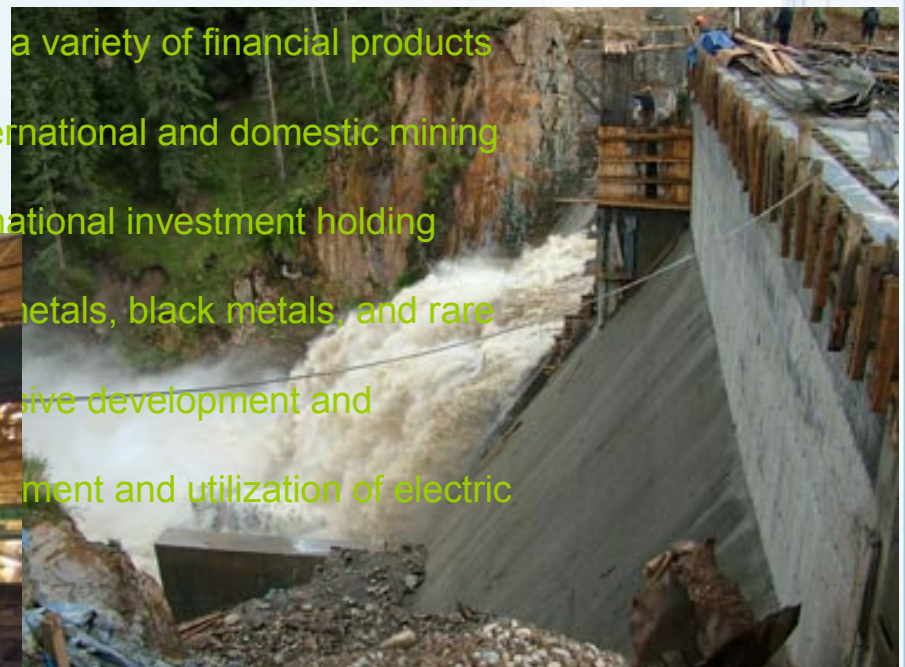
Through technological innovations, West Mine is able to realize from resource exploitation and rough processing at the low level to deep processing of resources at the middle-level cycle and then to the high - level cycle of fine processing or synthetic new materials.





Adhere to the strategy of resource exploitation and Stick to the international development

Adhering to the core business of resource-based investment and development, serving our country by mining industry, taking market-oriented, technology innovation driven, and capital operation as measures, relying on a variety of financial products and tools to participate actively in competitions in international and domestic mining markets. the company gradually turns to be an international investment holding



metals, black metals, and rare
metallic elements. The company focuses on the comprehensive development and
efficient utilization of electric

Planning and Vision during “the 11th Five Years”

One. Overall Development Objectives

To build a large well-known multi-national mining group which relies on Qingzang Plateau, involves in resources exploration, mining development, metallurgy, energy, salt lake chemical industry, new materials and other resources, integrates science, engineering, trade, investment, financing together.

Two. Market Objectives

- 1, A proliferation of domestic zinc concentrates washed ore production capacity of the largest producers and suppliers of the world's leading zinc and washed ore production enterprises.
- 2, Main producer and supplier of the washed ore metallic rate for copper, nickel, cobalt, stannum, stibium in China
- 3, The main producer in China as well the important producer in the world for lead, zinc, gold and indium
- 4, The important producer for copper, aluminum and gold in China
- 5, The important salt lake chemical products producer in China, important industrial salt producer in China.
- 6, The most important producer of the LiCoO_2 in China , then introduces high powered battery into the Zone
- 7, Deep processing and the production of new materials and products sales revenue should take over 40% of the production of smelting products and sales income
- 8, Major comprehensive development base for multimetals research and development that is turning the Gan River Industrial Park into a multi metal comprehensive development base mainly focusing on the copper, cobalt, aluminum, lead, zinc, gold, silver, antimony, cadmium, indium, sodium natrium, more metal-oriented integrated development base (including integrated multi-metal recovery, and the use of multi-metal circle economic construction).



Planning and Vision during “the 11th Five Years”

Three. The Capital Increment Target

Up to 2010, the gross capital should reach 2.6 billion Yuan on the base of current capital of 9 billion . In the Eleventh Five Years, the capital assets investment should win the assets of 12.6 billion yuan and the operation of the floating assets should increase an asset of 3 to 3.4 billion Yuan (including floating capital for the projects which finished the construction in the tenth Five Year Plan whereas did not put into operation and still need more investment)

Four. Operation Target

The Corporation is striving to reach 23.6 billion yuan for the sales revenue in 2010.

Five. The target for the control over mine and intelligence

The potential value for the mines is 3 trillion Yuan which reserves rich resource for the resource industry , the corporation owns dozens of well known experts both internationally and domestically as well as all kinds of intelligence which provide strong foundation for the continuously high speed development.



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**We look forward to sincerest cooperation
with friends domestic and overseas!**

公司热忱欢迎海内外朋友

真诚的合作!



谢 谢! Thank You!

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