



CHINA MINING RESOURCES GROUP LIMITED

中國礦業資源集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00340)

ANNOUNCEMENT FORMATION OF A JOINT VENTURE

The board of Directors of the Company makes this announcement pursuant to Rule 13.09 of the Listing Rules.

The Company announces that on 18 May, 2007, the Company entered into the Joint Venture Deed with GOVI for the purpose of, inter alia, establishing a BVI JV Company, a Hong Kong Company and a PRC Company to undertake mining exploration and development projects in the Fujian province of the PRC. GOVI and its controlling shareholders are Independent Third Parties for the purpose of the Listing Rules.

The board of Directors of the Company announces that on 18 May, 2007, the Company entered into the Joint Venture Deed with GOVI, whereby GOVI and the Company wish to cooperate with each other for the purpose of combining their respective strategic, operational and competitive strengths through the establishment of the BVI JV Company. GOVI and its controlling shareholders are Independent Third Parties for the purpose of the Listing Rules.

The Company will seek and identify potentially lucrative mining exploration and development assets in Fujian Province of the PRC. GOVI is a technology based junior mineral and oil & gas exploration company that uses a unique portfolio of proprietary survey technology and expertise to explore the earth at depths previously unachievable in search for economic deposits.

The BVI JV Company will incorporate the Hong Kong Company which in turn will establish the PRC Company for the purpose of exploring and developing the Initial Project with another PRC party by way of a joint venture, as well as to establish other entities for the purpose of exploring and developing the Subsequent Projects in accordance with the terms of the Joint Venture Deed.

The equity interest in BVI JV Company will be held as to 50% by the Company and 50% by GOVI. The BVI JV Company will hold 100% shareholding interest in the Hong Kong Company which will in turn wholly own the PRC Company. The total investment and registered capital of the PRC Company are proposed to be US\$2,000,000 and US\$1,500,000 respectively. It is intended that the Initial Project will be funded by way of internal sources of the Company. The aggregate amount of investment which the Company will commit in this project will be determined in the future taking into account various factors such as the reserves and size of the Subsequent Projects.

The board of Directors of the Company makes this announcement pursuant to Rule 13.09 of the Listing Rules.

DEFINITIONS

“BVI JV Company”	a company to be incorporated by the Company and GOVI in the British Virgin Islands in accordance with the Joint Venture Deed;
“Company”	China Mining Resources Group Limited, a company incorporated in Bermuda with limited liability;
“Directors”	the directors of the Company;
“GOVI”	Govi Highpower Exploration, Inc., a company incorporated in the British Virgin Islands;
“Hong Kong Company”	a company to be incorporated in Hong Kong and wholly owned by the BVI JV Company in accordance with the Joint Venture Deed;
“Independent Third Parties”	independent third parties not connected with the Directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or their respective associates as defined under the Listing Rules;
“Initial Project”	initial mining and development opportunity for all ores, minerals, mineral concentrates, metals, chemical by-products and refinements or partial refinements thereof in the Fujian province of the PRC currently being sought by the Company;
“Joint Venture Deed”	A joint venture deed dated 18 May, 2007 entered into between the Company and GOVI;
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“PRC”	the People’s Republic of China;
“PRC Company”	a wholly foreign-owned enterprise to be established in Fuzhou, Fujian Province, the PRC under the laws of the PRC, wholly owned by the Hong Kong Company and formed for the purpose of exploring and developing the Initial Project in accordance with the Joint Venture Deed and such other purposes that may be determined by the board of directors of the BVI JV Company;

* For identification purpose only

“Subsequent Projects”

any and all mining exploration and development projects in the Fujian province of the PRC other than the Initial Project.

By Order of the Board
China Mining Resources Group Limited
Luk Kin Peter Joseph
Deputy Chairman & Chief Executive Officer

Hong Kong, 18 May, 2007

As at the date of this announcement, the Board comprises Mr. Cai Yuan, Mr. Luk Kin Peter Joseph and Mr. Yeung Kwok Kuen as executive directors, Mr. Lam Ming Yung as non-executive director and Mr. Chan Siu Tat, Mr. Wong Hon Sum and Mr. Chu Kang Nam as independent non-executive directors.