

30 June 2014

China Nonferrous Gold Limited

(‘CNG’ or the ‘Company’)

Final Results for the year ended 31 December 2013

China Nonferrous Gold Limited (AIM:CNG), the mineral exploration and development company currently developing the Pakrut Gold Project (‘the Pakrut Project’) in the Republic of Tajikistan, today announces its final results for the year ended 31 December 2013.

The results below are extracted from the Company's audited Annual Report and Financial Statements. Copies of the Annual Report will be posted to shareholders today and are available on the Company's website at www.cnfgold.com and from the Company's registered offices at Unit 2.24, The Plaza, 535 Kings Road, London, SW10 0SZ.

Highlights

- Significant progress towards bringing the Pakrut project into production:
 - Main decline at the mine has reached a depth of more than 1,000 metres;
 - West ventilation access decline has reached a depth of over 430 metres;
 - Confident of commencing production before the end of 2014.
- Construction of associated mine infrastructure progressing to plan:
 - Construction of the access road and bridge to the mine now complete;
 - External power supply network set to be completed by the end of September 2014;
 - Construction of the processing plants set to commence shortly.
- Independent Technical Report produced by SRK Consulting China Limited, announced on 17 June 2013, confirmed the Pakrut project is being developed on a very strong and viable commercial basis;
- Completed a corporate restructuring and re-naming in order to prepare the Company for a potential listing on the main board of the Hong Kong Stock Exchange.

Tao Luo, Chairman, China Nonferrous Gold Limited, commented:

“From both an operational and corporate perspective, 2013 was a critical year in the ongoing development of China Nonferrous Gold Limited. The Company continued to advance its flagship multi-million ounce Pakrut gold project towards production, while also undertaking a corporate restructuring and re-naming in order to prepare the Group for a potential listing on the main board of the Hong Kong Stock Exchange.”

“With production at Pakrut expected in the near-term and significant progress made towards the Hong Kong listing, the future for our Group is very exciting.”

For further information please visit the Company's website (www.cnfgold.com) or contact:

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Project Summary

The Pakrut gold project, of which CNG has 100 per cent ownership, is situated in Tajikistan approximately 120km northeast of the capital city Dushanbe. Pakrut is located within the Tien Shan gold belt, which extends from Uzbekistan into Tajikistan, Kyrgyzstan and Western China, and which hosts a number of multi-million ounce gold deposits.

CNG is currently in a construction phase with mining contractors on site developing the underground mine and surface infrastructure.

About Tajikistan

Tajikistan is a secular republic located in Central Asia. The country is a member of the Commonwealth of Independent States and the Shanghai Cooperation Organisation. Tajikistan hosts numerous operating precious metal mines as well as the largest aluminium smelter in Central Asia. CNG's management team has extensive experience in the mining industry in Tajikistan.

Chairman's Statement

From both an operational and corporate perspective, 2013 was a critical year in the ongoing development of China Nonferrous Gold Limited ('CNG'). The Group continued to advance its flagship multi-million ounce Pakrut gold project towards production, while also undertaking a corporate restructuring and re-naming in order to prepare the Group for a potential listing on the main board of the Hong Kong Stock Exchange ('HKSE').

A clear path towards production

Construction work has continued apace at Pakrut. As reported previously, much progress has been achieved with the construction of the underground mine, which remains on track to complete this year with initial small scale production scheduled to commence immediately thereafter. The main decline at the mine has reached a depth of more than 1,000 metres, while the west ventilation access decline has reached a depth of over 430 metres. Full scale production in Phase 1 of 2,000 tonnes per day ("tpd") is expected to commence in June 2015.

Work regarding associated infrastructure is also progressing to plan, with construction of the access road and bridges to the mine now complete and work on the external power supply network set to be completed by the end of September 2014. The majority of equipment required for the processing plants has been purchased and is currently being shipped to the mine site, with construction of the processing plants set to commence shortly.

While I am pleased to report this progress, I am also conscious that the Group is behind the initial timescale it set for bringing the Pakrut gold project into production. However, much was achieved in 2013, and indeed has been achieved so far in 2014, and there is a strong view shared by the Board that the majority of construction challenges have been overcome.

The Independent Technical Report produced by SRK Consulting China Limited, which was announced on 17 June 2013, highlights the Board's belief that the Pakrut project is being developed on a very strong and viable commercial basis. Being so close to commercial production is highly exciting and we remain committed to making this happen as soon as possible.

Completion of corporate restructuring in advance of potential Hong Kong listing

Having completed our corporate restructuring, a significant amount of management time and attention has gone into preparing the Group for listing on the HKSE. As a reminder to all shareholders, the reason for seeking this listing is that the Group's Board of Directors unanimously view the HKSE as representing a more appropriate and attractive exchange on which to list CNG, and believe the successful completion of such a listing, and subsequent de-listing from the AIM of the London Stock Exchange, would be in the interests of all shareholders.

Looking beyond our Pakrut gold project, the Group has ambitions to become a mid-tier gold producer in the medium-term, which could be achieved through a combination of acquisitive growth and the further exploration and development of our existing asset base. Achieving these objectives could potentially require additional future capital. Given this, the Board felt that seeking a listing in Hong Kong is not only more appropriate given the Group's strong Chinese ties, but would place the Group in a stronger position to achieve its medium to long-term growth aspirations, given the more favourable disposition of the Hong Kong investor base to companies of our size, focus and stage of development.

Financial Results for the Year ended 31 December 2013

The amount incurred by the Group on development and construction work during the year was US\$20,256,000 (2012: US\$25,523,000). Administration expenditure was US\$3,652,000 (2012: US\$3,406,000). The overall loss incurred by the Group was US\$6,393,000 (2012: US\$3,618,000). Total cash equity funding raised from exercising options during the period was US\$88,000 resulting in cash and cash equivalents at the end of the period of US\$8,602,000 (2012: US\$26,085,000).

As always, I would like to take this opportunity to thank all of our employees, management, advisors and the entire board, including former Managing Director Craig Brown, for their efforts during 2013 and also thank our shareholders for their continued support of our Group.

With small-scale production at Pakrut expected before the end of the year and significant progress made towards a potential listing in Hong Kong, the future for our Group is very exciting. I look forward to updating shareholders on further progress as and when appropriate.

Events Post Period End

Post period end, the Group obtained a bank term loan facility of US\$120,000,000 from Industrial and Commercial Bank of China (Macau) Limited, secured by standby letters of credit. The loans advanced under the facility cannot exceed 95% of the value of the standby letters of credit. A standby letter of credit was issued on 24 June 2014 for US\$84,500,000. The loan availability period runs from 9 July 2014 until 19 June 2015 and the Group will draw down the remaining facility when required, subject to the provision of the requisite letter of credit. Interest is charged at 2.9% above the 3 month LIBOR rate. The loan is conditional upon usual commercial terms including the supply of associated documentation (which includes the completion of associated security documentation). The principal loan repayments commence on 30 January 2016 and the loan is repayable by 8 June 2019.

Tao Luo

Non-Executive Chairman

29 June 2014

Consolidated Statement of Comprehensive Income - Year Ended 31 December 2013

	2013	2012
	US\$000	US\$000
		Restated
Revenue	-	-
Cost of sales	-	-
	<hr/>	<hr/>
Gross Profit	-	-
Administrative expenses	(3,652)	(3,406)
Listing and capital reorganisation expenses	(2,321)	(427)
Project impairment	-	(466)
(Loss)/gain on foreign exchange	(386)	637
	<hr/>	<hr/>
Operating Loss	(6,359)	(3,662)
Finance income	10	44
Finance costs	(44)	-
	<hr/>	<hr/>
Loss before Income Tax	(6,393)	(3,618)
Income tax	-	-
	<hr/>	<hr/>
Loss for the year attributable to owners of the parent	(6,393)	(3,618)
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Total comprehensive income attributable to owners of the parent for the year	(6,393)	(3,618)
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Basic and Diluted Earnings per share attributable to owners of the parent (expressed in dollars per share)	\$(0.0168)	\$(0.0116)
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All of the activities of the Group are classed as continuing.

The Group had no recognised gains or losses other than the loss for the financial years above.

Consolidated Statement of Financial Position - Year Ended 31 December 2013

	<i>As at 31 December 2013 US\$000</i>	<i>As at 31 December 2012 US\$000 Restated</i>	<i>As at 1 January 2012 US\$000 Restated</i>
Non-Current Assets			
Intangible assets	9,475	3,103	18,325
Mines under construction	51,042	40,279	-
Property, plant and equipment	3,661	1,971	1,335
	<hr/>	<hr/>	<hr/>
Total Non-Current Assets	64,178	45,353	19,660
	<hr/>	<hr/>	<hr/>
Current Assets			
Inventories	6,610	2,172	1,703
Other receivables	8,805	7,429	1,216
Cash and cash equivalents	8,602	26,085	11,050
	<hr/>	<hr/>	<hr/>
Total Current Assets	24,017	35,686	13,969
	<hr/>	<hr/>	<hr/>
Non-Current Liabilities			
Trade and other payables	(1,124)	-	-
Borrowings	(1,547)	(2,994)	-
Provisions for other liabilities and charges	(544)	-	-
	<hr/>	<hr/>	<hr/>
Total Non-Current Liabilities	(3,215)	(2,994)	-
	<hr/>	<hr/>	<hr/>
Current Liabilities			
Borrowings	(13,581)	-	-
Trade and other payables	(15,091)	(16,204)	(109)
	<hr/>	<hr/>	<hr/>
Total Current Liabilities	(28,672)	(16,204)	(109)
	<hr/>	<hr/>	<hr/>
Net Current Assets	(4,655)	19,482	13,680
	<hr/>	<hr/>	<hr/>
Net Assets	56,308	61,841	33,520
	<hr/>	<hr/>	<hr/>
Equity attributable to the owners of the parent			
Share capital	38	6,270	4,640
Share premium	65,616	69,475	37,995
Other reserve	10,175	-	-
Retained earnings	(19,521)	(13,904)	(9,115)
	<hr/>	<hr/>	<hr/>
Total Equity	56,308	61,841	33,520
	<hr/>	<hr/>	<hr/>

Consolidated Statement of Changes in Equity - Year Ended 31 December 2013

Attributable to owners of the parent

	Share capital US\$000	Share premium US\$000	Other reserve US\$000	Retained earnings US\$000	Total US\$000
Balance at 1 January 2012 (as previously reported)	4,640	37,995	-	(4,372)	38,263
Effect of prior period adjustments	-	-	-	(4,743)	(4,743)
Balance at 1 January 2012 (restated)	4,640	37,995	-	(9,115)	33,520
Loss and Total comprehensive income for the year	-	-	-	(3,618)	(3,618)
Share based payments - options granted	-	-	-	144	144
Share based payments - exercise of warrants	-	1,315	-	(1,315)	-
Issue of ordinary shares	1,630	30,165	-	-	31,795
Total contributions by and distributions to owners of the parent, recognised directly in equity	1,630	31,480	-	(1,171)	31,939
Balance at 31 December 2012 (restated)	6,270	69,475	-	(13,904)	61,841
Loss and Total comprehensive income for the year	-	-	-	(6,393)	(6,393)
Share based payments - options granted	-	-	-	776	776
Issue of ordinary shares	6	78	-	-	84
Cancellation of existing shares under scheme of arrangement	(6,276)	(69,553)	75,829	-	-
Issue of new shares under scheme of arrangement	38	65,616	(65,654)	-	-
Total contributions by and distributions to owners of the parent, recognised directly in equity	(6,232)	(3,859)	10,175	776	860
Balance at 31 December 2013	38	65,616	10,175	(19,521)	56,308

Other reserve comprises the capital reorganisation reserve under the scheme of arrangement.

Consolidated Statement of Cash Flows - Year Ended 31 December 2013

	31 December 2013	31 December 2012
	US\$000	US\$000
		Restated
Cash flows generated from/(used in) Operating Activities (note 23)	1,627	(850)
	_____	_____
Net Cash generated from/(used in) Operating Activities	1,627	(850)
	_____	_____
Cash flows from Investing Activities		
Payments for exploration and evaluation	(5,272)	(400)
Payments for mining rights and mine under construction	(11,218)	(6,559)
Purchase of property, plant and equipment	(631)	(1,593)
Movement in inventories – consumables	(1,253)	(469)
Interest received	10	44
	_____	_____
Net Cash used in Investing Activities	(18,364)	(8,977)
	_____	_____
Cash flows from Financing Activities		
Cash acquired from contractor	4	-
Proceeds from issuance of equity share capital	84	26,878
Payments for borrowing costs	-	(1,871)
Interest paid	(834)	(145)
	_____	_____
Net Cash generated from Financing Activities	(746)	24,862
	_____	_____
Net (Decrease)/Increase in Cash and cash equivalents	(17,483)	15,035
Cash and cash equivalents at beginning of the year	26,085	11,050
	_____	_____
Cash and cash equivalents at end of the year	8,602	26,085
	=====	=====

Basis of Preparation

The principal accounting policies applied in the preparation of these Consolidated Financial Statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRSIC) as adopted by the European Union. The Financial Statements have been prepared on a historical cost basis. The preparation of Financial Statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Consolidated Financial Statements are disclosed on page 34.

The Consolidated Financial Statements provide comparative information in respect of the previous period. In addition, the Group presents an additional Statement of Financial Position at the beginning of the earliest period presented when there is: a retrospective application of an accounting policy; a retrospective restatement or prior period error; or a reclassification of items in the Financial Statements that has a material impact on the Group. An additional Statement of Financial Position is presented in these Consolidated Financial Statements; refer below to Changes in Accounting Policies and Disclosures and note 30.

The functional and presentational currency of the Group is US dollars and accordingly the amounts in the Financial Statements are denominated in that currency.

China Nonferrous Gold Limited was incorporated in the Cayman Islands on 24 April 2013 in order to effect a group reorganisation by means of a scheme of arrangement ("the Scheme"). Under the Scheme dated 30 July 2013, the shareholders of the existing ordinary shares in Kryso Resources Limited (formerly Kryso Resources Plc) had their shares cancelled in consideration for which they received ordinary shares in China Nonferrous Gold Limited on a one-for-one basis. The ordinary shares of Kryso Resources Limited were de-listed and the issued shares of China Nonferrous Gold Limited admitted to trading on AIM.

The Group reorganisation does not result in a change of control and is therefore excluded from the scope of IFRS 3 'Business combinations'. In the Consolidated Financial Statements, China Nonferrous Gold Limited includes the assets and liabilities of Kryso Resources Limited at their pre-combination carrying amounts without any fair value uplift. The Group reorganisation only causes a change in the structure of the Group and in substance does not impact on the reporting of the Group.

Basis of Consolidation

The consolidated Financial Statements comprise the financial statements of the Group as at 31 December 2013. Subsidiaries are all entities over which the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. These subsidiaries are adjusted, where appropriate, to conform to Group accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows are eliminated on consolidation.

Subsidiaries are consolidated from the date on which control is transferred to the Group, and continue to be consolidated until the date when such control ceases.

Going Concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chairman's Statement and the Business Review in the Report

of the Directors. The accounting policies include the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments; and its exposure to liquidity risk.

In 2012, CNMIM provided a secured loan facility on commercial terms to the Company for US\$10 million and RMB530 million (approximately US\$83.5 million) that is being utilised to finance the development of the Pakrut Gold Project. US\$41.7 million of that secured loan facility has been utilised to date.

On 19 June 2014, the Group obtained a bank term loan facility of US\$120,000,000 from Industrial and Commercial Bank of China (Macau) Limited, secured by standby letters of credit. The loans advanced under the facility cannot exceed 95% of the value of the standby letters of credit. A standby letter of credit was issued on 24 June 2014 for US\$84,500,000 by Industrial and Commercial Bank of China (Beijing) Limited. The loan draw down availability period runs from 9 July 2014 until 19 June 2015 and the Group will draw down the remaining facility when required, subject to the provision of the requisite letter of credit. Interest is charged at 2.9% above the 3 month LIBOR rate. The loan is conditional upon usual commercial terms including the completion of associated security documentation and is separately guaranteed by China Nonferrous Metals Mining (Group) Co. Limited. The principal loan repayments commence on 30 January 2016.

As at the date of approval of these Financial Statements, and based upon the budgeted levels of expenditure and Board approved cash flow forecasts, the Directors are satisfied that the Group has sufficient cash and loan facilities to finance the Group's operating expenses, the development and construction of the Pakrut Gold Project and ongoing exploration and evaluation costs.

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for at least 12 months from the date of signing these Financial Statements. Thus they continue to adopt the going concern basis of accounting in preparing the Financial Statements.