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五礦資源有限公司

MINMETALS RESOURCES LIMITED

(incorporated in Hong Kong with limited liability)

(Stock Code: 1208)

CONTINUING CONNECTED TRANSACTIONS

On 18 May 2011, MMA, a direct wholly-owned subsidiary of the Company, entered into the Sales Framework Agreement with Changshu Everbright, pursuant to which MMA agreed to sell aluminium-silicon alloy to Changshu Everbright for the period commencing from 18 May 2011 to 31 December 2011.

As at the date of this announcement, CMC, through CMCL and CMN (amongst others), is the ultimate controlling shareholder of the Company. As at the date of this announcement, Changshu Everbright is held as to 36.5% and 25% by CMC and MMLHK, respectively, and MMLHK is, in turn, wholly-owned by CMC through MML. As such, Changshu Everbright is an associate of CMC and a connected person of the Company. Hence, the transactions under the Sales Framework Agreement will constitute continuing connected transactions of the Company.

As the relevant percentage ratios in respect of the transactions under the Sales Framework Agreement are expected to exceed 0.1% but below 5%, the transactions under the Sales Framework Agreement constitute continuing connected transactions of the Company under Rule 14A.34 of the Listing Rules and will be exempt from the independent shareholders' approval requirement but will be subject to the annual review requirements set out in Rules 14A.37 to 14A.40 of the Listing Rules and the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules.

THE SALES FRAMEWORK AGREEMENT

On 18 May 2011, MMA, a direct wholly-owned subsidiary of the Company, entered into the Sales Framework Agreement with Changshu Everbright, pursuant to which MMA agreed to sell aluminium-silicon alloy to Changshu Everbright.

The principal terms of the Sales Framework Agreement are set out below:

Parties :	(1) Changshu Everbright (as purchaser) (2) MMA (as seller)
Product to be sold :	Aluminium-silicon alloy
Pricing :	The unit price of the aluminium-silicon alloy (inclusive of tax) is to be determined with reference to the average of the highest and lowest prevailing market prices of aluminium ingots quoted on the Changjiang Non-ferrous Metals Trading Market during a designated monthly period plus an agreed sum per tonne
Term :	From 18 May 2011 to 31 December 2011
Volume to be sold:	The aggregate volume of aluminium-silicon alloy to be sold shall fall within the range of approximately 100 tonnes to 300 tonnes per month
Payment terms :	Upon receipt of full payment from Changshu Everbright, MMA shall deliver the products to Changshu Everbright within 3 days

The terms of the Sale Framework Agreement were arrived at after arm's length negotiations between the Group and Changshu Everbright.

The maximum amount of the transactions contemplated under the Sales Framework Agreement for the period from 1 May 2011 to 31 December 2011 shall not exceed RMB52,000,000 (approximately HK\$60,840,000) (inclusive of tax) based on historical and prevailing market prices of aluminium ingots, and the maximum volume of aluminium-silicon alloy to be sold under the Sales Framework Agreement, such volume of which has been determined with reference to the projected sales of aluminium-silicon alloy to Changshu Everbright over the term of the Sales Framework Agreement.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Group together with its jointly-controlled entities and associates is engaged in mining, processing and production of zinc, copper, lead, gold and silver, exploration for mineralisation and development of mining projects, trading of non-ferrous metals, production of alumina and manufacturing and distribution of aluminium and copper products. The transactions under the Sales Framework Agreement will create new sales opportunities and increase the Group's sale.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Sales Framework Agreement are on normal commercial terms and are fair and reasonable and in the interests of the shareholders of the Company as a whole. No Director has any material interest in the transactions contemplated by the Sales Framework Agreement which prohibits him to vote and no Director has abstained from approving the unanimous Board resolution.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CMC, through CMCL and CMN (amongst others), is the ultimate controlling shareholder of the Company. As at the date of this announcement, Changshu Everbright is held as to 36.5% and 25% by CMC and MMLHK, respectively, and MMLHK is, in turn, wholly-owned by CMC through MML. As such, Changshu Everbright is an associate of CMC and a connected person of the Company. Hence, the transactions under the Sales Framework Agreement will constitute continuing connected transactions of the Company.

As the relevant percentage ratios in respect of the transactions under the Sales Framework Agreement are expected to exceed 0.1% but below 5%, the transactions under the Sales Framework Agreement constitute continuing connected transactions of the Company under Rule 14A.34 of the Listing Rules and will be exempt from the independent shareholders' approval requirement but will be subject to the annual review requirements set out in Rules 14A.37 to 14A.40 of the Listing Rules and the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules.

INFORMATION ABOUT THE GROUP

The Group together with its jointly-controlled entities and associates is engaged in mining, processing and production of zinc, copper, lead, gold and silver, exploration for mineralisation and development of mining projects, trading of non-ferrous metals, production of alumina and manufacturing and distribution of aluminium and copper products.

INFORMATION ABOUT CHANGSHU EVERBRIGHT

Changshu Everbright is a company established under the laws of the PRC. The equity interests of Changshu Everbright is indirectly held as to 61.5% by CMC. Changshu Everbright is principally engaged in galvanisation of zinc plates, color-coating of stainless steel plates and the production and sales of modern materials and accessories for wall construction.

GENERAL

The Company will comply with the relevant provisions under Chapter 14A of the Listing Rules governing connected transactions in the event that the total amount of the transactions under the Sales Framework Agreement is exceeded or that there is any material amendment to its terms.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“associate”	has the same meaning as given to it under the Listing Rules
“Board”	the board of Directors
“Changshu Everbright”	常熟科弘材料科技有限公司 (Changshu Everbright Material Technology Co., Ltd), a company established under the laws of the PRC and the equity interests of which are indirectly held, as to 61.5%, by CMC as at the date of this announcement
“CMC”	中國五礦集團公司 (China Minmetals Corporation), formerly known as 中國五金礦產進出口總公司 (China National Metals and Minerals Import and Export Corporation), a state-owned enterprise incorporated on 7 April 1950 under the laws of the PRC and the ultimate controlling shareholder of the Company
“CMCL”	中國五礦股份有限公司 (China Minmetals Corporation Limited), a joint stock limited company incorporated on 16 December 2010 under the laws of the PRC and owned as to 96.5% by CMC and as to 1% by 中國五金製品有限公司 (China National Metal Products Co., Ltd.), a wholly-owned subsidiary of CMC. CMC has an attributable interest of 97.5% in CMCL as at the date of this announcement. CMCL is a controlling shareholder of CMN, holding approximately 91.57% of CMN as at the date of this announcement

“CMN”	五礦有色金屬股份有限公司 (China Minmetals Non-Ferrous Metals Company Limited), a joint stock limited company incorporated on 27 December 2001 under the laws of the PRC and owned as to approximately 91.57% by CMCL as at the date of this announcement. CMN is a controlling shareholder of the Company, holding, indirectly, 71.56% of the issued share capital of the Company as at the date of this announcement
“Company”	Minmetals Resources Limited, a company incorporated on 29 July 1988 in Hong Kong with limited liability, the shares of which are listed and traded on the main board of the stock exchange operated by the Stock Exchange
“connected person”	has the same meaning as given to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the 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
“MMA”	五礦鋁業有限公司 (Minmetals Aluminium Company Limited), a company established under the laws of the PRC on 22 October 2004 and a direct wholly-owned subsidiary of the Company as at the date of this announcement
“MML”	五礦金屬有限公司 (Minmetals Metals Limited), a company incorporated under the laws of Hong Kong on 20 July 2009 and a directly wholly-owned subsidiary of CMC as at the date of this announcement
“MMLHK”	五礦金屬(香港)有限公司 (Minmetals Metals (HK) Limited), a company incorporated under the laws of Hong Kong on 27 July 2009 and a directly wholly-owned subsidiary of MML as at the date of this announcement

“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“Sales Framework Agreement”	the sale and purchase framework agreement entered into between MMA and Changshu Everbright on 18 May 2011 in relation to the sale of aluminium-silicon alloy by MMA to Changshu Everbright for the period commencing from 18 May 2011 to 31 December 2011
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

Unless otherwise specified, conversion of RMB into HK\$ in this announcement is based on the exchange rate of RMB1 = HK\$1.17 for the purpose of illustration only. No representation is made and there is no assurance that RMB or HK\$ can be purchased or sold at such rate.

By order of the Board
Minmetals Resources Limited
Andrew Gordon Michelmore
CEO and Executive Director

Hong Kong, 19 May 2011

As at the date of this announcement, the Board comprises eleven directors, of which four are executive directors, namely Mr. Hao Chuanfu (Vice Chairman), Mr. Andrew Gordon Michelmore, Mr. David Mark Lamont and Mr. Li Liangang; four are non-executive directors, namely Mr. Wang Lixin (Chairman), Mr. Jiao Jian, Mr. Xu Jiqing and Mr. Gao Xiaoyu; and three are independent non-executive directors, namely Mr. Ting Leung Huel, Stephen, Mr. Loong Ping Kwan and Dr. Peter William Cassidy.