

**REPLY TO QUERIES REGARDING THE ANNOUNCEMENT MADE ON 11 JULY 2013  
CONCERNING THE MEMORANDUM OF UNDERSTANDING**

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The Board of Directors ("**Board**") of China Mining International Limited (the "**Company**") refers to the queries from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") regarding the announcement (the "**Announcement**") made by the Company on 11 July 2013 concerning the memorandum of understanding ("**MOU**") (the "**Queries**") and wishes to respond to the Queries as follows.

Capitalised terms not otherwise defined herein shall have the same meanings assigned to them in the Announcement.

**Query 1**

**The Company announced that it intends to acquire a tantalum-Niobium mine in Nigeria, a tin-copper mine in Tajikistan, an iron ore mine in Western Australia and two (2) iron ore mines in the PRC ("Proposed Acquisition"). With respect to these mines, please disclose the following:**

- (a) The purchase consideration for these mines;**
- (b) The names, location and size of these mines;**
- (c) The valuation of these mines;**
- (d) The amount of indicated resources and contingent resources of each mine;**
- (e) Whether all the mining concessions have been obtained; and**
- (f) The length of the concessions for each of the mines.**

**Response**

- (a) As at the date of the MOU, the purchase consideration for the Target Mines has not been agreed upon. The Vendors and the Company have nevertheless agreed that the Purchase Consideration shall be subject to, *inter alia*, the following:**
  - (i) an independent qualified person's report on each of the Target Mines in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves promulgated by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian**

Institute of Geoscientists and Mineral Council of Australia, or any other standards that are acceptable to the SGX-ST; and

- (ii) a valuation report on each of the Target Mines in accordance with the Code for Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports promulgated by the VALMIN Committee, or any other standards that are acceptable to the SGX-ST.

- (b) As at the date of this announcement, to the best of the Board's knowledge, the name, location and size of each of the Target Mines are set out below:

	<b>Name of Mine</b>	<b>Type of Mine</b>	<b>Location of Mine</b>	<b>Approximate Area (sq km)</b>
<b>Mine 1</b>	Nigeria Tantalum-Niobium Mine	Tantalum-Niobium	The boundary of Bauchi State and Planteau State of Nigeria	79.2
<b>Mine 2</b>	Mujistone Mine	Tin-copper	Located approximately 76 km of Pentti Gio Kent, Tajikistan	13.62
<b>Mine 3</b>	Olary Iron Mine	Iron Ore	Located approximately 50 km south of Olary, South Australia <sup>(1)</sup>	280
<b>Mine 4</b>	Laobing Iron Mine	Iron Ore	Tajik Autonomous County of Kuergan, Xinjiang, the PRC	13.14
<b>Mine 5</b>	Zoukeben Iron Mine	Iron Ore	Tajik Autonomous County of Kuergan, Xinjiang, the PRC	18.42

Note:

- (1) The Board wishes to clarify that Mine 3 referred to in the table above is located in South Australia instead of Western Australia as mentioned in the Announcement.

- (c) CGE has appointed independent qualified persons to prepare independent technical reports (“**ITRs**”) for the Target Mines.

The valuation of the Target Mines can only be determined after the ITRs have been finalised. Such information will be disclosed at an appropriate time.

- (d) The amount of indicated resources and/or reserves for each of the Target Mines can only be determined after the ITRs have been issued. Such information will be disclosed at the appropriate time.

- (e) As at the date of the Announcement, to the best of the Board's knowledge, save for Mine 2 referred to in the table above which has a mining permit issued on 29 August 2011 and expiring on 9 April 2021, the rest of the Target Mines have not obtained mining concessions.
- (f) Please refer to the Company's response in paragraph (e) above.

### **Query 2**

**The Company announced that the purchase consideration for the Proposed Acquisition will be satisfied, amongst other things, through the disposal of its subsidiary, Elegant Jade Enterprises, which owns two (2) PRC iron mines to one of the Vendors. Please explain why the Company is disposing its two (2) existing iron mines when it is diversifying into the mining business.**

### **Response**

The two (2) existing iron ore mines are held through a 50:50 joint venture by the Company with a third party. The Company intends to dispose off the two (2) existing iron ore mines as both CGE and the third party joint venture partner have indicated it is their commercial intention to exclude the two (2) existing iron ore mines as underlying assets in the post-acquisition group structure.

**BY ORDER OF THE BOARD**

**Mr Li Bin  
CEO & Executive Director**

21 July 2013