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**CHINA MINMETALS NON-FERROUS
METALS COMPANY LIMITED**

(A joint stock limited company incorporated in the PRC)



**五礦資源有限公司
MINMETALS RESOURCES LIMITED**

(Incorporated in Hong Kong with limited liability)

(Stock Code: 1208)

**JOINT ANNOUNCEMENT
VERY SUBSTANTIAL ACQUISITION, CONNECTED TRANSACTION AND
REVERSE TAKEOVER INVOLVING
A NEW LISTING APPLICATION, AND
CONTINUING CONNECTED TRANSACTIONS**

**PROPOSED PLACING OF NEW AND EXISTING SHARES
AND
RESUMPTION OF TRADING**

The Company and Coppermine entered into the conditional Placing and Underwriting Agreement with, among others, the Global Coordinator on 29 September 2005 in relation to the Placing on a fully underwritten basis of an aggregate of 278,000,000 Shares at a placing price of HK\$2.30 per Share. The Placing Shares comprise of 98,000,000 New Shares offered by the Company and 180,000,000 Sale Shares offered by Coppermine. Completion of both the Placing and the Acquisition is expected to take place on 6 October 2005 or otherwise as agreed between the Company, Coppermine and the Global Coordinator, and the Company and CMN, respectively.

Trading in the Shares on the Stock Exchange was suspended with effect from 9:33 a.m. on 29 September 2005 pending the release of this announcement. Application has been made by the Company for resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 30 September 2005.

As Completion is subject to the fulfillment of a number of conditions precedent, the Placing and the Acquisition may or may not be completed. Shareholders and potential investors should exercise caution when dealing in the Shares.

Reference is made to the joint announcements of Minmetals Resources Limited (formerly known as Oriental Metals (Holdings) Company Limited) (the “**Company**”) and China Minmetals Non-ferrous Metals Company Limited (“**CMN**”) dated 30 December 2004, 19 January 2005, 29 June 2005, 30 June 2005, 25 July 2005 and 16 September 2005, respectively, the announcement of the Company dated 9 August 2005 and the circulars of the Company dated 30 June 2005 and 16 September 2005, respectively, regarding the proposed acquisition by the Company of the entire interest of Top Create Resources Limited (“**Top Create Resources**”) in Peak Strategic Industries Limited (“**Peak Strategic**”) and the distribution of a preliminary offering circular in connection with the Placing. Unless the context otherwise requires, terms used in this announcement shall have the same respective meanings as those defined in the Company’s circular dated 30 June 2005 (the “**Circular**”).

The Company and CMN have indicated in the joint announcements and the Circular that Completion of the Acquisition is subject to, among others, appropriate arrangements in relation to the Placing having been made to the satisfaction of Top Create Resources and the Company to ensure that not less than 25% of the issued Shares will be held in public hands upon Completion and such Placing becoming unconditional in all respects (save for any conditions requiring the Completion to take place).

PLACING AND UNDERWRITING AGREEMENT

The directors of the Company and CMN are pleased to announce that a placing and underwriting agreement (the “**Placing and Underwriting Agreement**”) was entered into by the relevant parties on 29 September 2005 on the terms and subject to the conditions summarised below.

Parties

- (1) the Company;
- (2) Coppermine Resources Limited (“**Coppermine**”), a substantial shareholder of the Company which currently holds 455,376,917 Shares, representing about 74.98% of the existing issued share capital of the Company;
- (3) ABN AMRO Bank N.V., Hong Kong Branch and N M Rothschild & Sons (Hong Kong) Limited (each trading as ABN AMRO Rothschild) (the “**Global Coordinator**”), a third party independent of the Company and its subsidiaries and their respective connected persons (as defined in the Listing Rules); and
- (4) China Minmetals H.K. (Holdings) Limited (“**Minmetals HK**”), CMN and Top Create Resources (collectively, the “**Covenantors**”).

Placing

The Global Coordinator has conditionally agreed to subscribe for or procure the subscription of the New Shares (as defined below) and to purchase or procure the purchase of the Sale Shares (as defined below), and the Company and Coppermine have conditionally agreed to issue and sell the New Shares and the Sale Shares, respectively, subject to the terms and conditions of the Placing and Underwriting Agreement. The Global Coordinator shall also act as the global coordinator, bookrunner and lead manager of the Placing.

Number of Placing Shares

An aggregate of 278,000,000 Shares (the “**Placing Shares**”) are offered by the Company and Coppermine, representing approximately 45.77% of the existing issued share capital of the Company and 16.22% of the issued share capital of the Company upon completion of the Placing and the Acquisition. The Placing Shares comprise 98,000,000 new Shares offered by the Company (the “**New Shares**”), representing approximately 16.14% of the existing issued share capital and approximately 5.72% of the issued share capital as enlarged by the issuance of the New Shares and the Consideration Shares, and 180,000,000 existing Shares offered by Coppermine (the “**Sale Shares**”).

Placees

The Placing Shares will be placed to not less than six placees, who will be professional and institutional investors and each of whom and its ultimate beneficial owner will be independent of, and not connected with, any connected persons of the Company as defined in the Listing Rules.

Placing Price

The placing price is HK\$2.30 per Share, representing a discount of 9.80% to the closing price of HK\$2.55 per Share on the Stock Exchange on 28 September 2005, being the date immediately preceding the date of the Placing and Underwriting Agreement, and representing a discount of approximately 14.50% to the average closing price of HK\$2.69 per Share of the 10 trading days on the Stock Exchange immediately preceding the date of the Placing and Underwriting Agreement. The placing price was agreed after arm’s length negotiation between the Company, Coppermine, the Global Coordinator and the Covenantors and the net placing price after deduction of expenses and commissions is estimated to be approximately HK\$2.23 per Share. The expenses incurred in connection with the Placing will be shared between the Company and Coppermine on a pro-rata basis in proportion to the number of New Shares to be issued by the Company and the number of Sale Shares to be sold by Coppermine (and will be equally shared between the Company and Coppermine if the Placing is not completed for whatever reason).

Ranking

The New Shares will rank equally with all Shares now in issue or to be issued on completion of the Placing and Acquisition and will qualify for all dividends or other distributions declared, made or paid after the date of completion of the Placing and Acquisition.

Conditions

The obligations of the Global Coordinator under the Placing and Underwriting Agreement are conditional upon:

- (1) the listing committee of the Stock Exchange having granted the listing of, and permission to deal in, the Consideration Shares and New Shares on or before one business day prior to Completion;
- (2) the Global Coordinator having received certain documents specified in the Placing and Underwriting Agreement from Coppermine, the Covenantors and the Company, respectively, by the date and time designated in the Placing and Underwriting Agreement;

- (3) the conditions of the Acquisition Agreement (excluding such condition requiring the Placing to become unconditional in all respects) having been and remaining fulfilled;
- (4) the representations, warranties and undertakings given by the Company, Coppermine and the Covenantors under the Placing and Underwriting Agreement remaining true and not misleading at all times between the date of the Placing and Underwriting Agreement and Completion; and
- (5) the Global Coordinator not having terminated the Placing and Underwriting Agreement in accordance with its terms, such as on the grounds of material breach of the representations, warranties or undertakings given by the Company, Coppermine and the Covenantors under the Placing and Underwriting Agreement or the occurrence of certain force majeure events, prior to the satisfaction or waiver of the above conditions.

Completion

Completion of both the Placing and the Acquisition is expected to take place on 6 October 2005 or otherwise as agreed between the Company, Coppermine and the Global Coordinator, and the Company and CMN, respectively. Further announcement will be issued after completion of the Placing and the Acquisition.

Restrictions on disposals and issues of Shares

Save for the offering of the Sale Shares by Coppermine pursuant to the Placing and Underwriting Agreement, each of Coppermine and the Covenantors has undertaken to the Global Coordinator that:

- it will not, without the prior written consent of the Global Coordinator, directly or indirectly, and will procure that none of its Associates or companies controlled by it or any nominee or trustee holding in trust for it will, offer for sale, sell, transfer, contract to sell, or otherwise dispose of (including without limitation by the creation of any option, right, warrant to purchase or otherwise transfer or dispose of, or any lending, charges, pledges or encumbrances over) any of the Shares or Consideration Shares in respect of which it is shown in the placing documents to be the beneficial owner (directly or indirectly) or enter into any swap, derivative or other arrangement that transfers to another, in whole or in part, any of the economic consequences of the acquisition or ownership of any such Shares at any time during the period commencing from the date of the Placing and Underwriting Agreement up to and including the date falling six months after Completion (the “**Lock-up Period**”) and further in the event of a disposal of any Shares or any interest therein at any time during the six-month period immediately following the expiry of the Lock-up Period (the “**Second Six Month Period**”), it will take all reasonable steps to ensure that any such act, if done, shall not create a disorderly or false market for any Shares or other securities of the Company or any interest therein; and
- it will not, without the prior written consent of the Global Coordinator (which consent shall not be unreasonably withheld or delayed), directly or indirectly, and will procure that none of its Associates or companies controlled by it or any nominee or trustee holding in trust for it shall, offer for sale, sell, transfer, contract to sell, or otherwise dispose of (including without limitation by the creation of any option, right, warrant to purchase or otherwise transfer or dispose of, or any lending, charges, pledges or encumbrances over) any of the Shares or Consideration Shares in respect of which it is shown in the placing documents to be the beneficial owner (directly or indirectly) or any other securities convertible or enter into any swap, derivative or other arrangement that transfers to another, in whole or in part, any of the economic consequences of the acquisition or ownership of any such Shares that may result in Top Create Resources and Coppermine when taken together ceasing to be the controlling shareholder (as defined in the Listing Rules), directly or indirectly, of the Company at any time during the Second Six Month Period.

Save for the offering of the New Shares by the Company pursuant to the Placing and Underwriting Agreement, the Company has agreed with the Global Coordinator that:

- it will not, and each of Coppermine and the Covenantors has undertaken to the Global Coordinator that each of Coppermine and Minmetals HK will, and in respect of any period after completion of the Placing, the other Covenantors will, procure that the Company will not without the prior written consent of the Global Coordinator, and subject always to the provisions of the Listing Rules, offer, allot, issue or sell, or agree to sell, grant or agree to grant any option, right or warrant over, either directly or indirectly, conditionally or unconditionally, any Shares or any securities convertible into or exchangeable for such Shares or enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of subscription or ownership of Shares or such securities, whether any of the foregoing transactions is to be settled by delivery of Shares or such securities, in cash or otherwise or announce any intention to do so during the Lock-up Period save for any issue of Shares pursuant to the exercise of any Share options granted prior to the date of the Placing and Underwriting Agreement; and
- it will not, at any time during the Lock-up Period, issue or create any rights in favour of any other person over, directly or indirectly, conditionally or unconditionally, any Shares or other securities of the Company or any interest therein (including but not limited to any securities that are convertible into or exchangeable for, or that represent the right to receive, any Shares or securities of the Company) or repurchase any Shares or securities of the Company.

USE OF PROCEEDS

The Directors estimate that the net proceeds to the Company from the Placing of the New Shares, after deducting underwriting fees and estimated expenses payable by the Company in connection with the Placing, will be approximately HK\$218 million. The Company intends to use the net proceeds from the Placing of the New Shares for strategic investments and general working capital purposes.

SHAREHOLDING STRUCTURES BEFORE THE PLACING AND AFTER THE COMPLETION

Set out below are the shareholding structures of the Company before the Placing and after the Completion.

Shareholders	Immediately before the Placing		Immediately after completion of the Placing and Acquisition	
	Number of Shares	%	Number of Shares	%
Coppermine and Top Create Resources	455,376,917	74.98	1,284,467,826	74.92
Public Shareholders	151,972,695	25.02	429,972,695	25.08
Total	607,349,612	100.00	1,714,440,521	100.00

APPROVAL FOR ISSUE OF NEW SHARES

The issuance of the New Shares pursuant to the Placing was approved by the Shareholders at the Company's extraordinary general meeting held on 25 July 2005.

APPLICATION FOR LISTING

Application has been made to the listing committee of the Stock Exchange for the listing of, and permission to deal in, the New Shares.

SUSPENSION OF TRADING

The Company requested for suspension of trading in the Shares on the Stock Exchange from 9:33 a.m. on 29 September 2005, and will request for resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 30 September 2005.

As Completion is subject to the fulfillment of a number of conditions precedent, the Placing and the Acquisition may or may not be completed. Shareholders and potential investors should exercise caution when dealing in the Shares.

By order of the board
China Minmetals Non-ferrous Metals Company Limited
Zhang Shoulian
President

By order of the board
Minmetals Resources Limited
Xu Huizhong
Director and President

Hong Kong, 29 September 2005

As at the date of this announcement, the executive Directors are Messrs. LIN Xizhong (Chairman), XU Huizhong, QIAN Wenchao, and TANG Xiaojin and the independent non-executive Directors are Messrs. LIU Hongru, CHAN Wai Dune and TING Leung Huel, Stephen.

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that in relation to the Minmetals Group and the Target Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than that in relation to the Minmetals Group and the Target Group) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement (other than that in relation to the Minmetals Group and the Target Group) misleading.

The directors of CMN jointly and severally accepts full responsibility for the accuracy of the information contained in this announcement (other than that in relation to the Group) and confirms, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than that in relation to the Group) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement (other than that in relation to the Group) misleading.

"Please also refer to the published version of this announcement in The Standard."