

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01164)

CONTINUING CONNECTED TRANSACTION: PURCHASE OF NATURAL URANIUM CONTRACT

The Company and Semizbay-U intends to enter into the Purchase Contract for purchase of Natural Uranium by the Group from Semizbay-U after obtaining the necessary Independent Shareholders' approval at the EGM.

As Semizbay-U is owned as to 49% by Beijing Sino-Kazakh, which is in turn 100% owned by CGNPC-URC, the controlling shareholder indirectly holding approximately 50.11% equity interests in the Company as at the date of this announcement, the entering into of the Purchase Contract and the transactions contemplated thereunder constitute a continuing connected transaction on the part of the Company and are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

A circular containing, among others, (1) details of the Purchase Contract; (2) letter from the Independent Board Committee setting out the recommendation in relation to the Purchase Contract; (3) a letter from Goldin Financial setting out its advices to the Independent Board Committee and the Independent Shareholders; and (4) a notice of the EGM will be despatched to the Shareholders as soon as practicable within 15 business days of this announcement.

The Company and Semizbay-U intends to enter into the Purchase Contract for purchase of Natural Uranium by the Group from Semizbay-U after obtaining the necessary Independent Shareholders' approval at the EGM.

As Semizbay-U is owned as to 49% by Beijing Sino-Kazakh, which is in turn 100% owned by CGNPC-URC, the controlling shareholder indirectly holding approximately 50.11% equity interests in the Company as at the date of this announcement, the entering into of the Purchase Contract and the transactions contemplated thereunder constitute a continuing connected transaction on the part of the Company and are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The principal terms of the Purchase Contract are set out below.

THE PURCHASE CONTRACT

Date:

Within seven (7) working days after obtaining Independent Shareholders' approval at the EGM

Parties:

- (a) The Company as purchaser
- (b) Semizbay-U as seller

The Company is owned as to approximately 50.11% by China Uranium Development. CGNPC-URC is the sole shareholder of China Uranium Development and CGNPC in turn is the sole shareholder of CGNPC-URC and the ultimate controlling shareholder of the Company. CGNPC is a state-owned nuclear power producer.

Semizbay-U is a limited liability partnership established with legal entity status according to the laws of the Republic of Kazakhstan, the partnership interest of which was owned as to 49% by Beijing Sino-Kazakh and 51% by KAP (directly and indirectly). As at the date of this announcement, Semizbay-U holds the exclusive right to extract the underground resources of two uranium mines owned and operated by Semizbay-U in the Republic of Kazakhstan. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save for its interests in Semizbay-U, KAP and its ultimate beneficial owner(s) are Independent Third Parties.

As at the date of this announcement, Beijing Sino-Kazakh is wholly owned by CGNPC-URC and as Semizbay-U will be classified as an associate of Beijing Sino-Kazakh, Semizbay-U will be regarded as a connected person of the Company as defined under the Listing Rules. On 16 May 2014, the Company has entered into a conditional share purchase agreement with CGNPC-URC in relation to the acquisition of the entire registered capital of Beijing Sino-Kazakh. Please refer to the announcements dated 16 May 2014 and 23 July 2014 and the circular of the Company dated 30 June 2014 for further details of the proposed Acquisition. As at the date of this announcement, the Acquisition of the entire registered capital of Beijing Sino-Kazakh has not been completed yet.

Subject Matter

Pursuant to the Purchase Contract, the Group has agreed to purchase and Semizbay-U has agreed to sell 588 ($\pm 1\%$) tons Natural Uranium during the term of the Purchase Contract subject to the order(s) placed and to be placed by the Group.

Term of the Purchase Contract

The Purchase Contract shall have a term commencing from the effective date of the Purchase Contract to 31 December 2014 (both dates inclusive).

Prices of Natural Uranium and Principal Payment terms

The price of Natural Uranium shall be determined after arm's length negotiations on a normal commercial term with reference to the arithmetic average prices of the spot price indicator published by TradeTech (<http://www.uranium.info/>) and Ux Consulting Company LLC (<http://www.uxc.com>).

95% of the purchase price payable by the Group for the Natural Uranium shall be settled within 30 calendar days from the date of delivery or such later date as may be agreed between the Group and Semizbay-U at the time of placing order(s) in accordance with the provisional invoices. The difference between 95% of the purchase price and the final price shall be settled by the Group within 30 calendar days from the date of receiving results on the weighting, sampling and analysis.

Conditions precedent

The entering into of the Purchase Contract shall be subject to fulfillment of the following conditions:

- (1) all necessary consents and approvals on the part of the Company in relation to the Purchase Contract and the transactions contemplated thereunder having been obtained, including the passing of necessary resolution(s) by the Independent Shareholders at the EGM to approve the Purchase Contract and the transactions contemplated thereunder; and
- (2) all necessary consents, approvals and authorization regarding the Purchase Contract and the transactions contemplated thereunder having been obtained.

In the event that the above conditions cannot be fulfilled on or before 31 December 2014 (or such other date as the parties to the Purchase Contract may agree), the Company will not enter into of the Purchase Contract.

Proposed Annual Cap Amount

The following table sets out the proposed Annual Cap Amount in respect of the purchase of Natural Uranium contemplated under the Purchase Contract for the year ending 31 December 2014:

For the year ending 31 December 2014
US\$65,000,000

The proposed Annual Cap Amount are determined by taking into account of various factors including (i) the expected demand of Natural Uranium of the Group and its end customers, and (ii) historical prices and possible price fluctuations in Natural Uranium.

REASONS FOR THE ENTERING INTO OF THE PURCHASE CONTRACT

The Group's original principal business used to be selling, distributing and manufacturing of pharmaceutical and food products and property investment. The Group has repositioned itself as a platform for uranium resources investment and trading since 2011.

The Group commenced the Natural Uranium trading business in 2011 and the Company has re-positioned itself as a uranium resources investment and trading platform with Natural Uranium trading to become one of the key focuses, which in turn diversifies the business model of the Company.

In 2013, the Natural Uranium trading business continues to bring significant source of revenue to the Group. For the year ended 31 December 2013, the natural uranium trading segment recorded turnover of approximately HK\$743 million, which represents approximately 93% of total Company's turnover, with segmental profit of approximately HK\$137 million during the period.

The entering into of the Purchase Contract will allow the Group to secure stable supply of Natural Uranium, which will in turn enhance the Group's strategic position as a platform for uranium resources investment and trading. Moreover, the entering into of the Purchase Contract can be regarded as a further step of the development of cooperation relationship between the Group and Semizbay-U.

The terms and conditions of the Purchase Contract are determined after arm's length negotiations between the parties thereto. The Directors (excluding the independent non-executive Directors whose view will be set out in the circular after taking into consideration of the advices of the Independent Financial Adviser) are of the view that the terms and conditions of the Purchase Contract are fair and reasonable and on normal commercial terms and the Purchase Contract and the transactions contemplated thereunder (including the proposed Annual Cap Amount) are in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As Semizbay-U is a connected person of the Company as at the date of this announcement, the entering into of the Purchase Contract and the transactions contemplated thereunder constitute a continuing connected transaction on the part of the Company under Chapter 14A of the Listing Rules. As the relevant percentage ratios on an annual basis are more than 5%, the Purchase Contract and the transactions contemplated thereunder are subject to the announcement, reporting and Independent Shareholders' approval requirements under the Listing Rules. Upon completion of the Acquisition, as Beijing Sino-Kazakh will become a wholly owned subsidiary of the Group, Semizbay-U will cease to be a connected person of the Company.

An EGM will be convened and held for the Independent Shareholders to approve the Purchase Contract and the transactions contemplated thereunder. CGNPC, CGNPC-URC and China Uranium Development and their respective associates shall abstain from voting regarding the relevant resolution(s) approving the Purchase Contract and the transactions contemplated thereunder at the EGM.

Mr. Yu Zhiping, Mr. Zhou Zhenxing, Mr. Chen Qiming and Mr. Yin Engang have abstained from voting at the Board meeting approving the Purchase Contract due to the potential conflict of interests as a result of their holding of positions as directors in CGNPC-URC. Mr. He Zuyuan has also abstained from voting at the Board meeting approving the Purchase Contract due to the potential conflict of interests as a result of being a director of Semizbay-U. Other than the above, none of the other Directors has a material interest in the purchase of Natural Uranium as contemplated under the Purchase Contract nor has any of them abstained from voting in respect of the relevant board resolution.

The Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders regarding the Purchase Contract and the transactions contemplated thereunder. Goldin Financial has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to the fairness and reasonableness of the Purchase Contract and the transactions contemplated thereunder.

A circular containing, among others, (1) details of the Purchase Contract; (2) letter from the Independent Board Committee setting out the recommendation in relation to the Purchase Contract; (3) a letter from the Independent Financial Adviser setting out its advices to the Independent Board Committee and the Independent Shareholders; and (4) a notice of the EGM will be despatched to the Shareholders as soon as practicable within 15 business days of this announcement.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“Acquisition”	the proposed acquisition of entire registered capital of Beijing Sino-Kazakh by the Group from CGNPC-URC as announced in the announcement of the Company dated 16 May 2014
“Annual Cap Amount”	the maximum aggregate annual transaction amount for the transactions contemplated under the Purchase Contract for the year ending 31 December 2014
“associates”	has the meaning ascribed to this term under the Listing Rules
“Beijing Sino-Kazakh”	Beijing Sino-Kazakh Uranium Resources Investment Company Limited* (北京中哈鈾資源投資有限公司), a limited liability company incorporated in the PRC
“Board”	the board of Directors
“CGNPC”	中國廣核集團有限公司 China General Nuclear Power Holding Corporation* (formerly known as 中國廣東核電集團有限公司 China Guangdong Nuclear Power Holding Corporation, Ltd.*), the sole shareholder of CGNPC-URC and the ultimate controlling shareholder of the Company
“CGNPC Group”	CGNPC and its subsidiaries
“CGNPC-URC”	中廣核鈾業發展有限公司 CGNPC Uranium Resources Co., Ltd.*, a company established in the PRC with limited liability and the sole shareholder of China Uranium Development
“China Uranium Development”	China Uranium Development Company Limited 中國鈾業發展有限公司*, the Controlling Shareholder of the Company, holding approximately 50.11% equity interest in the Company as at the date of this announcement
“Company”	CGN Mining Company Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to this term under the Listing Rules
“Directors”	directors of the Company

“EGM”	the extraordinary general meeting of the Company to be held and convened for the Independent Shareholders to approve the Purchase Contract and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Board comprising all the independent non-executive Directors to advise the Independent Shareholders on the Purchase Contract
“Independent Financial Adviser” or “Goldin Financial”	Goldin Financial Limited, a licensed corporation to carry out type 6 (advising on corporate finance) under the Securities and Futures Ordinance and the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders on the Purchase Contract
“Independent Shareholders”	Shareholders other than China Uranium Development and its associates
“Independent Third Party”	any person or company and their respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons (as defined in the Listing Rules)
“KAP”	National Atomic Company Kazatomprom, a joint-stock company established according to the laws of the Republic of Kazakhstan
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Natural Uranium”	uranium ore concentrates in the form of U ₃ O ₈ with isotopic assay as it occurs in nature and has not been altered
“PRC”	the People’s Republic of China
“Purchase Contract”	the conditional Purchase Contract to be entered into between the Company and Semizbay-U in relation to the purchase of Natural Uranium by the Group from Semizbay-U after the obtaining the Independent Shareholders’ approval at the EGM
“Semizbay-U”	Semizbay-U Limited Liability Partnership, a limited liability partnership established with legal entity status according to the laws of the Republic of Kazakhstan, the partnership interest of which was owned as to 49% by Beijing Sino-Kazakh and 51% by KAP (directly and indirectly)
“Shareholder(s)”	holder(s) of the share(s) of HK\$0.01 each in the share capital of the Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

By order of the Board
CGN Mining Company Limited
Zhou Zhenxing
Chairman

Hong Kong, 4 September 2014

As at the date of this announcement, the board of Directors of the Company comprises two executive Directors: Mr. Yu Zhiping (chief executive officer) and Mr. He Zuyuan, four non-executive Directors: Mr. Zhou Zhenxing (chairman), Mr. Chen Qiming, Mr. Yin Engang and Mr. Huang Jianming, and three independent non-executive Directors: Mr. Lee Kwok Tung Louis, Mr. Qiu Xianhong and Mr. Gao Pei Ji.

* *For identification purpose only*