10 September 2014

China Nonferrous Gold Limited 中国有色黄金有限公司
('CNG' or the 'Company')

Interim Results for the Six-Month Period Ended 30 June 2014

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 interim results for the six-month period ended 30 June 2014.

The results below are available on the Company's website at www.cnfgold.com.

Highlights

- Further progress towards bringing the Pakrut Project into production:
  - Main decline at the mine has reached a depth of 1,413 metres;
  - West ventilation access decline has been completed;
  - Ore extraction ramp reached 260 metres;
  - 60% of the foundations for the Pakrut concentration plant and Pakrut smelter plant are complete;
  - The majority of the equipment for the two plants has arrived in Tajikistan, is stored in warehouses near to the mine sites and should be installed shortly;
  - Consultants have been formally appointed and began work on the construction of the processing plant, smelting plant, tailings dams and certain ancillary projects;
  - Ore is expected to be mined in December 2014;
  - Production in Phase 1 at the rate of 2,000 tonnes per day is expected to commence in June 2015.
- Construction of associated mine infrastructure progressing to plan:
  - 90% of the external power supply project is complete and power from the National Grid should be supplied to site in November 2014;
- The Group obtained a bank term loan facility of not less than US$100,000,000 from Industrial and Commercial Bank of China (Macau) Limited, secured by standby letters of credit. Interest is charged at 2.9% above the 3 month LIBOR rate.
- An application has been made for a potential listing on the main board of The Hong Kong Stock Exchange of Hong Kong Limited (the 'HKEx') and the HKEx has accepted the application.

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.

Construction and Production

During the half year to June 2014 the Company has made considerable progress and increased the speed of development of the Pakrut Gold Project.

Construction work has continued at a faster pace at Pakrut. Progress is increasing and the construction of the underground mine remains on track for ore to be mined this year. The main decline at the mine has reached a depth of 1,413 metres, while the west ventilation access decline has been completed. The ore extraction ramp has reached 260 metres in length.

More than 60% of the foundations for the Pakrut concentration plant and Pakrut smelter plant are complete and the majority of the equipment for the two plants has arrived in Tajikistan. The equipment is stored in warehouses near to the mine sites and should be installed shortly. Consultants have been formally appointed and began work on the construction of the processing plant, smelting plant, tailings dams and certain ancillary projects.

Over 90% of the external power supply project is complete and power from the National Grid should be supplied to site in November 2014.

Full scale production in Phase 1 of 2,000 tonnes per day ("tpd") is expected to commence in June 2015.

Hong Kong Listing

Further to our announcement today the Company has made an application for a potential listing on the main board of the HKEx, and the HKEx has accepted the application. The Company intends to obtain the approval of the HKEx as soon as practicable in line with regulatory timetables and update shareholders in due course.

Financial Results

The amount incurred by the Group on development and construction work during the first six months of 2014 was US$11,354,000 (first half of 2013: US$4,544,000). Administration expenditure was US$2,567,000 (first half of 2013: US$2,282,000). The overall loss incurred by the Group was US$2,262,000 (first half of 2013: US$3,350,000). Total cash equity funding raised from exercising options during the period was US$68,000 and US$10,000,000 was drawn down from the US$ tranche of the CNMIM shareholder loan resulting in cash and cash equivalents at the end of the period of US$5,564,000 (30 June 2013: US$17,418,000).

As previously mentioned, the Company is in a strong financial position after recently obtaining a bank term loan facility of not less than US$100,000,000 from Industrial and Commercial Bank of China (Macau) Limited, secured by standby letters of credit. Interest is charged at a very favorable rate of only 2.9% above the 3 month LIBOR rate.

Outlook

CNG is well advanced towards bringing the Pakrut project into production. Construction is progressing well and the Company remains confident that we will start mining ore in 2014 and commence Phase 1 production in June 2015.

I would like to take this opportunity to thank all of our employees, management and advisors for their continued effort in 2014 and thank our shareholders for their continued support of our Company. I very much look forward to updating our shareholders on the commencement of mining, completion of mine construction and of the results of our application to list on the HKEx.

Tao Luo
Non-Executive Chairman

CHINA NONFERROUS GOLD LIMITED

	Unaudited Six months ended 30 June 2014 US$'000	Unaudited Six months ended 30 June 2013 US$'000
Revenue	-	-
Interest income	1	8
Administrative and other expenses	(2,567)	(2,282)
Foreign exchange gains (losses)	328	(1,054)
Finance costs	(24)	(22)
Loss before Tax	(2,262)	(3,350)
Income tax	-	-
Loss and total comprehensive expense for the period attributable to owners of the Company	(2,262)	(3,350)
Loss per Share		
-Basic and diluted (US cents)	0.59	0.88

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

CHINA NONFERROUS GOLD LIMITED

	Unaudited	Unaudited
	30 June 2014 US$'000	**30 June 2013 US$'000**
Non-current Assets		
Intangible assets	44,366	43,578
Prepayments for property, plant and equipment	10,768	6,091
Property, plant and equipment	48,211	5,286
Total Non-Current Assets	103,345	54,955
Current Assets		
Inventories	5,033	3,318
Prepayments and other receivables	6,630	3,100
Bank balances and cash	5,564	17,418
Total Current Assets	17,227	23,836
Current Liabilities		
Other payables	22,787	15,929
Current portion of shareholder's loan	29,854	-
Total Current Liabilities	52,641	15,929
Net Current (Liabilities) Assets	(35,414)	7,907
Total Assets Less Current Liabilities	67,931	62,862
Capital And Reserves		
Capital	38	6,276
Reserves	54,157	52,743
Total Equity	54,195	59,019
Non-Current Liabilities		
Non-current portion of shareholder's loan	11,646	3,321
Payables for property, plant and equipment	1,522	-
Provision for restoration, rehabilitation and environmental costs	568	522
Total Non-Current Liabilities	13,736	3,843
Total Equity and Non-Current Liabilities	67,931	62,862

CONSOLIDATED CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2014

CHINA NONFERROUS GOLD LIMITED

	Unaudited Six months ended 30 June 2014 US$'000	Unaudited Six months ended 30 June 2013 US$'000
Cash Flows from Operating Activities		
Loss before tax	(2,262)	(3,350)
Adjustments for:		
Interest income	(1)	(8)
Depreciation	19	11
Share based payments	81	444
Finance costs	24	22
Operating cash flows before movements in working capital	(2,139)	(2,881)
(Increase) decrease in prepayments and other receivables	660	(985)
Decrease in other payables	(274)	(212)
Cash used in operations	(1,753)	(4,078)
Income tax paid	-	-
Net Cash used in Operating Activities	(1,753)	(4,078)
Cash flows from Investing Activities		
Payments for intangible assets	(3,552)	(1,933)
Payments for property, plant and equipment	(7,802)	(2,611)
Interest received	1	8
Net cash used in Investing Activities	(11,353)	(4,536)
Cash flows from Financing Activities		
Proceeds from issue of shares	68	84
Proceeds from borrowings	10,000	-
Interest paid	-	(137)
Net Cash from/(used in) Financing Activities	10,068	(53)
Net Decrease in Cash and Cash Equivalents	(3,038)	(8,667)
Cash and cash equivalents at beginning of the period	8,602	26,085
Cash and cash equivalents at end of the period	5,564	17,418

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2014

CHINA NONFERROUS GOLD LIMITED	Share capital US$'000	Share premium US$'000	Other reserve US$'000	Retained earnings US$'000	Total equity US$'000
Balance at 1 January 2013	6,270	78,410	-	(22,839)	61,841
Loss and total comprehensive expense for the period	-	-	-	(3,350)	(3,350)
Issue of shares in respect of warrants and exercise of share options	6	78	-	-	84
Share-based payments in respect of share options granted	-	-	-	444	444
Balance at 30 June 2013	6,276	78,488	-	(25,745)	59,019
Balance at 1 January 2014	38	65,616	19,110	(28,456)	56,308
Loss and total comprehensive expense for the period	-	-	-	(2,262)	(2,262)
Issue of shares in respect of exercise of share options	-	68	-	-	68
Share-based payments in respect of share options granted	-	-	-	81	81
Balance at 30 June 2014	38	65,684	19,110	(30,637)	54,195

1. Accounting Policies

These unaudited condensed interim financial statements were approved for issue by the China Nonferrous Gold Limited Board of Directors on 10 September 2014.

These condensed interim financial statements have been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS). The financial information has been prepared under the historical cost convention.

These condensed interim financial statements do not constitute statutory accounts.

As permitted, the Group has chosen not to adopt IAS 34 'Interim Financial Statements' in preparing these condensed interim financial statements.

The Group has applied consistent accounting policies in preparing the condensed interim financial statements for the six months ended 30 June 2014 and the comparative information for the six months ended 30 June 2013.

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 comparative figures in these interim financial statements for the six months ended 30 June 2013 are the restated interim results of the Group's 100% owned subsidiary Kryso Resources Limited (formerly Kryso Resources Plc).

Risks and uncertainties

The Board continuously assesses and monitors the key risks of the business. The key risks that could affect the Group's medium term performance and the factors that mitigate those risks have not substantially changed from those set out in the Group's 2013 Annual Report and Financial Statements, a copy of which is available on the Group's website: www.cnfgold.com.

Critical accounting estimates and judgements

The preparation of consolidated interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the end of the reporting period. Significant items subject to such estimates are set out in the Group's 2013 Annual Report and Financial Statements. The nature and amounts of such estimates have not changed significantly during the interim period.

The functional currency of the Group is US dollars and accordingly the amounts in the interim results are denominated in that currency.

Basis of Consolidation

The consolidated Financial Statements incorporate the Financial Statements of the Company and all Group undertakings. These are adjusted, where appropriate, to conform to Group accounting policies. Subsidiaries are all entities over which the Group has power to govern the financial and operating policies accompanying a shareholding of more than one half of the voting rights. All significant intercompany transactions and balances between group undertakings are eliminated on consolidation.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases.

Intangible assets

The Group's intangible assets consist of exploration and evaluation assets and mining right.

Exploration and evaluation assets

The Group capitalises expenditure directly attributable to exploration and evaluation activities, including the acquisition of exploration and mining rights, topographical and geological studies, exploratory drilling, trenching, sampling, and activities in relation to evaluating the technical feasibility and commercial viability of extracting a mineral resource during the exploration and evaluation phase related to a specific area of interest to the extent that the Group's right to tenure of the area of interest is current and the costs incurred are expected to be recouped through successful development and exploitation of the area of interest.

All other exploration and evaluation expenditure is charged to profit or loss as incurred.

Capitalised expenditure is stated at cost less impairment.

A "feasibility study" consists of a comprehensive study of the viability of a mineral project that has advanced to a phase where the mining method has established, and which, if an effective method of mineral processing has been determined, includes a financial analysis based on reasonable assumptions of technical, engineering and operating economic factors, and the evaluation of other relevant factors. The feasibility study allows the Group to conclude whether it is demonstrable that it will obtain future economic benefits from the expenditures.

Once the final feasibility study has been completed and a development decision has been taken, accumulated capitalised exploration and evaluation expenditures in respect of an area of interest are transferred to "Intangible assets – mining right". In circumstances when an area of interest is abandoned or management decides it is not commercially viable, any accumulated costs in respect of that area are written off in the period the decision is made.

Capitalised exploration and evaluation expenditure is assessed for impairment when facts and circumstances indicate that the carrying amount of exploration and evaluation expenditure may exceed its recoverable amount. Once a development decision has been taken, the capitalised expenditures are also assessed for impairment before reclassification. An impairment test is performed if any of the following indicators are present:

• the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;

• substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;

• exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; or

• sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

For the purposes of assessing impairment, the capitalised exploration and evaluation expenditures subject to testing are grouped with other operating assets located in the same geographical region as one cash generating unit.

Mining right

Mining right acquired separately and with finite useful lives is carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation of mining right is provided using the unit of production method based on the estimated proven and probable mineral reserves unless their useful life is less than that of the relevant mine.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss in the period when the asset is derecognised.

Property, plant and equipment

Property, plant and equipment (other than construction in progress as described below) is stated at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Construction in progress is carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Construction in progress is classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property, plant and equipment, commences when the assets are ready for their intended use.

Depreciation of property, plant and equipment (other than construction in progress) is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives using the following rates per annum:

Plant and machinery	12.5% – 33.3%
Motor vehicles	33.3%
Office furniture and equipment	33.3%

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Impairment losses on tangible and intangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

2. Earnings per Share

Loss attributable to equity

holders of the Company (US$'000)	2,262	3,350
Weighted average number of ordinary shares in issue	381,407,570	381,218,810

The loss per share is calculated by dividing the loss for the period after tax attributable to equity holders by the weighted average number of ordinary shares in issue during the period. There is no difference between the diluted loss per share and the loss per share shown.