

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: 1164)

ANNOUNCEMENT PRICE-SENSITIVE INFORMATION

Reference is made to the announcement and the supplemental announcement of CGN Mining Company Limited (the “**Company**”) dated 9 March 2012 and 12 March 2012 respectively (the “**Announcements**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited. Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcements.

The board of directors (the “**Board**”) of the Company announces that it has been informed by China Uranium Development Company Limited, the controlling shareholder of the Company (the “**Controlling Shareholder**”) that, subsequent to the MOU dated 9 March 2012 signed between the Controlling Shareholder and Silver Grant, the parties thereto had entered into a formal Subscription Agreement after trading hours on 23 March 2012.

Pursuant to the Subscription Agreement, the Controlling Shareholder shall issue and Silver Grant shall subscribe for the Exchangeable Bond in the principal amount of HK\$776,000,000 upon the completion thereof (the “**Completion**”).

The Completion of the Subscription Agreement shall be subject to the fulfillment (or waiver) of a number of conditions precedent, which include, among others, the passing of ordinary resolutions by the shareholders of Silver Grant at an extraordinary general meeting approving the Subscription Agreement and the transactions contemplated therein and the Controlling Shareholder having obtained all licences, consents, approvals, authorizations, permissions and exemptions (if required) in connection with the Subscription Agreement and the transactions contemplated therein.

* *For identification purposes only*

Subject to the terms and conditions of the Exchangeable Bond, Silver Grant can exercise the Exchange Right to request the Controlling Shareholder to transfer to it the Shares of the Company held by the Controlling Shareholder (the “**Exchange Shares**”). The major terms of the Exchangeable Bond are summarized as below:

PRINCIPAL AMOUNT

HK\$776,000,000.

MATURITY

The Exchangeable Bond shall mature on the date falling on the fifth anniversary of the date of issue of the Exchangeable Bond, provided that if such date is not a business day, repayment shall be made on the next following business day.

EXCHANGE PRICE

The Exchange Price, subject to the adjustment, is HK\$1.41 per Exchange Share. The Exchange Price may be adjusted upon occurrence of adjustment events, which include consolidation or sub-division of the Shares of the Company and capitalisation of profits or reserves, and will in any event not adjusted below the par value of the Share of the Company.

EXCHANGE RIGHTS

Subject to the right of redemption by the Controlling Shareholder as mentioned below, Silver Grant shall have the right to exchange all or any part of the principal amount of the Exchangeable Bond in an amount being not less than HK\$1 million and in integral multiples of HK\$1 million on each exchange and up to an aggregate of 20 times of exchange prior to the maturity date as mentioned above for Exchange Shares at the Exchange Price at any time on any business day prior to the maturity date as mentioned above.

CASH PAYMENT OPTION

In the event that Silver Grant exercises its Exchange Right or serves a notice to transfer the Exchangeable Bond, the Controlling Shareholder will have an option to pay cash, instead of transferring the related Exchange Shares to Silver Grant or accepting the transfer of the Exchangeable Bond, in an amount equal to the closing price as of the date of the exercise notice or transfer notice (as the case may be) multiplied by the number of Exchange Shares that Silver Grant would have received pursuant to the exercise notice or transferred pursuant to the transfer notice (as the case may be) if the Controlling Shareholder had not exercised its cash option right as set forth in this paragraph.

RANKING

The Exchange Shares will rank pari passu in all respects with all existing Shares of the Company in issue at the date Silver Grant exercises the Exchange Right.

REDEMPTION BY THE CONTROLLING SHAREHOLDER

The Controlling Shareholder shall, at any time after the first anniversary of the date of issue of the Exchangeable Bond, have the option to redeem the Exchangeable Bond in amounts of HK\$1,000,000 or integral multiples thereof. The amount payable for any redemption shall be the aggregate of (i) the relevant amount of the principal amount of the Exchangeable Bond so redeemed; and (ii) interest accrued in respect of the relevant amount of the principal amount of the Exchangeable Bond so redeemed from the date immediately following the last interest payment date up to and including the date of redemption.

TRANSFERABILITY

Any registered holding of the Exchangeable Bond may be assigned or transferred in whole and not in part to any other party with the prior written notice to the Controlling Shareholder.

VOTING RIGHTS

Unless otherwise exchanged, the Exchangeable Bond does not confer any voting rights at any meetings of the Company.

LISTING

No application will be made for the listing of the Exchangeable Bond.

As at the date of this announcement, a total of 1,670,000,000 Shares are held by the Controlling Shareholder, representing approximately 50.11% of the existing issued share capital of the Company. In addition, upon the full exercise of the Convertible Bond, a total of 2,608,695,652 Shares will be issued to the Controlling Shareholder. Also, pursuant to the Share Charge, Perfect Develop Holding Inc. had charged 450,000,000 Shares in favour of the Controlling Shareholder. The details of the Convertible Bond and the Share Charge can be referred to the circular and the announcement issued by the Company dated 23 May 2011 and 18 August 2011 respectively.

Assuming the Exercise Rights attaching to the Exchangeable Bond in the aggregate sum of HK\$776,000,000 at the Exchange Price is exercised in full by Silver Grant, the Controlling Shareholder will transfer an aggregate of 550,354,609 Shares, representing approximately 16.51% of the existing issued share capital of the Company (assuming there has been no change to the existing issued share capital of the Company), to Silver Grant.

The table below sets out the shareholding structure of the Company (i) as at the date of this announcement; (ii) assuming full conversion of the Convertible Bond but prior to the exercise of the Exchange Right; (iii) assuming full conversion of the Convertible Bond and the full exercise of the Exchange Right:

	Shareholding structure as at the date of this announcement		Assuming full conversion of the Convertible Bond but prior to the exercise of the Exchange Right		Assuming full conversion of the Convertible Bond and the full exercise of the Exchange Right	
	<i>No. of</i>	<i>(approximately)</i>	<i>No. of</i>	<i>(approximately)</i>	<i>No. of</i>	<i>(approximately)</i>
	<i>Shares</i>	<i>%</i>	<i>Shares</i>	<i>%</i>	<i>Shares</i>	<i>%</i>
China Uranium Development Company Limited	1,670,000,000	50.11	4,278,695,652	72.02%	3,728,341,043	62.75%
Perfect Develop Holding Inc.	522,526,940	15.68%	522,526,940	8.79%	522,526,940	8.79%
				<i>(Note 1)</i>		<i>(Note 1)</i>
Non-executive Director Mr. Chen Zhiyu	26,666	0.0008%	26,666	0.0004%	26,666	0.0004%
Silver Grant International Industries Limited	—	—	—	—	550,354,609	9.26%
Other Public Shareholders	1,140,033,387	34.21%	1,140,033,387	19.19%	1,140,033,387	19.19%
Total	<u>3,332,586,993</u>	<u>100%</u>	<u>5,941,282,645</u>	<u>100%</u>	<u>5,941,282,645</u>	<u>100%</u>

Note:

1. Assuming full conversion of the Convertible Bonds, Perfect Develop Holding Inc. will become a member of the public.
2. Assuming the Share Charge is not enforced by China Uranium Development Company Limited.

As the completion of the Subscription Agreement may or may not proceed, shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
CGN Mining Company Limited
Mr. He Zuyuan
Chief Executive Officer

Hong Kong, 23 March 2012

As at the date of this announcement, the board of Directors of the Company comprises three executive Directors: Mr. He Zuyuan (chief executive officer), Mr. Li Zhengguang and Ms. Zheng Xiaowei, three non-executive Directors: Mr. Yu Zhiping (chairman), Mr. Wei Qiyuan and Mr. Chen Zhiyu and three independent non-executive Directors: Mr. Ling Bing, Mr. Qiu Xianhong and Mr. Huang Jinsong.