CHINA MINING INTERNATIONAL LIMITED
中矿国际有限公司
Company Registration No. CT-140095

REPLY TO ADDITIONAL QUERY REGARDING THE ANNOUNCEMENT MADE ON 21 JULY 2013 CONCERNING THE MEMORANDUM OF UNDERSTANDING

The Board of Directors ("**Board**") of China Mining International Limited (the "**Company**") refers to the following additional query from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") regarding the announcement made by the Company on 21 July 2013 concerning the responses to the queries raised by the SGX-ST in respect of the memorandum of understanding ("**MOU**") (the "**Query**") and wishes to respond to the Query as follows.

Capitalised terms not otherwise defined herein shall have the same meanings assigned to them in the announcement made by the Company on 11 July 2013 in respect of the MOU (the "**Announcement**").

Query

With respect to the Exchange's query on the reasons for the disposal of the Company's existing 2 PRC iron ore mines ("Existing Mines") when it is diversifying into the mining business, the Company responded in its announcement of 21 July 2013 that "both CGE and the third party joint venture partner [of the Existing Mines] have indicated it is their commercial intention to exclude the [Existing Mines] as underlying assets in the post-acquisition structure".

Please disclose who the third party joint venture partner is and explain why this third party should be objecting to the Company's holding of the [Existing Mines] since the Company had already invested in these mines and had fully paid for its shares. To justify why it is in the best interest of the Company to acquire 2 PRC iron ore mines which have not obtained mining concessions and dispose of the 2 fully paid for [Existing Mines].

Response

As mentioned in the Company's previous announcement of 1 December 2012, the third party joint venture partner of the Existing Mines is Mr Leong Chi Seng (梁志成) ("**Mr Leong**").

Elegant Jade, a wholly-owned subsidiary of the Company, currently co-owns Tian Cheng Holdings Limited ("**Tian Cheng**"), the joint venture entity that holds the Existing Mines, with Mr Leong through a 50:50 joint venture.

Following the completion of the Proposed Acquisition, there will be a change in control of the Company and it is envisaged that CGE will be the major shareholder of the Company and will be able to exercise significant influence over all matters requiring shareholders' approval.

CGE and Mr Leong have indicated to the Company that they are not sufficiently familiar with each other to be business partners in joint investments. Both parties consider this to be an important consideration. Consequently, at the time of entry into the MOU, CGE and Mr Leong reached a consensus that they would not at this moment be working together and have expressed the desire to have the Existing Mines excluded from the post-acquisition structure.

Given the potential benefits of the Proposed Acquisition for the Company as announced on 11 July 2013, the Board is of the view that it is in the best interest of the Company to proceed with the Proposed Acquisition.

An independent valuation will be carried out for each of the Target Mines pursuant to the Proposed Acquisition and the Existing Mines pursuant to the underlying proposed disposal to Mr Guo Yinghui, an Executive Chairman and controlling shareholder of the Company. As both the Proposed Acquisition and the underlying proposed disposal constitute interested person transactions, an independent financial adviser will be appointed in due course in accordance with the requirements under Chapter 9 of the Listing Manual stating whether the proposed transactions are on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

BY ORDER OF THE BOARD

Mr Li Bin
CEO & Executive Director

30 July 2013