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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)

CONNECTED TRANSACTIONS RULE 14A.32 OF THE LISTING RULES

Connected Transactions under Rule 14A.32 of the Listing Rules

During 2011, certain members of the Group entered into the Sale Agreements with CMN. CMN is the controlling shareholder of the Company and is therefore a connected person of the Company under the Listing Rules. As a result, the Sale Agreements constitute connected transactions for the Company. Pursuant to Rule 14A.32 of the Listing Rules, as the relevant percentage ratios in respect of each of the Sale Agreements are less than 5%, they constitute connected transactions which are subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

During 2011, certain members of the Group entered into the Sale Agreements with CMN, the principal terms of which are set out below.

Copper Sale Agreement

On 14 April 2011, MMG Golden Grove entered into the Copper Sale Agreement with CMN in relation to the sale of copper concentrate by MMG Golden Grove to CMN. The principal terms of the Copper Sale Agreement are set out below.

Parties	:	(1) MMG Golden Grove (2) CMN
Product to be sold	:	Golden Grove copper concentrate which may include gold and silver content.
Total quantity of product to be sold	:	10,000 dry metric tonnes (+/- 5% in MMG Golden Grove's option).
Term	:	Commencing on 14 April 2011 and concluding on the date on which all the obligations of the parties are fulfilled.

- Sale price : CMN is to pay for agreed amounts of copper, silver and gold contained in the copper concentrate at the relevant metal prices quoted on international metal exchanges averaged over the relevant quotational period, less agreed treatment and refining charges.
- Payment terms : The Provisional Payment and the Final Payment are to be made in US Dollars.

The terms of the Copper Sale Agreement were arrived at after arm's length negotiations between MMG Golden Grove and CMN.

Zinc Sale Agreement 1

On 12 May 2011, MMG Golden Grove and MMG Century entered into the Zinc Sale Agreement 1 with CMN in relation to the sale of zinc concentrate by MMG Golden Grove or MMG Century (at the sole discretion of MMG Golden Grove and MMG Century) to CMN. The principal terms of the Zinc Sale Agreement 1 are set out below.

- Parties : (1) MMG Golden Grove and MMG Century
(2) CMN
- Product to be sold : Golden Grove zinc concentrate or Century zinc concentrate (in MMG Golden Grove and MMG Century's option) which may include silver content.
- Total quantity of product to be sold : 10,000 dry metric tonnes of Golden Grove zinc concentrate or 10,000 wet metric tonnes of Century zinc concentrate (in each case, +/- 5% in MMG Golden Grove's or MMG Century's option, respectively). Since the date of the Zinc Sale Agreement 1, MMG Golden Grove and MMG Century have elected, in accordance with the terms of the agreement, to sell Golden Grove zinc concentrate.
- Term : Commencing on 12 May 2011 and concluding on the date on which all the obligations of the parties are fulfilled.
- Sale price : CMN is to pay for agreed amounts of zinc and silver contained in the zinc concentrate at the relevant metal prices quoted on international metal exchanges averaged over the relevant quotational period, less an agreed treatment charge.
- Payment terms : The Provisional Payment and the Final Payment are to be made in US Dollars.

The terms of the Zinc Sale Agreement 1 were arrived at after arm's length negotiations between MMG Golden Grove, MMG Century and CMN.

Zinc Sale Agreement 2

On 12 May 2011, MMG Golden Grove and MMG Century entered into the Zinc Sale Agreement 2 with CMN in relation to the sale of zinc concentrate by MMG Golden Grove or MMG Century (at the sole discretion of MMG Golden Grove and MMG Century) to CMN. The Zinc Sale Agreement 2 was amended on 24 October 2011. The principal terms of the Zinc Sale Agreement 2 are set out below.

Parties	:	(1) MMG Golden Grove and MMG Century (2) CMN
Product to be sold	:	Golden Grove zinc concentrate or Century zinc concentrate (in MMG Golden Grove and MMG Century's option) which may include silver content.
Total quantity of product to be sold	:	10,000 dry metric tonnes of Golden Grove zinc concentrate or 10,000 wet metric tonnes of Century zinc concentrate (in each case, +/- 5% in MMG Golden Grove's or MMG Century's option, respectively). Since the date of the Zinc Sale Agreement 2, MMG Golden Grove and MMG Century have elected, in accordance with the terms of the agreement, to sell Century zinc concentrate.
Term	:	Commencing on 12 May 2011 and concluding on the date on which all the obligations of the parties are fulfilled.
Sale price	:	CMN is to pay for agreed amounts of zinc and silver contained in the zinc concentrate at the relevant metal prices quoted on international metal exchanges averaged over the relevant quotational period, less an agreed treatment charge.
Payment terms	:	The Provisional Payment and the Final Payment are to be made in US Dollars.

The terms of the Zinc Sale Agreement 2 were arrived at after arm's length negotiations between MMG Golden Grove, MMG Century and CMN.

Lead Sale Agreement

On 1 September 2010, MMG Golden Grove entered into the Lead Sale Agreement with CMN in relation to the sale of lead concentrate by MMG Golden Grove to CMN. The Lead Sale Agreement was amended on 19 October 2011. The principal terms of the Lead Sale Agreement are set out below.

Parties	:	(1) MMG Golden Grove (2) CMN
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Product to be sold	:	Golden Grove lead concentrate which may include silver and gold content.
Total quantity of product to be sold	:	5,000 dry metric tonnes (+/- 10% in MMG Golden Grove's option).
Term	:	Commencing on 1 September 2010 and concluding on the date on which all the obligations of the parties are fulfilled.
Sale price	:	CMN is to pay for agreed amounts of lead, silver and gold contained in the lead concentrate at the relevant metal prices quoted on international metal exchanges averaged over the relevant quotational period, less agreed treatment and refining charges.
Payment terms	:	The Provisional Payment and the Final Payment are to be made in US Dollars.

The terms of the Lead Sale Agreement were arrived at after arm's length negotiations between MMG Golden Grove and CMN.

REASONS FOR AND BENEFITS OF THE SALE AGREEMENTS

The Group's principal activities include the production and sale of metal products, including copper, zinc and lead concentrate. As part of its ordinary and usual course of business, the Group sells its products to CMN 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 each of the Sale Agreements 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 transactions contemplated under the Sale Agreements which prohibits him/her from voting on the resolutions of the Board to approve the Sale Agreements and no Director has abstained from approving such Board resolutions.

IMPLICATIONS UNDER THE LISTING RULES

CMN is the controlling shareholder of the Company and is therefore a connected person of the Company under the Listing Rules.

Pursuant to Rule 14A.32 of the Listing Rules, as the relevant percentage ratios in respect of each of the Sale Agreements are less than 5%, they constitute connected transactions which are subject to the reporting 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 mineralization and development of mining projects, trading of non-ferrous metals, the production of alumina and the manufacturing and distribution of aluminium and copper products.

INFORMATION ABOUT CMN

CMN is a trader and supplier of non-ferrous metals.

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 is a wholly-owned subsidiary of CMCL. CMNH is a controlling shareholder of CMN holding, approximately 91.57% directly and approximately 0.18% through Zigong Cemented Carbide Corporation Limited, 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 91.57% directly and approximately 0.18% (through Zigong Cemented Carbide Corporation Limited) by CMNH and 1.85% by CMCL as at the date of this announcement. CMN is the controlling shareholder of the Company, holding directly and indirectly approximately 71.71% of the issued share capital of the Company as at the date of this announcement.
“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 Sale Agreement”	means the agreement dated 14 April 2011 between MMG Golden Grove and CMN in relation to the sale of copper concentrate by MMG Golden Grove to CMN.
“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 weights, assays and prices 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 within 5 to 10 days of 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.
“Lead Sale Agreement”	the agreement dated 1 September 2010, as amended on 19 October 2011, between MMG Golden Grove and CMN in relation to the sale of lead concentrate by MMG Golden Grove to CMN.

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange.
“MMG Century”	MMG Century Limited, a company incorporated on 25 November 1986 in Australia which is limited by guarantee and which is an indirect wholly-owned subsidiary of the Company.
“MMG Golden Grove”	MMG Golden Grove Pty Ltd, a company incorporated on 21 June 2005 in Australia 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 an agreed percentage amount of between 90% and 100% of the estimated value of the entire shipment based on shipped weights, seller’s provisional assays and average prices of the relevant commodities over an agreed period, is paid by the buyer promptly after receiving a full set of original documents which are issued by the seller promptly after shipment including bills of lading, certificate of insurance, seller’s weight and moisture certificate and assay certificate, 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).
“Sale Agreements”	the Copper Sale Agreement, the Lead Sale Agreement, the Zinc Sale Agreement 1 and the Zinc Sale Agreement 2.
“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).
“Zinc Sale Agreement 1”	the first agreement dated 12 May 2011 between MMG Golden Grove, MMG Century and CMN in relation to the sale of zinc concentrate by MMG Golden Grove or MMG Century to CMN.
“Zinc Sale Agreement 2”	the second agreement dated 12 May 2011, as amended on 24 October 2011, between MMG Golden Grove, MMG Century and CMN in relation to the sale of zinc concentrate by MMG Golden Grove or MMG Century to CMN.

“%”

percentage.

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

Hong Kong, 19 December 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. Loong Ping Kwan, Dr. Peter William Cassidy and Mr. Anthony Charles Larkin.