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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 TRANSACTION RULE 14A.34 OF THE LISTING RULES

Continuing Connected Transaction under Rule 14A.34 of the Listing Rules

On 17 January 2012, LXML entered into the Copper Cathode Sale Agreement with CMN Trading. CMN Trading is a wholly-owned subsidiary of CMC, the ultimate controlling shareholder of the Company and is therefore a connected person of the Company under the Listing Rules. As a result, the Copper Cathode Sale Agreement constitutes a continuing connected transaction for the Company. As the relevant percentage ratios in respect of the Copper Cathode Sale Agreement are less than 5%, it constitutes a continuing connected transaction which is subject to the reporting, annual review and announcement requirements under Rule 14A.34 of the Listing Rules but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

COPPER CATHODE SALE AGREEMENT

On 17 January 2012, LXML entered into the Copper Cathode Sale Agreement with CMN Trading in relation to the sale of Sepon copper cathode by LXML to CMN Trading. The principal terms of the Copper Cathode Sale Agreement are set out below.

- Parties : (1) LXML
(2) CMN Trading
- Products to be sold : Sepon copper cathode.
- Total quantity of product to be sold : Between 7,000 metric tonnes and 12,000 metric tonnes (subject to further agreement(s) between LXML and CMN Trading) to be delivered monthly between January 2012 and December 2012.
- Term : Commencing on 1 January 2012 and concluding on the date on which all obligations of the parties are fulfilled (expected to be no later than 31 March 2013).

- Sale price : The LME Copper Cash Settlement Quotation as published in the London Metal Bulletin averaged over the relevant Quotational Period plus a premium.
- Quotational Period : Month of shipment
- Payment : The Provisional Payment and the Final Payment are to be made in US dollars.

The terms of the Copper Cathode Sale Agreement were arrived at after arm's length negotiations between LXML and CMN Trading.

ANNUAL CAPS

The Company proposes that the maximum aggregate amount to be paid under the Copper Cathode Sale Agreement for the financial year ending 31 December 2012 will be approximately US\$108,000,000 (approximately HK\$842,400,000). This annual cap was determined by reference to the historical LME Copper Cash Settlement Quotation, the estimated future LME Copper Cash Settlement Quotation and the estimated total quantity of Sepon copper cathode to be sold by LXML to CMN Trading under the Copper Cathode Sale Agreement.

REASONS FOR AND BENEFITS OF THE COPPER CATHODE SALE AGREEMENT

The Group's principal activities include the production and sale of metal products, including copper cathode. As part of its ordinary and usual course of business, the Group sells some of its products to CMN Trading at prices and on terms which are consistent with prevailing market rates and conditions for the relevant products.

GENERAL

The Directors (including the independent non-executive Directors) are of the view that the terms of the Copper Cathode Sale 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 transaction contemplated under the Copper Cathode Sale Agreement which prohibits him/her to vote on the resolution of the Board to approve the Copper Cathode Sale Agreement and no Director has abstained from approving such Board resolution.

IMPLICATIONS UNDER THE LISTING RULES

CMN Trading is a wholly-owned subsidiary of CMC, the ultimate controlling shareholder of the Company and is therefore a connected person of the Company under the Listing Rules.

Pursuant to Rule 14A.34 of the Listing Rules, as the relevant percentage ratios in respect of the Copper Cathode Sale Agreement are less than 5%, it constitutes a continuing connected transaction which is subject to the reporting, annual review and announcement requirements but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

INFORMATION ABOUT THE GROUP

The Group is engaged in mining, processing and production of zinc, copper, gold, silver and lead, exploration for mineralisation and development of mining projects.

INFORMATION ABOUT CMN TRADING

CMN Trading is a wholly-owned subsidiary of CMC which trades a variety of non-ferrous metals for CMC.

DEFINITIONS

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

“Board”	the board of directors of the Company.
“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 87.5% 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 88.5% in CMCL as at the date of this announcement.
“CMNH”	五礦有色金屬控股有限公司 (China Minmetals Non-ferrous Metals Holding Company Limited), a joint stock limited company incorporated on 22 December 2009 under the laws of PRC and a wholly-owned subsidiary of CMCL. CMNH is a controlling shareholder of CMN holding approximately 93.6% 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 93.6% by CMNH as at the date of this announcement. CMN is the controlling shareholder of the Company, holding directly and indirectly approximately 71.72% of the issued share capital of the Company as at the date of this announcement.
“CMN Trading”	五礦有色金屬貿易有限公司 (China Minmetals Non-Ferrous Metals Trading Company Limited), a joint stock limited company incorporated on 25 November 2010 under the laws of the PRC and a wholly-owned subsidiary of CMC.
“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 meaning ascribed to it under the Listing Rules.

“controlling shareholder”	has the meaning ascribed to it under the Listing Rules.
“Copper Cathode Sale Agreement”	means the agreement dated 17 January 2012 between LXML and CMN Trading in relation to the sale of Sepon copper cathode by LXML to CMN Trading.
“Director(s)”	the director(s) of the Company.
“Final Payment”	the final payment made in accordance with usual market practice for the sale of metal products whereby the balance of the value of the entire shipment, based on the final weight and final prices of the shipment as determined in accordance with the terms of the sale agreement, is paid by the buyer or the seller (as the case may be, having regard to the amount of the Provisional Payment) to the other party promptly following receipt of the seller’s final invoice.
“Group”	the Company and its subsidiaries from time to time.
“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.
“LME”	the London Metal Exchange.
“LXML”	Lane Xang Minerals Limited, a special purpose company incorporated in Laos on 30 September 1993 to conduct the activities contemplated under the MEPA, which is a non-wholly owned subsidiary of MMG Laos Holdings and a subsidiary of the Company.
“MEPA”	the mineral exploration and production agreement dated 15 June 1993 between MMG Laos Holdings and the Government of Laos, as amended by an agreement dated 30 November 2004.
“MMG Laos Holdings”	MMG Laos Holdings Limited, a company incorporated on 25 May 1993 in the Cayman Islands with limited liability which is an indirect wholly-owned subsidiary of the Company.
“Provisional Payment”	the provisional payment which is made in accordance with usual market practice for the sale of metal products whereby 100% of the estimated value of the entire shipment based on shipped weights and a mutually agreed provisional copper price (having regard to recent copper prices prior to shipment), is paid by the buyer within an agreed period after receiving a full set of original documents issued by the seller promptly after shipment including bills of lading, certificate of insurance, certificate of weight, seller’s certificate of assay, seller’s provisional invoice and seller’s certificate of origin .
“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).

“ Stock Exchange ”	The Stock Exchange of Hong Kong Limited.
“ subsidiary ”	has the meaning ascribed to it under the Companies Ordinance (Chapter 32 of the Laws of Hong Kong).
“ % ”	percentage.

Unless otherwise specified, conversion of US\$ into HK\$ in this announcement is based on the exchange rate of US\$1.00 = HK\$7.8 for the purpose of illustration only. No representation is made and there is no assurance that US\$ 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, 17 January 2012

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. Loong Ping Kwan, Dr. Peter William Cassidy and Mr. Anthony Charles Larkin.