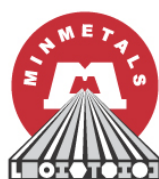


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**五礦資源有限公司**

**MINMETALS RESOURCES LIMITED**

(incorporated in Hong Kong with limited liability)

(Stock Code: 1208)

## **PLACING OF NEW SHARES UNDER SPECIFIC MANDATE AND RESUMPTION OF TRADING**

### **Joint Global Coordinators, Joint Bookrunners and Placing Agents**



MACQUARIE

Morgan Stanley

### **Joint Bookrunners and Placing Agents**



BOC INTERNATIONAL



CREDIT SUISSE

Deutsche Bank



#### **THE PLACING UNDER THE SPECIFIC MANDATE**

On 19 April 2011, the Company and the Placing Agents entered into the Placing Agreement pursuant to which the Placing Agents have conditionally agreed to place to independent Placers or, failing which, to acquire as principals, an aggregate of 762,612,000 new Shares at a price of HK\$5.10 per Placing Share, raising aggregate gross proceeds of HK\$3,889,321,200 (approximately US\$500 million). The Placing Shares represent approximately 25.70% of the Company's issued share capital as at the date of this announcement and 20.45% of the Company's issued share capital as enlarged by the Placing Shares.

The Placing Shares will be allotted and issued pursuant to the Specific Mandate granted on 9 December 2010.

The Company will use the net proceeds raised from the Specific Mandate of HK\$3,830,981,382 in accordance with the permitted purposes granted pursuant to the terms of the Specific Mandate, which include the partial repayment of the facility under the CMN Loan Agreement and the deployment of funding towards the exploration and development initiatives of MMG, including the Dugald River zinc project.

762,612,000 Placing Shares will be allotted and issued pursuant to the Specific Mandate, representing approximately (i) 25.70% of the existing issued share capital of the Company as at the date of this announcement; and (ii) 20.45% of the issued share capital of the Company as enlarged by the issue of 762,612,000 Placing Shares pursuant to the Specific Mandate.

The Placing is conditional upon the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Placing Shares. If such condition is not fulfilled, the Placing will not proceed.

#### **SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES**

Trading in the Shares was suspended from 1:30 p.m. on 18 April 2011 pending the release of an announcement in relation to Rule 13.09(1) of the Listing Rules which relates to a potential placing of Shares which is price sensitive in nature. An application is being made to the Stock Exchange for the resumption of trading in the Shares from 9:00 a.m. on 20 April 2011.

### **THE PLACING AGREEMENT**

#### **Date**

19 April 2011

#### **Issuer**

The Company

#### **Placing Agents and the Placees**

The Placing Agents, namely Macquarie Capital Securities Limited, Morgan Stanley & Co. International plc, BOCI Asia Limited, Citigroup Global Markets Asia Limited, Credit Suisse (Hong Kong) Limited and Deutsche Bank AG, Hong Kong Branch.

To the best of the Company's knowledge, information and belief having made reasonable enquiries, each Placing Agent is not a connected person of the Company or its subsidiaries.

The Placing Shares will be placed by the Placing Agents to not less than six Placees. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Placees (and their ultimate beneficial owners) procured by the Placing Agents are independent of and not connected persons (as defined in the Listing Rules) of the Company or its subsidiaries. It is expected that none of the Placees and their respective associates will become a substantial shareholder (as defined in the Listing Rules) of the Company as a result of the Placing.

In so far as Morgan Stanley & Co. International plc, in performing its functions under the Placing Agreement, is “dealing in securities” as defined in Schedule 5 of the SFO it shall be doing so through its agent Morgan Stanley Asia Limited and only in circumstances such that none of the sub-provisos (I), (II), (III), (IV) and (V) in sub-paragraph (iv) to the definition of “dealing in securities” in Part 2 of Schedule 5 of the SFO are applicable.

### **Number of Placing Shares**

The 762,612,000 Placing Shares represent approximately 25.70% of the Company’s issued share capital as at the date of this announcement and 20.45% of the Company’s issued share capital as enlarged by the Placing Shares.

The aggregate nominal value of the Placing Shares is HK\$38,130,600.

### **Placing Price**

HK\$5.10 per Placing Share. The Placing Price represents:

- (i) a discount of approximately 13.41% below the closing price of HK\$5.89 per Share quoted on the Stock Exchange on 18 April 2011, being the last trading date prior to the date of the Placing Agreement; and
- (ii) a discount of approximately 19.94% to the average closing price of approximately HK\$6.37 per Share quoted on the Stock Exchange for the five trading days immediately prior to the date of the Placing Agreement.

The Placing Price was agreed after arm’s length negotiations between the Company and the Placing Agents with reference to the recent trading price of the Shares on the Stock Exchange.

The net placing price under the Placing will be approximately HK\$5.02 per Placing Share.

### **Ranking of the Placing Shares**

The Placing Shares will rank, upon issue, pari passu in all respects among themselves and with all other Shares in issue on the date of allotment and issue of the Placing Shares.

### **Mandate for the issue of the Placing Shares**

762,612,000 Placing Shares will be allotted and issued pursuant to the Specific Mandate granted by a resolution of the Shareholders at an extraordinary general meeting of the Company held on 9 December 2010. Pursuant to the Specific Mandate, the Directors were authorised to allot and issue up to 2,700,000,000 new Shares, which has not been utilised up to the date of this announcement.

Accordingly, the issue of the Placing Shares is not subject to any approval by the Shareholders.

The Placing is the first, and will be the only, share placement issued pursuant to the Specific Mandate.

### **Placing commission**

The Placing Agents will receive a placing commission of up to 1.5% of the gross proceeds of the Placing upon completion, consisting of a set fee of 1% of the gross proceeds of the Placing, and an incentive fee of up to 0.5% of the gross proceeds (such incentive fee payment, if any, to be at the sole discretion of the Company).

### **Conditions of the Placing**

The Placing is conditional upon, among other things:

1. the approval by the Shareholders at the EGM for the Specific Mandate not having been or proposed to be withdrawn, amended or revoked prior to the delivery of definitive share certificates representing the Placing Shares;
2. there not having occurred any breach of, or any event rendering untrue or inaccurate, any of the representations, warranties or undertakings of the Company under the Placing Agreement in all material respects, and not misleading in any material respect, as given (i) on the date of the Placing Agreement; (ii) on the completion of the Placing; and (iii) on the date of the launch of the Placing;
3. the accuracy and completeness of all information that the Company furnishes to the Placing Agents or their respective affiliates (i) in respect of the Acquisition; or (ii) for the purpose of or in connection with the Placing;
4. the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, all of the Placing Shares (and such listing and permission not subsequently revoked prior to the delivery of definitive share certificates representing the Placing Shares);
5. receipt of all requisite regulatory, governmental, shareholder and other third party approvals required to consummate the Placing and all related transactions: (i) being obtained; and (ii) such approvals not subsequently revoked prior to the delivery of the definitive share certificates representing the Placing Shares;
6. there not having occurred any change or development (whether or not permanent) including, but not limited to, a prospective change in the condition, financial or otherwise, or in the general affairs, management, shareholders' equity, earnings, operations or business affairs or in the financial or trading position or prospects of the Company or the Group as a whole; and
7. there not having occurred any breach of, or any event of default, that has not been remedied or waived before the date of the Placing Agreement, under the Facility Agreements,

which in each case, in the opinion of any one of the Placing Agents, in its sole discretion is or is likely to be materially adverse to or materially or prejudicially affect, the business, financial or trading position, condition or prospects of the Company or the Group, has or is likely to have a material adverse effect on or impair the Placing or the marketing or distribution of the Placing Shares or dealings in the Placing Shares in the secondary market, or makes it inadvisable, inexpedient or impracticable to proceed with the Placing in the manner contemplated by the Placing Agreement.

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares.

If the above conditions are not fulfilled by the Longstop Date (or such later date as agreed by the Company and the Placing Agents), the Placing shall cease and lapse and none of the parties to the Placing Agreement shall have any claim against the others for any costs or losses (save for any prior breaches of the Placing Agreement).

The Placing is not subject to Shareholders' approval.

### **Termination of the Placing**

Any of the Placing Agents may terminate the Placing Agreement with immediate effect in their absolute discretion without liability to the Company by giving notice in writing to the Company at any time prior to 3:30p.m. (Hong Kong time) on the day of completion of the Placing if:

1. there shall develop, occur, exist or come into effect:
  - (i) any new law or regulation or any change or development involving a prospective change in existing laws or regulations which, in the opinion of any Joint Global Coordinator in its sole discretion, has or is likely to have a material adverse effect on the financial position of the Group as a whole; or
  - (ii) any significant change or development involving a prospective change (whether or not permanent) in local, national or international political, military, economic or financial conditions which in the opinion of any Joint Global Coordinator will materially prejudice the success of the Placing or makes it impracticable or inadvisable or inexpedient to proceed with the Placing; or
  - (iii) any significant change (whether or not permanent) in local, regional, national or international securities market conditions, currency foreign exchange rates, exchange controls, in each case, which in the opinion of any Joint Global Coordinator will materially prejudice the success of the Placing, or makes it impracticable or inadvisable or inexpedient to proceed with the Placing; or
  - (iv) any change or development involving a prospective change in taxation which has a material adverse effect on the Group as a whole or the Placing Shares; or
  - (v) any event or series of events (whether or not permanent) in the nature of force majeure (including, without limitation, acts of government, labour disputes strikes, lock-outs, riots, public disorder, fire, explosion, flooding, civil commotion, acts of war, acts of God, acts of terrorism, outbreak of diseases or epidemics, interruption or delay in transportation, economic sanction and any local, national, regional or international outbreak or escalation of hostilities, or other state of emergency or calamity or crisis), in each case, which in the opinion of any Placing Agent will materially prejudice the success of the Placing or distribution of the Placing Shares or dealings in the Placing Shares in the secondary market, or makes it impracticable or inadvisable or inexpedient to proceed with the Placing involving or affecting any of the UK, Hong Kong, the PRC, Australia or the United States; or
  - (vi) any moratorium, suspension or material restriction on trading in shares or securities generally on the stock exchanges of New York, London, Hong Kong, the PRC or Australia due to exceptional financial circumstances or otherwise at any time prior to the completion of the Placing; or
  - (vii) trading of any securities of the Company not being suspended on any exchange or in any over the counter market (other than as a result of the Placing or in connection with the announced offer for Equinox Minerals Limited); or
  - (viii) any moratorium on commercial banking activities having been declared by any U.S. Federal government or New York State, Hong Kong, UK, PRC or Australian authorities; or
2. there is any breach of any of the representations, warranties and undertakings by the Company set out or referred to in the Placing Agreement, or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the completion of the Placing which, if it had occurred or arisen before the date of the Placing Agreement, would have rendered any of such representations, warranties and undertakings untrue or incorrect, in each case in such a manner as in the opinion of any Placing Agent will materially and adversely affect the financial position or business of the Group as a whole or there has been a material breach of, or material failure to perform, any other provision of the Placing Agreement on the part of the Company.

Any Placing Agent shall also have the right exercisable at any time by notice in writing to the Company to terminate the Placing Agreement if any of the Placing Shares are not issued and delivered in accordance with the terms of the Placing Agreement.

### **Completion of the Placing**

Completion of the Placing shall take place, if the above conditions have been satisfied, on 28 April 2011 (or such later date as may be agreed between the Company and the Placing Agents).

**As completion of the Placing is subject to the satisfaction of a number of conditions, the Placing may or may not proceed. Shareholders and the public are reminded to exercise caution when dealing in the Shares.**

### **Lock-up**

The Company has undertaken to the Placing Agents not to (except for (i) the allotment and issue of the Placing Shares pursuant to the Placing Agreement, (ii) the issue of the Conversion Shares, (iii) the issue of any shares pursuant to share options already granted by the Company (the grant of which has already been disclosed by the Company) or any employee share plan, and (iv) the issue of any equity as provided for in the Company's announcement of 12 April 2011 (so long as the subscription price is no less than the Placing Price), during a period of 90 days from the date of the Placing Agreement (without the prior written agreement of the Placing Agents):

- (i) allot, issue, offer to allot or issue, grant any option, right or warrant to subscribe, offer, lend, pledge, charge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests therein or any securities convertible into or exercisable or exchangeable for any such Shares or interests; or
- (ii) enter into any swap or similar agreement that transfers to another, in whole or in part, the economic risk of ownership of such Shares or a derivative instrument related to such Shares, or
- (iii) agree or announce any intention to enter into or effect any transaction described in (i) or (ii) above.

### **REASONS FOR THE PLACING AND USE OF PROCEEDS**

The Group is engaged in mining, processing and production of zinc, copper, gold, silver, lead and bauxite, exploration for mineralization and development of mining projects, trading of non-ferrous metals, production of alumina and manufacturing and distribution of aluminium and copper products.

The aggregate gross proceeds from the Placing are estimated to be HK\$3,889,321,200 (approximately US\$500 million). The Company will bear the costs and expenses of the Placing and the net proceeds from the Placing are estimated to be approximately HK\$3,830,981,382 (the "**Net Proceeds**").

The Company will use the Net Proceeds in accordance with the permitted purposes granted pursuant to the terms of the Specific Mandate, which include the partial repayment of the facility under the CMN Loan Agreement and the deployment of funding towards the exploration and development initiatives of MMG, including the Dugald River zinc project.

The Directors are of the view that the Placing will enlarge the shareholder and capital bases of the Company, and will strengthen the Group's financial position. The Directors consider that the Placing offers a good opportunity to raise capital for the partial repayment of the debt and funding

towards the exploration and development initiatives of MMG. Accordingly, they consider that the terms of the Placing are fair and reasonable and the Placing is in the interests of the Company and the Shareholders as a whole.

## EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming that there will be no change in the shareholding structure of the Company between the date of this announcement and immediately before completion of the Placing, the shareholding structure of the Company as at the date of this announcement and immediately after completion of the Placing is and will be as follows:

<b>Shareholder</b>	<b>As at the date of this announcement</b>		<b>Immediately after completion of the Placing (assuming no conversion of the PSCS)</b>		<b>Immediately after completion of the Placing (assuming full conversion of the PSCS)</b>	
	<i>(No. of Shares)</i>	<i>(%)</i>	<i>(No. of Shares)</i>	<i>(%)</i>	<i>(No. of Shares)</i>	<i>(%)</i>
China Minmetals Corporation <sup>(1)</sup>	2,225,246,916	75.00	2,225,246,916	59.66	2,225,246,916	42.07
Conversion Shares <sup>(2)</sup>	—	—	—	—	1,560,000,000	29.49
<b>Total China Minmetals Corporation<sup>(1)</sup> shareholding</b>	<b>2,225,246,916</b>	<b>75.00</b>	<b>2,225,246,916</b>	<b>59.66</b>	<b>3,785,246,916</b>	<b>71.56</b>
<b>Public Shareholders</b>						
Placees	—	—	762,612,000	20.45	762,612,000	14.42
Other public Shareholders	741,748,973	25.00	741,748,973	19.89	741,748,973	14.02
<b>Total</b>	<b>2,966,995,889</b>	<b>100.00</b>	<b>3,729,607,889</b>	<b>100.00</b>	<b>5,289,607,889</b>	<b>100.00</b>

Notes:

<sup>(1)</sup> China Minmetals Corporation holds approximately 96.50% of China Minmetals Corporation Limited, who in turn holds approximately 91.57% of the issued share capital of China Minmetals Non-Ferrous Metals Company Limited, which in turn holds the entire issued share capital of Top Create Resource Limited and Album Enterprises. Top Create Resource Limited holds approximately 43.29% of the issued share capital of the Company, while Album Enterprises holds 31.71% of the issued share capital of the Company, in each case, as at the date of this announcement.

<sup>(2)</sup> This assumes an initial conversion price of HK\$3.45 per Share.

## EQUITY FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

<b>Date of announcement</b>	<b>Fund raising activity</b>	<b>Net proceeds raised (approximately)</b>	<b>Proposed use of the net proceeds</b>	<b>Actual use of the net proceeds</b>
31/12/2010	Issue of ordinary shares	Approximately HKD2,822,337,274	As part consideration for the acquisition of the entire issued share capital of Album Resources	As part consideration for the acquisition of the entire issued share capital of Album Resources
31/12/2010	Issue of PSCS	Approximately HKD5,382,000,000 <sup>(1)</sup>	As part consideration for the acquisition of the entire issued share capital of Album Resources	As part consideration for the acquisition of the entire issued share capital of Album Resources

Notes:

<sup>(1)</sup> This assumes an initial conversion price of HK\$3.45 per Share.

Save as disclosed above, the Company has not conducted any equity fund raising activities in the 12 months immediately preceding the date of this announcement.

## **SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES**

Trading in the Shares was suspended from 1:30 p.m. on 18 April 2011 pending the release of an announcement in relation to Rule 13.09(1) of the Listing Rules which relates to a potential placing of Shares which is price sensitive in nature. An application is being made to the Stock Exchange for the resumption of trading in the Shares from 9:00 a.m. on 20 April 2011.

## **DEFINITIONS**

The following terms have the following meanings in this announcement unless the context otherwise requires:

A\$	Australian dollar(s), the lawful currency of Australia
“Acquisition”	the acquisition by All Glorious from Album Enterprises of all of the issued and paid-up share capital of Album Resources
“Album Enterprises”	Album Enterprises Limited, a company incorporated on 19 January 2005 in Hong Kong with limited liability and wholly-owned by China Minmetals Non-Ferrous Metals Company Limited
“Album Resources”	Album Resources Private Limited, a limited liability company incorporated on 8 April 2009 under the laws of Singapore and wholly-owned by the Company
“All Glorious”	All Glorious Limited, a company incorporated on 8 September 2010 in the British Virgin Islands with limited liability and wholly-owned by the Company
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong are generally open for business
“CMN Loan Agreement”	the loan agreement dated 19 October 2010 entered into between All Glorious (as borrower), the Company (as guarantor) and Album Enterprises (as lender)
“Company”	Minmetals Resources Limited, a company incorporated on 29 July 1988 in Hong Kong with limited liability
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Conversion Shares”	the new Share to be issued upon conversion of the PSCS
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company held on 9 December 2010



“Facility Agreements”	(i) a US\$200,000,000 facility agreement entered into between Album Resources and China Development Bank; (ii) a US\$366,000,000 facility agreement entered into between Album Resources and China Development Bank; (iii) a US\$144,000,000 facility agreement entered into between Album Resources and Bank of China (Singapore); (iv) a US\$385,000,000 facility agreement entered into between MMG Century Limited and Bank of China (Sydney); and (v) an A\$267,000,000 facility agreement entered into between MMG Management Pty Ltd and Bank of China (Sydney)
“Group”	the Company and its subsidiaries
“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
“Joint Global Coordinators”	Macquarie Capital Securities Limited and Morgan Stanley & Co. International plc
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Longstop Date”	13 May 2011 (or such later date as the Company and the Placing Agents may agree)
“MMG”	Album Resources and its subsidiaries
“Net Proceeds”	has the meaning given to it under the heading “Reasons for the Placing and Use of Proceeds” in this announcement
“Placee(s)”	any independent professional, institutional and/or individual investor(s) procured by the Placing Agents to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of the Placing Shares by the Placing Agents pursuant to the terms of the Placing Agreement
“Placing Agents”	Macquarie Capital Securities Limited, Morgan Stanley & Co. International plc, BOCI Asia Limited, Citigroup Global Markets Asia Limited, Credit Suisse (Hong Kong) Limited and Deutsche Bank AG, Hong Kong Branch, each a licensed corporation within the meaning of the SFO
“Placing Agreement”	a conditional placing agreement entered into between the Company and the Placing Agents dated 19 April 2011 in relation to the Placing
“Placing Price”	HK\$5.10 per Placing Share
“Placing Shares”	762,612,000 new Shares to be placed under the Placing
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macau Special Administration Region of the PRC and Taiwan)
“PSCS”	the US\$690,000,000 1% perpetual subordinated convertible securities issued by the Company on 31 December 2010

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Specific Mandate”	a specific mandate passed by resolution of the Shareholders at the EGM
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“UK”	the United Kingdom of Great Britain and Northern Island
“US\$”	United States dollar, the lawful currency of the United States of America
“%”	per cent.

*Unless otherwise stated, conversion of US\$ into HK\$ in this announcement is based on the exchange rate of US\$1.00 = HK\$7.78 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, 19 April 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.*