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**VERY SUBSTANTIAL DISPOSAL
DISPOSAL OF INTEREST IN THE MINA JUSTA PROJECT
RESUMPTION OF TRADING**

The Board is pleased to announce that on 23 April 2012, the Company and the Purchaser entered into the Share Purchase Agreement pursuant to which the Purchaser has agreed, subject to the Conditions, to acquire the Sale Shares (representing an indirect ownership of 70% of the issued share capital of Marcobre, the sole owner of the Mina Justa Project) from the Company for a total of US\$505,000,000 in cash and the Cash Injection Reimbursement Amount (together, the Total Consideration), subject to the Purchaser's withholding of an estimate amount of Peruvian capital gains tax at Closing. The Purchaser agreed to pay an amount of US\$50,500,000 in cash into the Escrow Account as deposit.

The Transaction constitutes a very substantial disposal for the Company under the Listing Rules and is therefore subject to the approval of the Shareholders at an EGM.

An EGM will be convened and held for Shareholders to consider and, if thought fit, approve the Transaction Documents and the transactions contemplated thereunder. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, no Shareholder or his or her associates have a material interest in the Transaction and, therefore, no Shareholder is required to abstain from voting on the resolutions in connection with the Transaction.

A Circular containing, among other things, details of the Transaction Documents and the transactions contemplated thereunder and the notice of the EGM will be dispatched to the Shareholders in compliance with the Listing Rules by the end of June 2012.

Shareholders and potential investors should note that Closing of the Transaction is subject to, among other things, the satisfaction of the Conditions, and may or may not proceed. Accordingly, Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

INTRODUCTION

The Board is pleased to announce that on 23 April 2012, the Company and the Purchaser entered into the Share Purchase Agreement pursuant to which the Purchaser has agreed, subject to the Conditions, to acquire the Sale Shares (representing an indirect ownership of 70% of the issued share capital of Marcobre, which is the sole owner of the Mina Justa Project) from the Company for the Total Consideration, subject to the Purchaser's withholding of an estimate amount of Peruvian capital gains tax at Closing. Morgan Stanley Asia Limited is the financial adviser to the Company in respect of the Transaction.

THE SHARE PURCHASE AGREEMENT

Date: 23 April 2012

Parties:

Seller: CST Mining Group Limited (the Company)

Purchaser: Cumbres Andinas S.A. (the Purchaser)

The Company confirms that, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Purchaser and its ultimate beneficial owners are third parties independent of the Group and its connected persons (as defined in the Listing Rules).

Assets to be Disposed of

The Company has agreed to sell on behalf of Avion, or procure the sale of, and the Purchaser has agreed to purchase, the Sale Shares (representing the entire issued share capital of CST Resources, an indirect wholly-owned subsidiary of the Company which indirectly owns 70% of the issued share capital of Marcobre, which is the sole owner of the Mina Justa Project), free and clear from all encumbrances and together with all rights and advantages which are at the date of the Share Purchase Agreement or at any time thereafter attached to the Sale Shares (including the right to receive all distributions and dividends declared, paid or made in respect of the Sale Shares after Closing) on the terms and subject to the conditions of the Share Purchase Agreement.

Consideration

The aggregate consideration for the Sale Shares payable by the Purchaser to the Company shall be the Total Consideration, subject to the Purchaser's withholding of an estimate amount of Peruvian capital gains tax at Closing. The Total Consideration shall be paid by the Purchaser to the Company at Closing as follows:

- (a) the Deposit (and any interest accrued thereon) will be released from the Escrow Account to the Company; and
- (b) an amount in US\$ that is equal to the Total Consideration *less* the Deposit and an estimate amount of Peruvian capital gains tax will be withheld by the Purchaser.

The tax rate for Peruvian capital gains tax is 30% of the capital gain of the Company from the Transaction, being assessed based on the difference between the transfer value of the Sale Shares and the cost thereof. The aggregate cash payments to be made directly by the Company to Marcobre are expected to be around US\$1,400,000 for the period between 31 March 2012 and Closing. Such payments will be primarily used to support Marcobre's working capital and pay Mining Concession fees.

The Total Consideration was determined on normal commercial terms between the Company and the Purchaser after arm's length negotiations. The Company engaged Morgan Stanley Asia Limited as its financial adviser who helped to organize a private auction process. After considering all the bids, the offer from the Purchaser was most favourable to the Company. Taking into account the before tax gain of approximately US\$256,200,000 on the Transaction and that the Company only acquired the Mina Justa project around two year ago, the Directors are of the view that the Purchaser's offer is fair and reasonable. The Company has not provided additional price sensitive information regarding the Mina Justa Project (including any new valuation of the project) to the Purchaser which have not already been made public.

The payment obligations of the Purchaser are guaranteed by Minsur.

The aggregate consideration will be paid in full by the Purchaser out of its available internal cash and/or loan facilities.

Conditions Precedent

Closing is conditional on:

- (a) the Shareholders' Approval Condition having been fulfilled by the Seller; and
- (b) the Core Warranties Condition having been fulfilled by the Company or waived by the Purchaser in accordance with the Share Purchase Agreement.

Deposit and Escrow

In connection with the Transaction, the Company and the Purchaser are to enter into the Escrow Agreement with the Escrow Agent and the Purchaser agreed to transfer the amount of the Deposit into the Escrow Account.

Pursuant to the Share Purchase Agreement, the Deposit (together with any interest accrued thereon) will be released by the Escrow Agent to the Company:

- (a) upon Closing; or
- (b) if:
 - (i) the Shareholders' Approval Condition has been satisfied in accordance with the Share Purchase Agreement; and
 - (ii) Closing does not take place on the Closing Date for reasons solely attributable to the Purchaser's default of its obligations under the Share Purchase Agreement.

The Company and the Purchaser agreed to promptly take all actions necessary under the Escrow Agreement in order to direct that the Deposit be released by the Escrow Agent to the Purchaser if Closing does not take place on or prior to the Long Stop Date due to any reason other than as set out in the case of (b) above. In such case, the Company shall be entitled to retain any interest earned on the Deposit.

Exclusivity

Under the Share Purchase Agreement, the Company undertakes that, until the earlier of the termination of the Share Purchase Agreement and the Long Stop Date, neither it nor any of its affiliates, agents or representatives will:

- (a) solicit, assist, initiate, facilitate or encourage any inquiries, negotiations, bids, offers or proposals regarding any Alternative Transaction;

- (b) continue, propose or enter into negotiations or agreements with respect to any Alternative Transaction; or
- (c) provide any non-public information to any person other than the Purchaser and its advisors and their respective representatives for the purpose of making, evaluating or determining whether to make or pursue any inquiries or proposals with respect to any Alternative Transaction.

Notwithstanding, the Company or its affiliates may engage in any of the above conduct if not doing so would constitute a breach of any of the Company's or such affiliate's director's regulatory, statutory or fiduciary duty or otherwise be unlawful.

The Company agreed to notify the Purchaser as soon as practicable after the Company receives or becomes aware of any proposal, offer or bid in respect of an Alternative Transaction. In addition, the Seller agreed to promptly notify the Purchaser in writing if any such Alternative Transaction is reasonably determined to be a Superior Proposal. The Purchaser will have a period of five Business Days to match the terms of the Superior Proposal, in which case the Company and the Purchaser shall amend the Share Purchase Agreement to reflect the new terms within five Business Days. In determining whether an Alternative Transaction is a Superior Proposal, the Directors will consider the necessary factors to ensure that they act in the best interests of Shareholders. Such factors may include, the terms and conditions of the Alternative Transaction, including, among other things, the offer price, conditions to closing, identity of the offeror and the offeror's financial capability to complete the transaction.

Break Fee

The Company agreed to pay the Purchaser a Break Fee (representing 2% of the purchase price of US\$505,000,000) if Closing does not take place on or prior to the Long Stop Date due to:

- (a) the Company breaching its exclusivity undertakings above and within six months of such breach an Alternative Transaction is announced; or
- (b) the Shareholders' Approval Condition not being satisfied or waived, other than due to the Purchaser' material default of its obligations under the Share Purchase Agreement.

Taking into consideration (a) the nature of the Transaction and (b) the terms and conditions of the Share Purchase Agreement (including (i) the Purchaser's agreement to pay a Deposit in the amount of 10% of the purchase price, (ii) there are only two Conditions to Closing, neither of which requires actions on the part of the Purchaser, (iii) the Company's right to enter into any Superior Proposal as permitted and in accordance with the terms of exclusivity clauses and (iv) the significant time and cost incurred by the Purchaser during the private auction process), the Directors are of the view that the Purchaser's request for a Break Fee of 2% of the purchase price under the two circumstances above to compensate its cost incurred in connection with the Transaction is not unreasonable.

Seller Tax Indemnity

Under the Share Purchase Agreement, the Seller agreed to indemnify and hold harmless the Purchaser and the Target Companies in respect of potential capital gains tax liabilities arising out of the Transaction which is required under paragraph "e" of Section 10 of the Peruvian Income Tax Law. Other than capital gains tax liabilities arising directly from the Transaction, the Company has not indemnified the Purchaser for any other tax liabilities.

Nomination of Transferee of Sale Shares

Under the Share Purchase Agreement, the Purchaser is entitled to nominate its wholly-owned subsidiary to be the transferee of the Sale Shares at Closing.

Intellectual Property Rights

Under the Share Purchase Agreement, the Target Companies may continue to use the Company's intellectual property rights within a reasonable period of time and in no event exceeding 60 days to the extent that such intellectual property rights are used by such Target Companies on the date of the Share Purchase Agreement and are necessary for Marcobre to carry on its business.

Resignation of Target Companies' Directors

At Closing, all the directors of each Target Company (except as to Marcobre, only the directors appointed by the Company) will resign from their respective offices.

Termination

If the Conditions have not been fulfilled or waived or are no longer capable of being fulfilled on or before the Long Stop Date, the Share Purchase Agreement will automatically terminate (other than certain provisions thereof). In such case the Company and the Purchaser shall not have any claim under the Share Purchase Agreement of any nature whatsoever against the other party, except for any rights and liabilities accrued before termination (including the Company's obligation to pay the Break Fee, if applicable).

If the Purchaser does not exercise its right to match the terms of any Superior Proposal, the Company may terminate the Share Purchase Agreement and pay to the Purchaser a Break Fee. In such case the Company and the Purchaser shall not have any other claim under the Share Purchase Agreement of any nature whatsoever against the other party.

Governing Law of the Share Purchase Agreement

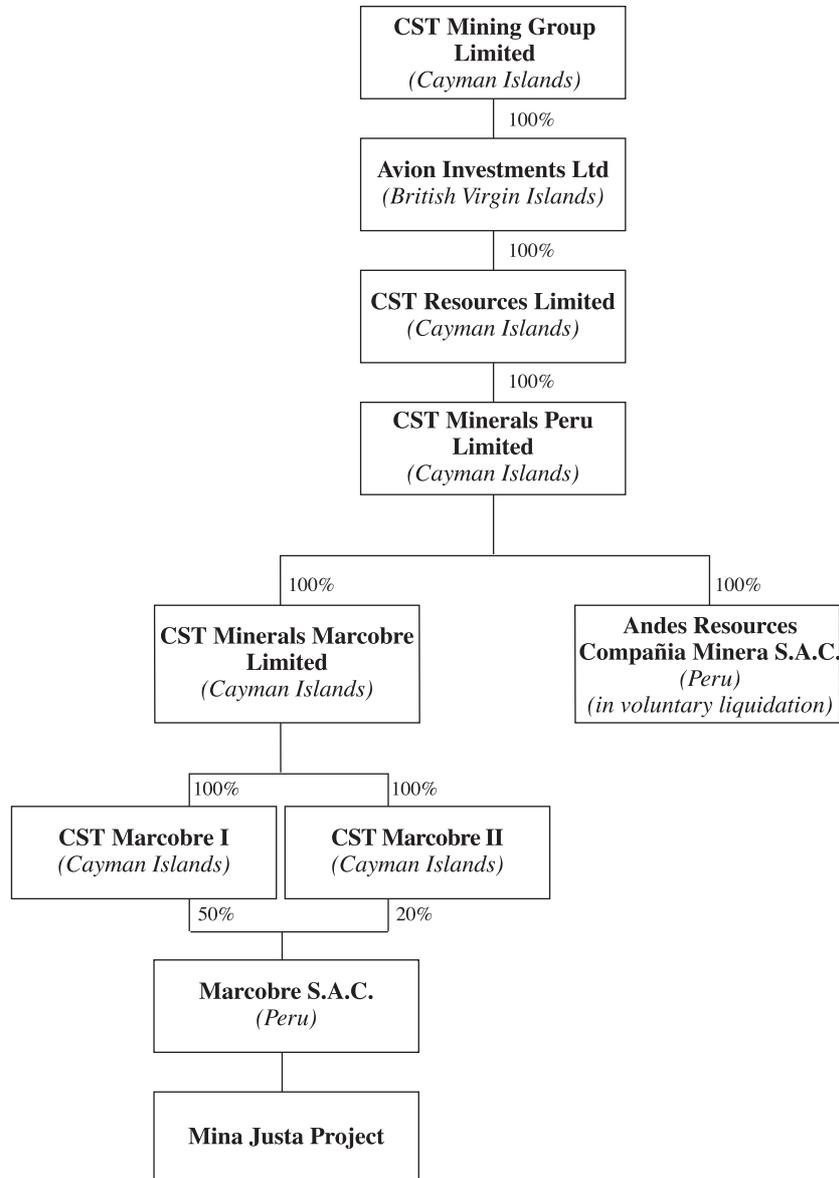
The Share Purchase Agreement is governed by and interpreted in accordance with the laws of Hong Kong.

INFORMATION ON THE GROUP

The Company

Headquartered in Hong Kong, the Company is an international copper mining company listed on the Stock Exchange and engaged in the copper mining business. The Company operates its wholly-owned Lady Annie Project and, prior to Closing, the development of the Mina Justa Project. It also owns approximately 9.9% stake in Hong Kong listed G-Resources Group Ltd.

As at the date of this announcement, the Company indirectly holds a 70% interest in the Mina Justa Project through a number of wholly-owned subsidiaries. As of the date of this Announcement, the Mina Justa Project has not started production. Set out below is the shareholding structure of the Group in connection with the Transaction as at the date of this announcement:



CST Resources

The Transaction relates to the disposal of the entire issued share capital of CST Resources.

CST Resources is an indirect wholly-owned subsidiary of the Company. Through its subsidiaries, CST Resources indirectly owns 70% of the interest in Marcobre. Marcobre is the sole owner of the Mina Justa Project, the principal exploration and development prospect within the Marcona Copper Property.

The Mina Justa Project

The Mina Justa Project is located approximately 400 kilometers southeast of Lima within the Nazca Province, Ica Department of the southern Peruvian coastal belt and lies approximately 25 kilometers north of the coastal town of San Juan de Marcona and 35 kilometers southwest of the town of Nazca. The Mina Justa Project is comprised of two deposits, the Mina Justa and Magnetite Manto deposits, with estimated resources of 413,300,000 tonnes of ore grading 0.79% copper.

INFORMATION ON THE PURCHASER

The Purchaser is a Peruvian company exploring for base and precious metals in various parts of Peru and, through subsidiaries, engaging in investments in Brazil (tin mining) and Chile (cement). The Purchaser is a subsidiary of Minsur, the world's fourth largest and Peru's largest tin producer in terms of tonnage. The Purchaser and Minsur are part of Grupo Brescia, a large Peruvian conglomerate with investments in various economic sectors.

FINANCIAL INFORMATION OF THE TARGET COMPANIES

Set out below is the unaudited financial information of the Target Companies prepared in accordance with the Hong Kong Financial Reporting Standards:

	For the period from 10 June 2010 to 31 March 2011	For the year ended 31 March 2012
Net profit (loss) before taxation and extraordinary items	US\$(1,780)	US\$369,731
Net profit (loss) after taxation and extraordinary items	US\$(1,780)	US\$368,306

The net profit of the Target Companies for the year ended 31 March 2012 was mainly due to gains from foreign currency movements as a result of the depreciation of the US\$ against Peruvian Nuevo Soles during the period.

According to the unaudited consolidated balance sheet of the Target Companies as at 31 March 2012, the net asset value of the Target Companies the subject of the Transaction is approximately US\$381,115. This amount includes the loans payable by CST Resources to Avion.

During the period between the acquisition of the Mina Justa Project in June 2010 and 31 March 2012, Marcobre's working capital, Mining Concession fees and other expenses have been funded by its internal cash resources as well as an aggregate cash injections amount of around US\$2,500,000 by the Company.

FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

Upon Closing, CST Resources will cease to be a subsidiary of the Company and the Company will cease to have any interest in CST Resources whatsoever. The Target Companies therefore will no longer form part of the Group and their financial results will no longer be consolidated with those of the Group.

The Directors expect that the Company will record a before tax gain of approximately US\$256,200,000 on the Transaction. The gain is calculated with reference to the difference between the Total Consideration and the unaudited consolidated net asset value of the Target Companies as at 31 March 2012, without taking into consideration the effects of tax and relevant expenses to be incurred.

REASON FOR AND BENEFITS OF THE TRANSACTION

The Board constantly reviews the Company's business strategy in maximizing the value of the Company and value to its Shareholders.

The realisation of the Company's investment in the Mina Justa Project through the Transaction is expected to generate significant investment return for the Shareholders. The Directors are therefore of the view that the Transaction is in the commercial interest of the Group as a whole.

Having carefully reviewed and considered the terms and conditions of the Share Purchase Agreement, the Directors are of the view that the terms of the Share Purchase Agreement are on normal commercial terms and are fair and reasonable and the entering into of the Share Purchase Agreement is in the best interests of the Company and its Shareholders as a whole.

USE OF PROCEEDS

The pre-tax net proceeds from the Transaction, calculated based on the Total Consideration net of the relevant expenses, are estimated to be approximately US\$496,000,000. The estimate amount of Peruvian capital gains tax to be withheld by the Purchaser at Closing will be determined through a procedure agreed by the Seller and the Purchaser. The Company may use the net proceeds to fund its working capital, capital expenditures needs of the Lady Annie Project, future investment and acquisition opportunities, payments of dividends and other distributions to Shareholders, repayments of debt, and other general corporate purposes.

LISTING RULES IMPLICATIONS

As the applicable Percentage Ratios in respect of the Transaction calculated under Chapter 14 of the Listing Rules exceed 75%, the Transaction constitutes a very substantial disposal for the Company under Listing Rules and is therefore subject to the approval of the Shareholders at the EGM.

An EGM will be convened and held for Shareholders to consider and, if thought fit, approve the Transaction Documents and the transactions contemplated thereunder. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, no Shareholder or his or her associates have a material interest in the Transaction and therefore, no Shareholder is required to abstain from voting on the resolutions in connection with the Transaction.

A Circular containing, among other things, details of the Transaction Documents and the transactions contemplated thereunder and the notice of the EGM will be dispatched to the Shareholders in compliance with the Listing Rules by the end of June 2012.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares has been suspended with effect from 9:00 a.m. on 23 April 2012 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 27 April 2012.

Shareholders and potential investors should note that Closing of the Transaction is subject to, among other things, the satisfaction of the Conditions, and may or may not proceed. Accordingly, Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“Alternative Transaction”	any (a) acquisitions or sales by any person of the Sale Shares or any other shares of any of the other Target Companies or of the shares of the Company, or (b) merger, consolidation, business combination, sale of a substantial portion of the assets, properties, rights or businesses, recapitalization, liquidation, dissolution or similar transaction involving any of the Target Companies;
“associates”	has the same meaning ascribed to it under the Listing Rules;
“Avion”	Avion Investments Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company;
“Board”	the board of Directors;
“Break Fee”	US\$10,100,000 an amount equal to 2% of the purchase price of US\$505,000,000;
“Business Day”	a day other than a Saturday, Sunday or public holiday in Hong Kong and Peru on which banks are open in Hong Kong and Peru for general commercial business;
“Cash Injection Reimbursement Amount”	the aggregate amount of cash payments made directly or indirectly by the Company to Marcobre during the period between 31 March 2012 and Closing for the purpose of making equity contribution(s) to Marcobre;
“Circular”	one or more circular(s) to the Shareholders to be sent by the Company in relation to the Transaction which includes the notice convening the EGM;
“Closing”	the completion of the Transaction in accordance with the Share Purchase Agreement;
“Closing Date”	the fifth Business Day after the date on which the Shareholders’ Approval Condition is satisfied or waived or any such other date as the Company and the Purchaser may agree;

“Company”	CST Mining Group Limited (stock code: 985), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange;
“Conditions”	the Shareholders’ Approval Condition and the Core Warranties Condition;
“Core Warranties Condition”	means certain warranties relating to the title of the Sale Shares and the Target Companies and the validity of the Mining Concessions set out in the Share Purchase Agreement being true and accurate in all material respects as at Closing;
“CST Marcobre I”	CST Marcobre I (formerly known as Chariot Operating Limited), a company incorporated in the Cayman Islands with limited liability and which holds 50% of the issued share capital of Marcobre;
“CST Marcobre II”	CST Marcobre II (formerly known as Chariot Partners Limited), a company incorporated in the Cayman Islands with limited liability and which holds 20% of the issued share capital of Marcobre;
“CST Resources”	CST Resources Limited, a company incorporated in the Cayman Islands with limited liability;
“Deposit”	an amount of US\$50,500,000 in cash;
“Directors”	director(s) of the Company;
“Disclosure Letter”	the letter from the Company to the Purchaser executed and delivered immediately before the signing of the Share Purchase Agreement;
“EGM”	the extraordinary general meeting of the Company to be convened to, among other things, approve the Transaction;
“Escrow Account”	has the meaning set out in the Escrow Agreement;
“Escrow Agent”	an escrow agent to be agreed to by the Company and the Purchaser;

“Escrow Agreement”	the escrow agreement between the Company, the Purchaser and the Escrow Agent to be entered into within five (5) Business Days of the date of the Share Purchase Agreement;
“Group”	collectively, the Company and its subsidiaries from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Lady Annie Project”	the copper mine and SX-EW processing facility in Queensland, Australia approximately 120 kilometers northwest of Mount Isa;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Long Stop Date”	31 August 2012 or such later date as may be agreed in writing between the Company and the Purchaser;
“Marcobre”	Marcobre S.A.C., a corporation incorporated under the laws of Peru;
“Marcona Copper Property”	the area of approximately 32,889 hectares containing at least five exploration prospects including the concessions allowing for exploration, development or other mining activities at the Marcona Copper Property and the Mina Justa Project held by Marcobre and located approximately 400 kilometers south east of Lima, in Nazca Province, Peru;
“Mina Justa Project”	the copper project located within the Marcona Copper Property;
“Mining Concessions”	means any concessions allowing for exploration, development or other mining activities at the Marcona Copper Property;
“Minsur”	Minsur S.A., the parent company of the Purchaser and a company listed on the Lima Stock Exchange;
“Percentage Ratios”	has the same meaning ascribed to it under the Listing Rules;

“Purchaser”	Cumbres Andinas S.A., a <i>sociedad anónima</i> incorporated under the laws of Peru;
“Sale Shares”	the ordinary shares of par value of US\$1.00 each in CST Resources, representing the entire issued share capital of CST Resources as at Closing;
“Shareholders”	holders of the issued Shares;
“Shareholders’ Approval Condition”	the passing of a Shareholders’ resolution granting approval of the Transaction as a “very substantial disposal” pursuant to the Listing Rules at an EGM;
“Share Purchase Agreement”	the share purchase agreement dated 23 April 2012 entered into between the Company and the Purchaser in respect of the Transaction;
“Shares”	ordinary shares of par value of HK\$0.1 each in the issued share capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Superior Proposal”	an Alternative Transaction that is reasonably determined by the Directors to be a superior proposal to the Transaction;
“Target Companies”	collectively, CST Resources and its subsidiaries (including Marcobre) as at the date of the Share Purchase Agreement;
“Total Consideration”	the aggregate amount of US\$505,000,000 and the Cash Injection Reimbursement Amount;
“Transaction”	the sale and purchase of the Sale Shares on and subject to the terms set out in the Share Purchase Agreement;
“Transaction Documents”	collectively, the Share Purchase Agreement, the Disclosure Letter and the Escrow Agreement;

“US\$” United States dollars, the lawful currency of the United States of America; and

“%” per cent.

By Order of the Board
CST Mining Group Limited
Yang Yi-fang

Executive Director and Chief Executive Officer

Hong Kong, 26 April 2012

As at the date of this announcement, the Board comprises (i) Mr. Chiu Tao (Chairman), Mr. Owen L. Hegarty, Ms. Yang Yi-fang, Mr. Hui Richard Rui, Mr. Kwan Kam Hung, Jimmy, Mr. Lee Ming Tung, Mr. Wah Wang Kei, Jackie, Mr. Yeung Kwok Yu, Mr. Tsui Ching Hung and Mr. Chung Nai Ting as executive directors of the Company and (ii) Mr. Yu Pan, Ms. Tong So Yuet and Mr. Chan Shek Wah as independent non-executive directors of the Company.