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**中國礦業資源集團有限公司\***  
**China Mining Resources Group Limited**

*(Incorporated in Bermuda with limited liability)*  
**(Stock Code: 00340)**

**DISCLOSEABLE TRANSACTION**

On 5 December 2008, Best Tone, a wholly-owned subsidiary of the Company, has acquired 2,300,000 Quadra Shares for a total consideration of approximately CAD4,745,350 (equivalent to approximately HK\$29.4 million) from the market at an average acquisition price of approximately CAD2.06 per Quadra Share (equivalent to approximately HK\$12.79 per Quadra Share).

With respect to the Quadra Investment, two of the percentage ratios under Chapter 14 of the Listing Rules exceed 5% but is less than 25%. The Quadra Investment therefore, constitutes a discloseable transaction of the Company under rule 14.06(2) of the Listing Rules. The Company will dispatch to its shareholders a circular providing information with respect to the Quadra Investment as required under the Listing Rules in due course after the publication of this announcement.

In the event that the Company makes any further acquisitions in the Quadra Shares which in aggregate pursuant to rules 14.22 and 14.23 of the Listing Rules constitutes a major transaction or any other type of notifiable transaction under the Listing Rules, the Company will comply with the relevant requirements of the Listing Rules.

**THE QUADRA INVESTMENT**

On 5 December 2008, Best Tone, a wholly-owned subsidiary of the Company, has acquired from the market 2,300,000 Quadra Shares at an average acquisition price of approximately CAD2.06 per Quadra Share (equivalent to approximately HK\$12.79 per Quadra Share). The 2,300,000 Quadra Shares acquired by Best Tone, represent approximately 3.49% of the issued share capital of Quadra (based on its issued share capital of 66,001,000 shares as shown on the website of the TSX as of 8 December 2008). The total consideration of approximately CAD4,745,350 (equivalent to approximately HK\$29.4 million) (exclusive of transaction costs) represented the then market price of the Quadra Shares and would be satisfied in cash from the internal resources of the Company. The acquisition of the Quadra Shares has been completed on 10 December 2008 on a "T+3" basis in accordance with standard market practice. The Company confirmed that the Company had sufficient internal resources to settle the consideration for the acquisitions of the Quadra Shares.

\* *for the purpose of identification only*

As the Quadra Investment was made through the market, the Company is not aware of the identities of the vendors of the Quadra Shares and accordingly, to the best of the knowledge of the directors of the Company having made all reasonable enquiries, the vendors of the Quadra Shares are third parties independent of and not connected with the Company and the Company's connected persons (as defined in the Listing Rules).

Regarding the accounting treatments for the Quadra Investment, the Quadra Shares acquired will be classified as financial assets at fair value through profits or losses of the Company. There are no restrictions on subsequent sale of the Quadra Shares by the Company.

## **INFORMATION ON QUADRA**

Based on information available to the Company, Quadra was founded in 2002 and is based in Vancouver, Canada and the Quadra Shares are listed on the TSX; and Quadra engages in the business of developing and operating mines, with a focus on base materials, particularly copper. According to Quadra's website, Quadra owns and operates an open pit copper mine (the "Robinson Mine") with gold and molybdenum by-product credits located in Nevada in the United States which was acquired in 2004; it also owns a 100% interest in the Carlota copper project ("Carlota") in Arizona, and owns the Sierra Gorda project which is a late stage exploration project in northern Chile, along with a 99% interest in a Malmbjerg molybdenum project in Greenland. Further information of Quadra can be obtained from the website of TSX.

The profit attributable to the Quadra Investment before and after taxation for the year ended 31 December 2006 were approximately USD228,700 (equivalent to approximately HK\$1,784,000) and approximately USD503,000 (equivalent to approximately HK\$3,923,400), respectively. The profit attributable to the Quadra Investment before and after taxation for the year ended 31 December 2007 were approximately USD6,454,100 (equivalent to approximately HK\$50,342,000) and approximately USD4,754,000 (equivalent to approximately HK\$37,081,200), respectively. The net asset value of Quadra, according to its annual report for the financial year ended 31 December 2007, was approximately USD501,090,000 (equivalent to approximately HK\$3,908,502,000). As such, the net asset value of 2,300,000 Quadra Shares is approximately USD17,462,986.50 (equivalent to approximately HK\$136,211,294.70).

## **REASONS FOR THE QUADRA INVESTMENT**

The Group's principal activities are mining operations.

The Board considered that the Quadra Investment would complement the principal activities of the Group and would enhance the returns on investment for the Group. The Quadra Investment was funded from the internal resources of the Group. Given the prevailing market prices of the Quadra Shares, the Board considered that this was an opportunity for the Group to acquire these Quadra Shares as the Quadra Investment represented an opportunity for the Group to expand its investments in mining industry located in America. In addition, as the Quadra Investment was made at market price, the Board believed that the terms of which were fair and reasonable and in the interests of the shareholders of the Company as a whole. At present, the Board intends to hold the Quadra Investment for the purposes of capital gain and dividend income.

## GENERAL

With respect to the Quadra Investment, two of the percentage ratios under Chapter 14 of the Listing Rules exceed 5% but is less than 25%. The Quadra Investment therefore, constitutes a discloseable transaction of the Company under rule 14.06(2) of the Listing Rules. The Company will dispatch to its shareholders a circular providing information with respect to the Quadra Investment as required under the Listing Rules in due course after the publication of this announcement.

In the event that the Company makes any further acquisitions in the Quadra Shares which in aggregate pursuant to rules 14.22 and 14.23 of the Listing Rules constitutes a major transaction or any other type of notifiable transaction under the Listing Rules, the Company will comply with the relevant requirements of the Listing Rules.

## DEFINITIONS

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

“Best Tone”	Best Tone Holdings Limited, a wholly-owned subsidiary of the Company
“Board”	board of Directors
“CAD”	Canadian dollars, the lawful currency of Canada
“Company”	China Mining Resources Group Limited, a company incorporated in Bermuda whose shares are listed on the Stock Exchange (stock code: 00340)
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Quadra”	Quadra Mining Ltd., a company incorporated on 15 May 2002 under the British Columbia Company Act and is continued under the British Columbia Business Corporations Act whose shares are listed on the TSX (QUA:TSX)
“Quadra Investment”	the acquisitions of a total of 2,300,000 Quadra Shares over the market by Best Tone on 5 December 2008
“Quadra Shares”	shares in the capital of Quadra

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TSX”	Toronto Stock Exchange
“USD”	United States dollars, the lawful currency of United States of America

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

Hong Kong, 15 December 2008

*As at the date of this announcement, the board of directors of the Company comprises Mr. Cai Yuan, Dr. You Xian Sheng, Mr. Wang Hui, Mr. Yeung Kwok Kuen and Mr. Chen Shou Wu as executive directors, Mr. Lam Ming Yung as non-executive director, Mr. Chan Sze Hon, Mr. Chu Kang Nam, Mr. Goh Choo Hwee and Mr. Lin Xiang Min as independent non-executive directors.*

*For the purpose of illustration only, (a) the amount denominated in CAD has been translated into HK\$ at the exchange rate of CAD1 to HK\$6.2 as at the date of this announcement and (b) the amount denominated in USD has been translated into HK\$ at the exchange rate of USD1 to HK\$7.8 as at the date of this announcement.*