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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)

PLACING OF NEW SHARES AND RESUMPTION OF TRADING

PLACING AGENT

Morgan Stanley

PLACING OF NEW SHARES

Reference is made to the Company's circular to Shareholders dated 23 May 2007 (the "Circular") and announcements dated 11 March 2007, 22 May 2007, 4 June 2007 and 11 June 2007.

On 21 June 2007, the Company entered into the Placing Agreement with the Placing Agent pursuant to which, the Company has conditionally agreed to offer for subscription through the Placing Agent, and the Placing Agent has conditionally agreed on a best-efforts basis to place, an aggregate of 1,305,872,000 New Shares at HK\$1.88 per Share.

The New Shares represent approximately 27.66% of the existing issued share capital of the Company of 4,720,780,853 Shares and approximately 21.67% of the issued share capital of the Company of 6,026,652,853 Shares as enlarged by the issue of the New Shares under the Placing. The gross proceeds from the Placing are expected to amount to HK\$2,455,039,360. The net proceeds from the Placing are expected to amount to approximately HK\$2,368,892,000. The purpose of the Placing is to finance the proposed acquisition of 75.08% equity interests in Harbin Songjiang and related expenses as referred to in more detail in the Circular and for the general working capital requirement of the Group.

The Placing Price represents (i) a discount of approximately 10.05% to the closing price of HK\$2.09 per Share as quoted on the Stock Exchange on 20 June 2007, being the date prior to suspension of trading in the Shares, (ii) a discount of approximately 10.13% to the average closing price of approximately HK\$2.092 per Share as quoted on the Stock Exchange for the five trading days of the Shares immediately prior to 21 June 2007, being the date of the Placing Agreement and a discount of approximately 9.18% to the average closing price of approximately HK\$2.070 per Share as quoted on the Stock Exchange for the ten trading days of the Shares immediately prior to 21 June 2007, being the date of the Placing Agreement.

Completion of the Placing is conditional upon, inter alia, the Stock Exchange granting listing of and permission to deal in the New Shares. The New Shares are proposed to be issued pursuant to the specific mandate given to the Directors on 8 June 2007 to allot and issue the Shares and the general mandate given to the Directors on 16 May 2007 to allot and issue the Shares.

SUSPENSION AND RESUMPTION OF TRADING

Trading in the Shares was suspended at the request of the Company from 9:30 a.m. on 21 June 2007 pending release of this announcement. The Company has applied for the resumption of trading in the Shares with effect from 9:30 a.m. on 22 June 2007.

Reference is made to the Circular and the announcements made by the Company dated 11 March 2007, 22 May 2007, 4 June 2007 and 11 June 2007.

PLACING AGREEMENT DATED 21 JUNE 2007

Parties : The Company and the Placing Agent.

Placing Agent : Morgan Stanley & Co. International plc

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Placing Agent (and its ultimate beneficial owner(s)) is independent of and not connected with the Group or its connected person (as defined in the Listing Rules).

The Placing Agent has conditionally agreed, on a best efforts basis and as agent for the Company, to procure subscribers to subscribe the Placing Shares at the Placing Price.

Placees : It is expected that there will be not less than six Placees, and that the Placees (and their ultimate beneficial owner(s), where applicable) will be third parties independent of the Group and its connected persons (as defined in the Listing Rules).

Number of New Shares : 1,305,872,000 new Shares to be issued, representing approximately 27.66% of the existing issued share capital of the Company of 4,720,780,853 Shares as at the date of this announcement, and approximately 21.67% of the issued capital of the Company as enlarged by the issue of the New Shares under the Placing.

Placing Price : HK\$1.88 per New Share (exclusive of stamp duty (if any), brokerage (if any), Stock Exchange trading fees and SFC transaction levies). This price was agreed after arm's length negotiations and represents:

- (i) a discount of approximately 10.05% to the closing price of HK\$2.09 per Share as quoted on the Stock Exchange on 20 June 2007, being the date prior to suspension of trading in the Shares;
- (ii) a discount of approximately 10.13% to the average closing price of approximately HK\$2.092 per Share as quoted on the Stock Exchange for the five trading days of the Shares immediately prior to 21 June 2007, being the date of the Placing Agreement; and
- (iii) a discount of approximately 9.18% to the average closing price of approximately HK\$2.070 per Share as quoted on the Stock Exchange for the ten trading days of the Shares immediately prior to 21 June 2007, being the date of the Placing Agreement.

The Placing Price, net of placing commission and other costs and expenses, is approximately HK\$1.81 per New Share.

Completion of the Placing : Subject to fulfilment or waiver of the conditions precedent, completion of the Placing is expected to take place on or before 29 June 2007 or such other date as may be agreed by the Company and the Placing Agent, and in any event, completion of the Placing will take place before the completion of the Acquisition (as defined in the Circular).

Specific and General Mandates : The New Shares will be issued (i) as to 1,044,939,000 Shares pursuant to the specific mandate to allot, issue and deal with Shares granted to the Directors by a resolution passed in special meeting of the shareholders held on 8 June 2007, which authorised the Directors to allot and issue a maximum of 1,135,539,885 Shares; and (ii) as to 260,933,000 Shares pursuant to the general mandate to allot, issue and deal with Shares granted to the Directors by a resolution passed in annual general meeting of the shareholders held on 16 May 2007, which authorised the Directors to allot and issue a maximum of 944,156,170 Shares. The remaining Shares not utilised pursuant to the specific mandate will lapse upon completion of the Acquisition.

The gross proceeds from the placing of the Shares issued pursuant to the specific mandate amounting to HK\$1,964,485,320 shall be, after deduction of the commissions and expenses relating to the Placing, used to finance the proposed acquisition of 75.08% equity interests in Harbin Songjiang and related expenses as referred to in more detail in the Circular. The gross proceeds from the placing of the Shares issued pursuant to the general mandate amounting to HK\$490,554,040 shall be, after deduction of the commissions and expenses relating to the Placing, used for the general working capital requirement of the Group.

The specific mandate and the general mandate have not been utilised prior to entering into of the Placing Agreement.

Ranking of New Shares : The New Shares will, when issued, will rank pari passu in all respects with the existing Shares of the Company, including the right to receive all dividends declared, made or paid on or after the completion of the Placing.

Conditions of the Placing : The Placing is conditional, amongst other things, upon the following, unless waived by the Placing Agent,

- (i) the Stock Exchange granting listing of and permission to deal in all of the New Shares;
- (ii) there not having occurred any breach of the representations, warranties or undertakings under the Placing Agreement;
- (iii) there not having any change or any development involving or likely to involve a prospective change in the management, business, properties, financial condition, prospects, shareholders' equity or results of operations of the Company which has such a material and adverse affect on the Group as a whole as to make it, in the opinion of the Placing Agent, impracticable or inadvisable to proceed with the Placing;
- (iv) trading generally not having been suspended or materially limited on, or by, any of the Stock Exchange, the Shanghai Stock Exchange, the London Stock Exchange and the New York Stock Exchange;
- (v) trading of any securities of the Company not being suspended on any exchange or in any over the counter market;

- (vi) a material disruption in securities settlement, payment or clearance services in Hong Kong not having occurred;
- (vii) any moratorium on commercial banking activities not having been declared by Hong Kong, the PRC, Federal and New York State authorities; and
- (viii) there not having occurred any outbreak or escalation of hostilities, declaration of a national emergency or war, or any change in financial markets, currency exchange rates or controls or any calamity or crisis that, in the Placing Agent's judgment, is material and adverse and which, singly or together with any other event specified in this clause, makes it, in the Placing Agent's judgment, impracticable or inadvisable to proceed with the offer, issue or delivery of the New Shares on the terms and in the manner contemplated herein.

If any of the conditions precedent to completion of the Placing Agreement shall not have been fulfilled to the satisfaction of the Placing Agent or waived by the Placing Agent on or before 27 June 2007 (or such other date as the Company and the Placing Agent shall agree) the Placing Agreement and the obligations of the Placing Agent thereunder shall cease and terminate at that time.

Lock up

- : (1) Mr. Cai Yuan, the Chairman of the Company and Mr. Luk Kin Peter Joseph, the chief executive officer of the Company, each has undertaken to the Placing Agent that from the date hereof and on or prior to the date being 90 days after the date of completion of the Placing he will not (without the prior written consent of the Placing Agent):
 - (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of (either conditionally or unconditionally, or directly or indirectly, or otherwise) any share of the Company or any interests therein or any securities convertible into or exercisable or exchangeable for any such shares or interests, or
 - (ii) enter into any swap or similar agreement that transfers to another, in whole or in part, the economic risk of ownership of such shares of the Company,

whether any such transaction described in (1)(i) or (ii) above is to be settled by delivery of shares in the Company or such other securities, in cash or otherwise, or
 - (iii) announce any intention to enter into or effect any such transaction described in (1)(i) or (ii) above.
- (2) The Company has undertaken to the Placing Agent that it will not, from the date of the Placing Agreement until the date being 90 days after the date of completion of the Placing (without the prior written agreement of the Placing Agent):
 - (i) allot, issue, offer to allot or issue, grant any option, right or warrant to subscribe, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Share or any interests therein or any securities convertible into or exercisable or exchangeable for any such shares or interests, or

- (ii) enter into any swap or similar agreement that transfers to another, in whole or in part, the economic risk of ownership of such shares of the Company,

whether any such transaction described in (2)(i) or (ii) above is to be settled by delivery of shares in the Company or such other securities, in cash or otherwise, or

- (iii) announce any intention to enter into or effect any such transaction described in (2)(i) or (ii) above,

provided that the Company may issue New Share to the places pursuant to and in accordance with the terms and conditions of the Placing Agreement and any Shares of the Company which may fall to be issued upon conversion of the convertible bonds issued by the Company prior to the date of the Placing Agreement. Provided further that the undertaking herein shall not apply to the following:

- (a) share options which have been or may be granted under the Company's existing share option plans;
- (b) Shares and/or share options to be issued/granted to the Directors and/or senior management of the Company under the Company's existing share option plans or otherwise approved by Shareholders in general meeting; and
- (c) any new Shares or securities convertible into or exercisable or exchangeable for any such Shares that may be issued by the Company in consideration for any future acquisition that may be made by the Company provided that:
 - (i) such acquisition and issuance of new Shares or securities convertible into or exercisable or exchangeable for any such Shares are in compliance with all applicable law and regulations and the Company's bye-laws, including shareholders' approval, if necessary; and
 - (ii) the Company shall procure that any subscriber to such new Shares or securities convertible into or exercisable or exchangeable for any such Shares will be made subject to the restrictions set out under (1) above.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The gross proceeds from the Placing is expected to amount to approximately HK\$2,455,039,360. The net proceeds from the Placing, after deduction of the commissions and the estimated expenses relating to the Placing, is expected to amount to approximately HK\$2,368,892,000 out of which approximately HK\$1,894,325,000 will be used to finance the proposed acquisition of 75.08% equity interests in Harbin Songjiang and related expenses as referred to in more detail in the Circular (please refer to the Circular for a further explanation of the reasons for and benefits of the proposed Acquisition) and approximately HK\$474,567,000 will be used for the general working capital requirement of the Group.

The Board considers the terms of the Placing Agreement to be fair and reasonable and is of the view that the Placing is in the interests of the Company and its Shareholders as a whole.

The Company does not expect any change in control of the Company or change in Directors as a result of the Placing.

EFFECT ON SHAREHOLDING STRUCTURE

The shareholding structure of the Company as at the date of this announcement and the shareholding structure immediately upon completion of the Placing are set out below:

	As at the date of this announcement		Immediately upon completion of the Placing	
	Number of Shares	%	Number of Shares	%
Cai Yuan (<i>note 1</i>)	508,650,000	10.77	508,650,000	8.44
Luk Kin Peter Joseph (<i>note 2</i>)	235,234,000	4.98	235,234,000	3.90
Public Shareholders				
Existing public Shareholders	3,976,896,853	84.25	3,976,896,853	65.99
Placees of the New Shares (<i>note 3</i>)	—	—	<u>1,305,872,000</u>	<u>21.67</u>
Sub-total			<u>5,282,768,853</u>	<u>87.66</u>
	<u>4,720,780,853</u>	<u>100%</u>	<u>6,026,652,853</u>	<u>100%</u>

1. Mr. Cai Yuan, the chairman and 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.
2. Mr. Luk Kin Peter Joseph, an executive Director, is the 100% beneficial owner of Equity Valley Investments Limited which holds 226,584,000 Shares. Mr. Luk also holds 8,650,000 Shares under his name.
3. The Placees of the New Shares will not become a substantial shareholder of the Company.

EQUITY FUND RAISING ACTIVITIES

Save for the placing of Shares as announced in the Company's announcements dated 10 July 2006 and 26 October 2006, there has not been any fund raising activity conducted by the Company in the 12 months immediately preceding the date of this announcement. Please refer to page 27 of the Circular for more details. The actual use of proceeds of the said placing of Shares is in line with the intended use of proceeds as disclosed in the relevant announcements of the Company.

GENERAL

The Group is principally engaged in mining business including exploration and exploitation of natural rutile and processing and trading of rutile and titanium related products as well as provision of umbilical cord blood storage service.

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the New Shares on the Stock Exchange.

SUSPENSION AND RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange has been suspended from 9:30 a.m. on 21 June 2007 pending release of this announcement. Application has been made by the Company for the resumption of trading in the Shares with effect from 9:30 a.m. on 22 June 2007.

DEFINITIONS

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

“associate”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Company”	China Mining Resources Group Limited, a company incorporated in the Bermuda with limited liability and the Shares of which are listed on the Stock Exchange
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Harbin Songjiang”	哈爾濱松江銅業(集團)有限公司 (Harbin Songjiang Copper (Group) Company Limited), a company incorporated in the PRC with limited liability
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Shares”	an aggregate of up to 1,305,872,000 new Shares to be placed pursuant to the terms of the Placing Agreement
“Placing”	the placing of New Shares pursuant to the terms of the Placing Agreement
“Placing Agent”	Morgan Stanley & Co. International plc. In so far as the Placing Agent is “dealing in securities”, as defined in Schedule 5 of the SFO, it shall be doing so through its agent Morgan Stanley Asia Limited and only in circumstances such that none of the sub-provisos (I), (II), (III), (IV) and (V) in sub-paragraph (iv) to the definition of “dealing in securities” in Part 2 of Schedule 5 of the SFO are available.
“Placing Agreement”	the placing agreement dated 21 June 2007 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$1.88 per New Share
“PRC”	the People’s Republic of China
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	the Stock Exchange of Hong Kong Limited

“%”

per cent.

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

Hong Kong, 21 June 2007

As at the date of this announcement, the board of directors of the Company comprises Mr. Cai Yuan, Mr Luk Kin Peter Joseph, Mr. Wu King Shiu Kelvin and Mr. Yeung Kwok Kuen as executive Directors, Mr. Lam Ming Yung as non-executive Director, Mr. Chan Siu Tat, Mr. Chu Kang Nam and Mr. Wong Hon Sum as independent non-executive Directors.

** For identification purpose only*

*Please also refer to the published version of this announcement in **The Standard**.*