

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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, together with the enclosed form of proxy, to the purchaser or to the bank or stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



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)

**PROPOSED RE-ELECTION AND ELECTION OF DIRECTORS,
GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES,
REFRESHMENT OF 10% GENERAL LIMIT ON
GRANT OF OPTIONS UNDER THE SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the 2007 annual general meeting of China Mining Resources Group Limited to be held at Suites 3206–3211, 32nd Floor, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong on Wednesday, 16 May 2007 at 2:30 p.m. or any adjournment thereof is set out on pages 14 to 18 of this circular. Whether or not you intend to be present at the annual general meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as practicable to the branch share registrar of China Mining Resources Group Limited in Hong Kong, Computershare Hong Kong Investor Services Limited, located at Room 1806-7, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong and in any event not later than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the 2007 annual general meeting or any adjourned meeting should you so wish.

* For identification purpose only

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DEFINITION

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

“AGM”	2007 annual general meeting of the Company to be held at Suites 3206–3211, 32nd Floor, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong on Wednesday, 16 May 2007 at 2:30 p.m. or any adjournment thereof
“associates”	shall have the meaning as defined in the Listing Rules
“Board”	board of Directors
“Bye-Laws”	bye-laws of the Company
“Company”	China Mining Resources Group Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Stock Exchange
“connected person(s)”	shall have the meaning as defined in the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Issue Mandate”	a general and unconditional mandate to be granted to the Directors to allot, issue, and deal with Shares up to a maximum of 20% of the issued share capital of the Company as at the date of passing of the relevant resolution
“Latest Practicable Date”	13 April 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange

DEFINITION

“Repurchase Mandate”	a general and unconditional mandate to be granted to the Directors to exercise all powers of the Company to repurchase on the Stock Exchange, or any other stock exchange on which the Shares of the Company may be listed, Shares up to a maximum of 10% of the issued share capital of the Company as at the date of passing of the relevant resolution
“Scheme Mandate Limit”	the maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme(s) of the Company, which shall not in aggregate exceed 10% of the Shares in issue as at the date of approval of the Share Option Scheme or of the renewal of such limit
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s), with voting rights, of HK\$0.10 each in the capital of the Company
“Share Option Scheme”	share option scheme adopted by the Company on 26 June 2002
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	a subsidiary within the meaning of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Takeovers Code”	Code on Takeovers and Mergers issued by the Hong Kong Securities and Futures Commission
“%”	per cent

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. CAI Yuan (*Chairman*)

Mr. LUK Kin Peter Joseph

(Deputy Chairman and Chief Executive Officer)

Mr. YEUNG Kwok Kuen

(Chief Financial Officer)

Non-executive Director:

Mr. LAM Ming Yung

Independent Non-executive Directors:

Dr. TANG Tin Sek

Mr. CHAN Siu Tat

Mr. WONG Hon Sum

Registered office:

Clarendon House

Church Street

Hamilton HM11

Bermuda

Head office and principal place

of business in Hong Kong:

Suits 3206–3211, 32nd Floor

One International Finance Centre

1 Harbour View Street

Central, Hong Kong

19 April 2007

To the Shareholders

Dear Sir or Madam,

**PROPOSED RE-ELECTION AND ELECTION OF DIRECTORS,
GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES
AND
REFRESHMENT OF 10% GENERAL LIMIT ON
GRANT OF OPTIONS UNDER THE SHARE OPTION SCHEME**

INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the AGM to be held on Wednesday, 16 May 2007. This include ordinary resolutions relating to (i) the re-election and election of Directors; (ii) the granting to the Directors the Issue Mandate for the issue of Shares and the Repurchase Mandate for repurchase by the Company of its own Shares; and (iii) the refreshment of the Scheme Mandate Limit.

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LETTER FROM THE BOARD

RE-ELECTION AND ELECTION OF DIRECTORS

The Board currently consists of seven Directors, namely Mr. Cai Yuan, Mr. Luk Kin Peter Joseph and Mr. Yeung Kwok Kuen, being the executive Directors, Mr. Lam Ming Yung, being a non-executive Director, and Dr. Tang Tin Sek, Mr. Chan Siu Tat and Mr. Wong Hon Sum, being the independent non-executive Directors.

Pursuant to Code Provision A.4.2 of the Code on Corporate Governance Practices, every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. Pursuant to Bye-law 87(1) of the Bye-laws, at each annual general meeting one third of the Directors for the time being shall retire from office by rotation. Accordingly, Mr. Cai Yuan, Mr. Luk Kin Peter Joseph and Dr. Tang Tin Sek will retire by rotation at the AGM.

Each of Mr. Cai Yuan and Mr. Luk Kin Peter Joseph, being eligible, have offered themselves for re-election. Dr. Tang Tin Sek has indicated that he will not offer himself for re-election due to personal reasons. Dr. Tang has confirmed that he has no disagreement with the Board and there is no matter relating to his retirement that will need to be brought to the attention of the Shareholders.

In addition, pursuant to Bye-Law 86(2) of the Bye-Laws, any director appointed to fill an addition to the Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at the meeting. Thus, Mr. Yeung Kwok Kuen who was appointed as director pursuant to Bye-Law 86(2) shall retire and, being eligible, has offered himself for re-election as Director.

The Board further proposes to appoint Mr. Chu Kang Nam as an independent non-executive director of the Company to fill the casual vacancy of the Board following the retirement of Dr. Tang Tin Sek as an independent non-executive director of the Company. Further announcement will be made by the Company in the event that Mr. Chu has been formally appointed as an independent non-executive director of the Company after approval of the Shareholders has been obtained at the AGM.

Brief biographical details of the Directors proposed for re-election and election are set out in Appendix I to this circular.

GRANT OF GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the AGM, ordinary resolutions will be proposed to grant the general mandates to the Directors (i) to allot, issue and otherwise deal with Shares not exceeding in aggregate 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of such resolution; (ii) to repurchase Shares which does not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of such resolution; and (iii) to add the aggregate amount of the Shares repurchased by the Company to the general mandate to the Directors to allot new Shares of up to 20% of the issued share capital of the Company as at the date of passing of such resolution.

LETTER FROM THE BOARD

The mandates to issue and repurchase Shares granted at the annual general meeting of the Company held on 29 May 2006 will lapse at the conclusion of the AGM. In this regard, resolutions nos. 5, 6 and 7 set out in the notice of AGM will be proposed at the AGM to renew these mandates. With reference to these resolutions, the Directors wish to state that they have no present intention to repurchase any Shares or to issue any new Shares pursuant to the relevant mandates.

As at the Latest Practicable Date, the issued share capital of the Company was HK\$472,078,085.30 divided into 4,720,780,853 Shares. Subject to the passing of the resolution granting the proposed mandate to issue further Shares and on the basis that no further Shares are issued or repurchased before the AGM, the Company will be allowed to issue a maximum of 944,156,170 Shares during the period ending on the earlier of the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required to be held by law or the date upon which such authority is revoked or varied by a resolution of the Shareholders in general meeting.

The explanatory statement required by the Listing Rules to be sent to Shareholders in connection with the proposed Repurchase Mandate is set out in Appendix II to this circular. The explanatory statement contains all information reasonably necessary to enable Shareholders to make an informed decision on whether to vote for or against resolution no. 6 as set out in the notice of the AGM.

REFRESHMENT OF SCHEME MANDATE LIMIT

Under the Share Option Scheme and the applicable Listing Rules, the Board has the right to grant to the eligible participants options to subscribe for up to a maximum of 246,481,285 Shares, being 10% of the Shares in issue as at the date of adoption of the Share Option Scheme by Shareholders at the annual general meeting of the Company on 29 May 2006 and representing approximately 5.2% of the issued share capital of the Company as at the Latest Practicable Date.

As at the Latest Practicable Date, the Company has granted 109,638,000 share options carrying right to subscribe for Shares under the Share Option Scheme which have been exercised in full. Since the Directors are considering to grant further options under the Share Option Scheme to qualified participants thereunder to provide more incentives to, and recognise the contributions of, the employees of the Company and of its subsidiaries, the Directors consider that the Company should refresh the Scheme Mandate Limit in accordance with the Share Option Scheme so that the Company has greater flexibility in so doing.

The proposed refreshment of the Scheme Mandate Limit will be conditional upon:

- (a) the approval of the Shareholders at the AGM; and

LETTER FROM THE BOARD

- (b) the Stock Exchange granting the listing of, and the permission to deal in, such number of Shares representing 10% of the Shares in issue as at the date of passing of the relevant resolution at the AGM, which may fall to be allotted and issued pursuant to the exercise of options granted under the renewed Scheme Mandate Limit.

On the basis of 4,720,780,853 Shares in issue as at the Latest Practicable Date and assuming that no Shares are issued or repurchased by the Company prior to the date of the AGM, the Company will be entitled to grant further options under the Share Option Scheme and other share option schemes of the Company carrying rights to subscribe for up to 472,078,085 Shares. The options previously granted under any other share option schemes of the Company (including options outstanding, cancelled, lapsed or exercised in accordance with the terms thereof) shall not be counted for the purpose of calculating the Scheme Mandate Limited as refreshed.

An ordinary resolution will therefore be proposed to the Shareholders at the AGM to refresh the Scheme Mandate Limit so as to allow the Directors to grant share options entitling holders thereof to subscribe for up to 10% of the issued share capital of the Company as at the date of passing of the relevant resolution at the AGM.

The number of Shares to be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and all other share option schemes of the Company must not, in aggregate, exceed 30% of the issued share capital of the Company from time to time. The Directors consider that the refreshment of the Scheme Mandate Limit is in the interests of the Company and the Shareholders as a whole.

Application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares, which may be issued upon the exercise of the options to be granted under the aforesaid refreshed limit of the Share Option Scheme.

ANNUAL GENERAL MEETING

The AGM to be held at Suites 3206–3211, 32nd Floor, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong on Wednesday, 16 May 2007 at 2:30 p.m. for the purpose of considering and if thought fit, approving the resolutions to, among others, adopt the proposals for re-election and election of Directors, grant of the Issue Mandate and the Repurchase Mandate and the refreshment of the Scheme Mandate Limit is set out in the notice of the AGM in pages 14 to 18 of this circular.

PROCEDURE FOR DEMANDING A POLL

A form of proxy for use at the AGM is enclosed, whether or not you are able to attend the AGM, Shareholders are requested to complete and return the form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Room 1806-07, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for the holding

LETTER FROM THE BOARD

of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

Pursuant to Bye-law 66 of the Bye-laws and the Listing Rules, a resolution put to the vote of a meeting shall be decided on a show of hands unless a poll is required by the Listing Rules or is demanded (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) by:

- (a) the chairman of such meeting; or
- (b) at least three Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (c) a Shareholder or Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or
- (d) a Shareholder or Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy and holding Shares in the Company conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all Shares conferring that right; or
- (e) if required by the Listing Rules, any Director or Directors who, individually or collectively, hold proxies in respect of Shares representing five per cent (5%) or more of the total voting right at such meeting provided that a meeting votes (on a show of hands) in the opposite manner to that instructed in those proxies.

A demand by a person as proxy for a Shareholder or in the case of a Shareholder being a corporation by its duly authorised representative shall be deemed to be the same as a demand by a Shareholder.

RECOMMENDATION

The Board considers that the proposed resolutions to be put forward at the AGM are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board therefore recommends all Shareholders to vote in favour of all resolutions to be proposed at the AGM.

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

The biographical details of the Directors proposed for re-election and election at the AGM are set out as follows:

1. MR. CAI YUAN – EXECUTIVE DIRECTOR

Mr. Cai Yuan, aged 42, was appointed as an executive director of the Company since 2 August 2005 and was elected as Chairman of the Board on 28 November 2005. Mr. Cai holds a Master Degree in Philosophy from Xiamen University. Mr. Cai has worked in the provincial government of PRC on macro-economic management and also as senior management in some large enterprises in PRC.

Mr. Cai is the director and beneficial owner of Greater Increase Investments Limited, a substantial shareholder of the Company. As at the Latest Practicable Date, pursuant to Part XV of the SFO, Mr. Cai is a substantial shareholder of the Company and is beneficially interested in 508,650,000 Shares, representing approximately 10.77% of the issued share capital of the Company as at the Latest Practicable Date. Save as disclosed above, Mr. Cai has no relationship with any directors, senior management or substantial or controlling shareholders of the Company or its subsidiaries.

Mr. Cai did not hold any other directorships in any listed public companies in the last three years.

Pursuant to the service contract dated 8 March 2006 entered into between Mr. Cai and the Company, (a) Mr. Cai is not appointed for a specific term but is subject to retirement by rotation and re-election in accordance with the Bye-Laws of the Company; and (b) with effect from 1 January 2006, Mr. Cai was entitled to an annual remuneration of HK\$1,040,000, a housing allowance of HK\$20,000 per month and a discretionary bonus as determined by the Remuneration Committee of the Company. Mr. Cai's remuneration was determined by the Remuneration Committee of the Company with reference to the remuneration policy of the Company, his duties and the prevailing market level of remuneration for executives of similar positions. Taken into consideration of the results of the Company and as Mr. Cai is also a shareholder of the Company, Mr. Cai has suggested the Company and the Company has agreed to reduce his annual remuneration. Pursuant to an agreement entered into between the Company and Mr. Cai on 6 December 2006, Mr. Cai shall be entitled to an annual remuneration of HK\$520,000 (with no housing allowance) and a discretionary bonus as determined by the Remuneration Committee of the Company with effect from 1 December 2006. Mr. Cai received a total remuneration of HK\$1,186,000 for the year ended 31 December 2006.

In 2001, Mr. Cai has been fined by the Securities and Futures Commission under the Securities (Disclosure of Interests) Ordinance as he was a director of Brightline Futures Company Limited which has failed to report to the Stock Exchange its changes of interests in the shares of Star Bio-Tech (Holdings) Limited (previously known as Chung Hwa Development Holdings Limited) within 5 days of its becoming aware of such changes.

2. MR. LUK KIN PETER JOSEPH – EXECUTIVE DIRECTOR

Mr. Luk Kin Peter Joseph, aged 36, was appointed as an executive director of the Company since 2 August 2005. Mr. Luk was also appointed as the Chief Executive Officer of the Company and Deputy Chairman of the Board on 28 November 2005 and authorised representative of the Company under Rule 3.05 of the Listing Rules and for accepting service of process and notices on behalf of the Company under Part XI of the Companies Ordinance (Cap.32 of the Laws of Hong Kong) since November 2005. Mr. Luk holds a Master Degree in Business Administration and the professional qualification of Chartered Financial Analyst. Mr. Luk has worked in several international financial institutions and he is well experienced in international financial and investment management.

As at the Latest Practicable Date and pursuant to Part XV of the SFO, Mr. Luk is beneficially interested in 235,234,000 Shares, representing approximately 4.98% of the issued share capital of the Company as at the Latest Practicable Date through his interests in Equity Valley Investments Limited. Save as disclosed above, Mr. Luk has no relationship with any directors, senior management or substantial or controlling shareholders of the Company or its subsidiaries.

Mr. Luk did not hold any other directorships in any listed public companies in the last three years.

Pursuant to the service contract dated 8 December 2005 entered into between Mr. Luk and the Company, (a) Mr. Luk is not appointed for a specific term but is subject to retirement by rotation and re-election in accordance with the Bye-Laws of the Company; and (b) with effect from 2 August 2005, Mr. Luk was entitled to an annual remuneration of HK\$1,300,000 and a discretionary bonus as determined by the Remuneration Committee of the Company. Mr. Luk's remuneration was determined by the Remuneration Committee of the Company with reference to the remuneration policy of the Company, his duties and the prevailing market level of remuneration for executives of similar positions. Taken into consideration of the results of the Company and as Mr. Luk is also a shareholder of the Company, Mr. Luk has suggested the Company and the Company has agreed to waive his basic salary to nil per month. Pursuant to an agreement entered into between the Company and Mr. Luk on 6 December 2006, with effect from 1 December 2006, Mr. Luk shall not be entitled to any remuneration, but shall be entitled to a discretionary bonus as determined by the Remuneration Committee of the Company. Mr. Luk received a total remuneration of HK\$1,157,000 for the year ended 31 December 2006.

3. MR. YEUNG KWOK KUEN – EXECUTIVE DIRECTOR

Mr. Yeung Kwok Kuen, aged 34, has been appointed executive director and authorised representative of the Company under Rule 3.05 of the Listing Rules and for accepting service of process and notices on behalf of the Company under Part XI of the Companies Ordinance (Cap. 32 of the Laws of Hong Kong) since 17 January 2007. Mr. Yeung graduated from the Chinese University of Hong Kong with a bachelor degree in professional accountancy. He is a fellow of the Hong Kong Institute of Certified Public Accountants and a fellow of the Association of Chartered Certified Accountants. Mr. Yeung has over ten years of experience in handling accounting and finance matters. From 2004 to 2006,

Mr. Yeung was the chief financial officer of a trading and manufacturing group and prior to this, Mr. Yeung was the manager of an international accounting firm.

As at the Latest Practicable Date and pursuant to Part XV of the SFO, Mr. Yeung did not hold any Share. Save as disclosed above, Mr. Yeung has no relationship with any directors, senior management or substantial or controlling shareholders of the Company or its subsidiaries.

Mr. Yeung did not hold any other directorships in any listed public companies in the last three years.

Mr. Yeung has entered into a service contract with the Company. Pursuant to the service contract entered into between the Company and Mr. Yeung, Mr. Yeung is entitled to an annual remuneration of HK\$960,000. Mr. Yeung's remuneration was determined with reference to the remuneration with regard to his duties and responsibilities and the prevailing market condition. Mr. Yeung is not appointed for a specific term but is subject to retirement by rotation and re-election in accordance with the Bye-Laws of the Company.

4. MR. CHU KANG NAM – INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Chu Kang Nam, aged 50. Mr. Chu graduated from Xiamen University with a Bachelors of Arts degree, and thereafter, has lectured in the Xiamen University. Mr. Chu has worked in government departments of the Fujian province of the PRC for the period from June 1984 to November 1989, responsible for research and management positions in economics and foreign trade areas. Mr. Chu has also assumed senior management positions at various trading and retail companies since 1989. In September 1995, he was employed as a research analyst at the Fujian Provincial Government Development Research Centre. Mr. Chu has over 20 years of management and operations experience in the areas of economics and trading.

As at the Latest Practicable Date and pursuant to Part XV of the SFO, Mr. Chu did not hold any Share. Save as disclosed above, Mr. Chu has no relationship with any directors, senior management or substantial or controlling shareholders of the Company or its subsidiaries. Mr. Chu did not hold any other directorships in any listed public companies in the last three years.

Pursuant to a letter of appointment to be entered into between Mr. Chu Kang Nam and the Company, the appointment of Mr. Chu as an independent non-executive director of the Company will be for an initial period of one year, subject to retirement by rotation and re-election at the annual general meeting of the Company pursuant to the Bye-Laws, and Mr. Chu shall be entitled to an annual remuneration of HK\$60,000 (subject to adjustment) or a pro rata amount for any period less than one year which was fixed with reference to his duties and responsibilities with the Company as well as the Company's remuneration policy.

Save as disclosed above, the Company is not aware of any other matters that need to be brought to the attention of the Shareholders or any other information that need to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules.

This Appendix contains the particulars that are required by the Listing Rules to be included in an explanatory statement to enable the Shareholders to make an informed view on whether to vote for or against the resolution to be proposed at the AGM in relation to the proposed Repurchase mandate.

SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company was HK\$472,078,085.30 divided into 4,720,780,853 Shares.

Subject to the passing of the resolution granting the proposed Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the AGM, the Company will be allowed to repurchase a maximum of 472,078,085 Shares, representing 10% of the issued share capital of the Company as at the Latest Practicable Date, during the period ending on the earlier of the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required to be held by law or the date upon which such authority is revoked or varied by a resolution of the Shareholders in general meeting.

REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to seek a general authority from the Shareholders to enable the Company to repurchase its Shares on the Stock Exchange. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets value of the Company and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

The Directors have no present intention to repurchase any Shares of the Company and they would only exercise the power to repurchase in circumstances where they consider that the repurchase would be in the best interests of the Company and in circumstances where they consider that the Shares can be repurchased on the terms favourable to the Company. On the basis of the combined financial position of the Company as at 31 December 2006, being the date to which the latest published audited accounts of the Company were made up, the Directors consider that if the Repurchase Mandate was to be exercised in full at the currently prevailing market value, it may have a material adverse impact on the working capital position and gearing level of the Company. The Directors do not propose to exercise the mandate to repurchase Shares to such an extent as would, in the circumstances, have a material adverse effect on the working capital position of the Company as compared with the position disclosed in the latest published audited financial statements or the gearing level which, in the opinion of the Directors, are from time to time appropriate for the Company.

FUNDING OF REPURCHASES

Repurchases to be made pursuant to the proposed mandate to repurchase Shares would be financed out of funds legally available for the purpose in accordance with the Bye-Laws and the applicable laws in Hong Kong and Bermuda. Such funds include, but are not limited to, profits available for distribution.

EFFECT OF THE TAKEOVERS CODE

Upon the exercise of the power to repurchase the Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder or group of Shareholders acting in concert, depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of the Company and, depending on the level of increase of the Shareholders' interests, may become obliged to make a mandatory general offer in accordance with Rules 26 and 32 of the Takeovers Code.

The shareholdings of Mr. Cai Yuan and his associates in the Company as at the Latest Practicable Date were approximately 10.77% of the issued share capital of the Company. Based on such interest in Shares and in the event that the Directors exercise in full the power to repurchase Shares under the Repurchase Mandate, and assuming that no further Shares are issued or repurchased prior to the AGM, the interest of Mr. Cai Yuan and his associates would be increased from approximately 10.77% to 11.97% of the issued share capital of the Company. In such case, such increase of interest will not give rise to an obligation to make a mandatory general offer under Rules 26 and 32 of the Takeovers Code and would not reduce the number of Shares held by the public to less than 25% of the issued share capital of the Company.

The Directors have no present intention to repurchase Shares if the proposed Repurchase Mandate is approved at the AGM.

PRICE OF THE SHARES

The following table shows the highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the past twelve months:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2006		
April	0.255	0.184
May	0.280	0.155
June	0.510	0.275
July	0.770	0.500
August	0.920	0.630
September	1.600	0.820
October	1.840	1.290
November	1.600	1.390
December	1.510	1.310
2007		
January	2.060	1.420
February	2.440	1.970
March	2.450	1.730
April (up to the Latest Practicable Date)	2.180	1.830

REPURCHASE OF SHARES

No Shares of the Company have been repurchased by the Company or any of its subsidiaries during the 6 months immediately preceding the Latest Practicable Date.

GENERAL

To the best of their knowledge and having made all reasonable enquiries, none of the Directors nor any of their associates have any present intention to sell any Shares to the Company or its subsidiaries if the Repurchase Mandate is exercised by the Company.

No connected persons of the Company (as defined in the Listing Rules) have notified the Company that they have a present intention to sell any Shares to the Company, or have undertaken not to do so in the event that the Company is authorised to make repurchases of the Shares.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate to repurchase Shares in accordance with the Listing Rules and applicable laws of Hong Kong and Bermuda.

NOTICE OF ANNUAL GENERAL MEETING



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)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of China Mining Resources Group Limited 中國礦業資源集團有限公司* (the “**Company**”) will be held at Suites 3206–3211, 32nd Floor, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong on Wednesday, 16 May 2007 at 2:30 p.m. for the following purposes:

1. To receive and adopt the audited financial statements and the reports of the directors and auditors of the Company for the year ended 31 December 2006.
2. To re-elect directors of the Company and authorise the board of directors of the Company to fix the directors’ remuneration. *(Note 4)*
3. To elect Mr. Chu Kang Nam as an independent non-executive director of the Company and to authorise the board of directors of the Company to fix his remuneration. *(Note 4)*
4. To re-appoint KPMG as auditors of the Company and authorise the board of directors of the Company to fix their remuneration.
5. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:

“THAT:

- (i) subject to sub-paragraph (iii) of this resolution, the exercise by the directors of the Company (the “**Directors**”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot and issue or otherwise deal with additional shares in the capital of the Company (“**Shares**”) and to make or grant offers, agreements and options which might require the exercise of such powers either during or after the Relevant Period, be and is hereby generally and unconditionally approved;
- (ii) the approval given in paragraph (i) of this resolution shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;

* For identification purpose only

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- (iii) the aggregate nominal amount of share capital allotted and issued or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Company pursuant to the approval in sub-paragraph (i) of this resolution, otherwise than pursuant to (a) a Rights Issue (as hereinafter defined); (b) an issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares; (c) an issue of Shares as scrip dividends or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Bye-laws of the Company from time to time; or (d) an issue of Shares under any share option scheme or similar arrangement of the Company and/or any of its subsidiaries, shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company at the date of passing of this resolution, and the said approval shall be limited accordingly; and
- (iv) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable law to be held; or
- (c) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution in general meeting.

“Rights Issue” means the allotment, issue or grant of Shares pursuant to an offer of Shares open for a period fixed by the Directors to holders of Shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restriction or obligations under the laws of, or the requirements of, any recognized regulatory body or any stock exchange in any territory applicable to the Company).”

- 6. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:

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“THAT:

- (i) subject to sub-paragraph (ii) of this resolution, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase issued shares in the capital of the Company (“Shares”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any stock exchange on which the Shares may be listed and recognised for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange under the Hong Kong Code on Share Repurchases, subject to and in accordance with all applicable laws and regulations and the Bye-laws of the Company, be and is hereby generally and unconditionally approved;
- (ii) the aggregate nominal amount of Shares which the Company is authorised to repurchase pursuant to the approval in subparagraph (i) above of this resolution shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and
- (iii) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
 - (b) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable law to be held; or
 - (c) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution in general meeting.”
7. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:

“THAT conditional upon the passing of resolutions nos. 5 and 6 as set out in the notice convening the meeting of which this resolution forms part, the general mandate granted to the directors of the Company to exercise the powers of the Company to allot, issue or otherwise deal with additional shares in the capital of the Company pursuant to resolution no. 5 as set out in the notice convening the Meeting of which this resolution forms part be and is hereby extended by the addition thereto an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to resolution no. 6 as set out in the

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notice convening the Meeting of which this resolution forms part, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company at the date of the passing of this resolution.”

8. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:

“**THAT** subject to and conditional upon (a) the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in the ordinary shares of HK\$0.10 each (“Share”) in the share capital of the Company (representing a maximum of 10% of the ordinary shares of the Company in issue as at the date of passing of this resolution) which may be issued pursuant to the exercise of options granted under the share option scheme adopted by the Company on 26 June 2002 (the “Share Option Scheme”), the 10% limit on grant of options under the Share Option Scheme be and is hereby refreshed provided that the total number of Shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company under the limit as refreshed hereby shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution (the “Refreshed Mandate Limit”); and any director of the Company be and is hereby authorised to do such act and execute such document to effect the Refreshed Mandate Limit.”

By Order of the Board of
China Mining Resources Group Limited
Cheng Sau Man
Company Secretary

Hong Kong, 19 April 2007

Registered Office:
Clarendon House
Church Street
Hamilton HM11
Bermuda

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy in respect of the whole or any part of his holding of shares to attend and vote in his stead. A proxy need not be a member of the Company.
2. In order to be valid, the form of proxy must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Room 1806-7, 18th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney, not less than 48 hours before the time for holding the meeting or adjourned meeting.

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3. Where there are joint holders of a share of the Company, any one of such holders may vote at the meeting, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such holders are present at the meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose, seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding. Several executors or administrators of a deceased member in whose name any share stands shall for this purpose be deemed joint holders thereof.
4. The biographical details of the directors of the Company who are subject to re-election and election are set out in the circular of the Company dated 19 April 2007.
5. The register of members of the Company will be closed from Monday, 14 May 2007 to Wednesday, 16 May 2007, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attending the forthcoming annual general meeting, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Friday, 11 May 2007.

As at the date hereof, the Board of Directors of the Company 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 Dr. Tang Tin Sek, Mr. Chan Siu Tat and Mr. Wong Hon Sum as Independent Non-executive Directors.