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中國礦業資源集團有限公司*
China Mining Resources Group Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 00340)

SUPPLEMENTAL ANNOUNCEMENT

Reference is made to the announcement of the Company dated 28 February 2018 (the “**Results Announcement**”). Unless otherwise required, capitalized terms shall have the same meanings as defined in the Results Announcement.

The Board would like to supplement and clarify as follows:

Reference is made to the section headed “Management Discussion and Analysis” of the Results Announcement relating to One Champion Acquisition (page 24 to 25 of the Results Announcement). In accordance with the Hong Kong Financial Reporting Standard 3 “Business Combinations”, the goodwill arising from acquisition shall be determined based on the fair value of the identifiable assets and liabilities of the subject assets of the acquisition and the fair value of the consideration for the acquisition which would normally be based on the closing price of the shares of the Company on the completion date.

In connection with the One Champion Acquisition, 3,507,750,000 consideration shares were transferred at the issue price of HK\$0.08 each. The difference between (i) the grant date fair value of the consideration shares for the One Champion Acquisition as determined based on the closing price of HK\$0.10 per share of the Company on the Completion Date and (ii) the issue price of HK\$0.08 per consideration share pursuant to the sale and purchase agreement for the One Champion Acquisition, has resulted in an increase in the goodwill and share premium by the same amount of approximately HK\$70,155,000.

Given such unexpected increase in the total consideration transferred for One Champion Acquisition, from HK\$360,620,000, being the consideration as stipulated in sale and purchase agreement for the One Champion Acquisition, to HK\$430,775,000, being the fair value of the consideration having been transferred, and the fact that there have been no other substantial changes in relation to the One Champion Acquisition from the date of acquisition to the Completion Date, the Directors of the Company considered there is an indicator of which the goodwill may be impaired and has conducted an impairment review by engaging Greater China Appraisal Limited, an independent firm

* *For identification purpose only*

of professional valuers and assessing the recoverable amount of the One Champion Group on the Completion Date in accordance with Hong Kong Accounting Standard 36 “Impairment of Assets”.

The recoverable amount of the One Champion Group is determined based on fair value less costs of disposal using income approach. The cash flow forecast covers the whole period from respective valuation dates until 2029 of which production schedule, based on mining inventory and third parties ores supply and with reference to the processing capacity, is certain. Post-tax discount rate is adopted. Gold price forecast is estimated primarily based on external market forecasts sourced from a range of industry experts as available from Bloomberg and extrapolated at a growth rate of 3% thereafter, representing a nominal inflationary increment. US\$: RMB exchange rate is referenced to spot rate available at the respective dates where the impairment assessment are made.

For the convenience of the investors and public to further understand the impairment assessment made on the Completion Date, the Board would like to provide the key inputs and assumptions adopted at the time when the impairment assessment is being made, and compared them with those adopted in the valuation report for 1 June 2016 as included in the Company’s circular dated 31 October 2016, as summarised below:

Valuation date	1 June 2016	27 January 2017
Discount rate (Post-tax)	15.01%	15.25%
Exchange rate (RMB: US\$)	RMB6.5800: US\$1	RMB6.6480: US\$1
Spot price of Gold (US\$/Oz)	US\$1,216/Oz	US\$1,191/Oz
Forecasted price of Gold for:		
— 2017	US\$1,200/Oz	US\$1,260/Oz
— 2018	US\$1,236/Oz	US\$1,300/Oz

Except for the above, there have been no significant changes to the valuation method used nor any other key inputs and assumptions adopted in the impairment assessment made on the Completion Date, as compared to those previously used and adopted in the valuation report as included in the Company’s circular dated 31 October 2016.

At the Completion Date of which the impairment assessment is being made, the recoverable amount of the One Champion Group showed an increase as compared with the valuation as of 1 June 2016, i.e. the business valuation of which the consideration is determined for the One Champion Acquisition, and is primarily due to increase in market forecast on future gold prices. Nevertheless, the increase in the recoverable amount of One Champion Group did not completely offset the increase in the carrying amount of One Champion Group as resulted from the increase in the total consideration transferred for One Champion Acquisition and the shortfall of HK\$52,202,000 has been recognised as an impairment loss on goodwill.

Saved as disclosed above, there have been no other events and circumstances that led to the recognition of the impairment loss of goodwill during the year ended 31 December 2017.

By order of the Board
China Mining Resources Group Limited
Yeung Kwok Kuen
Executive Director and Chief Financial Officer

Hong Kong, 14 March 2018

As at the date hereof, the board of directors of the Company comprises Mr. Fang Yi Quan, Mr. Yeung Kwok Kuen, Mr. Shi Xing Zhi and Mr. Shi Sheng Li as executive directors and Mr. Chu Kang Nam, Mr. Ngai Sai Chuen, Mr. Liang Xu Shu and Mr. Leung Ka Wo as independent non-executive directors.