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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)

### COMPLETION OF ACQUISITION

Reference are made to the Circular and the announcements of the Company dated 11 March 2007, 22 May 2007, 4 June 2007, 8 June 2007, 21 June 2007 and 29 June 2007.

The Board wishes to advise the Shareholders on the completion of Acquisition in relation to 75.08% equity interests in Harbin Songjiang and the waiver of certain conditions precedent.

Reference are made to the circular of the Company dated 23 May 2007 (the “**Circular**”) and the announcements of the Company dated 11 March 2007, 22 May 2007, 4 June 2007, 8 June 2007, 21 June 2007 and 29 June 2007. Terms defined in the Circular shall, unless the context otherwise requires, have the same meanings when used herein.

#### Completion of Acquisition

The Board is pleased to announce that on 5 July 2007 (the “**Completion Date**”), as all of the conditions precedent to the Completion have either been satisfied or waived by the Company in the waiver letter (as defined below), completion of the Acquisition took place. Please refer to the section “Waiver of Conditions Precedent” below. Further, as the 2006 After-tax Profit of Harbin Songjiang Group was not less than RMB280,000,000, the Consideration was fixed at RMB1,807,881,000 payable in cash without any downward adjustment. With Completion, the Company is now interested in 75.08% of the equity interests of Harbin Songjiang.

#### Waiver of Conditions Precedent

As stated in the section “Conditions precedent” in the Circular, the Acquisition was subject to, among other things, fulfilment of certain conditions precedent described therein. On 28 June 2007, the Company and the Vendors entered into a waiver letter (the “**Waiver Letter**”) whereby the following conditions precedent were waived, with or without undertakings from the Vendors, as the case may be:

- (1) under condition precedent (h), the titles to all the properties and assets as set out in the Sale and Purchase Agreement were required to have been registered under the names of the relevant subsidiaries of the Harbin Songjiang Group. The Company had been advised by its

PRC legal advisers that certain of those properties and assets are subject to title problems. Particulars of such properties and assets and the related title problems were disclosed as items 2, 3, 4, 5, 6 and 7 of Appendix V, "Property valuation" in the Circular.

For the buildings held by Harbin Songjiang Group in the PRC (namely, items 2, 3, 4 and 5) where no building ownership certificates have been issued, they are being used as ancillary workshops, offices, pump rooms, warehouses, dormitory, machine rooms, laboratory, canteen and/or amenity buildings which are not the core operating facilities of Harbin Songjiang Group. As advised by the Company's PRC legal advisers and as stated previously in the Circular, based on reasonable verification, these buildings are not crucial to the production operations and are displaceable. The Company considers that the operations in these buildings can be relocated easily and thus such relocation would not have any material adverse impact on Harbin Songjiang Group's operations.

In relation to properties contracted to be acquired by Harbin Songjiang in the PRC (namely, items 6 and 7), the title certificates of the properties will be issued to Harbin Songjiang after verification and approval given by the relevant authorities. All relevant documents have been filed and application for or issuance of the relevant title certificates is in progress. The Company's PRC legal advisers have advised that there is no legal impediment for such application or issuance.

- (2) under condition precedent (i), all the certificates and licences necessary for the business operation of Harbin Songjiang Group were required to have been obtained and properly, legally and validly transferred and registered under the names of relevant members of Harbin Songjiang Group, as the case may be, and the consideration and expenses for the transfer and registration of such certificates and licences were required to have been paid by instalments and/or fully paid.

The Company has been advised by its PRC legal advisers that such condition has been fulfilled insofar as Wudaoling Molybdenum Mine is concerned (please refer to the announcement of the Company dated 4 June 2007). However, the mining rights in respect of Songjiang Copper Mine and Xiao Ling Iron Zinc Mine have not yet been transferred from state ownership to private ownership, nor have the costs for the transfer and registration of the relevant mining licences been paid. As confirmed by the competent government authority, Geological and Resources Department of Heilongjiang Province on 15 March 2007, it has been processing the application for the transfer of the mining rights in respect of Songjiang Copper Mine and Xiao Ling Iron Zinc Mine from state ownership to private ownership and the issuance of the mining licences. The Geological and Resources Department of Heilongjiang Province has confirmed that, during this period up to the date of transfer, it will not request for payment of fees other than the costs for the transfer and registration of the relevant mining licences as aforesaid. All relevant documents have been filed with Geological and Resources Department of Heilongjiang Province.

Accordingly, the Company has agreed in the Waiver Letter to waive this condition in respect of the transfer of mining rights of Songjiang Copper Mine and Xiao Ling Iron Zinc Mine from state ownership to private ownership, and the payment for the costs for the transfer and registration of the relevant mining licences before Completion, subject to an undertaking from the Vendors that, after Completion, they shall use their best endeavours to assist the Company to complete the transfer of the mining rights in respect of Songjiang Copper Mine and Xiao Ling Iron Zinc Mine from state ownership to private ownership and the issuance of the mining licences in the name of Harbin Songjiang.

(3) under condition precedent (m), the disposal agreements of Alukeerqinqi Manitu Silver & Tin Mining Co. Ltd (阿魯科爾沁旗瑪尼吐銀錫礦有限公司) (“**Alukeerqinqi**”) and Balinyouqi have been signed and filed to the relevant PRC government authorities in accordance with the relevant PRC laws and regulations and is pending approval. The Company has been advised by its PRC legal advisers that, based on the present circumstances, such disposal will involve a lengthy PRC government approval process. As far as the Company is aware, both Alukeerqinqi and Balinyouqi are profit-making as stated in their respective financial statements. Accordingly, the delay in the disposal of Alukeerqinqi and Balinyouqi will have no negative impact to the Group.

Based on the above, the Directors (including the independent non-executive Directors) are of the view that the Waiver Letter does not constitute a material variation of the terms of the Acquisition under Rule 14.36 of the Listing Rules.

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

Hong Kong, 5 July 2007

*As at the date of this announcement, the Board comprises Mr. Cai Yuan, Mr. Dong Wenxue, Mr. Luk Kin Peter Joseph, Mr. Wang Hui, 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. Wong Hon Sum and Mr. Chu Kang Nam as independent non-executive directors.*

\* *For identification purpose only*