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(Incorporated in the Cayman Islands with limited liability)

(Stock code: 01164)

MAJOR AND CONTINUING CONNECTED TRANSACTION REVOLVING LOAN FACILITY AGREEMENT

REVOLVING LOAN FACILITY AGREEMENT

On 15 October 2012 (after trading hours), the Company as lender and China Uranium Development as borrower entered into the Revolving Loan Facility Agreement pursuant to which the Company will provide the Revolving Loan of an amount not exceeding US\$100 million (approximately HK\$780 million) to China Uranium Development for a term of one year commencing from the Effective Date.

The Company is owned as to approximately 50.11% equity interest by China Uranium Development and accordingly China Uranium Development is the Controlling Shareholder of the Company. Therefore, China Uranium Development is a connected person of the Company. The entering into of the Revolving Loan Facility Agreement and the provision of the Revolving Loan to China Uranium Development constitute a continuing connected transaction of the Company under Chapter 14A of the Listing Rules and are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As certain applicable percentage ratios stipulated under Rule 14.07 of the Listing Rules in respect of the provision of the Revolving Loan exceed 25% but less than 75%, the entering into of the Revolving Loan Facility Agreement and the provision of the Revolving Loan also constitute a major transaction of the Company under Chapter 14 of the Listing Rules and are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14 of the Listing Rules.

GENERAL

An EGM will be convened to obtain the Independent Shareholders' approval regarding the Revolving Loan Facility Agreement, the proposed Cap Amount and the provision of the Revolving Loan. A circular containing, among others, (1) a letter from the Board containing further details of the Revolving Loan Facility Agreement, the proposed Cap Amount and the provision of the Revolving Loan; (2) a letter from the Independent Board Committee setting out its recommendations in connection with the Revolving Loan Facility Agreement, the proposed Cap Amount and the provision of the Revolving Loan to the Independent Shareholders; (3) a letter from Guangdong Securities setting out its advice to the Independent Board Committee and the Independent Shareholders; and (4) a notice of the EGM will be despatched to the Shareholders on or before 5 November 2012.

REVOLVING LOAN FACILITY AGREEMENT

Introduction

On 15 October 2012 (after trading hours), the Company as lender and China Uranium Development as borrower entered into the Revolving Loan Facility Agreement pursuant to which the Company will provide the Revolving Loan of an amount not exceeding US\$100 million (approximately HK\$780 million) to China Uranium Development for a term of one year commencing from the Effective Date.

Major Terms

Date

15 October 2012

Parties

- (a) the Company, as lender; and
- (b) China Uranium Development, as borrower.

The Company is owned as to approximately 50.11% equity interest by China Uranium Development and China Uranium Development is the Controlling Shareholder of the Company. Therefore, China Uranium Development is a connected person of the Company. The entering into of the Revolving Loan Facility Agreement and the provision of the Revolving Loan to China Uranium Development constitute a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

Effective Date

The Revolving Loan Facility Agreement will be effective upon fulfilment of the following conditions:

- (a) the Revolving Loan Facility Agreement having been executed and sealed by the legal representatives or authorised representatives of both parties; and
- (b) the Independent Shareholders having approved by way of poll at the EGM the entering into of the Revolving Loan Facility Agreement.

The Revolving Loan

The Revolving Loan under the Revolving Loan Facility Agreement will not exceed US\$100 million (approximately HK\$780 million) and will be made available for the Availability Period for a term of one year commencing from the Effective Date.

The Company shall have the right at any time to terminate the Revolving Loan under the Revolving Loan Facility Agreement by serving not less than 30 Business Days' notice in writing to China Uranium Development. When the Revolving Loan is terminated, all outstanding principal and interest accrued shall become immediately payable.

Subject to China Uranium Development's fulfilment of the conditions as stated in the Revolving Loan Facility Agreement, the Company agrees to provide a loan not exceeding the Effective Amount to China Uranium Development on any Drawdown Date within the Availability Period (the "**Single Loan**"). China Uranium Development shall submit the drawdown notice at least 10 Business Days prior to each Drawdown Date.

Each drawdown notice shall include, among other things, (i) the amount of that Single Loan, (ii) the period of that Single Loan (which must be within the Availability Period) and (iii) the Drawdown Date.

China Uranium Development will not be required to provide any guarantee or charge any assets to the Company under the Revolving Loan Facility Agreement.

Interest Rate

Interest on each Single Loan shall be calculated from the Drawdown Date until the full repayment date of the Single Loan, on the basis of 360 days per annum.

Interest rate of each Single Loan shall be calculated as follows:

- (a) 1 month LIBOR+6%, if the Single Loan Period is less than 3 months;
- (b) 3 months LIBOR+6%, if the Single Loan Period is between 3-6 months; or
- (c) 6 months LIBOR+6%, if the Single Loan Period is more than 6 months.

Interest Period

- (a) If the Single Loan Period is less than or equal to 6 months, the interest period shall commence from the relevant Drawdown Date until the Single Loan Due Date.
- (b) If the Single Loan Period is more than 6 months:
 - (i) in the event that the relevant Drawdown Date is between 21 December to 20 June (both dates inclusive), the first interest period shall commence from the relevant Drawdown Date until 20 June; if the relevant Drawdown Date is between 21 June to 20 December (both dates inclusive), the first interest period shall commence from the relevant Drawdown Date until 20 December, as the case may be (the "**First Interest Period**");
 - (ii) thereafter, each interest period shall count from 21 June and 21 December, i.e. an interest period shall commence from 21 December to 20 June and another interest period shall commence from 21 June to 20 December ("**Other Interest Period**"). If the Single Loan Due Date falls within the abovementioned interest period, the interest period shall end on the Single Loan Due Date ("**Final Interest Period**").

Interest Payment

- (a) If the Single Loan Period is less than or equal to 6 months, all interest accrued shall be paid in a lump sum on the Single Loan Due Date.

(b) If the Single Loan Period is more than 6 months:

- (i) depending on actual circumstances, in the event that the Drawdown Date of that Single Loan falls between 21 December to 20 June (both dates inclusive), all interest accrued during the First Interest Period shall be paid on 21 June; in the event that the Drawdown Date of that Single Loan falls between 21 June to 20 December (both dates inclusive), all interest accrued during the First Interest Period shall be paid on 21 December; and
- (ii) after the First Interest Period, depending on actual circumstances, all interest accrued during Other Interest Period shall be paid on 21 June and 21 December of each year. However, all interest accrued during the Final Interest Period shall be paid on the Single Loan Due Date.

Default interest for any outstanding interest shall be charged at the applicable interest rate of that Single Loan plus 2%, calculated from the due date of interest payment as stipulated in (a) or (b) above until the date of actual payment in full and on a daily basis.

Repayment

Subject to the paragraph “Interest Payment” above, each Single Loan together with interest accrued shall be repaid to the Company in one lump sum in the same currency on the Single Loan Due Date. Each Single Loan Due Date must be within the Availability Period.

If China Uranium Development cannot fully repay any Single Loan on the Single Loan Due Date, the Company has the right to charge default interest on the outstanding parts at the applicable interest rate of that Single Loan plus 2%, calculated from the Single Loan Due Date until the date of actual payment in full and on a daily basis.

Early Repayment

China Uranium Development shall have the right at any time to repay prior to the due date all or part of outstanding principal and interest accrued under the Revolving Loan Facility Agreement by giving not less than 7 Business Days’ prior written notice to the Company.

The Company shall have the right at any time to demand China Uranium Development to repay prior to the due date all or part of outstanding principal and interest accrued under the Revolving Loan Facility Agreement by giving not less than 30 Business Days’ prior written notice to China Uranium Development.

REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTION

As disclosed in the Company’s interim report for the six months ended 30 June 2012, the Group had cash and cash equivalents of approximately HK\$1,309 million, of which approximately HK\$979,000,000 was the net proceeds from the Share Subscription and the CB Subscription. As stated in the Company’s circular dated 23 May 2011, the Company intends to use the proceeds from the Share Subscription and the CB Subscription to finance any future business opportunities or investment of the Group. As at the date of this announcement, the Company has not identified suitable investment targets or investment opportunities.

As at the date of this announcement, the prevailing interest rate for a 12-month term HK\$ fixed deposit announced by The Hongkong and Shanghai Banking Corporation Limited, being 0.2% per annum, is substantially lower than the interest rates offered by China Uranium Development for the provision of the Revolving Loan. Therefore, the provision of the Revolving Loan will enable the Company to enhance the return on investment on its surplus cash resources. At the same time, the Company shall have the right at any time to demand China Uranium Development to repay prior to the due date so that the flexibility of cash flow is maintained, without affecting any future business development or investment opportunities of the Group.

The terms of the Revolving Loan Facility Agreement, including the Cap Amount and the interest rate applicable, were agreed by the parties after arm's length negotiations having taken into account the prevailing market interest rates and practices.

Taken into consideration the creditworthiness of China Uranium Development, its financial conditions after reviewing the available financial information and that the interest rate for the provision of the Revolving Loan under the Revolving Loan Facility Agreement is more favourable to the Company, the Directors (excluding all independent non-executive Directors whose views will be based on the opinion of Guangdong Securities) consider that the terms of the Revolving Loan Facility Agreement, the proposed Cap Amount and the provision of the Revolving Loan are on normal commercial terms, fair and reasonable, and in the interests of the Company and its Shareholders as a whole.

INFORMATION ON THE GROUP AND CHINA URANIUM DEVELOPMENT

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 after the successful completion of China Uranium Development's Share Subscription and CB Subscription on 18 August 2011.

China Uranium Development is a wholly-owned subsidiary of CGNPC-URC, which is a subsidiary of CGNPC. Based in Shenzhen of the PRC, CGNPC is a state-owned nuclear power producer with material interests in nuclear fuels procurement and production. CGNPC-URC's core business activities are to (i) manage the supply of nuclear fuels of CGNPC; (ii) establish an interest in and support the development of commercial resources and reserves of natural uranium; and (iii) deal with the import and export trade of PRC and overseas natural uranium and related products.

LISTING RULES IMPLICATIONS

China Uranium Development is a connected person of the Company and therefore the entering into of the Revolving Loan Facility Agreement and the provision of the Revolving Loan constitute a continuing connected transaction of the Company under Chapter 14A of the Listing Rules and are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. As certain applicable percentage ratios stipulated under Rule 14.07 of the Listing Rules in respect of provision of the Revolving Loan exceed 25% but less than 75%, the entering into of the Revolving Loan Facility Agreement and the provision of the Revolving Loan also constitute a major transaction of the Company under Chapter 14 of the Listing Rules and are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Mr. He Zuyuan, an executive Director and chief executive officer of the Company and Ms. Jin Yunfei, a non-executive Director, have abstained from voting to approve the Revolving Loan Facility Agreement in the Board meeting due to the fact that they are the directors of China Uranium Development and are regarded as not independent to make any recommendation to the Board.

EGM

An EGM will be convened to obtain the Independent Shareholders' approval regarding the Revolving Loan Facility Agreement, the proposed Cap Amount and the provision of the Revolving Loan.

GENERAL

The Independent Board Committee consisting of Mr. Ling Bing, Mr. Qiu Xianhong and Mr. Huang Jinsong, being the three independent non-executive Directors, has been established to advise the Independent Shareholders in connection with the Revolving Loan Facility Agreement, the proposed Cap Amount and the provision of the Revolving Loan. Guangdong Securities has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders regarding the Revolving Loan Facility Agreement, the proposed Cap Amount and the provision of the Revolving Loan.

A circular containing, among other, (1) a letter from the Board containing further details of the Revolving Loan Facility Agreement, the proposed Cap Amount and the provision of the Revolving Loan; (2) a letter from Independent Board Committee setting out its recommendations in connection with the Revolving Loan Facility Agreement, the proposed Cap Amount and the provision of the Revolving Loan to the Independent Shareholders; (3) a letter from Guangdong Securities setting out its advice to the Independent Board Committee and the Independent Shareholders; and (4) a notice of the EGM will be despatched to the Shareholders on or before 5 November 2012.

DEFINITIONS

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

“associates”	has the same meaning as ascribed to it under the Listing Rules
“Availability Period”	the period during which the Revolving Loan is made available, for a term of one year commencing from the Effective Date
“Board”	the board of Directors of the Company
“Business Day(s)”	any day (excluding Saturdays, Sundays and public holidays in Hong Kong)
“Cap Amount”	the maximum aggregate transaction amount of US\$100,000,000 contemplated under the Revolving Loan Facility Agreement for a term of one year commencing from the Effective Date
“CB Subscription”	the subscription of the convertible bonds with a principal amount of HK\$600,000,000 issued by the Company pursuant to the subscription agreement dated 18 March 2011

“CGNPC”	China Guangdong Nuclear Power Holding Corporation 中國廣東核電集團有限公司*, the sole shareholder of CGNPC-URC and the ultimate controller of the Company
“CGNPC-URC”	CGNPC Uranium Resources Co., Ltd. 中廣核鈾業發展有限公司*, 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 中廣核礦業有限公司*, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 1164)
“connected person”	has the same meaning as ascribed to it under the Listing Rules
“Controlling Shareholder”	has the same meaning as ascribed to it under the Listing Rules
“Directors”	the directors of the Company, including the independent non-executive Directors
“Drawdown Date”	the date of drawdown of each Single Loan
“Effective Amount”	the balance of the Revolving Loan of US\$100,000,000 under the Revolving Loan Facility Agreement after deducting the outstanding principal from each Single Loan
“Effective Date”	the date on which the Revolving Loan Facility Agreement takes effect
“EGM”	the extraordinary general meeting of the Company to be convened and held for the Independent Shareholders to approve the Revolving Loan Facility Agreement, the proposed Cap Amount and the provision of the Revolving Loan
“Group”	the Company and its Subsidiaries
“Guangdong Securities” or “Independent Financial Adviser”	Guangdong Securities Limited, a corporation licensed to carry on type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders on the Revolving Loan Facility Agreement, the proposed Cap Amount and the provision of the Revolving Loan

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	the lawful currency of Hong Kong
“Independent Board Committee”	the independent committee of the Board consisting of all the independent non-executive Directors, established to advise the Independent Shareholders on the Revolving Loan Facility Agreement, the proposed Cap Amount and the provision of the Revolving Loan
“Independent Shareholders”	Shareholders other than China Uranium Development and its associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“LIBOR”	London interbank market offered interest rates, i.e. the rate displayed on the Reuters monitor screen as “LIBOR 01” offered for US\$ deposits for a comparable period, as of 11:00 a.m. (London time) on the second business day of British banks prior to the first day of each interest period
“Macau”	the Macau Special Administrative Region of the PRC
“percentage ratios”	has the same meaning as ascribed to it under the Listing Rules, as applicable to a transaction
“PRC”	The People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan
“Revolving Loan”	the revolving loan facility of an amount not exceeding US\$100,000,000 (approximately HK\$780,000,000)
“Revolving Loan Facility Agreement”	the revolving loan facility agreement dated 15 October 2012 entered into between the Company as lender and China Uranium Development as borrower in connection with the provision of the Revolving Loan
“Shareholder(s)”	the shareholder(s) of the Company
“Share Subscription”	the subscription of the 1,670,000,000 shares by China Uranium Development pursuant to the subscription agreement dated 18 March 2011
“Single Loan Due Date”	the due date of each Single Loan as stipulated in each drawdown notice
“Single Loan Period”	the repayment period of each Single Loan as stipulated in each drawdown notice

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiaries”	has the same meaning as ascribed to it under the Listing Rules
“US\$”	the lawful currency of the United States of America
“%”	per cent

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

Hong Kong, 15 October 2012

As at the date of this announcement, the board of Directors of the Company comprises two executive Directors: Mr. He Zuyuan (chief executive officer) and Mr. Li Xianli, four non-executive Directors: Mr. Yu Zhiping (chairman), Mr. Wei Qiyuan, Ms. Jin Yunfei and Mr. Huang Jianming, and three independent non-executive Directors: Mr. Ling Bing, Mr. Qiu Xianhong and Mr. Huang Jinsong.

* *for identification purposes only*

In this announcement, the exchange rate between US\$ and HK\$ is US\$1 = HK\$7.80.