

For Immediate Release

21 July 2011



Xinjiang Xinxin Mining Industry Co., Ltd.

新疆新鑫礦業股份有限公司

**Xinjiang Xinxin Mining Industry Co., Ltd.  
responds to being included on the list of companies with backward  
capacity to be phased out by Ministry of Industry and Information  
Technology of the State**

(21 July 2011 – Hong Kong) On 11 July 2011, the website of Ministry of Industry and Information Technology of the State released the list of companies with backward capacity to be phased out in the copper smelting industry in the PRC for 2011. Included in the list are one 10.5-square meter closed blast furnace and four 10-ton converters of Kalatongke Copper-nickel Mine, and one 1.54-square meter roaster, one set of one-converting-and-one-sucking acid making system and the 5000-ton copper electrowinning series of Fukang Refinery, both being branch companies of Xinjiang Xinxin Mining Industry Co. Ltd.. As such, Xinjiang Xinxin Mining Industry Co. Ltd. (the “Company”, stock code: 3833) would like to issue a press release to provide detailed explanation on the situation.

Firstly, with respect to the smelting facilities in Kalatongke Copper-nickel Mine, the smelting process involving one 10.5-square meter closed blast furnace and four 10-ton converters were adopted in 1989 when the mine was founded and in 2000 when the mine conducted technical renovation. To be specific, the four 10-ton converters were adopted in 1989 when the mine was founded and were subsequently phased out and replaced by four more-advanced 15-ton converters during the technology renovation in 2000; and the one 10.5-square meter closed blast furnace was adopted during the technology renovation in 2000. As ore resources in Kalatongke Copper-nickel Mine mainly consist of nickel and nickel-copper coexistent resources. Therefore, the smelting production process was selected based on smelting standards applicable to nickel. The 0.5-square meters closed blast furnace was in line with then prevailing national standards and production scale of the Company at that time.

To accommodate the need of corporate development, the Company commenced technology renovation and production capacity expansion project in Kalatongke Copper-nickel Mine in 2007 which were completed in tandem till 2010. In the

technology renovation and production expansion, the oxygen side-blown bath smelting technology and P-S converter smelting technology with high production efficiency, advanced craftsmanship, low energy consumption and better comprehensive utilization of resources were adopted in the smelting production process. The new smelting production line commenced trial production at early of 2011 and the production line consisting of one 10.5-square meter closed blast furnace and four 10-ton converter has been phased out by the Company.

Secondly, with respect to Fukang Refinery, the production process involving the 1.54-square meter roaster, one set of one-converting-and-one-sucking acid making system and the 5000-ton copper electrowinning series was adopted by the factory in 1999 when the copper refining system was initially established. In the technology renovation and capacity expansion project of Fukang Refinery which commenced in 2008, the more-advanced production process consisting of one boiling-bed roaster and one set of two-converting-and-two-sucking acid making system and 20,000-ton copper electrowinning series were adopted which boasts larger scale, shorter work flow, lower energy consumption and higher metal recovery rate. The new refining production line was put into production at the early of 2011 and the production line consisting of one 1.54-square meter roaster, one set of one-converting-and-one-sucking acid making system and 5000-ton copper electrowinning series have been eliminated by the Company.

- End -

**About Xinjiang Xinxin Mining Industry Co., Ltd.**

Xinjiang Xinxin Mining Industry Co., Ltd. was incorporated on 1 September 2005 in the People's Republic of China, whose H shares were listed on Main Board of the Stock Exchange of Hong Kong Limited on 12 October 2007. The Company is also the first PRC nickel cathode producer listed overseas. Xinjiang Xinxin Mining is a diversified metals mining company principally focusing on nickel metal, comprehensively recycling valuable metals such as nickel, copper, cobalt, gold, silver, platinum and palladium from mineral resources, and being engaged in mining, ore processing, refining, processing and products sales. The Company and its subsidiaries (the "Group") are the PRC second largest nickel cathode producer utilizing nickel sulfide resources.

This press release is distributed by Wonderful Sky Financial Group for Xinjiang Xinxin Mining Industry Co., Ltd.

For further information, please contact:

Wonderful Sky Financial Group Limited

Daisy Sun / Echo Hu / Chloe Chang

Tel: (852)3970 2185 / 3970 2183 / 3970 2133

Fax: (852)2598 1588

Email: daisysun@wsfg.hk / echohu@wsfg.hk / chloechang@wsfg.hk