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中國礦業資源集團有限公司*
China Mining Resources Group Limited
(Incorporated in Bermuda with limited liability)
(Stock Code: 00340)

**VERY SUBSTANTIAL ACQUISITION,
MAJOR TRANSACTION,
DISCONTINUANCE OF THE PROPOSED FULLIGHT
ACQUISITION RELATING TO THE ENTIRE INTERESTS IN
FULLIGHT INVESTMENTS LIMITED
AND
RESUMPTION OF TRADING**

Reference is made to the Announcement pursuant to which the Company announced that, on 5 December 2008, Best Tone, a wholly-owned subsidiary of the Company, has acquired 2,300,000 Quadra Shares on the market, at an average acquisition price of approximately CAD2.06 (approximately HK\$13.39) per Quadra Share and an aggregate consideration of CAD4,745,350 (approximately HK\$30,844,775) (exclusive of transaction costs).

Best Tone has made further acquisition of Quadra Shares and has acquired a total of 2,650,900 Quadra Shares (inclusive of 2,300,000 Quadra Shares as mentioned above) as at the date of this announcement, representing approximately 4.02% of the issued share capital of Quadra (based on its total number of issued shares of 66,001,000 Quadra Shares as shown on the website of TSX as of 9 January 2009) for an aggregate consideration of CAD5,616,556.30 (approximately HK\$36,507,616) (exclusive of transaction costs).

* *for the purpose of identification only*

THE FURTHER QUADRA INVESTMENT

The Company announces that Best Tone intends to make further acquisitions in the Quadra Shares on the market at the relevant market price and would like to seek approval from the Shareholders in relation such Further Quadra Investment provided that such Further Quadra Investment shall be determined by the Board but to be made subject to the following conditions within a period of 12 months from the date on which Shareholders' approval has been obtained at the SGM:

- (a) the aggregate investment to be made by the Group for the Quadra Investment shall not exceed HK\$200,000,000 (exclusive of transaction costs);
- (b) the consideration for the Further Quadra Investment shall not exceed CAD5.28 (approximately HK\$34.32) per Quadra Share (exclusive of transaction costs); and
- (c) the interests in Quadra Shares as held by the Group shall not exceed 19.9% of the then issued share capital of Quadra.

As at 9 January 2009, the closing price of the Quadra Shares as quoted on the TSX was CAD3.52 (approximately HK\$22.88) per Quadra Share.

Based on the closing price of the Quadra Shares as quoted on the TSX on 9 January 2009 of CAD3.52 (approximately HK\$22.88) per Quadra Share, the maximum aggregate investment for the Quadra Investment of HK\$200,000,000 and the current exchange rate of HK\$ to CAD of approximately HK\$6.5 to CAD1, and taken into consideration of the Quadra Shares which have already been acquired under the Prior Quadra Investment, the maximum shareholding to be acquired by the Group under the Further Quadra Investment shall be 7,145,646 Quadra Shares, which after taken into account of 2,650,900 Quadra Shares acquired pursuant to the Prior Quadra Investment represents a total of approximately 14.84% of the issued share capital of Quadra as at the date of this announcement.

Based on the maximum purchase price per Quadra Share for the Further Quadra Investment of CAD5.28 (approximately HK\$34.32) per Quadra Share and the current exchange rate of HK\$ to CAD of approximately HK\$6.5 to CAD1, the aggregate number of Quadra Shares which could be acquired by the Group pursuant to the Further Quadra Investment shall be 4,763,764 Quadra Shares, which after taken into account of 2,650,900 Quadra Shares acquired pursuant to the Prior Quadra Investment represents approximately 11.23% of the issued share capital of Quadra.

In the event that the Company proceeds with the Further Quadra Investment based on the above terms, the aggregation of the Prior Quadra Investment and the Further Quadra Investment is very likely to constitute a very substantial acquisition for the Company under Chapter 14 of the Listing Rules based on the relevant percentage ratios calculated pursuant to Rules 14.22 and 14.23 of the Listing Rules. As such, the Further Quadra Investment shall be subject to Shareholders' approval at the SGM.

THE POSSIBLE QUADRA DISPOSAL

In the event that the Further Quadra Investment is completed and the Quadra Investment constitutes a very substantial acquisition for the Company under the Listing Rules, in order to allow flexibility for the Directors to execute investment decisions made by the Board from time to time and to accommodate any sudden change in circumstances of the volatile economic and financial markets, the Company would like to seek approval from the Shareholders in relation to the disposal of all or any of the Quadra Shares as held by the Group as determined by the Board from time to time subject to the following conditions within a period of 12 months from the date on which the Shareholders' approval has been obtained at the SGM:

- (a) the disposal of the Quadra Shares will be made on the market to purchasers who are Independent Third Parties;
- (b) the average sale price for the Quadra Shares under the Possible Quadra Disposal shall not be less than CAD2.12 (approximately HK\$13.78) per Quadra Share, being the average purchase price for the Quadra Shares under the Prior Quadra Investment (exclusive of transaction costs); and
- (c) the aggregation of disposals of Quadra Shares under the Possible Quadra Disposal shall not constitute a very substantial disposal for the Company under the Listing Rules.

The Directors are of the view that since the Quadra Shares are proposed to be disposed on the market to purchasers who are Independent Third Parties, it will be impracticable for the Company to seek Shareholders' approval at the relevant time as completion of the sale and purchase of the Quadra Shares on the market will be on a "T+3" basis in accordance with market practice.

Subject to the Further Quadra Investment being constituted a very substantial acquisition for the Company under the Listing Rules, in the event that the Company proceeds with the Possible Quadra Disposal, the Possible Quadra Disposal is likely to constitute a major transaction for the Company under Chapter 14 of the Listing Rules based on the relevant percentage ratios calculated pursuant to Rules 14.22 and 14.23 of the Listing Rules. As such, the Possible Quadra Disposal shall be subject to Shareholders' approval at the SGM.

Discontinuance of the Proposed Fullight Acquisition relating to the entire interests in Fullight Investments Limited

Reference is made to the announcements of the Company dated 25 June 2007, 17 July 2007, 21 December 2007 and 20 June 2008, respectively, in relation to the Proposed Fullight Acquisition. As announced in the announcement of the Company dated 20 June 2008, the Proposed Fullight Acquisition is subject to certain conditions being fulfilled prior to the entering into of a definitive agreement in relation to the Proposed Fullight Acquisition. At the date of this announcement, the Board announces that the parties have not been able to enter into definitive agreement for the Proposed Fullight Acquisition on or before the long stop date (being 16 December 2008). Accordingly, the Proposed Fullight Acquisition shall not be proceeded by the Company.

GENERAL

A SGM will be convened to authorise the Directors to exercise their discretion whether to proceed with the Further Quadra Investment and the Possible Quadra Disposal, both within a period of 12 months from the date on which Shareholders' approval has been obtained at the SGM.

A circular containing, among other things, (a) details in respect of the Further Quadra Investment and the Possible Quadra Disposal; (b) information required under the Listing Rules in relation to the Further Quadra Investment and the Possible Quadra Disposal; and (c) notice of the SGM will be despatched to the Shareholders as soon as practicable. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the proposed vendors, purchasers and their respective beneficial owners will be Independent Third parties. The Directors shall procure that Best Tone will not effect any trades with any vendors, purchasers whom are not, and whose beneficial owners are not, to the best of the knowledge of the Directors, Independent Third Parties. To their best knowledge, the Directors are not aware of any Shareholder having any interest in the transactions contemplated mentioned in this announcement which is different from the interest of other shareholders and therefore no Shareholder is required to abstain from voting for the approval of resolution(s) approving the Further Quadra Investment and the Possible Quadra Disposal.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares was suspended from trading on the Stock Exchange from 9:30 a.m. on 22 December 2008. An application has been made by the Company to resume trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 13 January 2009.

Reference is made to the Announcement pursuant to which the Company has announced that, on 5 December 2008, Best Tone, a wholly-owned subsidiary of the Company, has acquired 2,300,000 Quadra Shares on the market at an average acquisition price of approximately CAD2.06 (approximately HK\$13.39) per Quadra Share and an aggregate consideration of CAD4,745,350 (approximately HK\$30,844,775) (exclusive of transaction costs).

Best Tone has made further acquisition of Quadra Shares and has acquired a total of 2,650,900 Quadra Shares (inclusive of 2,300,000 Quadra Shares as mentioned above) as at the date of this announcement, representing approximately 4.02% of the issued share capital of Quadra (based on its total number of issued shares of 66,001,000 Quadra Shares as shown on the website of TSX as of 9 January 2009) for an aggregate consideration of CAD5,616,556.30 (approximately HK\$36,507,616) (exclusive of transaction costs).

THE FURTHER QUADRA INVESTMENT

The Company announces that the Group intends to make further acquisitions in the Quadra Shares on the market at the then prevailing market price and would like to seek approval from the Shareholders in relation such Further Quadra Investment provided that such Further Quadra Investment shall be determined by the Board from time to time but to be made subject to the following conditions within a period of 12 months from the date of the SGM:

- (a) the aggregate investment to be made by the Company for the Quadra Investment shall not exceed HK\$200,000,000 (exclusive of transaction costs);
- (b) the consideration for the Further Quadra Investment shall not exceed CAD5.28 (approximately HK\$34.32) per Quadra Share (exclusive of transaction costs); and
- (c) the interests in Quadra Shares as held by the Group shall not exceed 19.9% of the then issued share capital of Quadra.

In the event that the Further Quadra Investment has been approved by the Shareholders at the SGM, the Directors will exercise their discretion as to whether to proceed to acquire further Quadra Shares subject to the above conditions having regard to the conditions of the financial markets, the prevailing market price of the Quadra Shares and those of comparable companies in the same industry sector, the financial and other prospects of Quadra based on public information released by Quadra and other information available to the Group, and the trends in supply and demand of the world mining resources and the world energy sector.

As at the date of this announcement, 13,134,148 Quadra Shares represent approximately 19.9% of the issued shares of Quadra (based on a total number of issued shares of Quadra of 66,001,000 as shown in the website of TSX as of 9 January 2009). As at 9 January 2009, the closing price of the Quadra Shares as quoted on the TSX was CAD3.52 (approximately HK\$22.88) per Quadra Share.

Based on the closing price of the Quadra Shares as quoted on the TSX on 9 January 2009 of CAD3.52 (approximately HK\$22.88) per Quadra Share, the maximum aggregate investment for the Quadra Investment of HK\$200,000,000 (exclusive of transaction costs) and the current exchange rate of HK\$ to CAD of approximately HK\$6.5 to CAD1, and taken into consideration of the Quadra Shares which have already been acquired under the Prior Quadra Investment, the maximum shareholding to be acquired by the Group under the Further Quadra Investment shall be 7,145,646 Quadra Shares, which after taken into account of 2,650,900 Quadra Shares acquired pursuant to the Prior Quadra Investment represents a total of approximately 14.84% of the issued share capital of Quadra as at the date of this announcement.

Based on the maximum purchase price per Quadra Share for the Further Quadra Investment of CAD5.28 (approximately HK\$34.32) per Quadra Share and the current exchange rate of HK\$ to CAD of approximately HK\$6.5 to CAD1, the aggregate number of Quadra Shares which could be acquired by the Group pursuant to the Further Quadra Investment shall be 4,763,764 Quadra Shares, which after taken into account of 2,650,900 Quadra Shares acquired pursuant to the Prior Quadra Investment represents approximately 11.23% of the issued share capital of Quadra.

The maximum purchase price of CAD5.28 (approximately HK\$34.32) pursuant to the Further Quadra Investment has been determined with reference to the following:

- (a) a premium of 50% to the closing price of Quadra Shares as quoted on the TSX on 9 January 2009 of CAD3.52 (approximately HK\$22.88);
- (b) a premium of approximately 73.68% to the average closing price of Quadra Shares as quoted on the TSX for the 30 trading days immediately prior to the date of this announcement of CAD3.04 (approximately HK\$19.76);
- (c) the average closing price of Quadra Shares as quoted on the TSX for the 60 trading days immediately prior to 23 December 2008 of CAD5.28 (approximately HK\$34.32);
- (d) a premium of approximately 38.22% to the average closing price of Quadra Shares as quoted on the TSX for the 60 trading days immediately prior to the date of this announcement of CAD3.82 (approximately HK\$24.83);
- (e) a discount of approximately 19.88% to the average closing price of Quadra Shares as quoted on the TSX for the 90 trading days immediately prior to the date of this announcement of CAD6.59 (approximately HK\$42.84); and
- (f) a discount of approximately 61.23% to the average closing price of Quadra Shares as quoted on the TSX for the 180 trading days immediately prior to the date of this announcement of CAD13.62 (approximately HK\$88.53).

Having reviewed the financial position and operating results of Quadra and the mineral resources and mining projects of Quadra based on public information available to the Company, and having regard to the existing market price for the Quadra Shares on the TSX, the recent fluctuations in the share price of Quadra and those of comparable companies in the market may only be temporary or short-lived, the trends in supply and demand of the world mining resources and the world energy sector, the Directors consider that the current market price for the Shares may not reflect an accurate valuation for the Quadra Shares in the medium and longer term. In addition, taking into account of the fact that the SGM can only be held by the Company after the stipulated time period as provided in the Listing Rules after the despatch of the circular in relation to the Further Quadra Investment and the Possible Quadra Disposal in compliance with the requirements of the Listing Rules, the mandate to be granted to the Directors in respect of the Further Quadra Investment will only subsist for a period of 12 months after the date on which Shareholders' approval in respect of the Further Quadra Investment has been obtained, the number of Quadra Shares to be acquired by the Company on the market pursuant to the Further Quadra Investment, the Quadra Shares are to be acquired on the market and which market price is to be based on a willing seller and willing buyer at the relevant time, and the reasons set out in the section headed "Reasons for the Quadra Investment" of this announcement, the Directors are of the view that the maximum consideration for the Further Quadra Investment of CAD5.28 (approximately HK\$34.32) per Quadra Share, which represents the average closing price of Quadra Shares of CAD5.28 (approximately HK\$34.32) as quoted on the TSX for the 60 trading days prior to 23 December 2008, and a premium of 50% to the latest closing price of CAD3.52 (approximately HK\$22.88) per Quadra Share as quoted on the TSX on 9 January 2009, is fair and reasonable. As the acquisition of the Quadra Shares

pursuant to the Further Quadra Investment will be made on the market, the purchase price of the Quadra Shares pursuant to the Further Quadra Investment will be determined by the prevailing market price of the Quadra Shares at the relevant time.

The Further Quadra Investment will be completed on a “T+3” basis in accordance with standard market practice. The Company confirmed that the Company will only make the Further Quadra Investment on the basis that it has sufficient internal resources to settle the consideration for the Further Quadra Investment at the relevant time.

Regarding the accounting treatments for the Further Quadra Investment, the Quadra Shares acquired will be classified as financial assets at fair value through profits or losses of the Company.

As the Further Quadra Investment will be made through the market, the Company will not be aware of the identities of the vendors of the Quadra Shares but to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the proposed vendors of the Quadra Shares will be Independent Third Parties. The Directors shall procure that Best Tone will not effect any trades with any vendors whom are not, or whose beneficial owners are not, to the best of the knowledge of the Directors, Independent Third Parties.

In the event that the Company proceeds with the Further Quadra Investment based on the above terms, the aggregation of the Prior Quadra Investment and the Further Quadra Investment is very likely to constitute a very substantial acquisition for the Company under Chapter 14 of the Listing Rules based on the relevant percentage ratios calculated pursuant to Rules 14.22 and 14.23 of the Listing Rules. As such, the Further Quadra Investment shall be subject to Shareholders’ approval at the SGM.

THE POSSIBLE QUADRA DISPOSAL

In the event that the Further Quadra Investment is completed and pursuant to which the Further Quadra Investment constitutes a very substantial acquisition under the Listing Rules, in order to allow flexibility for the Directors to execute investment decisions made by the Board from time to time and to accommodate any sudden change in circumstances of the volatile economic and financial markets, the Company would like to seek approval from the Shareholders in relation to the disposal of all or any of the Quadra Shares as held by the Group as determined by the Board from time to time but to be subject to the following conditions within a period of 12 months from the date on which the Shareholders’ approval has been obtained at the SGM:

- (a) the disposal of the Shares will be made on the market to Independent Third Parties;
- (b) the average sale price for the Quadra Shares under the Possible Quadra Disposal shall not be less than CAD2.12 (approximately HK\$13.78) per Quadra Share, being the average purchase price for the Quadra Shares under the Prior Quadra Investment (exclusive of transaction costs); and
- (c) the aggregation of the disposals of Quadra Shares under the Possible Quadra Disposal shall not constitute a very substantial disposal for the Company under the Listing Rules.

In the event that (a) the Further Quadra Investment constitutes a very substantial acquisition for the Company under the Listing Rules, and (b) the Possible Quadra Disposal has been approved by the Shareholders at the SGM, the Directors will exercise their discretion as to whether to proceed to dispose Quadra Shares subject to the above conditions having regard to the conditions of the financial markets, the prevailing market price of the Quadra Shares and those of comparable companies in the same industry sector, the financial and other prospects of Quadra based on public information released by Quadra and other information available to the Group, and the trends in supply and demand of the world mining resources and the world energy sector. Subject to the Quadra Investment being constituted a very substantial acquisition for the Company under the Listing Rules, the Possible Quadra Disposal will only be made subject to completion of all acquisitions of Quadra Shares under the Quadra Investment.

Having regard to the volatility in the economic and financial markets, the Directors are of the view that it is very important for the Group to react quickly to respond to the changes in the market should it exercises any investment decisions. The Directors are aware of the Company's obligations pursuant to the requirements under the Listing Rules in relation to a major transaction and are of the view that it may not be in the best interests of the Company and its Shareholders should it resolve to proceed with the Possible Quadra Disposal but subject to the Shareholders' approval at the relevant time due to the length of time required for it to prepare the circular to be despatched to the Shareholders pursuant to the Listing Rules and to convene a special general meeting to approve the Possible Quadra Disposal. In addition, the Possible Quadra Disposal is proposed to be made on the market. Therefore, the Directors are of the view that, in the event that the Further Quadra Investment is proceeded and which constitutes a very substantial acquisition for the Company under the Listing Rules, it is crucial to obtain Shareholders' approval with respect to the Possible Quadra Disposal on a simultaneous basis with that of the Further Quadra Investment, as the granting of such authority to the Directors at the time of the making of the investment would provide flexibility for the Directors to execute investment decisions made by the Board from time to time and to accommodate any sudden change in circumstances of the volatile economic and financial markets.

The minimum average sale price pursuant to the Possible Quadra Disposal has been determined based on, and is equivalent to, the average purchase price per Quadra Share pursuant to the Prior Quadra Investment.

Having regard to the fact that the minimum sale price pursuant to the Possible Quadra Disposal is equivalent to the average purchase price per Quadra Share pursuant to the Prior Quadra Investment, the volatility in the economic and financial markets, the current market price of Quadra Shares and that the market price for the Quadra Shares is to be based on a willing seller and a willing buyer basis at the relevant time, and the reasons set out in the section headed "Reasons for the Possible Quadra Disposal" of this announcement, the Directors are of the view that the minimum average sale price for the Possible Quadra Disposal of CAD2.12 (approximately HK\$13.78) per Quadra Share, being the average purchase price for the Quadra Shares under the Prior Quadra Investment, is fair and reasonable. As the disposal of the Quadra Shares pursuant to the Possible Quadra Disposal will be made on the market, the sale price of the Quadra Shares pursuant to the Possible Quadra Disposal will be determined by the prevailing market price of the Quadra Shares at the relevant time.

The Directors are of the view that, since the Quadra Shares are proposed to be disposed on the market to purchasers who are Independent Third Parties, it will be impracticable for the Company to seek Shareholders' approval at the relevant time as completion of sale and purchase of the Quadra Shares on the market will be on a "T+3" basis in accordance with market practice.

As the Possible Quadra Disposal will be made through the market, the Company will not be aware of the identities of the purchasers of the Quadra Shares and to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the proposed purchasers of the Quadra Shares will be Independent Third Parties. The Directors shall procure that Best Tone will not effect any trades with any purchasers whom are not, and whose beneficial owners are not, to the best of the knowledge of the Directors, Independent Third Parties.

Subject to the Further Quadra Investment being constituted a very substantial acquisition for the Company under the Listing Rules, in the event that the Company proceeds with the Possible Quadra Disposal, the Possible Quadra Disposal is likely to constitute a major transaction for the Company under Chapter 14 of the Listing Rules based on the relevant percentage ratios calculated pursuant to Rules 14.22 and 14.23 of the Listing Rules. As such, the Possible Quadra Disposal shall be subject to Shareholders' approval at the SGM.

INFORMATION ON QUADRA

All information in relation to Quadra in this announcement are based on publicly disclosed information by Quadra.

Quadra was founded in 2002 and is based in Vancouver, Canada and the Quadra Shares are listed on the TSX; and Quadra engages in the business of developing and operating mines, with a focus on base materials, particularly copper. According to Quadra's website, Quadra owns and operates an open pit copper mine (the "**Robinson Mine**") with gold and molybdenum by-product credits located in Nevada in the United States which was acquired in 2004; it also owns a 100% interest in the Carlota copper project ("**Carlota**") in Arizona, and owns the Sierra Gorda project which is a late stage exploration project in northern Chile, along with a 99% interest in a Malmbjerg molybdenum project in Greenland. Further information of Quadra can be obtained from the website of TSX.

Assuming that the Quadra Investment is made in respect of a maximum of 19.9% of the issued share capital of Quadra as at the date of this announcement, based on the net profit figures extracted from publicly disclosed financial statements of Quadra for the relevant years, (a) the net profit attributable to such Quadra Shares before and after taxation for the year ended 31 December 2006 were approximately USD1,305,838.00 (equivalent to approximately HK\$10,185,536.40) and approximately USD2,872,167.00 (equivalent to approximately HK\$22,402,902.60), respectively; (b) the net profit attributable to such Quadra Shares before and after taxation for the year ended 31 December 2007 were approximately USD36,854,203.00 (equivalent to approximately HK\$287,462,783.40) and approximately USD27,145,988.00 (equivalent to approximately HK\$211,738,706.40), respectively. The net asset value of Quadra, according to its annual report for the financial year ended 31 December 2007, was approximately USD501,090,000.00 (equivalent to approximately HK\$3,908,502,000.00). As such, the net asset value of Quadra Shares which represent 19.9% of the issued share capital of Quadra as at date of this announcement is approximately USD99,716,910.00 (equivalent to approximately HK\$777,791,898.00).

Based the average minimum sale price per Quadra Share of CAD2.12 (approximately HK\$13.78) and the latest published financial results of Quadra, the Group shall be able to dispose up to 8,613,130 Quadra Shares, representing approximately 13.05% of the issued shares of Quadra as at the date of this announcement, pursuant to the conditions of the Possible Quadra Disposal. Assuming that the Possible Quadra Disposal is made in respect of an approximate 13.05% of the issued share capital of Quadra as at the date of this announcement, based on the net profit figures extracted from publicly disclosed financial statements of Quadra for the relevant years, (a) the net profit attributable to the Quadra Shares before and after taxation for the year ended 31 December 2006 were approximately USD856,341 (equivalent to approximately HK\$6,679,460) and approximately USD1,883,507 (equivalent to approximately HK\$14,691,351), respectively; (b) the net profit attributable to such Quadra Shares before and after taxation for the year ended 31 December 2007 were approximately USD24,168,209 (equivalent to approximately HK\$188,512,026) and approximately USD17,801,766 (equivalent to approximately HK\$138,853,775), respectively. The net asset value of Quadra, according to its annual report for the financial year ended 31 December 2007, was approximately USD501,090,000.00 (equivalent to approximately HK\$3,908,502,000.00). As such, the net asset value of Quadra Shares which represents an approximate 13.05% of the issued share capital of Quadra as at date of this announcement is approximately USD65,392,245 (equivalent to approximately HK\$510,059,511).

REASONS FOR THE QUADRA INVESTMENT

The Board considered that the Quadra Investment would complement the principal activities of the Group and would enhance the returns on investment for the Group. The Quadra Investment was and will be funded from the internal resources of the Group. Taking into the account of the recent financial crisis, the prevailing market prices of the Quadra Shares and those of comparable companies in the same industry sector, and the overall trends in demand and supply in the world mining resources and world energy sector, the Board considered that this was an opportunity for the Group to further acquire these Quadra Shares as the Quadra Investment represents an opportunity for the Group to expand its investments in mining industry located outside of China. In addition, as the Quadra Investment was and will be made at market price, the Board believed that the terms of which are/were fair and reasonable and in the interests of the Company and the Shareholders taken as a whole. At present, the Board intends to hold the Quadra Investment for the purposes of capital gain and dividend income.

REASONS FOR THE POSSIBLE QUADRA DISPOSAL AND USE OF THE PROCEEDS

Based on the proposed terms of the Possible Quadra Disposal, and in order to accommodate any sudden change of circumstances in the volatile market, the Directors consider that the Possible Quadra Disposal represents a good opportunity for the Group to realise an investment should the Board exercises its investment decision to divest its interests in the Quadra Investment based on the relevant circumstances at the relevant time. On the basis that the Quadra Investment constitutes a very substantial acquisition for the Company under the Listing Rules, the Directors would like to seek Shareholders' approval in respect of the Possible Quadra Disposal in order to allow flexibility for the Directors to execute investment decisions made by the Board from time to time. Based on the changes in market environment, the Board will consider whether to dispose of the Quadra Shares only after completion of all acquisitions of the Quadra Shares under the Quadra Investment. The Board does not have any current intention to short-sell the Quadra Shares.

Based on the average minimum sale price per Quadra Share of CAD2.12 (approximately HK\$13.78) and the latest published financial results of Quadra, the Group shall be able to dispose up to 8,613,130 Quadra Shares, representing approximately 13.05% of the issued shares of Quadra as at the date of this announcement, pursuant to the conditions of the Possible Quadra Disposal. On such basis, it is expected that the amount of net proceeds to be recorded by the Group from the Possible Quadra Disposal shall be approximately HK\$118.7 million, which shall be utilised by the Group for future investment as the Directors shall then decide and/or for general working capital purposes.

Having regard to the nature of and the benefits resulting from the Possible Quadra Disposal as set out above, the Directors believe that the Possible Quadra Disposal is fair and reasonable and in the interests of the Company and the Shareholders taken as a whole.

EFFECTS OF THE POSSIBLE QUADRA DISPOSAL

Depending on the aggregate consideration payable for the Quadra Shares under the Quadra Investment and the aggregate consideration to be received for the Quadra Shares under the Possible Quadra Disposal, the Possible Quadra Disposal may be regarded as a gain or loss to the Company.

On the basis that (a) the Further Quadra Investment being made based on the maximum purchase price of CAD5.28 (approximately HK\$34.32) per Quadra Share in respect of 4,763,764 Quadra Shares, representing an aggregate of approximately 7.22% of the issued share capital of Quadra as at the date of this announcement; (b) the Prior Quadra Investment previously made in respect of 2,650,900 Quadra Shares for an aggregate consideration of CAD5,616,556.3 (approximately HK\$36,507,616); and (c) the Possible Quadra Disposal being made based on the average sale price of CAD2.12 (approximately HK\$13.78) per Quadra Share in respect of a total of 7,414,664 Quadra Shares representing an aggregate of approximately 11.23% of the issued share capital of Quadra as at the date of this announcement, a loss of approximately CAD15,050,143 (approximately HK\$97,825,927) would be recorded by the Group.

DISCONTINUANCE OF THE PROPOSED FULLIGHT ACQUISITION RELATING TO THE ENTIRE INTERESTS IN FULLIGHT INVESTMENTS LIMITED

Reference is made to the announcements of the Company dated 25 June 2007, 17 July 2007, 21 December 2007 and 20 June 2008, respectively, in relation to the Proposed Fullight Acquisition. As announced in the announcement of the Company dated 20 June 2008, the Proposed Fullight Acquisition is subject to certain conditions being fulfilled prior to the entering into of a definitive agreement in relation to the Proposed Fullight Acquisition. At the date of this announcement, the Board announces that the parties have not been able to enter into definitive agreement for the Proposed Fullight Acquisition on or before the long stop date (being 16 December 2008). Accordingly, the Proposed Fullight Acquisition shall not be proceeded by the Company.

GENERAL

The Group's principal activities are mining operations.

A SGM will be convened to authorise the Directors to exercise their discretion whether to proceed with the Further Quadra Investment and the Possible Quadra Disposal, both within a period of 12 months

from the date on which Shareholders' approval has been obtained at the SGM. Two separate resolutions regarding the Further Quadra Investment and the Possible Quadra Disposal will be proposed at the SGM for approval by the Shareholders.

A circular containing, among other things, (a) details in respect of the Further Quadra Investment and the Possible Quadra Disposal; (b) information required under the Listing Rules in relation to the Further Quadra Investment and the Possible Quadra Disposal; and (c) notice of the SGM will be despatched to the Shareholders as soon as practicable. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the proposed vendors, purchasers and their respective beneficial owners will be Independent Third parties. The Directors shall procure that Best Tone will not effect any trades with any vendors, purchasers whom are not, and whose beneficial owners are not, to the best of the knowledge of the Directors, Independent Third Parties. To their best knowledge, the Directors are not aware of any Shareholder having any interest in the transactions contemplated mentioned in this announcement which is different from the interest of other shareholders and therefore no Shareholder is required to abstain from voting for the approval of resolution(s) approving the Further Quadra Investment and the Possible Quadra Disposal.

In the event that Shareholders' approval in respect of the Further Quadra Investment and the Possible Quadra Disposal has been obtained at the SGM, the Company will make further announcement(s) as and when (a) acquisitions of Quadra Shares are made pursuant to which the aggregate shareholdings of the Group in Quadra is equivalent to or above 10% of the issued shares in Quadra; (b) the Further Quadra Investment is completed; and (c) the Possible Quadra Disposal is completed and upon the expiry of the 12-month period on which Shareholders' approval in respect of the Possible Quadra Disposal has been obtained.

SUSPENSION OF TRADING

At the request of the Company, trading in the Shares was suspended from trading on the Stock Exchange from 9:30 a.m. on 22 December 2008. An application has been made by the Company to resume trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 13 January 2009.

DEFINITIONS

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

“Announcement”	announcement of the Company dated 15 December 2008
“Best Tone”	Best Tone Holdings Limited, a wholly-owned subsidiary of the Company
“Board”	board of Directors
“CAD”	Canadian dollars, the lawful currency of Canada

“Company”	China Mining Resources Group Limited, a company incorporated in Bermuda whose shares are listed on the Stock Exchange (stock code: 00340)
“Director(s)”	director(s) of the Company
“Further Quadra Investment”	the proposed acquisition(s) of further Quadra Shares on the market by Best Tone from Independent Third Parties based on the conditions set out in the section headed “Further Quadra Investment” of this announcement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Parties”	a party which is independent of and not connected with the Company and its connected persons (as defined in the Listing Rules)
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Possible Quadra Disposal”	the proposed disposal(s) of Quadra Shares under the Further Quadra Investment on the market by Best Tone based on the conditions set out in the section headed “The Possible Quadra Disposal” of this announcement, of which such disposal constitutes a major transaction for the Company under the Listing Rules
“Prior Quadra Investment”	the acquisition of an aggregate of 2,650,900 Quadra Shares on the market by Best Tone for an aggregate consideration of CAD5,616,556.30 (approximately HK\$35,507,616) prior to the date of this announcement
“Proposed Fulllight Acquisition”	the proposed acquisition of, amongst others, the entire issued share capital of Fulllight Investments Limited
“Quadra”	Quadra Mining Ltd., a company incorporated on 15 May 2002 under the British Columbia Company Act and is continued under the British Columbia Business Corporations Act whose shares are listed on the TSX (QUA:TSX)
“Quadra Investment”	the Prior Quadra Investment and the Further Quadra Investment
“Quadra Share(s)”	share(s) in the capital of Quadra
“Share(s)”	share(s) of HK\$0.10 each in the capital of the Company

“Shareholder(s)”	holder(s) of Quadra Share(s)
“SGM”	special general meeting of the Company to be held to consider and, if thought fit, to approve the Further Quadra Investment and the Possible Quadra Disposal
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TSX”	Toronto Stock Exchange
“USD”	United States dollars, the lawful currency of United States of America

By Order of the Board
China Mining Resources Group Limited
Cai Yuan
Chairman

Hong Kong, 12 January 2009

As at the date of this announcement, the board of directors of the Company comprises Mr. Cai Yuan, Dr. You Xian Sheng, Mr. Wang Hui, Mr. Yeung Kwok Kuen and Mr. Chen Shou Wu as executive directors, Mr. Lam Ming Yung as non-executive director, Mr. Chan Sze Hon, Mr. Chu Kang Nam, Mr. Goh Choo Hwee and Mr. Lin Xiang Min as independent non-executive directors.

For the purpose of illustration only, (a) the amount denominated in CAD has been translated into HK\$ at the exchange rate of CAD1 to HK\$6.5 as at the date of this announcement and (b) the amount denominated in USD has been translated into HK\$ at the exchange rate of USD1 to HK\$7.8 as at the date of this announcement.