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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: 01258)

INSIDE INFORMATION –
ACQUISITION OF CERTAIN ISSUED SHARE
CAPITAL OF SM MINERALS

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) of Part XIVA of the SFO.

THE INITIAL AGREEMENT

On 20 November 2024, 24 January 2025 and 25 April 2025, the Company, SM Minerals and the AM Shareholder entered into the Initial Agreement in relation to the transfer of 5,265 SM Minerals Shares (representing 5% of the issued share capital of SM Minerals) at the consideration of US\$5,000,000.

THE SUBSCRIPTION AGREEMENT

On 16 June 2025, the Company, SM Minerals and the AM Shareholder entered into the Subscription Agreement, pursuant to which SM Minerals agreed to issue and allot and the Company agreed to subscribe for the Subscription Shares at the Subscription Price.

Through the share subscription approach, the Company is acquiring 10.5% of the issued share capital of SM Minerals by paying the Subscription Price, which will be allocated mainly for the Benkala Mining Project's technical exploration and development work. This strategy not only helps mitigate investment risk but also effectively leverages the resources and expertise of SM Minerals.

GRANT OF THE CALL OPTIONS

Pursuant to the Subscription Agreement, the Company, SM Minerals and the AM Shareholder agreed that they will use best efforts to work together in good faith with a view to negotiating and finalizing the entry into of the Definitive Agreements, including but not limited to the entry into of the Option Agreement in relation to the further acquisition of an aggregate of 65% of the then issued SM Minerals Shares by the Company from the Original Shareholders by the Final Date.

REASONS FOR AND BENEFITS OF THE ACQUISITION

SM Minerals is registered in the Astana International Financial Center (AIFC) in Kazakhstan and owns assets such as the Benkala north mining rights and the Benkala south exploration rights through its subsidiaries. The Benkala north mining rights has a copper ore reserve of approximately 1.5 million tons of copper metal, which is very resourceful for large-scale mining operations.

This investment project provides a valuable opportunity for the Group to expand its business coverage to the copper mining industry in Kazakhstan. This strategic investment not only enhances the Group's mineral resource portfolio, but also consolidates its overall market position and competitiveness. Through cooperation with SM Minerals, the additional copper resources will play a key role in optimizing the Group's resource strategy and driving future growth, making this investment a key step in the Group's long-term development plan. By signing the Initial Agreement and Subscription Agreement, and to agree on the terms of the Call Options, the long-term objective of acquiring the controlling stake of SM Minerals will be achieved.

LISTING RULES IMPLICATIONS

As none of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Initial Agreement in aggregate with the Subscription Agreement was more than 5%, the Initial Agreement and the Subscription Agreement did not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

The Company will make further announcements if there is any material development (such as the entry of the Option Agreement) in compliance with the Listing Rules as and when appropriate.

THE INITIAL AGREEMENT

On 20 November 2024, 24 January 2025 and 25 April 2025, the Company, SM Minerals and the AM Shareholder entered into the Initial Agreement in relation to the transfer of 5,265 SM Minerals Shares (representing 5% of the issued share capital of SM Minerals) at the consideration of US\$5,000,000. Completion of the Initial Agreement took place on 16 May 2025.

THE SUBSCRIPTION AGREEMENT

On 16 June 2025, the Company, SM Minerals and the AM Shareholder entered into the Subscription Agreement, pursuant to which SM Minerals agreed to issue and allot and the Company agreed to subscribe for the Subscription Shares at the Subscription Price.

Through the share subscription approach, the Company is acquiring 10.5% of the issued share capital of SM Minerals by paying the Subscription Price, which will be allocated mainly for the Benkala Mining Project's technical exploration and development work. This strategy not only helps mitigate investment risk but also effectively leverages the resources and expertise of SM Minerals.

The key terms of the Subscription Agreement are as follows:

Subscription Price

The Subscription Price shall be US\$11,763,850, which shall be payable by the Company to SM Minerals in immediately available funds to the escrow account or the designated bank account of SM Minerals, as confirmed by SM Minerals, the Company and AM Shareholder in accordance with the Subscription Agreement, on the Completion Date.

The Subscription Price was determined through arm's-length negotiations between the Company, SM Minerals and the AM Shareholder, following a comprehensive due diligence conducted by the Company and its professional advisors based on information provided by the AM Shareholder and SM Minerals. In determining the Subscription Price, the Company made references to, among other things, (i) the validity and current status of the Benkala Mining Project; (ii) the overall copper resource level of SM Minerals; (iii) SM Minerals' historical financial and operating performance; (iv) precedent acquisitions of equity interests of similar copper mining project companies under development stage and located in emerging jurisdictions over the past five years; and (v) current trading statistics of other selected similar copper development companies listed on overseas exchanges.

Use of Subscription Price

SM Minerals undertakes to:

- (i) subject to written consent or instruction to be delivered by the Company to an escrow agent, use the Subscription Price solely for the operations and development of the Benkala Mining Project, including for operational expenses, security on the site of the Benkala Mining Project, personnel salaries, on-site food supply of the Benkala Mining Project, electricity bills, fulfillment of work under SM Minerals LLP Mining Licenses conditions, and payments to the technical consultant and drilling team to be nominated by the Company and engaged by SM Minerals for exploration, metallurgical testing, feasibility study, and such other Benkala Mining Project development purposes as approved in writing by the Company;

- (ii) obtain the Company's consent before use of the Subscription Price; and
- (iii) provide the Company with regular written updates on the use of the Subscription Price.

Amendments to Articles of Association of SM Minerals

Immediately after the date of Subscription Agreement, the Company, SM Minerals and the AM Shareholder shall, and the Company and the AM Shareholder shall procure each of the Original Shareholders to use best efforts to work together to negotiate in good faith and agree upon the key terms and arrangements in relation to operation and governance of the Company post Completion and cause to finalise the amendment to the articles of association of SM Minerals based on such agreed terms, to allow the Amended AoA to be duly approved on or around the Completion Date.

Conditions Precedent

Completion is subject to the satisfaction (or the written waiver by the Company or/and the SM Minerals (as the case may be)), of the following conditions precedent:

- (i) the Company having completed the KAZ Regulatory Approvals in compliance with the applicable law;
- (ii) the Company, SM Minerals and Original Shareholders having entered into the Option Agreement in accordance with the Initial Agreement;
- (iii) the Company, SM Minerals and an escrow agent having entered into the escrow agreement and setting up an escrow account in accordance with the escrow agreement;
- (iv) the Amended AoA having been finalised and in agreed form;
- (v) SM Minerals having not materially breached any of its given warranties or any of its covenants, agreements and other obligations under the Subscription Agreement as at the Completion Date;
- (vi) each of the Original Shareholders having waived their pre-emption rights in respect of issuance of the Subscription Shares;
- (vii) no law or order of any government agency having been enacted, issued, entered, promulgated or endorsed by any government agency of competent jurisdiction, and no claim having been commenced against either party that would prevent Completion or otherwise prohibit the transaction contemplated under the Subscription Agreement as at the Completion Date; and
- (viii) SM Minerals having passed all the relevant resolutions and obtained all necessary approvals as required by Kazakhstan law to issue the Subscription Shares.

The condition precedent may be waived by written notice from a party with the benefit of a condition precedent to the other party, provided that such waiver is permitted by law. If more than one party has the benefit of a condition precedent, that condition precedent may only be waived if each party with the benefit of the condition precedent gives written notice to the other party, provided such waiver is permitted by law.

The Company, SM Minerals and AM Shareholder must use their reasonable endeavours to satisfy the conditions precedent as soon as reasonably practicable and in any event on or before the Longstop Date, including to use reasonable endeavours to submit the application of the KAZ Regulatory Approvals within 5 Business Days after the date of Subscription Agreement.

Completion

Completion is expected to take place on the Completion Date.

As a result of completion of the Subscription Agreement, it is expected that SM Minerals will not be consolidated by the Group.

Termination

The Company, SM Minerals or the AM Shareholder may terminate the Subscription Agreement by written notice to the other party, if any conditions precedent of which such party is entitled to the benefit remains unsatisfied, unwaived, or incapable of satisfaction (excluding those conditions precedent to be satisfied at Completion) on the Longstop Date; provided that the right to terminate the Subscription Agreement shall not be available to such party if the failure of the satisfaction of any condition on the Longstop Date is primarily attributable to a failure on the part of such party to comply with its relevant obligations.

GRANT OF THE CALL OPTIONS

Pursuant to the Subscription Agreement, the Company, SM Minerals and the AM Shareholder agreed that they will use best efforts to work together in good faith with a view to negotiating and finalizing the entry into of the Definitive Agreements, including but not limited to the entry into of the Option Agreement in relation to the further acquisition of an aggregate of 65% of the then issued SM Minerals Shares by the Company from the Original Shareholders by the Final Date.

GRANT OF THE PUT OPTION

On the Completion Date and subject to the Completion having taken place, SM Minerals shall grant to the Company an option at nil premium, the exercise of which is at the Company's absolute discretion, to sell the Subscription Shares to SM Minerals and/or the AM Shareholder (as the case maybe): (i) at the Put Option Price at any time within the Put Option Period; or (ii) at the Subscription Price, if a put option event under the Subscription Agreement is triggered.

INFORMATION OF THE PARTIES

The Company

The principal activity of the Company is investment holding. The Company's subsidiaries are principally engaged in exploration of copper and cobalt, mining, ore processing, leaching smelting and sale of copper cathodes, blister copper and copper anodes, cobalt contained in cobalt hydroxide, sulfuric acid and liquid sulfur dioxide. China Nonferrous Metal Mining (Group) Co., Ltd* (中國有色礦業集團有限公司), the controlling shareholder of the Company, is wholly-owned and administered by the State-owned Assets Supervision and Administration Commission of the State Council of PRC, and is principally engaged in the development, construction and engineering of nonferrous metal ore resources as well as related trade and services.

SM Minerals

SM Minerals is a company incorporated in Kazakhstan, and is principally engaged in mining and enrichment of copper. As at the date of this announcement, SM Minerals is held directly as to 5%, approximately 49%, approximately 33% and approximately 13% by each of the Company, AM Shareholder, Saltanat Sabdykeyeva and Samat Aktailakov, respectively.

AM Shareholder

The AM Shareholder is an individual resided in Kazakhstan.

To the best of Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, the AM Shareholder, SM Minerals and its ultimate beneficial owners are third parties independent of, and not connected with, the Company and its connected persons.

REASONS FOR AND BENEFITS OF THE ACQUISITION

SM Minerals is registered in the Astana International Financial Center (AIFC) in Kazakhstan and owns assets such as the Benkala north mining rights and the Benkala south exploration rights through its subsidiaries. The Benkala north mining rights has a copper ore reserve of approximately 1.5 million tons of copper metal, which is very resourceful for large-scale mining operations.

This investment project provides a valuable opportunity for the Group to expand its business coverage to the copper mining industry in Kazakhstan. This strategic investment not only enhances the Group's mineral resource portfolio, but also consolidates its overall market position and competitiveness. Through cooperation with SM Minerals, the additional copper resources will play a key role in optimizing the Group's resource strategy and driving future growth, making this investment a key step in the Group's long-term development plan. By signing the Initial Agreement and Subscription Agreement, and to agree on the terms of the Call Options, the long-term objective of acquiring the controlling stake of SM Minerals will be achieved.

In view of the above, the Directors consider that the terms of the Initial Agreement and the Subscription Agreement, being negotiated on an arm's length basis, are determined on normal commercial terms and are fair and reasonable and that it is in the interest of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As none of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Initial Agreement in aggregate with the Subscription Agreement was more than 5%, the Initial Agreement and the Subscription Agreement did not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

The Company will make further announcements if there is any material development (such as the entry into of the Option Agreement) in compliance with the Listing Rules as and when appropriate.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise:

“AM Shareholder”	Ainur Mukhatayeva, an individual resided in Kazakhstan
“Amended AoA”	the amended and restated articles of association of SM Minerals
“Benkala Mining Project”	the copper mining project to be developed by SM Minerals within the Benkala mining area covered by the SM Minerals LLP Mining Licenses
“Board”	the board of Directors
“Business Day”	a day on which banks are open for general banking business in Hong Kong, Beijing, PRC and Astana, Kazakhstan (not being a Saturday, Sunday or public holiday in that place)
“Call Options”	the Tranche 1 Call Option and the Tranche 2 Call Option
“Company”	China Nonferrous Mining Corporation Limited (中國有色礦業有限公司), a company incorporated in Hong Kong with limited liability, whose shares are listed on the Stock Exchange
“Completion Date”	the fifth (5) Business Days after the satisfaction of the last conditions precedent of the Subscription Agreement or any other date as maybe otherwise agreed by the parties
“Completion”	completion of the Subscription under the Subscription Agreement
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Definitive Agreements”	the Option Agreement, the share purchase agreement and the shareholders’ agreement in relation to each of the Tranche 1 Acquisition and the Tranche 2 Acquisition
“Director(s)”	director(s) of the Company

“Final Date”	the day falling on the 60 days from the closing of the Share Transfer
“Group”	the Company and its subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Initial Agreement”	the agreements dated 20 November 2024, 24 January 2025 and 25 April 2025 entered into by and among the Company, SM Minerals and the AM Shareholder in relation to the acquisition of 5,265 SM Minerals Shares (representing 5% of the issued share capital of SM Minerals)
“KAZ Regulatory Approvals”	the regulatory approval(s) or consent(s) to be obtained or granted by the competent government agency of Kazakhstan under the Subsoil Code
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Longstop Date”	the 90 days after the date of the Subscription Agreement or such later date as the parties may agree in writing
“Option Agreement”	the option agreement to be entered into between the Company, SM Minerals and the Original Shareholders in respect of and for the purpose of the Call Options
“Original Shareholders”	the AM Shareholder, Saltanat Sabdykeyeva and Samat Aktailakov who reside in Kazakhstan
“Put Option Period”	the period commencing on the Completion Date of the Subscription and ending by the closing date set out in the share purchase agreement in respect of the Tranche 1 Acquisition to be entered into between the Original Shareholders and the Company
“Put Option Price”	fifty percent (50%) of the Subscription Price
“Put Option”	the put option granted by SM Minerals to the Company in relation to the Subscription Shares
“SFO”	Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong)

“Share Transfer”	the transfer of 5,265 SM Minerals Shares (representing 5% of the issued share capital of SM Minerals) from SM Minerals to the Company
“Shareholders”	holder(s) of the shares of the Company
“SM Minerals LLP Mining Licenses”	the mining licenses that are owned by and registered under the name of SM Minerals LLP as the subsoil user, a wholly owned subsidiary of SM Minerals
“SM Minerals Shares”	issued shares or equity interests in the share capital of SM Minerals, each having a nominal value of US\$0.1 as of the date of Completion, and which shall entitle the holder to all rights and benefits attached to ordinary shares in accordance with the SM Minerals’ articles of association and applicable law
“SM Minerals”	SM Minerals Ltd., a company incorporated in Kazakhstan
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the agreement dated 16 June 2025 entered into by and among the Company, SM Minerals and the AM Shareholder in relation to the Subscription Shares
“Subscription Price”	US\$11,763,850
“Subscription Shares”	12,383 SM Minerals Shares, representing 10.5% of the all issued share capital of SM Minerals on a fully diluted basis immediately after Completion
“Subscription”	the subscription of Subscription Shares of SM Minerals by the Company pursuant to the Subscription Agreement
“Subsoil Code”	the CODE OF THE REPUBLIC OF KAZAKHSTAN of December 27, 2017 No. 125-VI ZRK about subsoil and subsurface use (as amended from time to time)
“Tranche 1 Acquisition”	the acquisition of 15% of the then issued SM Minerals Shares from the Original Shareholders
“Tranche 1 Call Option”	the option to be granted by the Original Shareholders at nil premium to the Company in relation to Tranche 1 Acquisition

“Tranche 2 Acquisition”	the acquisition of 50% of the then issued SM Minerals Shares from the Original Shareholders
“Tranche 2 Call Option”	the option to be granted by the Original Shareholders at nil premium to the Company in relation to Tranche 2 Acquisition
“US\$”	United States dollars, the current lawful currency of the United States of America
“%”	per cent

By Order of the Board
China Nonferrous Mining Corporation Limited
Chaoran ZHU and Man Yi WONG
Joint Company Secretaries

16 June 2025

As at the date of this announcement, the Board comprises Mr. Bo XIAO as an executive Director; Mr. Yaoyu TAN and Ms. Yani GONG as non-executive Directors; and Mr. Huanfei GUAN, Mr. Guangfu GAO and Mr. Yufeng SUN as independent non-executive Directors.

* *Translation for reference purposes only*