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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)

ANNOUNCEMENT

RELATING TO RULE 13.18 OF THE LISTING RULES

In compliance with the requirements under Rule 13.18 of the Listing Rules, the Board announces certain details relating to the following facilities:

(a) facilities with CDB

- (i) a US\$200,000,000 facility agreement entered into between Album Resources, a wholly-owned subsidiary of the Company, and CDB; and
- (ii) a US\$366,000,000 facility agreement entered into between Album Resources and CDB; and

(b) facilities with BOC

- (i) a US\$144,000,000 facility agreement entered into between Album Resources and BOC (Singapore);
- (ii) a US\$385,000,000 facility agreement entered into between MMG Century Limited and BOC (Sydney); and
- (iii) an A\$267,000,000 facility agreement entered into between MMG Management Pty Ltd and BOC (Sydney).

Facilities with CDB

In compliance with the requirements under Rule 13.18 of the Listing Rules, the board of Minmetals Resources Limited (the “**Company**”) announces certain details relating to each of the following facility agreements with China Development Bank (“**CDB**”):

- (a) the facility agreement dated 12 June 2009 entered into between Album Resources Private Limited (“**Album Resources**”), a wholly-owned subsidiary of the Company after completion of its acquisition as referred to in the Company’s circular to its Shareholders dated 22 November 2010, and CDB, pursuant to which CDB agreed to provide Album Resources with a United States dollar (“**US\$**”) loan not exceeding US\$200,000,000 for a term of not more than seven years from 12 June 2009 (being the drawdown date) and during which the loan is to be repaid over the last five years, on the specified dates set out in such facility agreement. Such facility has been fully drawn down; and
- (b) the facility agreement dated 12 June 2009 entered into between Album Resources and CDB pursuant to which CDB agreed to provide Album Resources with a loan not exceeding US\$366,000,000 for a term of not more than three years from 12 June 2009 (being the drawdown date) (the “**US\$366,000,000 Facility**”) Such facility has been fully drawn down.

CDB conditionally agreed on 19 October 2010 (the “**CDB Consent**”) to the sale of the entire issued share capital of Album Resources by Album Enterprises Limited to the Company (the “**Transaction**”). A condition, amongst others, of such agreement was that 五礦有色金屬股份有限公司 (China Minmetals Non-Ferrous Metals Company Limited) (“**CMN**”), a controlling shareholder of the Company, holding approximately 75% of the issued share capital of the Company as at the date of this announcement, should ensure that the Company and Album Resources revise the facility agreements within thirty (30) days of completion of the Transaction. Such revisions shall provide that Album Resources is required to prepay all or part of the principal amount outstanding under the respective facilities and any interest and expenses relating thereto in the event that (a) CMN no longer holds 51% or more of the issued share capital of the Company or (b) the Company no longer holds the entire issued share capital of Album Resources, during the duration of the facility agreements without the prior written consent of CDB. All other conditions to the CDB Consent have been satisfied as at the date of this announcement.

In connection with the CDB Consent, CMN issued a letter of undertaking dated 18 October 2010 pursuant to which CMN undertook, amongst others (including undertaking to ensure that the conditions in the CDB Consent are satisfied and that the obligations under the aforementioned facility agreements with CDB and the documents entered into pursuant to such facilities are complied with), that prior to repayment under each of the above-mentioned facility agreements, CMN would remain a controlling shareholder of the Company and the following subsidiaries of the Company, namely, Album Resources, Album Investment Pte Ltd and MMG Century Limited.

Each of the above-mentioned facility agreements with CDB includes customary events of default for facility agreements of this nature (such as the borrower becoming insolvent, the borrower terminating its principal operations, the borrower failing to perform its obligations under the facility and documents entered into pursuant to such facility). These events of default are generally extended to also capture the actions of CMN in addition to those of the borrower, such that it would also constitute an event of default under each of the facilities if, for example, CMN were to become insolvent, CMN were to terminate its principal operations or CMN were to fail to perform its obligations under the relevant facility and documents entered into pursuant to such facility.

Pursuant to the terms of the US\$366,000,000 Facility, a guarantee agreement dated 12 June 2009 was also entered into between CMN and CDB pursuant to which CMN agreed to guarantee the obligations of Album Resources under the US\$366,000,000 Facility (the “**Guarantee**”). CMN has, amongst other standard obligations (including the obligation not to do anything which would prejudice the rights of CDB and the obligation to ensure the validity and legality of the Guarantee), the following obligations under such Guarantee:

1. to repay any outstanding facility not repaid by Album Resources when due within 20 days of receipt of written notice from CDB;
2. to obtain the prior written approval of CDB where:
 - (a) CMN transfers operating assets which comprise more than 30% of its total assets or enters into any transaction involving a substantial change in its assets provided that such transaction does not affect CDB’s rights under the Guarantee;
 - (b) CMN incurs any significant liabilities outside the ordinary course of its business; or

- (c) there is any change (direct or indirect) in CMN's interest in Album Resources; and
3. to submit a certified copy of its consolidated audited financial accounts for each financial year to CDB within an agreed period after the end of the financial year.

Pursuant to the US\$366,000,000 Facility Agreement, CMN's failure to comply with its obligations under the Guarantee is an event of default.

Facilities with BOC

In compliance with the requirements under Rule 13.18 of the Listing Rules, the board of the Company also announces certain details relating to each of the following facility agreements with Bank of China Limited ("**BOC**"):

- (a) the facility agreement dated 29 December 2010 entered into between Album Resources and BOC, Singapore Branch ("**BOC (Singapore)**"), pursuant to which BOC (Singapore) has provided Album Resources with a US\$144,000,000 cash facility. Such loan is to be repaid by instalments on the specified dates set out in such facility agreement, the last date of such repayment being on 10 June 2016. Such facility has been fully drawn down;
- (b) the facility agreement dated 1 September 2010 entered into between MMG Century Limited and BOC, Sydney Branch ("**BOC (Sydney)**"), pursuant to which BOC (Sydney) has provided MMG Century Limited with a US\$385,000,000 cash facility to be repaid on 16 June 2012. Such facility has been fully drawn down; and
- (c) the facility agreement dated 29 June 2010 entered into between MMG Management Pty Ltd and BOC (Sydney), pursuant to which BOC (Sydney) has provided to MMG Management Pty Ltd (i) a revolving Australian dollar ("**A\$**") cash advance facility and (ii) a multi-currency bank guarantee and standby letter of credit facility, in an aggregate amount equal to A\$267,000,000 to be repaid on 16 June 2012. Approximately A\$160,000,000 of such facility remains available.

Each of these BOC facilities is supported by an agreement to issue a letter of credit, a letter of credit and accompanying guarantee, between (i) BOC, Head Office Branch ("**BOC (Head Office)**") and CMN (as guarantor) in the case of both the US\$144,000,000 facility with BOC (Singapore) and the US\$385,000,000 facility with BOC (Sydney); and (ii) BOC (Head Office) and China Minmetals Corporation (as guarantor) in the case of the A\$267,000,000 facility with BOC (Sydney).

Under the above facilities with BOC, during the 30-day period following the occurrence of a review event, which includes the event where Album Resources ceases to be a subsidiary of CMN (“**Review Event**”), the borrower may give notice (a “**Review Event Prepayment Notice**”) to the lender that the borrower will pay all outstanding moneys within 5 business days of the date of the Review Event Prepayment Notice. If, at the end of the aforementioned 30-day period, the borrower has not given a Review Event Prepayment Notice to the lender, the lender may, until the date falling 60 days after the occurrence of a Review Event and on 30 days’ notice to the borrower, declare all of the outstanding moneys due and payable.

BOC may declare pursuant to the terms of the relevant agreements to issue the letters of credit and accompanying guarantees issued in support of each of the above-mentioned BOC facilities that all outstanding moneys under each such BOC facility are immediately due and payable in the event that the guarantor breaches the terms under the relevant agreements to issue the letters of credit and/or guarantees provided by it to BOC. Such terms include, amongst others, an obligation on the guarantor to provide BOC with details of connected transactions reaching the specified threshold in accordance with the Credit Risk Management Guidelines for commercial banking group customers issued by the China Banking Regulatory Commission.

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

Hong Kong, 10 January 2011

As at the date of this announcement, the board of directors of the Company 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. Li Fuli (Chairman), Mr. Jiao Jian, Mr. Xu Jiqing and Mr. Wang Lixin; and three are independent non-executive directors, namely Mr. Ting Leung Huel, Stephen, Mr. Loong Ping Kwan and Dr. Peter William Cassidy.