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**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action you should take, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **China Mining Resources Group Limited**, you should at once hand this circular to the purchaser or to the bank or stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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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)**

**DISCLOSEABLE TRANSACTION**

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A letter from the board of directors of the Company is set out on page 3 of this circular.

\* *For identification purpose only*

5 January 2009

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## CONTENTS

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	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Board</b> .....	3
<b>Appendix — General Information</b> .....	6

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## DEFINITIONS

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*In this circular, the following expressions shall have the following meanings unless the context requires otherwise:*

“Announcement”	the announcement dated 15 December 2008 issued by the Company regarding, amongst others, the Quadra Investment
“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
“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
“Latest Practicable Date”	31 December 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issues, as set out in Appendix 10 to the Listing Rules
“PRC”	the People’s Republic of China
“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 acquisitions of a total of 2,300,000 Quadra Shares over the market by Best Tone on 5 December 2008

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## DEFINITIONS

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“Quadra Shares”	shares in the capital of Quadra
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“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

*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\$6.3685 as at the Latest Practicable Date 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 Latest Practicable Date.*

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## LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Mr. Cai Yuan (*Chairman*)  
Dr. You Xian Sheng (*Deputy Chairman and  
Chief Executive Officer*)  
Mr. Wang Hui  
Mr. Yeung Kwok Kuen (*Chief Financial Officer*)  
Mr. Chen Shou Wu (*Chief Investment Officer*)

*Non-executive Director:*

Mr. Lam Ming Yung

*Independent Non-executive Directors:*

Mr. Chan Sze Hon  
Mr. Chu Kang Nam  
Mr. Goh Choo Hwee  
Mr. Lin Xiang Min

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

*Head office and principal place  
of business in Hong Kong:*

Room 1306, 13th Floor  
Bank of America Tower  
12 Harcourt Road, Admiralty  
Hong Kong

5 January 2009

*To the Shareholders*

Dear Sir or Madam,

### DISCLOSEABLE TRANSACTION

The Directors referred to the Announcement in respect of the Quadra Investment. The purpose of this circular is to provide you with further information regarding the Quadra Investment as required under the Listing Rules.

### THE QUADRA INVESTMENT

On 5 December 2008, Best Tone, a wholly-owned subsidiary of the Company, has acquired from the market 2,300,000 Quadra Shares at an average acquisition price of approximately CAD2.06 per Quadra Share (equivalent to approximately HK\$13.12 per Quadra Share). The 2,300,000 Quadra Shares acquired by Best Tone, represent approximately 3.49% of the issued share capital of Quadra (based on its issued share capital of 66,001,000 shares as shown on the website of the TSX as of 8 December 2008). The total consideration of approximately

\* For identification purpose only

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## LETTER FROM THE BOARD

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CAD4,745,350 (equivalent to approximately HK\$30.2 million) (exclusive of transaction costs) represented the then market price of the Quadra Shares and would be satisfied in cash from the internal resources of the Company. The acquisition of the Quadra Shares has been completed on 10 December 2008 on a “T+3” basis in accordance with standard market practice. The Company confirmed that the Company had sufficient internal resources to settle the consideration for the acquisitions of the Quadra Shares.

As at the Latest Practicable Date, Best Tone has acquired a total of 2,650,900 Quadra Shares, representing 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 the Latest Practicable Date for an aggregate consideration of CAD5,616,556.30 (approximately HK\$35,769,039) (exclusive of transaction costs).

As the Quadra Investment was made through the market, the Company is not aware of the identities of the vendors of the Quadra Shares and accordingly, to the best of the knowledge of the Directors having made all reasonable enquiries, the vendors of the Quadra Shares are third parties independent of and not connected with the Company and the Company’s connected persons (as defined in the Listing Rules).

Regarding the accounting treatments for the Quadra Investment, the Quadra Shares acquired will be classified as financial assets at fair value through profits or losses of the Company. There are no restrictions on subsequent sale of the Quadra Shares by the Company.

### INFORMATION ON QUADRA

Based on information available to the Company, 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.

The profit attributable to the Quadra Investment before and after taxation for the year ended 31 December 2006 were approximately USD228,700 (equivalent to approximately HK\$1,784,000) and approximately USD503,000 (equivalent to approximately HK\$3,923,400), respectively. The profit attributable to the Quadra Investment before and after taxation for the year ended 31 December 2007 were approximately USD6,454,100 (equivalent to approximately HK\$50,342,000) and approximately USD4,754,000 (equivalent to

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## LETTER FROM THE BOARD

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approximately HK\$37,081,200), 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 2,300,000 Quadra Shares is approximately USD17,462,986.50 (equivalent to approximately HK\$136,211,294.70).

### REASONS FOR THE QUADRA INVESTMENT

The Group's principal activities are mining operations.

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 funded from the internal resources of the Group. Given the prevailing market prices of the Quadra Shares, the Board considered that this was an opportunity for the Group to acquire these Quadra Shares as the Quadra Investment represented an opportunity for the Group to expand its investments in mining industry located in America. In addition, as the Quadra Investment was made at market price, the Board believed that the terms of which were fair and reasonable and in the interests of the shareholders of the Company as a whole. At present, the Board intends to hold the Quadra Investment for the purposes of capital gain and dividend income. As such, there will not be immediate impact on the earnings of the Company immediately upon the Quadra Investment. However, the Directors expect the Quadra Investment will have a positive impact on the earnings and assets of the Group in the long run. The Quadra Investment will not have any impact on the total liabilities of the Group.

### GENERAL

With respect to the Quadra Investment, two of the percentage ratios under Chapter 14 of the Listing Rules exceed 5% but is less than 25%. The Quadra Investment therefore, constitutes a discloseable transaction of the Company under rule 14.06(2) of the Listing Rules.

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular.

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

## 1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

## 2. DIRECTORS' INTERESTS

- (a) As at the Latest Practicable Date, the interests and short positions of each Director or the chief executives (within the meaning of the Listing Rules) in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which he was deemed or taken to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange were as follows:

### (i) Long position in the shares in the capital of the Company

Name of Director/ chief executive	Capacity	Number of shares in the capital of the Company	Total interests in underlying shares pursuant to share options	Approximate % of shareholding in the Company
Cai Yuan ( <i>note</i> ) (蔡原)	Beneficial owner and interest in controlled corporation	508,650,000	3,000,000	8.49%
You Xian Sheng (游憲生)	Beneficial owner	—	40,000,000	0.66%
Wang Hui (王輝)	Beneficial owner	—	35,000,000	0.58%
Yeung Kwok Kuen (楊國權)	Beneficial owner	—	35,000,000	0.58%



Name of Director/ chief executive	Capacity	Number of shares in the capital of the Company	Total interests in underlying shares pursuant to share options	Approximate % of shareholding in the Company
Chen Shou Wu (陳守武)	Beneficial owner	—	35,000,000	0.58%
Lam Ming Yung (林明勇)	Beneficial owner	—	3,000,000	0.05%
Chan Sze Hon (陳恩翰)	Beneficial owner	—	3,000,000	0.05%
Chu Kang Nam (朱耿南)	Beneficial owner	—	3,000,000	0.05%
Goh Choo Hwee (吳慈飛)	Beneficial owner	—	3,000,000	0.05%
Lin Xiang Min (林香民)	Beneficial owner	—	3,000,000	0.05%
Yin Guangyuan (尹光遠)	Beneficial owner	—	35,000,000	0.58%
Qiao Hongbo (喬洪波)	Beneficial owner	—	10,000,000	0.17%
Su Qingyu (蘇慶玉)	Beneficial owner	—	10,000,000	0.17%
Qu Yanchun (曲彥春)	Beneficial owner	—	10,000,000	0.17%
Leung Lai Ming (梁麗明)	Beneficial owner	—	5,000,000	0.08%

*Note:* Mr. Cai Yuan, the chairman, an executive Director, is the 100% beneficial owner of Greater Increase Investments Limited which holds 500,000,000 shares. Mr. Cai also holds 8,650,000 shares under his name.

## (ii) Interest in share options

Name of Director/ chief executive	Date of grant of share options	Exercisable period	Exercise price per share (HK\$)	Number of options outstanding
Cai Yuan (蔡原)	14/10/2008	14/10/2008 — 13/10/2013	0.275	3,000,000
You Xian Sheng (游憲生)	14/10/2008	14/10/2008 — 13/10/2013	0.275	40,000,000
Wang Hui (王輝)	14/10/2008	14/10/2008 — 13/10/2013	0.275	35,000,000
Yeung Kwok Kuen (楊國權)	14/10/2008	14/10/2008 — 13/10/2013	0.275	35,000,000
Chen Shou Wu (陳守武)	14/10/2008	14/10/2008 — 13/10/2013	0.275	35,000,000
Lam Ming Yung (林明勇)	14/10/2008	14/10/2008 — 13/10/2013	0.275	3,000,000
Chan Sze Hon (陳思翰)	14/10/2008	14/10/2008 — 13/10/2013	0.275	3,000,000
Chu Kang Nam (朱耿南)	14/10/2008	14/10/2008 — 13/10/2013	0.275	3,000,000
Goh Choo Hwee (吳慈飛)	14/10/2008	14/10/2008 — 13/10/2013	0.275	3,000,000
Lin Xiang Min (林香民)	14/10/2008	14/10/2008 — 13/10/2013	0.275	3,000,000
Yin Guangyuan (尹光遠)	14/10/2008	14/10/2008 — 13/10/2013	0.275	35,000,000
Qiao Hongbo (喬洪波)	14/10/2008	14/10/2008 — 13/10/2013	0.275	10,000,000

Name of Director/ chief executive	Date of grant of share options	Exercisable period	Exercise price per share (HK\$)	Number of options outstanding
Su Qingyu (蘇慶玉)	14/10/2008	14/10/2008 — 13/10/2013	0.275	10,000,000
Qu Yanchun (曲彥春)	14/10/2008	14/10/2008 — 13/10/2013	0.275	10,000,000
Leung Lai Ming (梁麗明)	14/10/2008	14/10/2008 — 13/10/2013	0.275	5,000,000

- (b) Save as disclosed in this circular, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interest and short positions in the shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions in which they were deemed or taken to have under such provisions of the SFO), or which are required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

### 3. SUBSTANTIAL SHAREHOLDERS' INTEREST

As at the Latest Practicable Date, so far as was known to the Directors, the following persons, other than a director or chief executive of the Company, had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or were directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

#### (i) Long position in the shares in the capital of the Company

Name of Shareholder	Capacity	Number of shares in the capital of the Company	Approximate % of shareholding in the Company
Greater Increase Investments Limited (note 1)	Beneficial owner	500,000,000	8.30%
Kwok Man (郭敏) (note 2)	Beneficial owner and interest in controlled corporation	393,486,000	6.53%
Ho Ho Wai (何豪威) (note 3)	Beneficial owner and interest in controlled corporation	661,177,358	10.97%

Note:

- These shares are held by Greater Increase Investments Limited which is 100% beneficially owned by Mr. Cai Yuan, the chairman and an executive Director of the Company.
- Out of 393,486,000 shares, 368,686,000 shares are held by Long Cheer Group Limited, which is 100% beneficially owned by Mr. Kwok Man. The remaining 24,800,000 shares are held by Mr. Kwok Man personally.

3. Pursuant to an agreement entered into between the Company, Master Long Limited and certain other parties in relation to the acquisition of 80% interests of King Gold Investments Limited, the Company would issue shares equivalent to an amount of HK\$140,000,000 (subject to adjustment) at an issue price of HK\$0.212 per share (namely, 660,377,358 shares) to Master Long Limited as part of consideration for the acquisition. Master Long Limited is a company wholly and beneficially owned by Mr. Ho Ho Wai. The remaining 800,000 shares are held by Mr. Ho Ho Wai personally.

**(ii) Long position in the shares of other members of the Group**

Name of Shareholders	Name of Company	Capacity	Number of shares in the capital of the Company	Approximate % of shareholding
Long Cheer Group Limited	Lead Sun Investments Limited	Beneficial owner	140	14%
Fit Plus Limited	Lead Sun Investments Limited	Beneficial owner	140	14%
See Good Group Limited	Lead Sun Investments Limited	Beneficial owner	150	15%
忻州開發天陽鈦業有限責任公司 (Xinzhou Tianyang Titanium Co., Ltd.)	山西神利航天鈦業有限公司 (Shanxi Shenli Aerospace Titanium Co., Ltd.)	Beneficial owner	Not applicable	10%
杉杉投資控股有限公司 (ShanShan Investments Holding Co., Ltd.)	哈爾濱松江銅業(集團)有限公司 (Harbin Songjiang Copper (Group) Company Limited)	Beneficial owner	Not applicable	24.92%
赤峰金劍銅業有限公司 (Chi Feng Jin Jian Copper Company Limited)	赤峰松江金劍礦業有限責任公司 (Chifeng Songjiang Jinjian Mining Limited Liability Company)	Beneficial owner	Not applicable	40%

Save as disclosed in this circular, so far as is known to the Directors, there is no other person who had an interest or short position in the shares and underlying shares of the Company which could fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, had a direct or indirect interests amounting to 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

#### 4. LITIGATION

As disclosed in the interim report of the Company for the six months ended 30 June 2008, there is a dispute between two former shareholders of Top Rank International Group Limited, a subsidiary of the Company which owns 90% equity interest in Shanxi Shenli Aerospace Titanium Company, a company which holds a rutile mine. A judgement was made by the Shenzhen City Middle People's Court on 17 December 2007 in favour of the relevant members of the Group. As set out in the 2007 annual report and the announcement of the Company dated 18 March 2008, the Company has on 6 March 2008 received a copy of the Application for Civil Appeal (民事上訴書) dated 3 March 2008 from the plaintiff which was lodged with the Guangdong Province High Court (the "Application"), pursuant to which the plaintiff has made an application to the Guangdong Province High Court to appeal for the revocation of the judgement orders (a) and (c) made against the plaintiff as referred to in the announcement of the Company dated 4 February 2008 and for support of all claims of the plaintiff. The court hearing was held in June 2008 and as at the Latest Practicable Date, the Company has not received any judgement issued by the Guangdong Province High Court in relation to the Application.

As at the Latest Practicable Date, save as disclosed, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened by or against any member of the Group.

#### 5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into, or proposed to enter into, a service contract with the Company which is not determinable by the Company within one year without payment of compensation other than statutory compensation.

**6. COMPETING INTERESTS**

As at the Latest Practicable Date, none of the Directors and their associates has interests in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group, which is significant in relation to the business of the Group taken as a whole.

**7. MISCELLANEOUS**

- (a) The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda.
- (b) The head office and principal place of business of the Company in Hong Kong is at Room 1306, 13th Floor, Bank of America Tower, 12 Harcourt Road, Admiralty, Hong Kong.
- (c) The company secretary of the Company is Ms. Leung Lai Ming. Ms. Leung is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of The Association of Chartered Certified Accountants.
- (d) The qualified accountant of the Company is Mr. Yeung Kwok Kuen. Mr. Yeung is a fellow member of the Hong Kong Institute of Certified Public Accountants and a fellow member of The Association of Chartered Certified Accountants.
- (e) The branch share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (f) In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.