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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)

**UPDATE ON THE PROGRESS OF THE ACQUISITION OF
THE ENTIRE ISSUED SHARE CAPITAL OF
ALBUM RESOURCES PRIVATE LIMITED**

Financial adviser to
Minmetals Resources Limited

 **ROTHSCHILD**

On 19 December 2010, the Deputy Prime Minister and Treasurer of Australia approved the application by the Company in relation to the Acquisition subject to legally enforceable conditions as referred to below. In connection with such approval, the Deputy Prime Minister and Treasurer of Australia has also agreed to release CMN from its existing undertakings in relation to MMG's Australian assets on and from Completion.

As Completion is subject to the fulfilment (or if applicable, waiver) of certain other conditions set out in the paragraph headed "Letter from the Board — The Acquisition — Conditions" in the circular, the Acquisition may or may not proceed. The issue of this announcement does not in any way imply that the transactions under the Share Sale Deed will be completed. Shareholders and potential investors in the Company should exercise caution when dealing in the Shares.

Reference is made to the circular of Minmetals Resources Limited (the "**Company**") dated 22 November 2010 setting out information relating to, *inter alia*, the proposed very substantial acquisition and connected transaction in relation to the acquisition of the entire issued share capital of Album Resources Private Limited ("**Album Resources**"). Unless otherwise defined, terms used in this announcement shall have the same meanings as those defined in such circular.

Approval by the Australian Government under the FATA and agreement by the Australian Government to release CMN from its existing undertakings in relation to MMG on and from Completion

On 19 December 2010, the Deputy Prime Minister and Treasurer of Australia approved the application by the Company in relation to the Acquisition subject to undertakings provided by the Company to the Deputy Prime Minister and Treasurer of Australia to:

1. maintain the operation of the former OZL assets as a separate business with commercial objectives, including the maximisation of product prices;
2. maintain the operation of the mines using companies incorporated, headquartered and managed in Australia under a predominantly Australian management team;
3. sell all minerals produced on arms-length terms by a sales team headquartered in Australia, with reference to international observable benchmarks in line with market practice;
4. maintain or increase production and employment at the Century (Queensland), Rosebery (Tasmania) and Golden Grove (Western Australia) mines, pursue growth of the Century and Rosebery mines, reopen the Avebury (Tasmania) mine and develop the Dugald River (Queensland) mining project, subject to project feasibility and economic conditions;
5. comply with Australian industrial relations laws and honour employee commitments; and
6. maintain and where possible increase levels of Indigenous employment in its local operations and honour agreements with Indigenous Australian communities.

Please refer to the following link for a copy of the press release released by the Deputy Prime Minister and Treasurer of Australia which contains, amongst other details of its approval, further details of the Company's undertakings: <http://www.treasurer.gov.au/DisplayDocs.aspx?doc=pressreleases/2010/093.htm&pageID=003&min=wms&Year=&DocType=0>.

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By Order of the Board
Minmetals Resources Limited
Hao Chuanfu
Executive Director and President

Hong Kong, 19 December 2010

As at the date of this announcement, the board of directors of the Company comprises eleven directors, of which two are executive directors, namely Mr. Hao Chuanfu and Mr. Zhan Wei; six are non-executive directors, namely Mr. Li Fuli (Chairman), Ms. Shen Ling, Mr. Wang Lixin, Mr. Zong Qingsheng, Mr. Xu Jiqing and Mr. Li Liangang; and three are independent non-executive directors, namely Mr. Li Dongsheng, Mr. Ting Leung Huel, Stephen and Mr. Loong Ping Kwan.