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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)

**TERMINATION OF MAJOR ACQUISITION,
DISCLOSEABLE TRANSACTION
IN RELATION TO
THE ACQUISITION OF GOLD MINE IN TONGGUAN COUNTY
OF SHAANXI PROVINCE
AND
UPDATE ON PLACING OF NEW SHARES UNDER SPECIFIC MANDATE**

Financial Adviser in respect of the Acquisition



信溢投資策劃有限公司
CHALLENGE CAPITAL MANAGEMENT LIMITED

TERMINATION OF PREVIOUS AGREEMENTS

On 7 December 2015, the Purchaser (being a direct wholly-owned subsidiary of the Company), the Vendor, Supreme Success and the Guarantors entered into the Termination Agreement to terminate the Previous Agreements, pursuant to which, each party to the Previous Agreements irrevocably and unconditionally releases and discharges the other party absolutely from all claims, liabilities and demands under or in connection with the Previous Agreements.

THE NEW AGREEMENT

On 7 December 2015 (after trading hours), the Purchaser and the Vendor entered into the New Agreement, pursuant to which the Purchaser conditionally agreed to purchase and the Vendor conditionally agreed to sell the Sale Shares of the Target Company at the Consideration of HK\$140,400,000.

As at the date of this announcement, the Target Group holds (i) the Mining Licenses and the Exploration License in respect of the Gold Mine and (ii) owns and operates an ore-processing plant.

* *For identification purpose only*

IMPLICATIONS OF THE LISTING RULES

As the applicable percentage ratio (as defined under the Listing Rules) in respect of the Acquisition is more than 5% and less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

Reference is made to the announcements issued by the Company dated 19 March 2015, 27 April 2015, 11 August 2015, 30 September 2015 and 30 October 2015 in relation to, among other things, the acquisition of the entire issued share capital of the Target Company (the “**Announcements**”).

TERMINATION OF PREVIOUS AGREEMENTS

The Purchaser (being a direct wholly-owned subsidiary of the Company), the Vendor, Supreme Success and the Guarantors entered into the Agreement on 23 April 2015, pursuant to which the Purchaser conditionally agreed to purchase and the Vendor and Supreme Success conditionally agreed to sell the entire issued share capital of the Target Company.

On 11 August 2015, the Purchaser, the Vendor, Supreme Success and the Guarantors entered into the Supplemental Agreement to revise, among other things, certain terms of the Agreement, details of which have been set out in the announcement issued by the Company dated 11 August 2015.

On 7 December 2015, the Purchaser, the Vendor, Supreme Success and the Guarantors entered into the Termination Agreement to terminate the Previous Agreements, pursuant to which, each party to the Previous Agreements irrevocably and unconditionally releases and discharges the other party absolutely from all claims, liabilities and demands under or in connection with the Previous Agreements.

THE NEW AGREEMENT

On 7 December 2015, following the execution of the Termination Agreement, the Purchaser and the Vendor entered into the New Agreement, pursuant to which, among other things, the Vendor conditionally agreed to sell and the Purchaser conditionally agreed to purchase the Sale Shares, representing 27% of the entire issued share capital of the Target Company at the Consideration of HK\$140,400,000.

Date 7 December 2015

Parties

The Purchaser: Combined Success, a direct wholly-owned subsidiary of the Company

The Vendor: Forever Success, an investment holding company incorporated in the Republic of Seychelles with limited liability, being wholly owned by Mr. Ma. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, the Vendor together with Mr. Ma are Independent Third Parties of the Company

Asset to be acquired

Pursuant to the New Agreement, the Purchaser conditionally agreed to purchase and the Vendor conditionally agreed to sell the Sale Shares, representing 27% of entire issued share capital of the Target Company as at the date of this announcement.

The Target Group is principally engaged in the exploration, mining, processing, and sale of gold and related products. As at the date of this announcement, the Target Group, through the Project Company, holds (i) the Mining Licenses and the Exploration License in respect of the Gold Mine and (ii) owns and operates an ore-processing plant. Detailed information on the Target Group is set out in the paragraph headed "Information on the Target Group" of this announcement.

Consideration

The Consideration shall be HK\$140,400,000, which has been/will be settled by the Purchaser in the following manner:

- (i) HK\$90,000,000 has been settled by the Purchaser to the Vendor on the date of the New Agreement by transferring the deposit under the Previous Agreements to partially settle for the Acquisition; and
- (ii) HK\$50,400,000 to be paid in cash by the Purchaser to the Vendor on the Completion Date.

It is the intention of the Company to finance the Consideration through the internal resources of the Group.

Basis of the Consideration

The Consideration was determined after arm's length negotiation between the Purchaser and the Vendor after taking into account of:

- (i) the Valuation Report prepared by the Valuer in accordance with the VALMIN Code indicating the valuation on the Target Group as at 30 June 2015; and
- (ii) the factors as set out in the section headed "Reasons for entering into the New Agreement".

The Company has commissioned the Technical Consultant to prepare an independent technical assessment of the exploration, mining, resources/reserves estimation, ore processing plant and tailings dam on the Gold Mine, an Experts Report was prepared by the Technical Consultant in accordance with the 2012 Edition of the JORC Code, of the Gold Mine and the Valuer to prepare the Valuation Report, based on the Experts Report, to evaluate the fair market value of the mineral interests held by the Target Group. As at 30 June 2015, the valuation of the Target Group was approximately RMB432,000,000 (approximately HK\$540,000,000), where the valuation of the Sale Shares (the “**Sale Shares Valuation**”) was approximately RMB117,000,000 (approximately HK\$146,000,000). As such, the Consideration of HK\$140,400,000 represents a discount to the Sale Shares Valuation.

Taking into account the above, in particular, that the Consideration represents a discount to the Sale Shares Valuation, the Directors (including all independent non-executive Directors) are of the view that the Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions precedent

Completion is conditional upon the satisfaction (or waiver, if applicable) of all of the following conditions:

- (i) the Purchaser shall have completed, to its sole and absolute satisfaction, a due diligence review on the Target Group (in particular the Project Company) in respect of their business operation, financial status, asset/liabilities and other related issues to be determined by the Purchaser;
- (ii) the Purchaser having obtained from a qualified PRC legal adviser a legal opinion with respect to the Target Group (in particular the due establishment, valid existence, legality and shareholding structure of the Project Company and the legality of the business operations of the Project Company under PRC law and the legality and validity of the acquisition of the Project Company by the Target Group), and that the Purchaser being satisfied with such legal opinion;
- (iii) from the date of signing of the New Agreement till Completion, there not being any abnormal operations or any material adverse change in the business, prospects, operations, performance or finance in respect of the Target Group;
- (iv) the warranties given by the Vendors in the New Agreement remaining true, accurate and not misleading at the date of the New Agreement and up to and including Completion Date; and
- (v) the obtaining of all necessary consents and approvals in respect of the Acquisition from the relevant governmental or regulatory bodies, and no governmental or regulatory bodies has issued any orders, laws, regulations to disallow or restrain the Completion from taking place.

The Purchaser shall have the right to waive the conditions precedent above. Save as aforesaid, if the conditions precedent as set out in the New Agreement have not been fulfilled (or, where applicable, waived by the Purchaser) on or before 31 March 2016, neither the Purchaser nor the Vendor shall be obliged to proceed with Completion. The Vendor shall repay the deposit without interest and any amount previously paid by the Purchaser to the Vendor within 10 Business Days once it is determined that Completion will not or cannot be proceed.

Completion

Completion shall take place on Completion Date. Upon Completion, the Company will hold 27% interests in the Target Company.

Right of first refusal

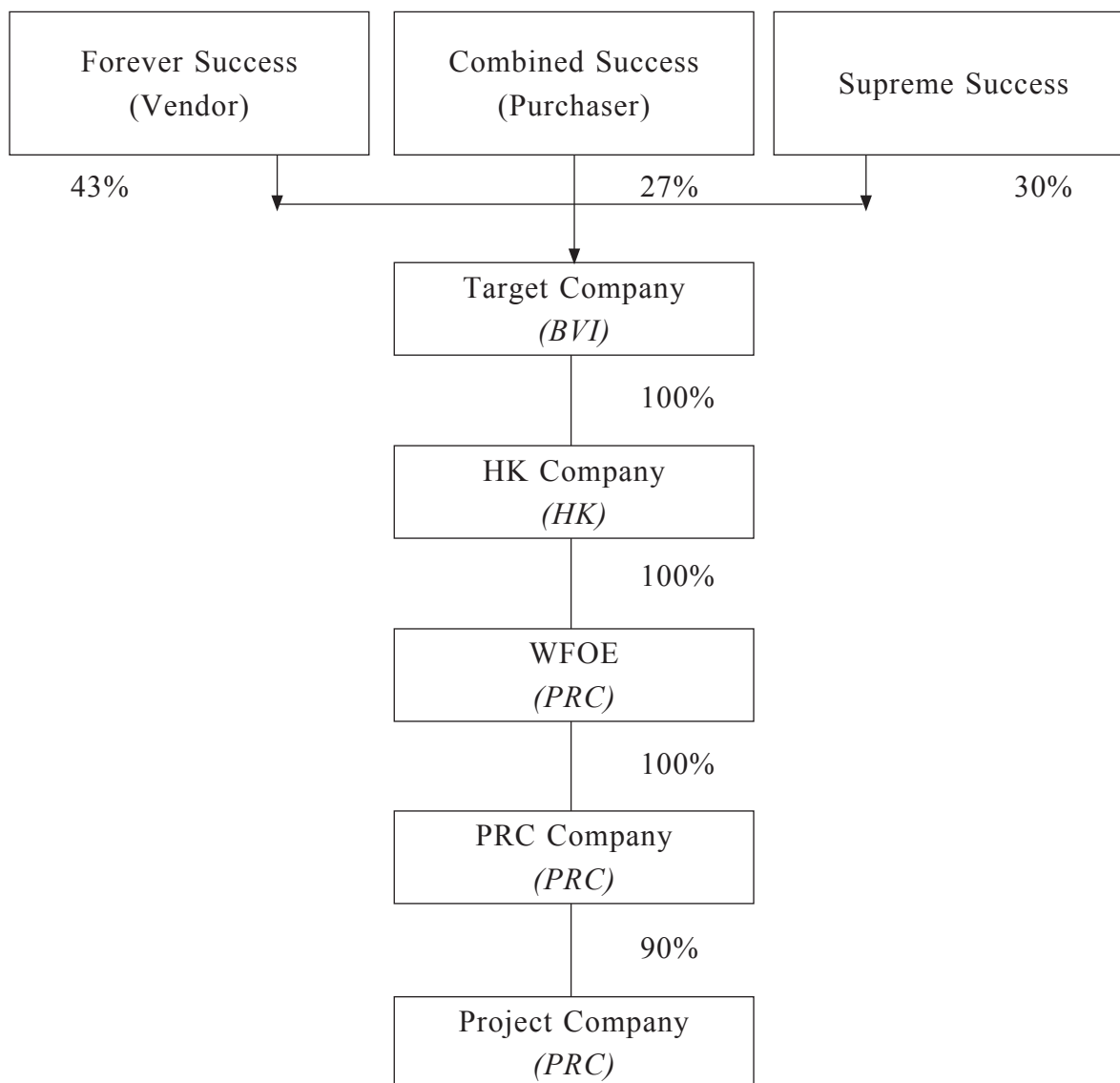
Under the New Agreement, the Vendor has granted to the Purchaser the right of first refusal, pursuant to which, if the Vendor proposes to transfer any of the shares in the Target Group owned or subsequently acquired by it to a third party at any time, the Vendor shall, subject to compliance with all relevant laws and regulatory requirements, first offer to sell the same to the Purchaser at a transfer price and on terms and conditions that the Vendor is prepared to accept from such third party. The Company has the right to accept or decline such offer within 15 Business Days from the date of receipt of the transfer notice from the Vendor.

INFORMATION ON TARGET GROUP

The Target Company is an investment holding company incorporated in the BVI with limited liability on 2 January 2015. It is 70% owned by the Vendor and 30% owned by the Supreme Success, respectively. The principal asset of the Target Company is its indirect 90% equity interest in the Project Company. The Target Group is principally engaged in the exploration, mining, processing and sale of gold and related products. As at the date of this announcement, the Project Company holds (i) the Mining Licenses and the Exploration License in respect of the Gold Mine and (ii) owns and operates an ore-processing plant.

Save that the Target Group has acquired the 90% equity interests of the Project Company since its incorporation in 2015, none of the members of the Target Group (other than the Project Company) has conducted any business activities since its incorporation nor have any other material assets as at the date of this announcement.

Set out below is the shareholding structure of the Target Group immediately following the Completion:



Set out below is a summary of the audited financial results of the Project Company for the two years ended 31 December 2013 and 2014 and the unaudited financial results for the six months ended 30 June 2015 prepared in accordance with the generally accepted accounting principles in the PRC:

	For the year ended		For the six
	31 December	31 December	months ended
	2013	2014	30 June
	RMB'000	RMB'000	RMB'000
	(audited)	(audited)	(unaudited)
Revenue	91,002	83,092	10,234
Profits before taxation	26,501	33,048	979
Profits after taxation	22,360	28,150	832

As at 30 June 2015, the unaudited net asset value of the Project Company was RMB50,472,000.

THE GOLD MINE

The Gold Mine is located in Chengjiagou — Shishuyuan, Haochayu, Tongguan County, Shaanxi Province (陝西省潼關縣蒿岔峪柿樹園程家溝) of the PRC. According to the Experts Report, the Gold Mine has an aggregate exploration and mining area of approximately 16.6km² and is accessible by highway (28km away from G30 Lianyungang-Khorgos Highway (連雲港 — 霍爾果斯高速公路); and 10-15km away from G310 National Highway), railway (18km away from Taiyao Station of Longhai Railway (隴海鐵路太要車站)) and paved roads. As at the date of this announcement, the Project Company held the Mining Licenses for gold veins Q198, Q301, Q401 and Q4112, and is applying for mining licenses for gold veins Q4114 and Q401-3 within the Gold Mine.

According to the Experts Report, the Gold Mine contains 622,400 tonnes of Indicated Mineral Resources with 3,278 kilograms of gold (at an average grade of 5.3 grams/tonne), and 150,000 tonnes of Inferred Mineral Resources with 1,050 kilograms of gold (at an average grade of 7.0 grams/tonne). Set out below is a summary of the Mineral Resources estimation results of the Gold Mine as extracted from the Experts Report:

Vein	Resource category	Tonnage (tonnes)	Grade (grams/tonne)	Gold metal (kilograms)
Q198	Indicated	6,400	3.7	23
	Inferred	10,000	4	50
	Indicated + Inferred	16,400	3.76	73
Q301	Indicated	15,000	5.1	75
Q401	Indicated	340,000	5.1	1,700
Q401-3	Indicated	47,000	4.5	210
Q4112	Indicated	170,000	5.3	890
	Inferred	100,000	5	600
	Indicated + Inferred	270,000	5.3	1,490
Q4114	Indicated	44,000	8.6	380
	Inferred	40,000	9	400
	Indicated + Inferred	84,000	9.3	780
Total	Indicated	622,400	5.3	3,278
	Inferred	150,000	7	1,050
	Indicated + Inferred	772,400	5.6	4,328

The Exploration License

Details of the Exploration License held by the Project Company are summarised below:

Exploration License number	Exploration area (<i>km²</i>)	Valid period
T61120090402027324	8.80	2 August 2014 — 2 August 2016

The Mining Licenses

Details of the Mining Licenses held by the Project Company are summarised below:

Mining License number	Gold vein	Mining area (<i>km²</i>)	Production capacity (<i>tonnes per annum</i>)	Valid period
C6100002009084120031621	Q301	5.2002	15,000	4 June 2015 — 4 June 2016
C6100002011044120110592	Q401	1.8765	15,000	6 May 2015 — 6 May 2018
C6100002010034120059580	Q198	0.3328	15,000	9 July 2015 — 9 July 2017
C6100002013064110130335 (<i>Note</i>)	Q4112	0.3880	30,000	24 June 2013 — 24 June 2016

Note:

As at the date of this announcement such Mining License was held by Jinxing Mining, a nominee holder for the Project Company, and the Project Company was in the process of applying for the change of name of holder of such Mining License.

The ore-processing plant

In addition to the Gold Mine, the Project Company also owns an ore-processing plant located in close proximity to the Gold Mine. According to the Experts Report, the ore-processing plant has a total processing capacity of 500 tonnes per day, which consists of two sets of processing modules with processing capacity of 300 tonnes per day and 200 tonnes per day, respectively. According to a letter issued by the Economic Development Bureau of Tongguan County (潼關縣經濟發展局) on 4 June 2013, the ore-processing plant is fully permitted to operate at its current processing capacity of 500 tonnes per day. The ore-processing plant is not wholly dependent on the Gold Mine for ore feed and third party ore feeds are accepted and milled at the ore-processing plant.

According to the Experts Report, the ore-processing plant employed the single flotation method for gold concentration. Performance of the ore-processing plant has been satisfactory and showing good results during the several years' running, with gold recovery rate reaching 96%. Other useful minerals such as silver, copper and lead are also recovered in the gold concentrate after the flotation of gold, with recovery rates reaching 90%, 85% and 90%, respectively.

REASONS FOR ENTERING INTO THE NEW AGREEMENT

As mentioned in the announcement of the Company dated 27 April 2015 in relation to the acquisition of the Target Company as contemplated under the Agreement, the Board is optimistic over the long-term outlook of the gold industry in China.

Tongguan County has long been regarded as a traditional and resourceful gold mining area in the PRC where the gold mining industry has been the pillar industry of the County. According to the PRC Geological Resources (Reserves) Report, additional Mineral Resources which contain approximately 4.9 tonnes of gold metal have been discovered as a result of further exploration on the Gold Mine completed by the end of 2014. Based on the strategic location of the Gold Mine, its existing gold resources and reserves and the potential for additional discoveries from further exploration and exploitation, the existing capacity of the ore-processing plant of the Project Company, and the Project Company's track record in generating revenue and profits, the Board believes the Acquisition can provide recurring income stream to the Group as well as potential future growth prospects.

The principal business activities of the Group are production and sales of tea. The Group was also engaged in mining, processing and sales of molybdenum which was discontinued during the year ended 31 December 2014. Since the disposal of the Group's interest in Harbin Songjiang in October 2014, the Group has been actively exploring possible new investment projects to maximize the value of the Shares of its Shareholders. Based on the above and leveraging on the Group's expertise and experience in the natural resources industry, the Board considers the Acquisition represents a strategic opportunity to expand its business to the gold mining industry in the PRC to broaden the Group's income base and diversify its investments.

On 23 April 2015 and 11 August 2015, the Company entered into the Previous Agreements to acquire the entire issued share capital of the Target Company, which constitutes a major transaction of the Company, where the Company was required to comply with, among other things, Chapter 18 of the Listing Rules to produce a competent person's report of the Gold Mine and the Company has appointed the Technical Consultant for such compliance. The Company was advised by the Technical Consultant that in order to comply with Chapter 18 of the Listing Rules' requirements, preparation of a feasibility study would be required to fully estimate the potential gold resources of the Gold Mine. As preparation of a feasibility study involves substantial time by the Target Group, causing further delay to the completion of the acquisition of the equity interest in the Target Group as contemplated under the Previous Agreements, the Purchaser, the Vendor, Supreme Success and the Guarantors agreed to terminate the Previous Agreements. Subsequently, the Purchaser and the Vendor entered

into the New Agreement, which constitutes a discloseable transaction of the Company under the Listing Rules. Accordingly, the Company is not required to produce a competent person's report in compliance with Chapter 18 of the Listing Rules.

Nonetheless, as mentioned above, the Company has already commissioned the Technical Consultant to prepare the Experts Report in compliance with the JORC Code in order to allow the Valuer to assist the Company to form its view on the Sale Shares Valuation.

In light of (i) the business and prospect of the Target Group; and (ii) the Sales Shares are valued at approximately HK\$146,000,000 as at 30 June 2015, where the Consideration represents a discount to it; and (iii) the Acquisition is in line with the Group's investment strategy to identify possible new investment projects and to maximize the value of Shares from the investments, the Directors consider the terms of the Agreement (including the Consideration) and the Acquisition is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Company still intends to acquire the entire issued share capital of the Target Company. After Completion, the Company will then be able to obtain first-hand information on the operations of the Gold Mine and make further assessment on the prospects of the Target Group. The Board will consider if further acquisition of the remaining equity interest in the Target Group is appropriate in the future. If the Group enters into any agreement for such further acquisition, the Company will comply with the relevant requirements of the Listing Rules as and when appropriate, subject to the discretion of the Stock Exchange to assess whether the Acquisition will be required to be aggregated with such further acquisition.

IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratio (as defined under the Listing Rules) in respect of the Acquisition is more than 5% and less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

UPDATE ON PLACING OF NEW SHARES UNDER SPECIFIC MANDATE

Reference is made to the announcement of the Company dated 11 August 2015 in relation to the placing (the "**Placing**") of 4,000,000,000 new Shares by the placing agent (the "**Placing Agent**") under specific mandate, and the announcement of the Company dated 11 November 2015 in relation to the extension of the long stop date of the Placing.

The Board wishes to inform the Shareholders that, on 7 December 2015, the Company and the Placing Agent entered into the second supplemental agreement pursuant to which the Company and the Placing Agent further agreed to include "the completion of the Acquisition" as one of the conditions precedent to the Placing.

The net proceeds from the Placing are intended to be used as to (i) approximately HK\$346 million for funding any future business development and/or potential investment opportunities; and (ii) approximately HK\$50 million for general working capital of the Company, the largest components of which will be operating expenses such as salary and office rental expenses.

As mentioned above, the Company will be able to obtain first-hand information on the operations of the Gold Mine and make further assessment on the prospects of the Target Group after Completion. The Board will consider to apply not more than HK\$200 million and HK\$100 million, respectively, of the net proceeds from the Placing for funding the further development of the Gold Mine by the Target Group (including but not limited to the carrying out of further exploration and expansion of the capacity of the processing plant) and to acquire further equity interest in the Target Group as and when appropriate. The remaining portion of the net proceeds will be applied for funding any potential investment opportunities in the mining sector and/or other profitable investment opportunities that are in line with the Group's development strategy. As at the date of this announcement, the Group has not entered into any binding agreement in respect of any of such potential investment opportunities.

The Directors are of the view that, the Placing represents a good opportunity to raise additional funds for the Company to enhance its working capital base, to broaden its Shareholders' base and to finance any business or investment opportunities in a timely manner without increasing the interest burden of the Group. As such, the Directors consider that the Placing is in the interests of the Company and the Shareholders as a whole.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions have the following meanings ascribed to them respectively:

“Acquisition”	the possible acquisition of the Sale Shares by the Purchaser from the Vendor pursuant to the New Agreement
“Agreement”	the conditional sale and purchase agreement entered into between the Purchaser, the Vendor, Supreme Success and the Guarantors on 23 April 2015 (as supplemented by the Supplemental Agreement) in relation to the acquisition of the entire issued share capital of the Target Company
“Board”	the board of Directors of the Company
“Business Day(s)”	any day (except a Saturday, Sunday and public holiday) on which banks in Hong Kong and the PRC are open to the general public for business
“BVI”	the British Virgin Islands

“Company”	China Mining Resources Group Limited (中國礦業資源集團有限公司*), a limited company incorporated in Bermuda with limited liability and the Shares of which are listed on the main board of the Stock Exchange
“Completion”	the completion of the Acquisition contemplated under the New Agreement
“Completion Date”	the fifth Business Day following the date on which the last of the conditions precedent set out in the New Agreement has been fulfilled (or otherwise waived) or such other date as the parties may agree in writing
“Connected Persons”	has the same meaning ascribed to it in the Listing Rules
“Consideration”	HK\$140,400,000, being the consideration for the Acquisition
“Director(s)”	the director(s) of the Company
“Experts Report”	the due diligence report carried out by the Technical Consultant on the Mineral Resources and ore reserves of the Gold Mine in accordance with the JORC Code
“Exploration License”	the license authorising the Project Company to conduct exploration activities at the Gold Mine
“Forever Success” or “Vendor”	Forever Success Investments Limited (永成投資有限公司), a company incorporated in the Republic of Seychelles with limited liability, being wholly owned by Mr. Ma, and is holding 70% of the issued share capital of the Target Company as at the date of this announcement
“Gold Mine”	陝西省潼關縣金礦(Shaanxi Province Tongguan County Gold Mine*) operated by the Project Company and located at Tongguan County of Shaanxi Province in the PRC
“Group”	the Company and its subsidiaries
“Guarantors”	Mr. Ma and Ms. Lin
“Harbin Songjiang”	哈爾濱松江銅業(集團)有限公司(Harbin Songjiang Copper (Group) Company Limited*), a limited company established in the PRC and previously held as to 75.08% by the Company prior to completion of disposal on 27 November 2014
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong

“HK Company”	Champion Lucky Limited (福瑞有限公司), a limited liability company incorporated in Hong Kong and is wholly owned by the Target Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner(s), to the best knowledge, information and belief of the Directors and having made all reasonable enquiries, are third parties independent of the Company and its Connected Persons
“Indicated Mineral Resource(s)”	part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of modifying factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit (as defined under the JORC Code)
“Inferred Mineral Resource(s)”	part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes (as defined under the JORC Code)
“Jinxing Mining”	Tongguan County Jinxing Mining Co., Ltd.* (潼關縣金星礦業有限責任公司), a limited company established in the PRC, and is the nominee holder of one of the Mining Licenses for the Project Company
“JORC Code”	the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition), as published by the Joint Ore Reserves Committee
“km ² ”	square kilometer(s)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

* *For identification purpose only*

“Mineral Resource(s)”	concentration or occurrence of solid material of economic interest in or on the earth’s crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction (as defined under the JORC Code). The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into inferred, indicated and measured categories
“Mining License(s)”	the license(s) authorising the Project Company to conduct exploitation activities at the Gold Mine
“Mr. Ma”	Mr. Ma Dongsheng (馬東生), the ultimate beneficial owner of Forever Success
“Ms. Lin”	Ms. Lin Yuhua (林玉華), the ultimate beneficial owner of Supreme Success
“New Agreement”	the new share purchase agreement dated 7 December 2015 and entered into among the Purchaser and the Vendor in respect of the Acquisition
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“PRC Company”	渭南金東礦業有限公司 (Weinan Jindong Mining Co., Ltd.*), a company established in the PRC with limited liability and is wholly owned by the WFOE
“PRC Geological Resources (Reserves) Report”	《潼關縣祥順礦業發展有限公司探、採礦權證範圍內資源(儲量)量核實報告》issued by a qualified third party geological service company in the PRC in February 2015
“Previous Agreements”	collectively, the Agreement and the Supplemental Agreement
“Project Company”	潼關縣祥順礦業發展有限公司 (Tongguan County Xiangshun Mining Development Co., Ltd.*), a company established in the PRC with limited liability which is owned as to 90% by the Target Group as at the date of this announcement
“Purchaser” or “Combined Success”	Combined Success Investments Limited, a company established in BVI with limited liability and a direct wholly owned subsidiary of the Company, being the purchaser under the New Agreement

* For identification purpose only

“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	27% of the issued share capital of the Target Company as at the date of this announcement and at Completion
“Share(s)”	ordinary share(s) of HK\$0.10 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreement”	the supplemental agreement dated 11 August 2015 and entered into between the Purchaser, the Vendor, Supreme Success and the Guarantors for amendment and modification of certain terms of the Agreement
“Supreme Success”	Supreme Success Group Limited (卓成集團有限公司), a company incorporated in BVI with limited liability, being wholly owned by Ms. Lin, and is holding 30% of the issued share capital of the Target Company as at the date of this announcement
“Target Company”	One Champion International Limited (一冠國際有限公司), an investment holding company incorporated in the BVI with limited liability
“Target Group”	the Target Company and its subsidiaries from time to time including without limitation, the HK Company, the WFOE, the PRC Company and the Project Company
“Technical Consultant”	Greater China Mineral & Energy Consultants Limited, appointed by the Company as the independent technical consultant to produce an independent assessment and the Experts Report
“Termination Agreement”	the termination agreement dated 7 December 2015 and entered into between the Purchaser, the Vendor, Supreme Success and the Guarantors to terminate the Previous Agreements
“Valuation Report”	the valuation report prepared by the Valuer regarding the valuation of the Target Group in compliance with the VALMIN Code
“Valuer”	Greater China Appraisal Limited, appointed by the Company as the independent valuer to produce the Valuation Report

“VALMIN Code”	the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports 2005 Edition
“WFOE”	陝西福瑞永成礦業有限公司 (Shaanxi Furui Rongcheng Mining Co., Ltd.*), a company established in the PRC as a wholly foreign owned enterprise and is wholly-owned by the HK Company
“%”	per cent

Translations of RMB into Hong Kong dollars are based on the exchange rates of RMB0.8 to HK\$1.00 for information purpose only. Such translations should not be construed as a representation that the relevant amounts have been, could have been, or could be converted at that or any other rate or at all.

In this announcement, if there is any inconsistency between the Chinese names of the entities or enterprises established in the PRC and their English translations, the Chinese names shall prevail.

By Order of the Board
China Mining Resources Group Limited
Wang Hui
Executive Director and Chief Executive Officer

Hong Kong, 7 December 2015

As at the date of this announcement, the Board comprises Mr. Wang Hui, Mr. Fang Yi Quan and Mr. Yeung Kwok Kuen as executive Directors, Mr. Chong Cha Hwa, Mr. Chu Kang Nam and Mr. Ngai Sai Chuen as independent non-executive Directors.