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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)

CONTINUING CONNECTED TRANSACTION PRODUCTS SALE FRAMEWORK AGREEMENT

On 5 April 2012, the Company entered into the Products Sale Framework Agreement with CMN in relation to the sale of copper cathode, copper concentrate, zinc concentrate and lead concentrate produced, processed, manufactured, traded or distributed by any member of the Group to the CMN Group.

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 Products Sale Framework Agreement constitutes a continuing connected transaction for the Company. As the relevant percentage ratios in respect of the maximum transaction value on an annual basis relating to the Products Sale Framework Agreement are more than 5%, it constitutes a non-exempt continuing connected transaction of the Company under the Listing Rules and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

An Independent Board Committee has been formed to advise the Independent Shareholders in respect of the Products Sale Framework Agreement and the transactions contemplated thereunder (together with the Annual Caps).

Somerley Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the Products Sale Framework Agreement and the transactions contemplated thereunder (together with the Annual Caps).

A circular containing, among other things, details of the Products Sale Framework Agreement, a letter from the Independent Board Committee and a letter of advice from the Independent Financial Adviser together with a notice convening the AGM to approve, among other things, the Products Sale Framework Agreement, will be despatched to the shareholders of the Company in accordance with the Listing Rules on or before 27 April 2012.

PRODUCTS SALE FRAMEWORK AGREEMENT

As part of the ordinary and usual course of business, the Group sells Products to the CMN Group.

Reference is made to the announcement of the Company dated 17 January 2012 in relation to the Copper Cathode Sale Agreement entered into between LXML and CMN Trading, pursuant to which LXML agreed to sell and CMN Trading agreed to buy copper cathode in the quantity of between 7,000 metric tonnes and 12,000 metric tonnes to be delivered monthly between January 2012 and December 2012.

On 5 April 2012, the Company entered into the Products Sale Framework Agreement with CMN in relation to the sale of copper cathode, copper concentrate, zinc concentrate and lead concentrate produced, processed, manufactured, traded or distributed by any member of the Group to the CMN Group. The principal terms of the Products Sale Framework Agreement are set out below.

Parties : (1) the Company
(2) CMN

Products to be sold : copper cathode, copper concentrate, zinc concentrate and lead concentrate produced, processed, manufactured, traded or distributed by any member of the Group

Term : From the Effective Date to 31 December 2014

CMN may purchase or procure other members of the CMN Group to purchase, and the Company may sell or procure other members of the Group to sell, the Products at prices determined on an arm's length basis and comparable to the prevailing market rates or at rates similar to those offered by the Group to any other independent third party. Such prices shall be calculated based on the relevant metal prices quoted on the London Metal Exchange or other relevant London markets, subject to premiums and treatment and refining charges consistent with those prevailing in the PRC metal trading market for comparable imported products at the time of the relevant Sale Agreement.

Sale and purchases of the Products shall be made pursuant to sale agreements agreed between the parties, setting out, among other things, the identity of the Products, quantity, specifications, price, term of agreement, shipping schedule, delivery terms, place of delivery, place of shipment, payment terms, quotational period and other usual conditions (including those dealing with weights and assays, title and risk, insurance requirements and termination and suspension rights). Payment shall be made in accordance with the terms of the sale agreement.

The terms of the Products Sale Framework Agreement were arrived at after arm's length negotiations between the Company and CMN.

PROPOSED ANNUAL CAPS

The Company proposes that the maximum aggregate amount payable by the CMN Group to the Group under the Products Sale Framework Agreement for each of the financial years ending 31 December 2012, 2013 and 2014 are as follows:

	For the financial year ending		
	31 December		
	2012 (Note)	2013	2014
	US\$'000,000	US\$'000,000	US\$'000,000
Sale of Products			
Copper Cathode (in HK\$'000,000 equivalent)	108 (842.4)	108 (842.4)	108 (842.4)
Copper Concentrate (in HK\$'000,000 equivalent)	40 (312)	40 (312)	40 (312)
Zinc concentrate (in HK\$'000,000 equivalent)	60 (468)	60 (468)	60 (468)
Lead concentrate (in HK\$'000,000 equivalent)	50 (390)	50 (390)	50 (390)
Total:	<hr/> 258 (2012.4)	<hr/> 258 (2012.4)	<hr/> 258 (2012.4)

Note: For the avoidance of doubt, the sale of Products by the Group to CMN Group from 1 January 2012 up to the Effective Date shall be included in the calculation of the maximum quantity of Products to be sold by the Group to CMN Group for the year ending 31 December 2012.

The Annual Caps were determined by reference to internal projections of the maximum number of tonnes that may potentially be sold to the CMN Group and prevailing and projected market prices of each Product.

REASONS FOR AND BENEFITS OF THE PRODUCTS SALE FRAMEWORK AGREEMENT

The Group's principal activities include the mining, processing and production of zinc, copper, gold, silver and lead, and exploration for mineralisation and development of mining projects. As part of its ordinary and usual course of business, the Group sells Products to the CMN Group.

In view of the continuing nature of the transactions which are the subject of the Products Sale Framework Agreement, the Directors (including the independent non-executive Directors) believe that the entering into of the Products Sale Framework Agreement has the benefit of reducing the administrative burden and costs associated with compliance with laws and regulations to which the Group is subject.

GENERAL

The Directors (excluding the independent non-executive Directors whose view will be given after taking into account the advice from an independent financial adviser) are of the view that the terms of the Products Sale Framework Agreement and the transactions contemplated thereunder (together with the Annual Caps) are on normal commercial terms, and are fair and reasonable and in the interests of the shareholders of the Company as a whole.

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. As a result, the Products Sale Framework Agreement constitutes a continuing connected transaction for the Company.

As the relevant percentage ratios in respect of the maximum transaction value on an annual basis relating to the Products Sale Framework Agreement are more than 5%, it constitutes a non-exempt continuing connected transaction of the Company under the Listing Rules and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

An Independent Board Committee has been formed to advise the Independent Shareholders in respect of the Products Sale Framework Agreement and the transactions contemplated thereunder (together with the Annual Caps).

Somerley Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the Products Sale Framework Agreement and the transactions contemplated thereunder (together with the Annual Caps).

A circular containing, among other things, details of the Products Sale Framework Agreement, a letter from the Independent Board Committee and a letter of advice from the Independent Financial Adviser together with a notice convening the AGM to approve, among other things, the Products Sale Framework Agreement, will be despatched to the shareholders of the Company in accordance with the Listing Rules on or before 27 April 2012.

INFORMATION ABOUT THE GROUP

The Group is engaged in mining, processing and production of zinc, copper, gold, silver and lead, and exploration for mineralisation and development of mining projects.

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.

- “AGM”** an annual general meeting of the Company to be held in May 2012 to consider and approve, among other things, the Products Sale Framework Agreement.
- “Annual Caps”** the maximum aggregate annual amount payable by the CMC Group to the Group under the Products Sale Framework Agreement for each of the financial years ending 31 December 2012, 2013 and 2014.
- “associates”** has the meaning ascribed to it under the Listing Rules.
- “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 87.538% by CMC and as to 0.846% 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 88.384% in CMCL 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 93.6% by CMNH as at the date of this announcement. CMN is the controlling shareholder of the Company, holding directly and indirectly approximately 71.72% of the issued share capital of the Company as at the date of this announcement.
- “CMN Group”** CMN and its subsidiaries and associates from time to time (excluding the Group).

“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 a wholly-owned subsidiary of CMCL. CMNH is a controlling shareholder of CMN holding approximately 93.6% of CMN as at the date of this announcement.
“CMN Trading”	五礦有色金屬貿易有限公司 (China Minmetals Non-Ferrous Metals Trading Company Limited), a joint stock limited company incorporated on 25 November 2010 under the laws of the PRC and a wholly-owned subsidiary of CMC.
“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.
“Condition”	the passing of the resolution(s) at a general meeting of the Company by the Independent Shareholders to approve (i) the Products Sale Framework Agreement and the transactions contemplated therein; and (ii) the Annual Caps.
“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 Cathode Sale Agreement”	means the agreement dated 17 January 2012 between LXML and CMN Trading in relation to the sale of Sepon copper cathode by LXML to CMN Trading.
“Director(s)”	the director(s) of the Company.
“Effective Date”	the date on which the Condition is satisfied.
“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.
“Independent Board Committee”	an independent committee of the Board, comprising all the independent non-executive Directors, namely, Mr. Loong Ping Kwan, Dr. Peter William Cassidy and Mr. Anthony Charles Larkin, established to give an opinion in relation to the terms of the Products Sale Framework Agreement.

“Independent Financial Adviser”	Somerley Limited, a corporation licensed to carry out business in type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the terms of the Products Sale Framework Agreement.
“Independent Shareholders”	shareholders of the Company who do not have any material interests in the Products Sale Framework Agreement other than by virtue of their respective shareholdings in the Company.
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange.
“LXML”	Lane Xang Minerals Limited, a special purpose company incorporated in Laos on 30 September 1993, a non-wholly owned subsidiary of MMG Laos Holdings Limited and a subsidiary of the Company.
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan).
“Products”	copper cathode, copper concentrate, zinc concentrate and lead concentrate produced, processed, manufactured, traded or distributed by any member of the Group.
“Products Sale Framework Agreement”	the agreement dated 5 April 2012 between the Company and CMN in relation to the sale of copper cathode, copper concentrate, zinc concentrate and lead concentrate produced, processed, manufactured, traded or distributed by any member of the Group to the CMN Group.
“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).
“%”	percentage.

Unless otherwise specified, conversion of US\$ into HK\$ in this announcement is based on the exchange rate of US\$1.00 = HK\$7.8 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, 5 April 2012

As at the date of this announcement, the board of directors of the Company comprises nine directors, of which two are executive directors, namely Mr. Andrew Gordon Michelmore and Mr. David Mark Lamont; 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.