五礦資源有限公司
MINMETALS RESOURCES LIMITED

(Incorporated in Hong Kong with limited liability)
(Stock Code: 1208)

ANNOUNCEMENT ON ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2011

The board of directors (the 'Board') of Minmetals Resources Limited (the 'Company') is pleased to announce the consolidated results of the Company and its subsidiaries ('Group') for the year ended 31 December 2011.

The financial information set out in this announcement does not constitute the Group's financial statements for the year ended 31 December 2011, but represents an extract from those financial statements.

The financial information has been reviewed by the Company's audit committee and agreed by the Company's auditor.

The consolidated results of the Company are set out in the next page.

HIGHLIGHTS

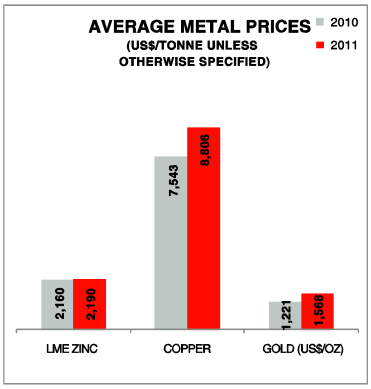
FINANCIAL HIGHLIGHTS

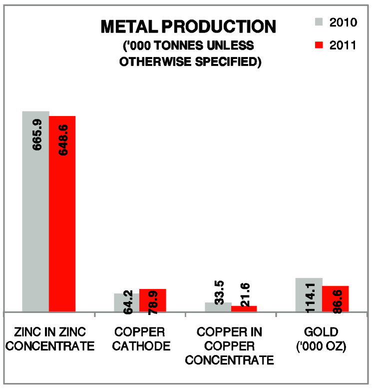
Highlights

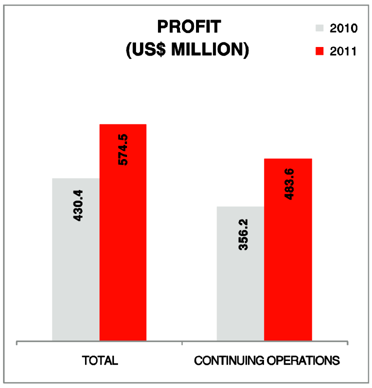
- Strong production results and base metal commodity prices resulted in full year Net Profit After Tax attributable to equity holders of the Company of US$540.9 million.
- Effectively completed the US$726.8 million divestment of the trading, fabrication and other operations to China Minmetals Non-ferrous Metals Co. Ltd.
- Undertook a capital restructure issuing 762,612,000 new shares to raise approximately US$500 million increasing the free float of shares to 28.4% and enhancing the institutional presence on the register.
- The Board approved a further A$157 million expenditure on the next phase of the Dugald River zinc project in Queensland, Australia for spend up until the third quarter 2012.
- Executed C$1,330 million acquisition of Anvil Mining Limited (Anvil) and achieved expansion into the southern African Copper belt.
- Increase in Mineral Resources and Ore Reserves including 103.9% increase in zinc ore reserves due to the inclusion of Dugald River.
- Increase in the Group's total diluted earnings per Share of 18.5% to US10.71 cents in 2011.

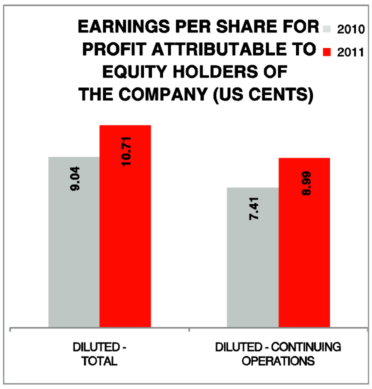
Segmental performance

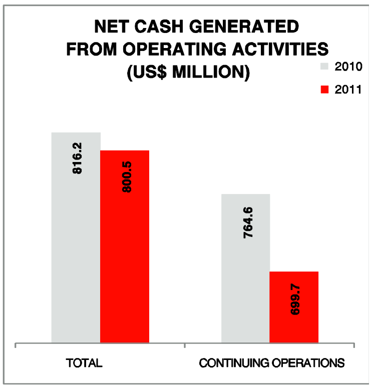
US$ million Continuing Operations	Revenue	EBITDA	EBIT
Century	750.4	293.0	116.2
Sepon	816.9	529.4	471.3
Golden Grove	388.5	101.6	53.3
Rosebery	272.5	108.6	86.8
Other	-	31.2	27.7
Total	2,228.3	1,063.8	755.3











CHAIRMAN'S REVIEW

"A sustained focus on the safety of our people and extracting the maximum value from our core assets has delivered results in meeting both production and operating costs and progress on our sustainability commitments."

Dear Shareholder

Before I discuss our annual results, it is with a heavy heart that I advise you of a fatality that occurred at our Sepon operation in Laos on 28 February 2012. Our thoughts and condolences are with the contractor's family and friends. Any incident is one incident too many and on behalf of the Company, I commit us to ensuring we do better.

I will now provide an overview of our 2011 annual results.

On behalf of the Board, I am pleased to report the Company's full year results for 2011. The Company delivered an increased profit to its shareholders remaining focused on maximising production, managing operating costs and pursuing our growth opportunities.

We have completed the transformation flagged to you last year with the divestment of our trading, fabrication and other operations that were no longer core to our business strategy. In addition we have made progress on both the project development and M&A fronts, in our aim to build an international, upstream diversified base metals company.

You will see these three themes – focus, progress and potential – reflected throughout this report.

The Company was pleased to report its financial performance for the full year 2011 with total Net Profit After Tax (NPAT) attributable to equity holders of US$540.9 million, up 32.1% from the full year 2010. This result was driven by significant one-off benefits, including the gain realised on our investment in Equinox and the sale of the trading, fabrication and other operations.

Total Earnings Before Interest and Tax (EBIT) was US$808.9 million, up 44.5% from the full year 2010, however underlying Earnings Before Interest, Taxes Depreciation and Amortisation (EBITDA) for the group's continuing operations, excluding one-off items was US$887.3 million, 2.2% below 2010 reflecting a higher level of expenditure on process and system standardisation necessary to support the company's growth strategy.

Our balance sheet continues to strengthen with total 2011 liabilities decreasing 33.2%. Cash generated from operations and the proceeds from the sale of the trading, fabrication and other operations have significantly strengthened the balance sheet. Total borrowings decreased significantly as forecasted at our half year results and the Company was effectively net cash positive US$14.8 million at the close of 2011.

Full year production and operating costs were within revised guidance for all assets. Particular highlights included the record copper cathode production from our expanded plant at Sepon.

Costs remain a focus with the Australian dollar remaining strong, price increases of key inputs such as labour, energy and reagents and volume-related cost increases from our operations. Cost management will remain a challenge and focus for Board and management in 2012.

Significant progress was made on the business transformation flagged last year with the divestment of the trading, fabrication and other operations in December 2011 after arm's length negotiations with our major shareholder, China Minmetals Non-ferrous Metals Co. Ltd. The sale completed another key stage in our business transformation to refocus the Company as a diversified upstream base metals company ready for growth. The US$726.8 million proceeds from the sale further strengthened our balance sheet and builds on our substantial firepower for future growth.

This growth strategy reached a significant milestone in early 2012 with the completion of our acquisition of Anvil Mining Limited. This expansion into the Southern African copper belt is the first step in what we plan will be the building of a major mid-tier player.

Your Board is committed to high standards of sustainable development across our business, none more important than the health and safety of our employees and the communities in which we operate. We take safety seriously and have a safety vision of a 'Zero Harm and Fatality Free' workplace. Our total recordable injury frequency rate (TRIFR), ended the year at 4.1 injuries per million hours worked. In order to provide greater governance around sustainability the Board formed a Board Safety, Health, Environment and Community Committee in early 2011 which meets four times a year to review the company's performance and management in this area.

During 2011 we welcomed Mr Anthony Larkin to the Board and farewelled Mr Stephen Ting Leung Huel who resigned at the end of November. Mr Larkin's background in the Australian resources and corporate sector expands the international expertise of the Board.

With a strong balance sheet, commitment to operating sustainably wherever we are and the expertise of our international leadership team we will continue to deliver on our potential in 2012.

On behalf of the Board I would like to thank shareholders for their continuing loyalty, and welcome the many new shareholders that joined us this year. A great deal of thanks goes out to the people in our workforce and communities for their ongoing support.

Wang Lixin
Chairman
28 March 2012

CEO'S REVIEW

"Our role as management is to share the benefits generated by our operations with our stakeholders - shareholders, employees and the communities in which we operate - not just today, but well into the future. The progress we have made in 2011 demonstrates our capacity to deliver this value."

Dear Shareholder

As global societal demands evolve there is ever increasing pressure on the minerals industry to keep pace. Our challenge, and role as management, is to share the benefits generated by our operations with all our stakeholders – shareholders, employees and the communities in which we operate – not just today, but well into the future.

We maintained a focus in 2011 on extracting value from our core mining assets, completing our business transformation, progressing our projects portfolio and delivering on the potential of our growth strategy.

Our first asset is our people - a diverse, skilled and experienced workforce and management team. These people are attracted to our business because of the unique opportunities to work for a globally engaged mining business backed by the long - term support of a major Chinese investor. It is our responsibility to ensure that we develop these people and in 2011 we continued to roll out technical and trades-based training as well as development programs in safety, frontline management and supervisor development, cultural awareness and continuous improvement.

Our mining assets performed within guidance for both production and operating costs. Stand out results were seen at our Sepon copper and gold operation following completion of the copper cathode expansion project which has increased nameplate capacity from 65,000 to 80,000 tonnes per annum.

At Golden Grove in Western Australia we commenced development of a copper open pit, above existing underground operations, that will deliver an additional 235,000 tonnes of copper concentrate.

At Rosebery our exploration programs continued to identify additional Mineral Resources and source feed for the plant which celebrated 75 years of continuous operation in 2011. Combined with the establishment of an innovative sustainable extraction operation at the nearby South Hercules deposit, Rosebery's mine life now extends to 2024.

While the potential to discover additional discrete style mineralisation near our Century mine is effectively exhausted, we continue to examine a number of near-mine initiatives for identification of additional feed for the processing plant from smaller vein-style occurrences nearby. The viability of using Century infrastructure to exploit the phosphate deposits that occur on our tenements will be further studied this year.

We will continue to identify opportunities to unlock the full production potential, and ultimately shareholder value, of our current assets.

Our annual Mineral Resources and Ore Reserves Statement highlighted a significant increase in zinc Ore Reserves last year with the inclusion of the Dugald River Ore Reserve for the first time.

Coinciding with this, on 9 December, the Board approved a further A$157 million expenditure on the next phase of the Dugald River zinc project in Queensland, Australia for spend up until the third quarter 2012.

In northern Canada, our Izok Corridor Project progressed from Pre-Feasibility Study to full Feasibility Study phase with the commencement of government and environment permitting. The project encompasses the Izok Lake and High Lake zinc and copper deposits in Nunavut. The 2012 work program will progress field data collection and environmental baseline studies.

Importantly, when in production, Dugald River and the Izok Corridor Project will replace approximately 80% of the annual zinc production lost following Century's closure in approximately 2016.

Our announcement in April 2011 to make an offer to acquire Equinox was our first step into the global M&A market and signalled our interest in expansion into the southern African copper belt.

While we chose not to pursue this acquisition, the high price of the ultimate bid for Equinox enabled the Company to realise an attractive gain on our investment of US$152.1 million (pre-tax) from the sale of our 4.2% stake.

Shortly after, we announced an offer to acquire Toronto and Australian securities exchange-listed Anvil. We are pleased to have just recently completed the

C$1,330 million acquisition which brings the Kinsevere copper cathode operation in the Democratic Republic of Congo into our portfolio.

A priority focus of the integration of the Anvil assets into our business is to provide technical and management support to the Kinsevere operation to improve historical power reliability issues and ramp up production to nameplate capacity of 60,000 tonnes per annum.

The acquisition of Anvil is just the first step as we continue to identify potential acquisition targets necessary to reach our growth targets. But these will be disciplined and value-focused acquisitions to grow shareholder value.

To meet the demands of this rapid growth, we need to develop a scalable, systemised business with common operating systems and management language. This will be a focus in 2012 as we standardise and upgrade from a range of legacy systems and processes. This is an investment but one necessary to deliver the value from our growth.

I would like to thank all the stakeholders and local communities who work with us to make this business such a success. I would particularly like to thank our employees and contractors without whom these results would not be possible.

Andrew Michelmore
Chief Executive Officer
28 March 2012

MANAGEMENT DISCUSSION AND ANALYSIS

Overview
The Group's continuing operations recorded solid operating performance in 2011 with all mines within revised annual guidance for production and cost.

The Group benefited from higher sustained base and precious metal prices and sales volumes of copper cathode, zinc and lead however input cost pressures, most notably the stronger Australian dollar, continued to impact upon the operating sites' margins.

The Group's continuing operations' underlying EBITDA (excluding the following one-off items) was 2.1% below 2010 reflecting a higher level of expenditure on process and system standardisation necessary to support the Company's growth strategy.

US$ million	2011	2010
EBITDA – continuing operations	**1,063.8**	**820.9**
Adjust for one-off items:		
Gain from the sale of Equinox shares	152.1	-
Business acquisition credit/(expenses)	63.8	(86.4)
Asset/investment write-downs	(39.9)	-
Underlying EBITDA – continuing ops.	**887.8**	**907.3**

The Group's underlying net cash flow (excluding the following one-off items) was 31.1% below 2010 mainly due to higher capital expenditure and the timing of tax payments.

US$ million	2011	2010
Net cash flow	**694.1**	**(79.3)**
Adjust for one-off items:		
Acquisition of subsidiaries (MMG)	-	(100.0)
Placement of additional MMR shares	494.3	-
Net sale/(purchase) of Equinox shares	252.3	(100.2)
Net cash flow from trading, fabrication and other operations	(46.5)	54.1
Net proceeds from sale of the trading, fabrication and other operations	503.0	-
Loan payments made to Album Enterprises	(789.2)	-
Dividend paid to Album Enterprises	-	(340.0)
Underlying net cash flow	**280.2**	**406.8**

For the purpose of the management discussion and analysis, the Group's results for 2011 were compared to 2010 with the emphasis of commentary aligned with the disclosures within the financial statements, that is, focusing on the continuing operations.

The Group's management determined the operating segments based on reports reviewed by its Executive Committee. The Group's continuing operations are managed on a site-by-site basis. The Group's mining operations comprise the Century zinc/lead mine in Queensland, the Rosebery lead/zinc mine in Tasmania, the Golden Grove copper/zinc mine in Western Australia and the Sepon copper/gold project in Laos.

'Other' includes the Group's exploration and development projects, including Dugald River and the Izok Corridor Project.

The Group's discontinued operations during 2011 included the trading, fabrication and other operations mainly operating in China. As at 31 December 2011, there remained some minor holding entities which are expected to be wound up/disposed of during 2012.

Anvil Mining Limited
The following management discussion and analysis excludes Anvil as the Group's acquisition of Anvil occurred in 2012. The Group's results for 2011 include approximately US$14.4 million of pre-tax costs incurred in relation to the acquisition of Anvil.

Change in accounting policy
There have been no material changes in accounting policies or critical accounting estimates in relation to the Group as adopted for the 31 December 2010 accounts.

Year ended 31 December 2011 compared to the year ended 31 December 2010

Profit analysis for the Group's continuing operations

The following table shows the revenue and EBITDA results for its continuing operations by operating site.

US$ million	Century	Sepon	Golden Grove	Rosebery
Revenue				
2011	750.4	816.9	388.5	272.5
2010	711.4	596.7	391.3	220.5
EBITDA				
2011	293.0	529.4	101.6	108.6
2010	356.2	358.6	192.4	104.5

Revenue

The Group's continuing operations generated revenue of US$2,228.3 million in 2011, which was an increase of 16.1% on 2010 driven by higher base and precious metal prices and higher sales volumes of zinc and lead as well as copper following Sepon's expansion works. This was partly offset by lower sales volumes of copper in copper concentrate and gold as compared to 2010.

Profit on sale of investment

The sale of the Group's investment in Equinox to Barrick Gold Corporation was completed in June 2011 (approximately 37.3 million shares at C$8.15 per share), realising a profit before tax of US$152.1 million, associated income tax payable of US$36.4 million and resultant profit after tax of US$115.7 million.

Volume

The following table summarises the Group's production results:

	2011	2010	Var %
Production data ('000 t)			
Ore mined*	11,075	11,783	(6.0)
Ore milled*	11,274	11,108	1.5
Zinc in zinc conc**	648.6	665.9	(2.6)
Copper in copper conc	21.7	33.5	(35.2)
Copper cathode	78.9	64.2	22.9
Lead in lead conc**	59.4	56.2	5.7
Production data ('000 oz)			
Gold***	86.6	114.1	(24.1)

* All sites

** Century, Rosebery and Golden Grove

*** Sepon and Rosebery

Ore mined was lower than 2010 due to the impacts of Tropical Storm Nock-Ten on Sepon partly offset by higher volume from Golden Grove.

Ore milled exceeded 2010 levels at Century, Rosebery and Sepon.

Zinc in zinc concentrate production was below 2010 production driven by lower zinc feed grades partly offset by higher throughput.

Copper cathode production reflected the first half year of full production from Sepon's expanded copper plant in 2011. Copper in copper concentrate at Golden Grove was 35.2% below 2010 production when the mine plan favoured copper-rich ore over the zinc ore.

Lead in lead concentrate production reflected higher throughput and recovery.

Gold production was below 2010 levels mainly due to ore availability from Sepon's Houay Yeng gold pit and lower grades.

Prices

The Group benefited considerably from sustained higher base and precious metal prices during 2011 as compared to 2010.

Average prices		2011	2010	Var %
LME Zinc	US$/t	2,190	2,160	1.4
LME Copper	US$/t	8,806	7,543	16.7
LME Lead	US$/t	2,396	2,149	11.5
Silver	US$/oz	35.15	20.20	74.0
Gold	US$/oz	1,568	1,221	28.4

Costs

The Group's cost of sales were US$1,301.9 million for 2011, which represented an increase of 25.0% compared to 2010. Operating costs were adversely impacted by:

- the stronger Australian dollar (A$) against the US dollar (US$). The A$:US$ rate averaged 1.033 for 2011 and 0.9192 for 2010. This increase of 12.4%, contributed to a material increase in the A$ denominated portion of operating sites' costs of US$73.6 million.
- price increases of key inputs into the Group's mining, processing and support activities as seen across the mining industry due to the current resources boom. These input cost pressures particularly impacted the costs associated with employees, contractors, energy and reagents.
- volume-related cost increases in 2011:
    - Golden Grove's Scuddles mine restart
    - Sepon's copper expansion
    - Century's higher zinc and lead sales volumes; and
    - increased throughput at Rosebery.

- Government royalty expenses of US$94.4 million were 23.0% higher than 2010 mainly due to stronger financial performance by Sepon and Century.

Depreciation and amortisation expenses of US$308.5 million were 3.0% above 2010 numbers driven by increased charges at Sepon flowing from the copper plant expansion.

Selling expenses of US$80.3 million were $6.4 million above 2010 figures driven by higher sales volumes from Century and Sepon.

Administrative expenses of US$135.9 million were US$77.3 million above 2010. Business expenditure increased largely to support the Company's future growth strategy.

There has been a significant step up in investment in IT of approximately US$17 million relating to the transformation of key management systems to provide a foundation for the company's simplification and growth including essential infrastructure. Work has commenced on a standardised and simplified business management system, underpinned by common global processes and a standard SAP mining platform.

Business development activity has resulted in an increase of US$18 million which has focused on the advancement and development of projects such as Dugald River, the Izok Corridor Project, Century Phosphate and other growth projects in the pipeline. This also included additional merger and acquisition outlay reflecting a larger internal team and external advisors in support of potential acquisitions.

Business support costs included a further spend of US$17 million for operational excellence, in particular improved asset utilisation, establishment of a shared business services team and strategic sourcing which delivered sustainable business benefits in 2011 and will continue to do so in later years.

The 2010 result included a one-off benefit of US$6 million derived from the sub-lease of one floor of the Company's Melbourne office.

The Company has also established a stronger presence at the registered office in Hong Kong by investing in the rollout of standardised processes and systems to align with the rest of the Company.

A **business acquisition expense** credit of US$63.8 million related to the reversal of assumed business acquisition costs provided for in 2010 (which totalled US$86.4 million) in relation to the acquisition of MMG. It was confirmed during the first half 2011 that these costs will not be payable by the Group.

Exploration expenses of US$64.0 million were 15.3% above 2010 mainly due to higher spend in Canada and at Rosebery. The weak US$ had an adverse impact on the Group's exploration costs of approximately US$4.4 million.

Other expenses included the impairment write-downs of the following items:

- Avebury mine's net fixed assets of US$24.3 million.
- Century trucks of US$9.2 million.
- Exploration listed investments – mark to market of US$6.4 million.

Net financing costs of US$46.2 million exceeded 2010 by US$7.7 million mainly due to higher interest expense on loans for the MMG acquisition.

The **tax expense** of the Group was $225.5 million in 2011. This represents an increase of $98.9 million compared to the tax expense in 2010 due to increased profit before tax and net tax benefits of $51.1 million credited in 2010 from recognition of deferred tax assets previously unrecognised. The Group's effective tax rate in 2011 was 31.8% and is consistent with the applicable taxation rates for Australia (30%) and Laos (33.3%) which are the major operating jurisdictions.

Profit after tax: The Group's Net Profit After Tax from continuing operations of US$483.6 million was 35.8% above 2010.

SEGMENTAL ANALYSIS

Century

Century's ore mined represented a strong result in view of the significant rainfall events in Queensland early in 2011. Higher throughput assisted production although zinc production fell below 2010 due to lower feed grades while lead benefited from higher recovery. Century's EBITDA margin decreased from 2010 due to unfavourable effects from the stronger A$ (US$14.7 million) and higher costs for employees, contractors and reagents.

Century	2011	2010	Var %
Production ('000 t)			
Ore mined	5,217.5	5,287.7	(1.3)
Ore milled	5,297.7	5,210.6	1.7
Zinc in zinc concentrate	497.3	510.6	(2.6)
Lead in concentrate	26.5	25.2	5.2
Financial			
EBITDA (US$ million)	293.0	356.2	(17.7)
EBITDA margin %	39.0	50.1	(22.0)

Sepon

Sepon's ore mined was lower than 2010 due to the impacts of Tropical Storm Nock-Ten. Ore milled and copper production exceeded 2010 which reflected the first half year of full production from the expanded copper plant. The second half 2011 exceeded pro rata nameplate capacity. Gold production was lower due to ore availability from the Houay Yeng gold pit and lower grades.

Sepon's EBITDA margin improved on 2010 due to the higher gold and copper prices partly offset by higher reagent costs.

Sepon	2011	2010	Var %
Production			
Ore mined ('000 t)	3,372.1	4,453.9	(24.3)
Ore milled ('000 t)	3,621.7	3,575.3	1.3
Copper cathode ('000 t)	78.9	64.2	22.9
Gold ('000 oz)	74.5	104.6	(28.8)
Financial			
EBITDA (US$ million)	529.4	358.6	47.6
EBITDA margin %	64.8	60.1	7.8

Golden Grove

Golden Grove's ore mined exceeded 2010 due to new development in copper ore zones and volume from the Scuddles mine which was restarted in the second quarter 2011. Copper ore milled and copper production were well below 2010 when the mine plan favoured copper-rich ore over the zinc ore.

Zinc ore mined and milled exceeded 2010 however zinc production was lower than the previous year driven by lower grades partly offset by higher throughput.

Golden Grove's EBITDA margin was significantly lower than in 2010 driven by the impact of the stronger A$ to costs (US$31.7 million), the Scuddles mine restart (US$21.2 million) as well as higher costs for employees and contractors.

Golden Grove	2011	2010	Var %
Production ('000 t)			
Ore mined	1,705.6	1,354.0	26.0
Ore milled	1,566.5	1,597.0	(1.9)
Zinc in zinc concentrate	70.7	73.3	(3.5)
Copper in copper concentrate	21.7	33.5	(35.2)
Financial			
EBITDA (US$ million)	101.6	192.4	(47.2)
EBITDA margin %	26.2	49.2	(46.8)

Rosebery

Rosebery recorded a strong performance in 2011 with higher ore mined driven by improved planning and co-ordination as well as mobile fleet and ventilation upgrades. Higher ore milled was driven by higher throughput partly offset by lower feed grades. Zinc production was lower as the increased throughput did not fully offset the declining zinc head feed grades. Higher throughput and recovery resulted in more lead.

Rosebery's EBITDA margin was below 2010 due to higher costs flowing from the unfavourable foreign exchange effects (US$17.6 million) and increased costs for employees and contractors.

Rosebery	2011	2010	Var %
Production ('000 t)			
Ore mined	779.4	687.2	13.4
Ore milled	788.4	724.8	8.8
Zinc in zinc concentrate	80.7	82.0	(1.6)
Lead in lead concentrate	25.4	23.2	9.5
Financial			
EBITDA (US$ million)	108.6	104.5	3.9
EBITDA margin %	39.9	47.4	(15.9)

Trading, fabrication and other
Trading, fabrication and other operations were classified as discontinued operations held for sale in 2011. Amortisation and depreciation and equity accounting for jointly-controlled entities and associates ceased from 1 January 2011.

Discontinued Operations Profit (US$ million)	2011	2010	Var %
Profit after income tax	37.5	74.2	(49.5)
Gain on disposal of subsidiaries and investment accounted for using the equity method	53.4	-	n/a
Total Net Profit After Tax	**90.9**	**74.2**	**22.5**

The 2011 post-tax profit of US$37.5 million was 49.5% below the 2010 figure mainly due to the exclusion of the Group's share of profits of jointly-controlled companies and associates of US$23.2 million.

The trading, fabrication and other operations generated lower profit in 2011 compared to 2010 mainly attributable to lower margins. The trading, fabrication and other operations recorded a loss as a result of cost increases.

The gain on the disposal of the trading, fabrication and other operations of US$53.4 million mainly related to Minmetals Aluminium after allowing for tax expense of US$32.6 million and transaction costs of US$1.5 million.

Development Projects

Dugald River, Australia

The Group is continuing to progress the development of the Dugald River project in north-west Queensland.

In the fourth quarter 2011, the Board approved a further expenditure of A$157 million for the next stage of the project, for spend up until the third quarter 2012.

In November 2011, The Queensland Department of Environment and Resource Management provided an assessment report on Dugald River's Environmental Impact Statement, advising that the project was suitable to proceed to the next stage of the approval process.

The Company is currently undertaking extensive pre-commitment activities including advancing engineering design, refining capital and operating cost estimates and advancing power, access and infrastructure negotiations.

Early works commenced on site in October 2011 and include the development of two exploration declines which will intersect the main part of the ore body in late 2012.

The final decision to develop the Dugald River project is expected to be made by the Board in 2012 and subject to other required approvals, the Company aims to have the mine in operation during 2014.

Dugald River project capitalised expenditure increased to US$58.1 million in 2011 (2010: US$5.7 million).

Izok Corridor Project, Canada

A pre-feasibility study identified the preferred development option for the Izok and High Lake ore bodies.

This includes the installation of a two-million tonne per annum concentrator at the Izok Lake deposit and developing the capacity to ship 650,000 tonnes of concentrate from Gray's Bay.

Initial work has now started on a definitive feasibility study for the integrated development of Izok Lake and High Lake which is expected to take 18 to 24 months.

Exploration costs in Canada/ Americas totalled US$19.9 million in 2011 compared to US$11.4 million in 2010.

Golden Grove Copper Open Pit, Western Australia

During the first quarter 2011, the Board approved US$22 million for the development of an open copper pit at Gossan Hill as part of the Golden Grove operation. The copper open pit is expected to produce approximately 235,000 tonnes of copper concentrate containing 59,600 tonnes of copper metal in concentrate at 25% copper.

The project includes the development of an open pit mine, waste rock dump and supporting infrastructure including haul and access roads.

The first drill hole took place in November 2011 and full scale production commenced in January 2012.

Sepon Primary Gold Study

A scoping study, completed in late 2011, confirmed the potential to mine and process primary, refractory gold ores at Sepon. The Mineral Resource is 45Mt at 2.2g/t gold and will be mostly mined by open pit methods. A pre-feasibility study has commenced to evaluate the most suitable processing option and production rate, to carry out detailed metallurgical testing and to commence baseline field work to support the permitting process.

Commissioned Projects

Sepon copper output increased from 65,000 to 80,000 tonnes copper cathode per annum following the successful commissioning of the copper expansion project and ramp-up during the first half 2011. Total handover occurred for the transmission lines of the high voltage powerline and substations.

The Golden Grove Tailings Storage Facility 3 was handed over to site operations to commission during the first quarter 2011.

Cash flow analysis

Operating activities

The Group's continuing operations generated net cash from operations in 2011 of US$909.3 million which represented an increase of 7.5% on 2010. The increased cash flows were predominantly due to higher receipts from customers.

The Group paid income taxes totalling US$209.6 million in 2011 comprising:

- US$122.3 million payment from LXML:
  - US$92.3 million which settled Sepon's 2010 tax liability (2010: US$57.5 million)
  - US$30 million toward Sepon's 2011 tax liability which was a prepayment at the request of the Government of Laos to aid in the country's flood relief efforts.
- US$87.3 million from the MMG Australia group – which included US$50.4 million instalments toward the 2011 income tax liability.

The Group's discontinued operations generated net cash from operations of US$100.8 million which included a significant increase in bills payable.

Investing activities

The Group's continuing operations generated net cash from investing activities of US$285.3 million in 2011 which mainly reflected:

- Consideration received from the disposal of the trading, fabrication and other operations (net of cash held by these businesses, transaction costs, taxes paid and outstanding receivables) totalling US$503.0 million. The remaining funds were invested partly in cash deposits and a loan of US$95.0 million to Album Enterprises.
- Payments for property, plant and equipment of US$380.3 million which were 23.6% above 2010 driven by:
  - Higher mine development at Century
  - Dugald River project pre-commitment spend of US$58.1 million (2010: US$5.7 million).
- The Group's purchase of an additional US$58.9 million of Equinox shares during 2011 (2010: US$100.2 million) and subsequent proceeds of US$311.2 million from the disposal of its entire Equinox shareholding in the first half 2011.

The Group's discontinued operations drew down net cash of US$99.1 million mainly by placing more funds in time deposits.

Financing activities

The Group's continuing operations had a net cash outflow from financing activities of US$244.4 million in 2011.

- Proceeds of US$494.3 million were received from the issuance of 762,612,000 shares by the Company which were used toward full repayment of the loan from Album Enterprises (US$694.2 million) during the first half 2011.
- Principal repayments of US$17.2 million were made in 2011 in accordance with external debt agreements.
- Interest paid of US$26.3 million was US$1.2 million above 2010 due to the higher debt levels during 2011.

The Group's discontinued operations used net cash of US$48.2 million in financing activities, mainly the repayment of bank loans used to provide working capital for trading during 2011.

Financial resources and liquidity for the Group

The Group strengthened its liquidity and financial position during 2011. During the period:

- total liabilities decreased by 33.2% to US$1,959.1 million while total assets only decreased by 0.4% to US$3,453.5 million; and
- shareholders' equity increased by 200.9% to US$1,435.4 million primarily driven by the share placing and results for the period.

The gearing ratio calculation in relation to the Group's continuing operations is shown in the following table. As at 31 December 2011, the Group held more cash than it had borrowings given the recent receipt of consideration from the sale of the interests in Minmetals Aluminium and NCA. A substantial part of the cash has been used in funding the acquisition of Anvil in 2012.

US$ million	2011	2010
Cash and cash equivalents	1,096.5	398.2
Time deposits	-	12.8
Pledged bank deposits	-	6.4
Less: Total borrowings	1,081.7	1,965.3
Net (cash)/debt	**(14.8)**	**1,547.9**
Total equity	1,494.4	533.4
Gearing ratio	**N/A**	**2.9**

The current ratio in relation to the Group decreased from 1.7 at 31 December 2010 to 1.4 at 31 December 2011. The net increase in current assets driven by the sale of the trading, fabrication and other operations was less than the corresponding increase on current liabilities due to the classification of external debt which is due to be repaid during 2012. This includes US$751.0 million of facilities that expire in June 2012.

The Group's cash and bank deposits of US$1,096.5 million at 31 December 2011 were mainly denominated in US$.

As at 31 December 2011, the profile of the Group's borrowings was as follows:

- 0.4% were in A$ and 99.6% were in US$;
- 0.4% were in fixed rates and 99.6% were in floating rates; and
- 72.8% were repayable within 1 year, 3.3% were repayable between 1 and 2 years, 23.9% were repayable between 2 and 5 years.

Material acquisitions and disposals

Equinox shareholding
The Group disposed of its entire shareholding (equal to approximately 4.2% of the issued capital) in Equinox to Barrick Gold Corporation during June 2011.

Trading, fabrication and other
On 28 March 2011, the Board of the Company approved the program of strategic divestments, of assets that were assessed as not being core to the company's future and these assets included the trading, fabrication and other operations (the Disposal Group).

On 15 September 2011, the Company announced that the Company had agreed to sell its entire 100% equity interest in Minmetals Aluminium, Riseup Dragon Limited's (Riseup Dragon) entire 72.80% equity interest in NCA, Orienmet Industry Co. Ltd's (Orienmet Industry) entire 51% equity interest in Yingkou Orienmet and Lontic (H.K.) Limited's entire 36.2913% equity interest in Changzhou Jinyuan (together, the Disposal Group) for an aggregate consideration of US$726.8 million (the Disposal). The Disposal was approved by the independent shareholders of the Company on 28 October 2011 and materially completed in December 2011.

Save as disclosed above and the acquisition of Anvil, the Group did not make any other material acquisitions or disposals during 2011. The Group adopts a 5% threshold on assets, profit, revenue, market capitalisation ratios as guidance in determining materiality of the acquisitions and disposals.

Contingent liabilities

The Company and its subsidiaries are defendants from time to time in legal proceedings arising from the conduct of their businesses. The Group does not consider that the outcome of any of these proceedings ongoing at balance date, either individually or in aggregate, is likely to have a material effect on its financial position. Where appropriate, provisions have been made.

Certain bank guarantees have been provided in connection with the operations of certain of the subsidiaries of the Company. These are primarily associated with the terms of mining leases or exploration licences. At the end of 2011, no claims have been made under these guarantees. The amount of these guarantees may vary from time to time depending upon the requirements of the relevant regulatory authority. These guarantees amount to US$91.5 million (2010: US$112.8 million). Provision is made in the financial statements for the anticipated costs of the mine rehabilitation obligations under the mining leases and exploration licences.

Charges on assets
As at 31 December 2011, the following assets of the Group were pledged to certain banks for the banking facilities granted to the Group.

- an external borrowing of US$190.0 million was secured by a share charge to the lender of 100% of the shares held in Album Resources' wholly-owned subsidiary, Album Investment, a mortgage over 70% of the shares in certain subsidiaries of Album Investment and a mortgage over 70% of shares of MMG Laos Holdings Limited.

Risk management
The Group's activities expose it to a variety of financial risks, including commodity price risk, equities price risk, interest rate risk, foreign exchange risk, credit risk, liquidity risk, operational risk and sovereign risk. The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The use of financial derivative instruments strictly follows the yearly plans approved by the Board of directors of the Company and its subsidiaries. The Group does not and is prohibited from entering into derivative contracts for speculative purposes.

Commodity price risk
The principal activities of the Group are the mining and sale of zinc, copper, lead, gold and silver. As commodity markets are influenced by global as well as regional supply and demand conditions, any unexpected price changes in the market exchanges might affect the Group's earnings and performance. To mitigate this risk, the Group closely monitors any significant exposures. The Group generally believes commodity price hedging in relation to the mining operations would not provide long-term benefits to its shareholders.

Equities price risk
The Group is no longer materially exposed to equity securities price risk. This previously arose from investments held by the Group in Equinox.

Interest rate risk
The Group is exposed to interest rate volatility on deposits and borrowings. Deposits and borrowings at variable rates expose the Group to cash flow interest rate risk. Deposits and borrowings at fixed rates expose the Group to fair value interest rate risk.

The Group regularly monitors its interest rate risk to ensure there are no undue exposures to significant interest rate movements.

Foreign exchange risk
The Group operates internationally and is exposed to foreign currency exchange risk. The Group's reporting currency and functional currency of the majority of subsidiaries with the Group is US$. The majority of revenue received by the Group is US$. The Group's foreign currency exchange risk arises predominantly from the currency in which the Group's operations are located.

The Group is exposed to foreign exchange risk primarily with respect to the A$, the Hong Kong dollars (HK$) and the Canadian dollars (C$) in relation to the Group's continuing operations. Given the exchange rate peg between HK$ and US$, it is not foreseen that the Group will be exposed to significant exchange rate risk for the transactions conducted in HK$ or US$. However, exchange rate fluctuations of A$ or C$ against US$ could affect the Group's performance and asset values.

Under normal market conditions, the Group does not believe that the active currency hedging of transactions would provide long-term benefit to shareholders. The Group tries to minimise these exposures through natural hedges wherever possible. For instance, the majority of external debt and surplus cash is denominated in US$. A portion of cash may be held in A$ to meet operating costs.

The long-term relationship between commodity prices and the currencies of the countries where the Group operates provides a degree of natural protection. However, the Group may choose to hedge large foreign currency exposures such as capital expenditure, dividends or tax payments.

Credit risk
Credit risk in relation to the Group's continuing operations arises primarily from: trade receivables and bank deposits. The Group's maximum exposure to this risk, without taking account of any collateral held, is represented by the carrying amounts of these financial assets in the consolidated balance sheet after deducting any provision for impairment.

Liquidity risk
Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities.

Management utilises both short and long-term cash flow forecasts and other consolidated information to ensure appropriate liquidity buffers are maintained to support the Group's activities.

Operational Risk
The Group's operational risks include secure supply of key inputs such as electricity and fuel.

Sovereign Risk
The Group has operations in developing countries which may carry higher levels of sovereign risks. In general, however, mining companies are increasingly willing to develop or acquire projects in locations that would traditionally have been viewed as having higher sovereign risks.

Capital risk management
The Group's objectives on managing capital are to safeguard the Group's ability to continue as a going concern, support the Group's sustainable growth, enhance shareholder value and provide capital for potential acquisitions and investment.

The Group manages the capital structure and makes adjustments to it in light of changes in economic conditions and business strategies. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payments to shareholders, issue new shares or raise/repay debts.

The Group monitors capital by using the gearing ratio defined as total borrowings less cash and bank deposits divided by shareholders' equity.

Capital expenditure and commitments
The Group's capital expenditure of US$380.3 million for 2011 (2010: US$307.7 million) included US$235.6 million of growth-related capital expenditure (2010: US$191.6 million). The growth-related capital expenditure mainly reflected:

Growth capital (US$ million)	2011	2010
Mine development - Century	127.1	106.0
Mine development - Sepon	42.5	15.0
Dugald River total spend	58.1	5.7
Copper expansion – Sepon	5.9	43.1
Ventilation upgrade - Rosebery	1.0	4.4
Open Pit – Golden Grove	0.6	-
Tailings Storage Facility #3 – Golden Grove	0.4	17.4

Century's mine development related to Stage 8 (bulk waste) and Stage 9 and the expansion cut-back.

The Group's capital and non-capital commitments as at 31 December 2011 amounted to US$224.1 million (2010: US$63.9 million).

Human resources
As at 31 December 2011, the Group employed a total of 3,677 full-time employees in its continuing operations (not including contractors of the Group) of which 16 were based in Hong Kong, 1,740 in Australia, 1,832 in Laos, 21 in Canada and 68 in Group Exploration. Total staff costs for the Group's continuing operations for 2011, including director's emoluments amounted to US$331.5 million (2010: US$262.6 million).

The Group has adopted remuneration policies in line with market practice and remunerated its employees based on the responsibilities of their role, their performance and the performance of the Company. Other employee benefits include performance-related incentives and, in specific cases, insurance and medical coverage and a limited share option scheme. An extensive training program is offered to employees across the Company which is designed to improve individual and group performance

CONSOLIDATED INCOME STATEMENT

	NOTE	YEAR ENDED 31 DECEMBER 2011 US$ MILLION	2010 US$ MILLION (RESTATED)
CONTINUING OPERATIONS			
Revenue	3	**2,228.3**	**1,919.9**
Cost of sales		(1,301.9)	(1,041.6)
Gross profit		**926.4**	**878.3**
Selling expenses		(80.3)	(73.9)
Administrative expenses		(135.9)	(58.6)
Exploration expenses		(64.0)	(55.5)
Other gains/(losses) – net		3.1	(16.2)
Other operating expenses		(129.0)	(75.4)
Other income		19.1	9.0
Gain on disposal of available-for-sale financial assets		152.1	-
Business acquisition expenses		-	(86.4)
Write-back of business acquisition expenses		63.8	-
Operating profit		**755.3**	**521.3**
Finance income		2.4	4.3
Finance costs		(48.6)	(42.8)
Profit before income tax		**709.1**	**482.8**
Income tax expense	4	(225.5)	(126.6)
Profit for the year from continuing operations		**483.6**	**356.2**
DISCONTINUED OPERATIONS			
Profit from discontinued operations	9	90.9	74.2
Profit for the year		**574.5**	**430.4**
Profit for the year attributable to:			
Equity holders of the Company		540.9	409.4
Non-controlling interests		33.6	21.0
		574.5	**430.4**
Profit for the year attributable to equity holders of the Company arises from:			
Continuing operations		454.1	335.8
Discontinued operations		86.8	73.6
		540.9	**409.4**

CONSOLIDATED INCOME STATEMENT CONTINUED

	NOTE	YEAR ENDED 31 DECEMBER 2011	2010 (RESTATED)
Earnings per share for profit attributable to the equity holders of the Company	5		
Basic earnings per share			
From continuing operations		US 9.99 cents	US 11.32 cents
From discontinued operations		US 1.91 cents	US 2.48 cents
		US 11.90 cents	US 13.80 cents
Diluted earnings per share			
From continuing operations		US 8.99 cents	US 7.41 cents
From discontinued operations		US 1.72 cents	US 1.63 cents
		US 10.71 cents	US 9.04 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	YEAR ENDED 31 DECEMBER 2011 US$ MILLION	2010 US$ MILLION (RESTATED)
Profit for the year	**574.5**	**430.4**
Other comprehensive income/(loss)		
Net change in fair value of available-for-sale financial assets, net of tax	70.1	43.9
Transfer to income statement on disposal of available-for-sale financial assets, net of tax	(112.7)	-
Currency translation differences	12.3	13.1
Currency translation differences transfer to income statement on disposal of subsidiaries and investments accounted for using the equity method	(45.9)	-
Cash flow hedge	-	1.0
Other comprehensive (loss)/income for the year	**(76.2)**	**58.0**
Total comprehensive income for the year	**498.3**	**488.4**
Total comprehensive income attributable to:		
Equity holders of the Company	464.0	466.7
Non-controlling interests	34.3	21.7
	498.3	**488.4**
Total comprehensive income attributable to equity holders of the Company arises from:		
Continuing operations	411.5	379.6
Discontinued operations	52.5	87.1
	464.0	**466.7**

CONSOLIDATED BALANCE SHEET

	NOTE	AS AT 31 DECEMBER 2011 US$ MILLION	2010 US$ MILLION
ASSETS			
Non-current assets			
Property, plant and equipment		1,754.9	1,671.5
Investment properties		1.8	2.0
Intangible assets		-	132.0
Investments accounted for using the equity method		0.1	227.3
Inventories		33.1	24.4
Deferred income tax assets		63.6	98.8
Other assets		2.7	1.5
		1,856.2	2,157.5
Current assets			
Inventories		278.4	363.8
Trade and other receivables	7	118.3	360.4
Loan to a related party		95.0	-
Current income tax assets		7.4	3.5
Available-for-sale financial assets		-	164.1
Other financial assets		1.7	19.4
Cash and cash equivalents		1,096.5	398.2
		1,597.3	1,309.4
Total assets		**3,453.5**	**3,466.9**
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital		33.9	19.0
Perpetual sub-ordinated convertible securities		-	690.0
Reserves and retained profits		1,401.5	(232.0)
		1,435.4	477.0
Non-controlling interests		59.0	56.4
Total equity		**1,494.4**	**533.4**

CONSOLIDATED BALANCE SHEET CONTINUED

		AS AT 31 DECEMBER	
	NOTE	2011 US$ MILLION	2010 US$ MILLION
LIABILITIES			
Non-current liabilities			
Deferred income		-	5.1
Deferred income tax liabilities		5.5	20.1
Borrowings		294.5	1,144.3
Loan from a related party		-	694.2
Provisions		491.1	317.6
		791.1	2,181.3
Current liabilities			
Trade and other payables	8	205.1	368.5
Receipts in advance		-	71.0
Advances from banks for discounted bills		-	43.6
Amounts due to related parties		-	2.5
Derivative financial instruments		-	1.2
Current income tax liabilities		117.9	129.1
Borrowings		787.2	83.2
Provisions		56.5	53.1
		1,166.7	752.2
Liabilities of disposal group classified as held for sale		1.3	-
		1,168.0	752.2
Total liabilities		**1,959.1**	**2,933.5**
Total equity and liabilities		**3,453.5**	**3,466.9**
Net current assets		**429.3**	**557.2**
Total assets less current liabilities		**2,285.5**	**2,714.7**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY					
US$ MILLION	Share capital	Perpetual sub-ordinated convertible securities	Total other reserves	Retained profits	Non-controlling interests	Total
At 1 January 2011	19.0	690.0	(677.2)	445.2	56.4	533.4
Profit for the year	-	-	-	540.9	33.6	574.5
Other comprehensive income/(loss)						
Change in fair value of available-for-sale financial assets, net of tax	-	-	70.1	-	-	70.1
Transfer to income statement on disposal of available-for-sale financial assets, net of tax	-	-	(112.7)	-	-	(112.7)
Currency translation differences	-	-	11.6	-	0.7	12.3
Currency translation differences transfer to income statement on disposal of subsidiaries and investments accounted for using the equity method	-	-	(45.9)	-	-	(45.9)
Total comprehensive income for the year	-	-	(76.9)	540.9	34.3	498.3
Transactions with owners						
Transfer (from)/to reserves	-	-	6.1	(6.1)	-	-
Dividends paid to non-controlling interests	-	-	-	-	(0.4)	(0.4)
Issue of shares	4.9	-	489.4	-	-	494.3
Conversion of perpetual sub-ordinated convertible securities into ordinary shares	10.0	(690.0)	680.0	-	-	-
Employees share option	-	-	0.1	-	-	0.1
Disposal of subsidiaries	-	-	(31.1)	31.1	(31.3)	(31.3)
Total transactions with owners	14.9	(690.0)	1,144.5	25.0	(31.7)	462.7
At 31 December 2011	**33.9**	**-**	**390.4**	**1,011.1**	**59.0**	**1,494.4**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY CONTINUED

US$ MILLION	ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY Share capital	Perpetual sub-ordinated convertible securities	Total other reserves	Retained profits	Non-controlling interests	Total
At 1 January 2010	13.0	-	755.1	376.3	67.7	1,212.1
Profit for the year	-	-	-	409.4	21.0	430.4
Other comprehensive income						
Cash flow hedge	-	-	1.0	-	-	1.0
Net change in fair value of available-for-sale financial assets	-	-	43.9	-	-	43.9
Currency translation differences	-	-	12.4	-	0.7	13.1
Total comprehensive income for the year	-	-	57.3	409.4	21.7	488.4
Transactions with owners						
Transfer (from)/to reserves	-	-	0.5	(0.5)	-	-
Dividends paid	-	-	-	(340.0)	-	(340.0)
Dividends paid to non-controlling interests	-	-	-	-	(33.0)	(33.0)
Issue of shares	6.0	-	646.6	-	-	652.6
Issue of perpetual sub-ordinated convertible securities	-	690.0	-	-	-	690.0
Employees share option	-	-	0.1	-	-	0.1
Business combination under common control	-	-	(2,136.8)	-	-	(2,136.8)
Total transactions with owners	6.0	690.0	(1,489.6)	(340.5)	(33.0)	(1,167.1)
At 31 December 2010	19.0	690.0	(677.2)	445.2	56.4	533.4

CONSOLIDATED CASH FLOW STATEMENT

	YEAR ENDED 31 DECEMBER	
	2011 US$ MILLION	2010 US$ MILLION (RESTATED)
Cash flows from operating activities		
Continuing operations		
Net cash generated from operations	909.3	846.2
Income tax paid	(209.6)	(81.6)
	699.7	764.6
Discontinued operations	100.8	51.6
Net cash generated from operating activities	**800.5**	**816.2**
Cash flows from investing activities		
Continuing operations		
Acquisition of subsidiaries	-	(100.0)
Capital injection into a jointly-controlled entity	(0.1)	-
Purchase of property, plant and equipment	(380.3)	(307.7)
Proceeds from disposal of property, plant and equipment	4.2	2.5
Proceeds from disposal of investment properties	0.3	-
Proceeds from disposal of available-for-sale financial assets	311.2	-
Proceeds from disposal of investments	509.1	0.3
Purchase of financial assets	(66.4)	(100.2)
Dividends received from investments accounted for using the equity method	1.3	2.5
Interest received	1.0	4.3
Loan to a related party	(95.0)	-
	285.3	(498.3)
Discontinued operations	(99.1)	(7.3)
Net cash generated from/(used in) investing activities	**186.2**	**(505.6)**

CONSOLIDATED CASH FLOW STATEMENT CONTINUED

	YEAR ENDED 31 DECEMBER	
	2011 US$ MILLION	2010 US$ MILLION (RESTATED)
Cash flows from financing activities		
Continuing operations		
Repayments of borrowings	(17.2)	-
Repayments of loan from a related party	(694.2)	-
Proceeds from issue of shares	494.3	-
Interest paid	(26.3)	(25.1)
Dividends paid to non-controlling interests	-	(32.9)
Dividends paid to former owner of Album Resources Private Limited	-	(340.0)
Repayments of finance lease liabilities	(1.0)	(1.7)
	(244.4)	(399.7)
Discontinued operations	(48.2)	9.8
Net cash used in financing activities	**(292.6)**	**(389.9)**
Net increase/(decrease) in cash and cash equivalents	694.1	(79.3)
Cash and cash equivalents at 1 January	398.2	471.1
Exchange gains on cash and bank balances	4.2	6.4
Cash and cash equivalents at 31 December	**1,096.5**	**398.2**
Analysis of balances of cash and cash equivalents		
Cash and bank balances from:		
Continuing operations	1,096.5	240.8
Discontinued operations	-	157.4
	1,096.5	**398.2**

NOTES

1. GENERAL INFORMATION

Minmetals Resources Limited (Company) is a limited liability company and was incorporated in Hong Kong on 29 July 1988. The address of its registered office is Units 8501-8503, Level 85, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong.

The Company was an investment holding company and is listed on the Stock Exchange of Hong Kong. The principal activities of the Company and its subsidiaries (Group) are the exploration for, and the mining, processing and sale of zinc, copper, lead, gold, silver and other minerals into both metal and metal in concentrates.

Divestment of the trading, fabrication and other operations of the Company

Following the decision by the Board of the Company on 28 March 2011, the trading, fabrication and other operations were made available for sale at their present state as a disposal group (Disposal Group). On 15 September 2011, the directors of the Company announced that the Company had entered into the Master Sale and Implementation Agreement with a controlling shareholder of the Company, China Minmetals Non-ferrous Metals Co., Ltd. (CMN), to sell its entire interest in four entities (Disposal Entities) out of the Disposal Group for an aggregate consideration of US$726.8 million (Disposal). The Disposal Entities represent majority components of the Disposal Group. The Disposal was approved by the independent shareholders of the Company on 28 October 2011 and completed in December 2011.

Common control combination in 2010

The Group completed the acquisition of the entire equity interest in Album Resources from Album Enterprises, a wholly-owned subsidiary of CMN, on 31 December 2010 for a total consideration of US$2,136.8 million. Album Resources is the holding company for Minerals and Metals Group (MMG), a significant producer of zinc, copper, lead, gold and silver. This business combination was regarded and accounted for as a business combination under common control in 2010.

2. BASIS OF PREPARATION

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards (HKFRS) issued by the Hong Kong Institute of Certified Public Accountants (HKICPA). These consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise their judgement in the process of applying the Group's accounting policies.

The financial statements have been prepared on the basis that the Company and Group are able to continue as a going concern, including to meet its obligations in the ordinary course of business. The Board of Directors is confident about the Group's ability to successfully refinance its current borrowings during 2012.

(a) New and amended standards adopted by the Group

The HKICPA has issued the following new and revised standards, amendments to standards and interpretations that are effective in 2011 but not relevant to the Group.

HKFRSs (Amendment)	Improvements to HKFRSs 2010
HKAS 32 (Amendment)	Classification of right issues
HK (IFRIC) – Int 14 (Amendment)	Prepayments of a minimum funding requirement
HK (IFRIC) – Int 19	Extinguishing financial liabilities with equity instruments

(b) New standards and amendments to standards issued but not effective for the financial year beginning 1 January 2011 and not early adopted

The Group has not early adopted the following new/revised standards and amendments to standards that have been issued but are not effective for 2011. The Group is in the process of assessing their impact to the Group's results and financial position.

HKAS 1 (Amendment)	Presentation of Financial Statements(2)
HKAS 12 (Amendment)	Deferred tax- recovery of underlying assets(1)
HKAS 19 (2011)	Employee Benefits(2)
HKAS 27 (2011)	Separate Financial Statements(2)
HKAS 28 (2011)	Investments in Associates and Joint Ventures(2)
HKAS 32 (Amendment)	Presentation – Offsetting Financial Assets and Financial Liabilities(3)
HKFRS 1 (Amendment)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters(1)
HKFRS 7 (Amendment)	Disclosures- transfers of financial assets(1)
HKFRS 9	Financial instruments(4)
Additions to HKFRS 9	Financial instruments – financial liabilities(4)
HKFRS 10	Consolidated Financial Statements(2)
HKFRS 11	Joint Arrangements(2)
HKFRS 12	Disclosures of Interests in Other Entities(2)
HKFRS 13	Fair Value Measurement(2)
HK(IFRIC) - Int 20	Stripping Costs in the Production Phase of a Surface Mine(2)

Effective for the Group for annual period beginning:

(1) 1 January 2012
(2) 1 January 2013
(3) 1 January 2014
(4) 1 January 2015

3. SEGMENT INFORMATION

HKFRS 8 Operating Segments requires operating segments to be identified on the basis of internal reports about operations of the Group that are regularly reviewed by the chief operating decision-maker in order to allocate resources to the segment and assess its performance.

The chief operating decision-maker has been identified as the Company`s Executive Committee, which consist of all Executive Directors of the Company, Chief Operating Officer, Executive General Manager – Business Development, Executive General Manager – Exploration and Executive General Manager – Business Support. They review the Group's internal reporting of these operations in order to assess performance and allocate resources.

The Group's reportable segments are as follows:

Continuing operations	
Century	Century is Australia's largest open pit zinc mine located in Queensland's North West. Century comprises two sites – the mine and processing operation at Lawn Hill, and associated concentrate dewatering and ship-loading facilities at Karumba, on the Gulf of Carpentaria.
Sepon	Sepon is an open pit, copper and gold mining operation located in Laos' south west. Sepon comprises a number of open pit mines, a copper processing plant and gold processing plant.
Golden Grove	Golden Grove is an underground base and precious metals mining operation located in Western Australia's Mid West. Golden Grove comprises two underground mines and surface processing operations.
Rosebery	Rosebery is an underground polymetallic base metal mine located on Tasmania's West Coast. Rosebery comprises an underground mine and surface processing operation.
Other	The Group has built a portfolio of exploration and development projects in Australia, Asia and the Americas. These exploration and development projects, include the Dugald River Project and the Canadian projects; the Avebury mine, which remains on care and maintenance; and corporate office entities, that are not required to be disclosed as a separate segment at this stage, and accordingly are included within Other.

Discontinued operations	
Trading, fabrication and other	This segment engages in the trading of alumina and aluminium ingot, the production and sale of aluminium foil, plate, strip and extrusions, the production and sale of aluminium processing equipment, the production and sale of plica tubes and the provision of port logistics services, as well as certain jointly-controlled entities and associates of the Group.

A segment result represents the profit 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. Other information provided, except as disclosed in the following paragraph, to the chief operating decision-maker is measured in a manner consistent with that in the financial statements.

Segment assets exclude current income tax assets, deferred income tax assets, available-for-sale financial assets and interests in jointly-controlled entities and associates. Segment liabilities exclude current income tax liabilities and deferred income tax liabilities. The excluded assets and liabilities are presented as part of the reconciliation to total balance sheet assets or liabilities.

Finance costs for inter-segment loans are charged at prevailing market interest rate.

The segment revenue and result for the year ended 31 December 2011 are as follows:

FOR THE YEAR ENDED 31 DECEMBER 2011

US$ MILLION	Century	Sepon	Golden Grove	Rosebery	Other	Total continuing operations	Trading, fabrication & other	Total discontinued operations	Group
External revenue	741.5	741.6	342.9	272.5	-	2,098.5	2,324.9	2,324.9	4,423.4
Revenue from related parties	8.9	75.3	45.6	-	-	129.8	52.4	52.4	182.2
Revenue	750.4	816.9	388.5	272.5	-	2,228.3	2,377.3	2,377.3	4,605.6
EBITDA	293.0	529.4	101.6	108.6	31.2	1,063.8	53.6	53.6	1,117.4
Depreciation and Amortisation	(176.8)	(58.1)	(48.3)	(21.8)	(3.5)	(308.5)	-	-	(308.5)
Operating profit /(loss) (EBIT)	116.2	471.3	53.3	86.8	27.7	755.3	53.6	53.6	808.9
Finance income	-	1.0	-	-	7.3	8.3	3.3	3.3	11.6
Finance costs	(16.0)	(15.4)	(7.2)	(1.3)	(14.6)	(54.5)	(9.2)	(9.2)	(63.7)
Segment result	100.2	456.9	46.1	85.5	20.4	709.1	47.7	47.7	756.8
Profits on disposal of subsidiaries and investments accounted for using equity method						-		53.4	53.4
Income tax expense						(225.5)		(10.2)	(235.7)
Profit for the year						483.6		90.9	574.5
Non-controlling interests						(29.5)		(4.1)	(33.6)
Profit attributable to equity holders of the Company						454.1		86.8	540.9
Other segment information:									
Assets impairment	9.2	-	-	-	24.3	33.5	-	-	33.5
Additions to non-current assets	242.9	86.6	48.6	57.1	81.0	516.2	23.0	23.0	539.2

FOR THE YEAR ENDED 31 DECEMBER 2010 (RESTATED)

US$ MILLION	Century	Sepon	Golden Grove	Rosebery	Other	Total continuing operations	Trading, fabrication & other	Total discontinued operations	Group
External revenue	659.8	542.7	384.4	220.5	-	1,807.4	1,591.3	1,591.3	3,398.7
Revenue from related parties	51.6	54.0	6.9	-	-	112.5	70.9	70.9	183.4
Revenue	711.4	596.7	391.3	220.5	-	1,919.9	1,662.2	1,662.2	3,582.1
EBITDA	356.2	358.6	192.4	104.5	(190.8)	820.9	57.6	57.6	878.5
Depreciation and Amortisation	(219.5)	(14.9)	(36.8)	(25.7)	(2.7)	(299.6)	(18.9)	(18.9)	(318.5)
Operating profit /(loss) (EBIT)	136.7	343.7	155.6	78.8	(193.5)	521.3	38.7	38.7	560.0
Finance income	-	0.5	-	-	3.8	4.3	4.3	4.3	8.6
Finance costs	(14.3)	(10.0)	(7.9)	(2.0)	(8.6)	(42.8)	(6.7)	(6.7)	(49.5)
Segment result	122.4	334.2	147.7	76.8	(198.3)	482.8	36.3	36.3	519.1
Share of net profits of investments accounted for using the equity method						-		41.0	41.0
Income tax expense						(126.6)		(3.1)	(129.7)
Profit for the year						356.2		74.2	430.4
Non-controlling interests						(20.4)		(0.6)	(21.0)
Profit attributable to equity holders of the Company						335.8		73.6	409.4
Other segment information:									
Additions to non-current assets	187.2	102.1	61.1	36.9	13.4	400.7	15.5	15.5	416.2

AS AT 31 DECEMBER 2011

US$ MILLION	Century	Sepon	Golden Grove	Rosebery	Other	Total continuing operations	Trading, fabrication & other	Total discontinued operations	Group
Segment assets	719.9	1,045.4	318.4	281.8	1,016.9	3,382.4	-	-	3,382.4
Investments accounted for using the equity method						0.1		-	0.1
Deferred income tax assets						63.6		-	63.6
Current income tax assets						7.4		-	7.4
						3,453.5		-	3,453.5
Segment liabilities	675.2	390.9	122.5	105.4	540.4	1,834.4	1.3	1.3	1,835.7
Deferred income tax liabilities						5.5		-	5.5
Current income tax liabilities						117.9		-	117.9
						1,957.8	1.3	1.3	1,959.1

AS AT 31 DECEMBER 2010 (RESTATED)

US$ MILLION	Century	Sepon	Golden Grove	Rosebery	Other	Total continuing operations	Trading, fabrication & other	Total discontinued operations	Group
Segment assets	654.1	753.3	328.7	281.2	192.6	2,209.9	763.3	763.3	2,973.2
Investments accounted for using the equity method						-		227.3	227.3
Available-for-sale financial assets						164.1		-	164.1
Deferred income tax assets						90.7		8.1	98.8
Current income tax assets						-		3.5	3.5
						2,464.7		1,002.2	3,466.9
Segment liabilities	150.8	262.8	114.7	80.4	1,797.3	2,406.0	378.3	378.3	2,784.3
Deferred income tax liabilities						20.1		-	20.1
Current income tax liabilities						128.9		0.2	129.1
						2,555.0		378.5	2,933.5

Century's, Golden Grove's and Rosebery's operations are located in Australia. Sepon's operations are located in Lao. Trading, fabrication and other business operations are located in China, while all other segments are immaterial by location.

4. INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been made as the Group has tax losses brought forward to offset the assessable profit generated in Hong Kong for the year (2010: US$Nil). Taxation on profits arising from other jurisdictions has been calculated on the estimated assessable profits for the year at the rates prevailing in the relevant jurisdictions.

	2011 US$ MILLION	2010 US$ MILLION (RESTATED)
Current income tax expense		
Overseas income tax	(192.8)	(151.0)
Deferred income tax	(32.7)	24.4
Income tax expense	(225.5)	(126.6)

Note: The Group's entities are mainly operated in Australia and Laos and the taxation rates applicable in Australia and Laos are 30% and 33% respectively. The change in effective tax rate is caused by a change in the profitability of the Group's subsidiaries in the respective countries as well as the applicable tax rate for certain income generated and expenses incurred in the current year and prior year.

5. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity holders of the Company and the weighted average number of ordinary shares in issue during the year. In 2010, the weighted average number of ordinary shares also adjusted for the effect of the 2010 Business Combination.

	2011 US$ MILLION	2010 US$ MILLION (RESTATED)
Profit from continuing operations attributable to equity holders of the Company	454.1	335.8
Profit from discontinued operations attributable to equity holders of the Company	86.8	73.6

	NUMBER OF SHARES 2011 '000	2010 '000
Weighted average number of ordinary shares in issue	4,545,099	2,026,217
Adjustment for the weight average number of ordinary shares to reflect the business combination of MMG	-	940,779
Weighted average number of ordinary shares used in the calculation of the basic earnings per share	4,545,099	2,966,996
Basic earnings per share- continuing operations	US 9.99 cents	US 11.32 cents
Basic earnings per share- discontinued operations	US 1.91 cents	US 2.48 cents

(b) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has two categories of dilutive potential ordinary shares: share options and Perpetual Sub-ordinated Convertible Securities. For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options. The PSCS are assumed to have been converted into ordinary shares.

	2011 US$ MILLION	2010 US$ MILLION (RESTATED)
Profit from continuing operations attributable to equity holders of the Company	454.1	335.8
Profit from discontinued operations attributable to equity holders of the Company	86.8	73.6

	NUMBER OF SHARES	
	2011 '000	2010 '000
Weighted average number of ordinary shares used in the calculation of the basic earnings per share	4,545,099	2,966,996
Adjustments for:		
– Share options	4,929	2,380
– Perpetual sub-ordinated convertible securities	500,055	1,560,000
Weighted average number of ordinary shares used in the calculation of the diluted earnings per share	5,050,083	4,529,376
Diluted earnings per share- continuing operations	US 8.99 cents	US 7.41 cents
Diluted earnings per share- discontinued operations	US 1.72 cents	US 1.63 cents

6. DIVIDENDS

No interim dividend was paid (2010: US$Nil) and the Directors do not recommend the payment of a final dividend for the year ended 31 December 2011 (2010: US$Nil).

7. TRADE AND OTHER RECEIVABLES

As at 31 December 2011, trade and other receivables of the Group is attributable to the continuing operations which mainly comprises of the mining operations, and the trade and other receivables of the Group as at 31 December 2010 also comprised the discontinued operations – trading, fabrication and other. The majority of sales for mining operations are made under contractual arrangements whereby provisional payment is received after delivery and the balance within 30 to 90 days from delivery. The majority of sales derived from the trading segment are under the arrangement of delivery upon payment from customers, with the remaining amounts on letters of credit while for the aluminium fabrication, sales are normally made with credit periods ranging from 30 to 90 days. The ageing analysis of the trade receivables is as follows:

	2011		2010	
	US$ MILLION	%	US$ MILLION	%
Trade receivables				
Less than 6 months	66.1	100.0	145.2	95.3
6 months-1 year	-	-	0.5	0.3
1–2 years	-	-	0.6	0.4
Over 2 years	-	-	6.0	4.0
	66.1	100.0	152.3	100.0
Less: Provision for impairment	-		(6.9)	
Trade receivables – net	66.1		145.4	
Bills receivable	-		150.0	
Prepayments, deposits and other receivables	52.2		65.0	
	118.3		360.4	

Note: Bills receivable are with maturity of less than 6 months. As at 31 December 2010, bills receivable of approximately US$117.1 million were discounted to banks or endorsed to suppliers.

As at 31 December 2011, the Group's trade receivables included an amount of US$29.9 million (2010: US$1.2 million), which was due from a related company of the Group.

Prepayments, deposits and other receivables consist of the following:

	2011 US$ MILLION	2010 US$ MILLION
Prepayments	14.9	33.0
Cash accounts kept at futures brokerage firms	-	9.3
Value added tax refundable	-	8.2
Consideration receivables from CMN	28.5	-
Other	5.0	14.5
	48.4	65.0

As at 31 December 2011, the prepayments, deposits and other receivables of the Group included an amount of US$Nil (2010: US$7.9 million), which was due from intermediate and ultimate holding companies and fellow subsidiaries of the Group.

8. TRADE AND OTHER PAYABLES

The ageing analysis of the trade payables is as follows:

	2011		2010	
	US$ MILLION	%	US$ MILLION	%
Trade payables				
Less than 6 months	188.1	100.0%	186.5	99.7%
6 months - 1 year	-	-	0.3	0.2%
1 - 2 years	-	-	0.1	0.0%
Over 2 years	-	-	0.2	0.1%
	188.1	100.0%	187.1	100.0%
Other payables and accruals	17.0		107.9	
Trade payables under endorsed bills	-		73.5	
	205.1		368.5	

As at 31 December 2011, the Group's accruals included payables in respect of the transaction cost arising from the Business Combination of approximately US$Nil (2010: US$78.1 million), of which approximately US$Nil (2010: US$74.4 million) are denominated in A$.

9. DISCONTINUED OPERATIONS

On 28 March 2011, the Board of the Company approved the program of strategic divestments, of assets that are assessed as not being core to the company's future and these assets include the trading, fabrication and other operations (the Disposal Group). Accordingly, these operations were regarded as discontinued.

On 15 September 2011, the directors of the Company announced that the Company had entered into the Master Sale and Implementation Agreement with a controlling shareholder of the Company, China Minmetals Non-ferrous Metals Co., Ltd. (CMN), to sell its entire interest in four entities (Disposal Entities) out of the Disposal Group for an aggregate consideration of US$726.8 million (Disposal). The Disposal Entities represent majority components of the Disposal Group. The Disposal was approved by the independent shareholders of the Company on 28 October 2011 and completed in December 2011. During the year, an additional US$11.2 million was received on disposal of remaining discontinued entities.

Analysis on the results, assets and liabilities of the Disposal Group are as follows:

Results from discontinued operations

The results of the Disposal Group are presented in these consolidated financial statements as discontinued operations.

	2011 US$ MILLION	2010 US$ MILLION
Revenue	2,377.3	1,662.2
Expenses	(2,323.7)	(1,623.5)
Profit before net financing costs and income tax	53.6	38.7
Finance income	3.3	4.3
Finance costs	(9.2)	(6.7)
Share of net profits of associates and jointly-controlled entities accounted for using the equity method	-	41.0
Profit before income tax	47.7	77.3
Income tax expense	(10.2)	(3.1)
Profit after income tax	37.5	74.2
Profits on disposal	53.4	-
Profit from discontinued operations	90.9	74.2
Profit from discontinued operations attributable to:		
Equity holders of the Company	86.8	73.6
Non-controlling interests	4.1	0.6
	90.9	74.2

(a) **Profits on disposal**

	2011 US$ MILLION
Net assets disposed	
Property, plant and equipment	139.4
Intangible assets	132.9
Investments accounted for using the equity method	216.3
Deferred income tax assets	4.7
Inventories	100.1
Trade and other receivables	242.1
Other financial assets	115.7
Current income tax assets	3.3
Cash and cash equivalents	171.2
Total assets	1,125.7
Deferred income	6.2
Deferred income tax liabilities	0.1
Borrowings	133.6
Trade and other payables	157.5
Receipts in advance	100.1
Current income tax liabilities	0.5
Total liabilities	398.0
Net assets disposed	727.7
Non-controlling interests	(31.3)
Net assets disposed, attributable to equity owners	696.4
Total consideration	738.0
Exchange translation differences realised on disposal	45.9
Income tax expense	(32.6)
Transaction cost	(1.5)
Profits on disposal	53.4
Analysis of net cash received	
Total consideration	738.0
Transaction cost	(33.8)
Income tax paid	(1.5)
Receivables	(28.5)
Cash and cash equivalents disposed	(171.2)
	503.0

(b) Carrying amounts of assets and liabilities of the Disposal Group

The assets and liabilities related to the Disposal Group have been presented as held for sale following the divestment program. These assets and liabilities were measured at the lower of carrying amount and fair value less costs to sell at the date of held for sale classification. After the completion of disposal to CMN and as at 31 December 2011, the assets and liabilities related to the Disposal Group are as follows:

	2011 US$ MILLION
Liabilities directly associated with assets classified as held for sale	
Trade and other payables	1.3
Total liabilities of the Disposal Group	1.3

On 1 April 2010, the Group entered into the Share Transfer Agreement with an independent third party, to conditionally dispose of the Group's entire equity interest (42%) in an associate, Yantai Penghui Copper Industry Company Limited at a consideration of RMB85,590,000 (equivalent to approximately US$12.5 million). Accordingly, the carrying amount of the investment in this associate was re-classified to non-current asset held for sale. This reclassification does not have a material impact on the consolidated financial statements as full provision had already been made for this associate and the net carrying amount was nil at the balance sheet date.

The transaction would be completed upon the fulfilment of conditions as stipulated in the agreement and the transfer of significant risks and rewards of the ownership concerned. As at 31 December 2011, the transaction remains open.

10. EVENTS AFTER BALANCE SHEET DATE

On 19 October 2011, MMG Malachite Limited, a wholly owned subsidiary of the Company, made an all-cash recommended takeover offer to acquire all of the Common Shares in Anvil Mining Limited ("Anvil"), a company incorporated in Canada and its Common Shares are listed on the Toronto Stock Exchange at a price of C$8.00 on a fully-diluted basis (the "Offer"). Details of the Offer have been set out in the Company's circular to the Shareholders dated 24 February 2012. The Offer expired on 17 February 2012 and 98.07% of the shares in Anvil were acquired by the Group. The Group exercised its rights under the compulsory acquisition provision of the Business Corporations Act (Northwest Territories) to acquire all of the outstanding Common Shares, which completed on 19 March 2012.

Anvil is an African focused base metals mining and exploration group. The principal assets of Anvil are a 95% interest in the Kinsevere Project and a 70% equity interest in the Mutoshi Project, each located in the Katanga province of the Democratic Republic of the Congo ("DRC"). Anvil also holds 14.5% of the issued and outstanding capital in Mawson West Limited, and has a number of exploration properties in the DRC.

The total acquisition price is approximately C$1,330 million and was financed through cash reserves of C$1,030 million and a loan from Album Enterprises of C$300 million which has a term of 12 months. In addition, the Group has entered into a currency swap contract with an independent third party financial institution to limit any potential foreign exchange movement exposure.

Due to the timing of the transaction, the Group is in the preliminary stages of determining fair values of the assets and liabilities acquired and the associated accounting for the business combination. The Group has not yet been able to analyse all books and records, and therefore the initial accounting for the business combination is incomplete. Accordingly certain disclosures in relation to the business combination as at the date of acquisition such as the fair value of net assets acquired and acquisition related transaction costs have not been presented. Certain publicly available financial information regarding Anvil is presented below.

The unaudited financial information of Anvil as at 30 September 2011, as extracted from its published interim financial statements, is summarised below for information purpose:

	AS AT 30 SEPTEMBER 2011 US$ MILLION (UNAUDITED)
Property, plant and equipment *(note)*	561.2
Inventories	53.5
Trade and other receivables	47.0
Other financial assets	23.0
Cash and cash equivalents and restricted cash	41.2
Deferred income tax liabilities	(9.9)
Borrowings	(41.7)
Provisions	(23.8)
Trade and other payables	(21.7)
Derivative financial instruments	(24.9)
	603.9
Non-controlling interests	(4.2)
	599.7

Note: As part of the lodgement of the Circular for the Offer, a valuation report in respect of the Kinsevere Mine is prepared by an external valuer in accordance with the requirements of Chapter 18 of the Listing Rules and amounted to approximately US$1,160.1 million. In accordance with Chapter 18 of the Listing Rules, the valuation did not include any consideration of Inferred Mineral Resources in determining the value for Kinsevere Mine.

OTHER INFORMATION

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 28 May 2012 to Wednesday, 30 May 2012, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the annual general meeting of the Company to be held on Wednesday, 30 May 2012, all completed transfer forms accompanied by the relevant share certificates must be lodged with the share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Friday, 25 May 2012.

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance practices by emphasising a quality board of directors, sound internal controls, transparency and accountability to all shareholders of the Company.

The Company has complied with all the code provisions set out in the Code on Corporate Governance Practice (CG Code) in Appendix 14 of the Listing Rules throughout the year ended 31 December 2011 except for the deviation from code provision A4.1 with explanation provided under the section headed 'Re-election of Directors'.

The Company has adopted a Board Charter to outline the manner in which its constitutional powers and responsibilities will be exercised, delegated and/or discharged. The Board Charter is adopted on the basis that strong corporate governance can add to the performance of the Company, create shareholder value and engender the confidence of the investment market.

Director's Securities Transaction

The Company has adopted a policy for securities transactions by Directors of the Company (Securities Trading Policy) on terms no less exacting than the required standard of the Model Code as set out in Appendix 10 of the Listing Rules.

Having made specific enquiry with all the Directors of the Company, all of them confirmed that they have complied with the required standard set out in the Model Code and the Securities Trading Policy during the year ended 31 December 2011.

Audit Committee

The Audit Committee comprised three Independent Non-executive Directors, namely Mr Anthony Larkin, Dr Peter Cassidy and Mr Loong Ping Kwan and one Non-executive Director, Mr Xu Jiqing. Mr Anthony Larkin is the Chairman of the Audit Committee.

The Audit Committee is accountable to the Board and the principal duties of the Audit Committee include the review and supervision of the financial reporting process and internal control system of the Group. The terms of reference of the Audit Committee incorporating all the duties set out in code provision C.3.3 of the CG Code are posted on the Company's website. The audit committee has reviewed the financial statements of the Group for the year ended 31 December 2011.

Re-election of Directors

Each of the Non-executive Directors has entered into a service agreement with the Company for a specific term of three years, except Dr Peter Cassidy. Dr Peter Cassidy's appointment agreement commences on 31 December 2010 and can be terminated by the Company with one month prior written notice. However, as is the case with all other directors of the Company, his respective terms of office are subject to re-election by shareholders at the next general meeting (in the case of filling a casual vacancy) or at the next AGM (in the case of an addition to the Board) following his appointment in accordance with the articles of association of the Company. Every Director (including Dr Peter Cassidy) is also subject to retirement by rotation at least once every three years at the AGM.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31 December 2011, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the website of the Company at www.minmetalsresources.com and the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk. The Annual Report 2011 of the Company will be despatched to the shareholders and will be available on the same websites in due course.

GLOSSARY

lb	pound(s)
oz	ounce(s)
t	tonne(s)
A$	Australian dollar, the lawful currency of Australia
AGM	annual general meeting
Album Enterprises	Album Enterprises Limited, a company incorporated on 19 January 2005 in Hong Kong with limited liability
Album Investment	Album Investment Private Limited, a company incorporated on 8 April 2009 in Singapore with limited liability, a wholly-owned subsidiary of the Company
Album Resources	Album Resources Private Limited, a company incorporated on 8 April 2009 in Singapore with limited liability, a wholly-owned subsidiary of the Company
All Glorious	All Glorious Limited, a company incorporated on 8 September 2010 in the British Virgin Islands with limited liability, a wholly-owned subsidiary of the Company
Anvil	Anvil Mining Limited, a corporation existing under the laws of the Northwest Territories, Canada
Associate	has the meaning ascribed to it under the Listing Rules
Australia	the Commonwealth of Australia
Australian Government	the Government of Australia
Board	the board of directors of the Company
Board Charter	the board charter of the Company
C$	Canadian dollar, the lawful currency of Canada
C1 Cost	as defined in Brook Hunt Zinc and Lead Costs – Mines and Projects to 2018, 2005 Edition
Changzhou Jinyuan	Changzhou Jinyuan Copper Company Limited
China	the People´s Republic of China excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
Company	Minmetals Resources Limited, a company incorporated on 29 July 1998 in Hong Kong with limited liability, the shares of which have listed and traded on the Stock Exchange.
CMC	China Minmetals Corporation, formerly known as China National Metals and Minerals Import and Export Corporation, a state-owned enterprise incorporated on 7 April 1950 under the laws of the PRC
CMC Group	CMC and its subsidiaries
CMCL	China Minmetals Corporation Limited, a joint stock limited company incorporated on 16 December 2010 under the laws of the PRC
CMN	China Minmetals Non-ferrous Metals Company Limited, a joint stock limited company incorporated on 27 December 2001 under the laws of the PRC
CMN Trading	China Minmetals Non-ferrous Metals Trading Company Limited
Companies Ordinance	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
Disposal Group	the Company's entire 100% equity interest in Minmetals Aluminium, Riseup Dragon Limited's entire 72.80% equity interest in NCA, Orienmet Industry's entire 51% equity interest in Yingkou Orienmet and Lontic (H.K.) Limited's

GLOSSARY CONTINUED

	entire 36.2913% equity interest in Changzhou Jinyuan
EBIT	earnings before net financing expenses and income tax
EBIT margin	EBIT divided by revenue
EBITDA	earnings before depreciation and amortisation expenses, net financing expenses and income tax
EBITDA margin	EBITDA divided by revenue
EGM	extraordinary general meeting
Equinox	Equinox Minerals Limited
Executive Committee	the executive committee of the Group which consists of all Executive Directors of the Company, Chief Operating Officer, Executive General Manager – Business Development, Executive General Manager – Exploration and Executive General Manager – Business Support.
Group	the Company and its subsidiaries, excluding jointly-controlled entities
Guangxi Huayin	Guangxi Huayin Aluminium Company Limited
HK$	Hong Kong dollar, the lawful currency of Hong Kong
Hong Kong	the Hong Kong Special Administrative Region of the PRC
HNC	Hunan Nonferrous Metals Corporation Limited
HNG	Hunan Nonferrous Metals Holdings Group Company Limited
Indicated Resources	as defined under the JORC Code, that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence
Inferred Resources	as defined under the JORC Code, that part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence
JORC Code	the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2004 edition), as published by the Joint Ore Reserves Committee, as amended from time to time
Laos	the Lao People's Democratic Republic (Lao PDR)
Listing Rules	the Rules Governing the Listing of Securities on the Stock Exchange
LTIFR	Lost time injury frequency rate
LXML	Lane Xang Minerals Limited, a company incorporated on 30 September 1993 in Laos as the holding company for the Sepon operation
Measured Resources	as defined under the JORC Code, that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence
Mineral Resources	as defined under the JORC Code, a concentration or occurrence of material of intrinsic economic interest in or on the Earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction
Minmetals Aluminium	Minmetals Aluminium Company Limited

MMG	Minerals and Metals Group, being the collective brand name of the portfolio of international mining assets held by Album Resources
MMG Century	MMG Century Limited, a company incorporated on 25 November 1986 in Australia with limited liability and a member of MMG
MMG Golden Grove	MMG Golden Grove Pty Ltd, a company incorporated on 21 June 2005 in Australia with limited liability and a member of MMG
MMG Management	MMG Management Pty Ltd, a company incorporated on 15 July 2005 in Australia with limited liability and a member of MMG
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules
NCA	North China Aluminium Company Limited
NPAT	Net Profit After Tax
Ore Reserves	as defined under the JORC Code, the economically mineable part of a Measured Resource and/or Indicated Resource
Orienmet Industry	Orienmet Industry Company Limited
PRC	the People's Republic of China
Production data	the production data included in this report is the metal contained in concentrate, cathode or doré for the key products the Company produces
PSCS	the perpetual sub-ordinated convertible securities issued by the Company
PSCS Holder(s)	the person(s) in whose names the PSCS are registered
Qingdao M.C.	Qingdao M.C. Packaging Limited
Riseup Dragon	Riseup Dragon Limited
RMB	Renminbi, the lawful currency of the PRC
SFO	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
Shanxi Guanlv	Shanxi Guanlv Company Limited
Stock Exchange	The Stock Exchange of Hong Kong Limited
Top Create	Top Create Resources Limited, a company incorporated on 22 January 2004 in the British Virgin Islands with limited liability
Trading, fabrication and other operations	has the same meaning as Disposal Group
TRIFR	Total recordable injury frequency rate
US$	United States dollar, the lawful currency of the United States of America
Yingkou Orienmet	Yingkou Orienmet Plica Tube Company Limited

By order of the Board

Minmetals Resources Limited

Andrew Gordon Michelmore

CEO and Executive Director

Hong Kong, 28 March 2012

As at the date of this announcement, the Board comprises eleven directors, of which four are executive directors, namely Mr. Hao Chuanfu (Vice Chairman), Mr. Andrew Gordon Michelmore, Mr. David Mark Lamont and Mr. Li Liangang; four are non-executive directors, namely Mr. Wang Lixin (Chairman), Mr. Jiao Jian, Mr. Xu Jiqing and Mr. Gao Xiaoyu; and three are independent non-executive directors, namely Mr. Loong Ping Kwan, Dr. Peter William Cassidy and Mr. Anthony Charles Larkin.

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