

[For Immediate Release]



China Mining Resources Entered Into A Supplemental Agreement To Expand Its Control of Natural Rutile Resources In The PRC Creating A Win-Win Situation to The Company And Shareholders

HONG KONG, July 18, 2007 –China Mining Resources Group Limited (“China Mining” or the “Company”, and with its subsidiaries the “Group”, HKSE: 340) announced today that the Company and Fullight Investments Limited (Fullight) have entered into a supplemental agreement (the “Supplemental Agreement”) with respect to the payment for the acquisition of Fullight (the “Acquisition”).

According to the supplemental agreement to the exclusivity agreement made with Fullight on July 17, 2007, the Company shall issue consideration shares at HK\$1.88 per share to satisfy part or all of the consideration for the acquisition, representing a 12.6% premium to its closing price of HK\$1.67 on July 12, 2007. Such consideration shares will be subject to a lock-up period of 5 years and the vendor could sell or encumber one-third of such shares each anniversary after 5 years.

Commenting on the deal, Mr. Cai Yuan, Chairman of China Mining, said, “The arrangement creates a win-win situation to both the Company and its shareholders. On the one hand, the dilution effect of share issuance is deferred by the lock-up period in total of 7 years. On the other hand, the Company can get control of over 5 million tones of natural rutile resources in the PRC, together with 1.9 million tones of natural rutile resources the Group already owned, making us one of the largest domestic owners of such natural resources.”

The principal activities of Fullight are rutile-related business and its principal asset comprise a natural rutile mine in the Hubei Province, the PRC with natural rutile resources of not less than 5 million tonnes.

Meanwhile, the Company entered into a share subscription and repurchase agreement (the “Agreement”) with eight members of the Group’s senior management, under which it agreed to issue a total of approximately 157 million new shares of the Company (the “Shares”) to these senior managers at a price of HK\$1.1 per share.

The Shares will be subject to a lock-up period of 3 years. The Company can (at its sole discretion) request for repurchasing and cancellation of the lock-up shares (one-third each year) at a price of HK\$1.1 per share in the event that these senior managers cease to be employed by the Group during the lock-up period.

The subscription price of the Shares under the Agreement represents a discount of approximately 21.3% to the average closing price of HK\$1.397 of China Mining's shares for the period from July 6, 2006 (being the date on which the Company first commenced the change of business to mining related business) to March 11, 2007 (being the date of the agreement in relation to acquisition of interests of Harbin Songjiang by the Company). Proceeds from the Share subscriptions, amounting to approximately HK\$172.8 million, will be used by the Group for general working capital purposes. The Shares, when subscribed in full, will represent 2.54% of the enlarged share capital of the Company.

The Company has appointed Watson Wyatt Hong Kong Limited, an international human resources consulting firm and independent from the Company, to advise on the Company's senior executive remuneration arrangements. Both the Company and Watson Wyatt believe that providing senior management with an opportunity to buy-into the Company, largely funded through the roll-over from the proceeds of their prior holdings in Harbin Songjiang Group, will enable the Company to motivate key executives to remain with the Company and align their interests with those of shareholders.

Mr. Cai Yuan said, "All subscribers of the Shares are instrumental to the performance of the Group and crucial to its future growth. This Agreement creates the conditions for our senior managers to become shareholders in the Company and better align their interests with those of our shareholders, reinforcing management's focus on creating shareholder value."

Mr. Cai Yuan added, "This will also foster a long-term, stable relationship between the Group and its senior management and help the Group achieve greater growth and shareholder returns."

On the other hand, the Board announced Mr. Dong Wenxue was redesignated from managing director of the Company to chief executive officer of the Company, effective from July 11, 2007.

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