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YUE DA MINING HOLDINGS LIMITED
悦達礦業控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 629)

MAJOR AND CONNECTED TRANSACTION
(1) SUPPLEMENTAL AGREEMENT IN RELATION TO
ACQUISITION OF 22% EQUITY INTEREST IN
TONG LING GUAN HUA MINING COMPANY LIMITED*:
EXTENTION OF LONG STOP DATE
(2) DELAY IN DESPATCH OF CIRCULAR

MAJOR AND CONNECTED TRANSACTION AND CHAPTER 18 REQUIREMENTS

The Company, following consultation with the Stock Exchange, considers that under Rule 14.22 and 14.23 of the Listing Rules, the 2011 Acquisition (i.e. that as contemplated by the Agreement dated 26 September 2011 and disclosed in the Company's announcement dated 26 September 2011) and the 2010 Acquisition (i.e. the acquisition of 70% equity interest in the Target by the Group as disclosed in the announcement dated 16 April 2010) shall be aggregated and treated as if they were one transaction. As a result of such aggregation, one of the applicable percentage ratios for the 2011 Acquisition (as aggregated by the 2010 Acquisition) is more than 25% but less than 100%. Accordingly, the 2011 Acquisition (as aggregated with the 2010 Acquisition) constitutes a major transaction for the Company under Chapter 14 of the Listing Rules. Further, as each of the Vendors is a connected person of the Company for the purpose of Chapter 14A of the Listing Rules, the 2011 Acquisition also constitutes a connected transaction for the Company under the Listing Rules. Under Chapter 14 and 14A of the Listing Rules, the 2011 Acquisition is subject to the reporting, announcement and Independent Shareholders' approval requirements.

In addition, as the 2011 Acquisition (as aggregated by the 2010 Acquisition) constitutes a major transaction, the Company is required to comply with the requirements under Rule 18.10 and thus Rule 18.09 of the Listing Rules. Under Rule 18.11 of the Listing Rules, after completion of the 2011 Acquisition (if so completed), the Company will be treated as a Mineral Company (as defined in the Listing Rules).

SUPPLEMENTAL AGREEMENT AND THE EXTENSION OF LONG STOP DATE

As the 2011 Acquisition (as aggregated by the 2010 Acquisition) constitutes a major transaction and the Company will become a Mineral Company upon the Completion of the 2011 Acquisition, additional disclosures and preparation of the Circular will be required, including but not limited to a Competent Person's Report and Valuation Report (as defined in Chapter 18 of the Listing Rules) in relation to the Target, in order to comply with the relevant Listing Rules requirements.

In such connection, the Company has to take more time to prepare the Circular. On 14 October 2011, the Purchaser and the Vendors entered into the 2011 Supplemental Agreement, pursuant to which the parties thereto have agreed to extend the Long Stop Date of the 2011 Agreement to 30 June 2012. Save and except for the aforesaid extension of the Long Stop Date, all other terms of the 2011 Agreement remain unchanged and continue in full force and effect.

DELAY IN DESPATCH OF CIRCULAR

As mentioned in the September Announcement, the Circular was planned to be despatched to Shareholders on or before 14 October 2011. Since more time is required to prepare the Circular for reasons as mentioned above, the despatch date of the Circular will be postponed to a date falling on or before 30 April 2012.

Reference is made to the announcement dated 26 September 2011 (the "**September Announcement**") of the Company. Unless the context requires otherwise, terms defined in the September Announcement have the same meanings herein.

LISTING RULES IMPLICATIONS: MAJOR AND CONNECTED TRANSACTION AND CHAPTER 18 REQUIREMENTS

The Company, following consultation with the Stock Exchange, considers that under Rule 14.22 and 14.23 of the Listing Rules, the Acquisition ("**2011 Acquisition**", i.e. the acquisition as contemplated by the Agreement dated 26 September 2011 and disclosed in the September Announcement) and the acquisition ("**2010 Acquisition**") of 70% equity interest in the Target by the Group as disclosed in the announcement dated 16 April 2010 should be aggregated and treated as if they were one transaction. As a result of such aggregation, one of the applicable percentage ratios for the 2011 Acquisition (as aggregated by the 2010 Acquisition) is more than 25% but less than 100%. Accordingly, the 2011 Acquisition (as aggregated by the 2010 Acquisition) constitutes a major transaction for the Company under Chapter 14 of the Listing Rules. Further, each of Mr Bao Dongbin and Mr Bao Jikun holds more than 10% of the equity interests in the Target which is also a subsidiary of the Company, and Mr Bao Enwei is a brother of Mr Bao Dongbin and Mr Bao Jikun, thus each of the Vendors is a connected person of the Company for the purpose of Chapter 14A of the Listing Rules. The 2011 Acquisition (as aggregated by the 2010 Acquisition) also constitutes a connected transaction for the Company under the Listing Rules. Under Chapter 14 and 14A of the Listing Rules, the 2011 Acquisition (as aggregated by the 2010 Acquisition) is subject to the reporting, announcement and Independent Shareholders' approval requirements.

In addition, as disclosed in the annual report 2010 and the interim report 2011 of the Company, the major assets held by the Target are the mining rights of Tong Ling Guan Hua Mining Company Limited Qizhong Gold Mine (a gold and polymetallic mining site situated

in Anhui Province, the PRC) and exploration licence of Anhui Tong Ling Liangshishan Iron (Gold) Mine (an iron mining site situated in Anhui Province, the PRC), which fall within the “Mineral or Petroleum Assets” (as defined in Chapter 18 of the Listing Rules). For such reasons, as the 2011 Acquisition (as aggregated by the 2010 Acquisition) constitutes a major transaction, the Company is required to comply with the requirements under Rule 18.10 and thus Rule 18.09 of the Listing Rules., Under Rule 18.11 of the Listing Rules, after Completion of the 2011 Acquisition (if so completed), the Company will be treated as a Mineral Company (as defined in the Listing Rules).

SUPPLEMENTAL AGREEMENT AND THE EXTENSION OF LONG STOP DATE

As the 2011 Acquisition (as aggregated by the 2010 Acquisition) constitutes a major transaction and the Company will become a Mineral Company upon the Completion of the 2011 Acquisition, additional disclosures and preparation of the circular (“**Circular**”) containing, amongst others, further details of the 2011 Acquisition (as aggregated by the 2010 Acquisition) will be required, including but not limited to a Competent Person’s Report and Valuation Report (as defined in Chapter 18 of the Listing Rules) in relation to the Target, in order to comply with the relevant Listing Rules requirements.

In such connection, the Company has to take more time to prepare of the Circular. On 14 October 2011, the Purchaser and Vendors entered into a supplemental agreement (“**2011 Supplemental Agreement**”) to the agreement (“**2011 Agreement**”) dated 26 September 2011. Pursuant to the 2011 Supplemental Agreement, the parties thereto have agreed to extend the long stop date (“**Long Stop Date**”) of the 2011 Agreement from 31 December 2011 to 30 June 2012. If the conditions precedent to Completion of the 2011 Agreement are not satisfied (or, as the case may be, waived) on or before 30 June 2012 (or such other date as may be agreed by the parties thereto in writing), the 2011 Agreement (as amended by the 2011 Supplemental Agreement) shall cease and terminate, and none of the parties shall have any claim against or liability to the other parties under the 2011 Agreement (as amended) save as otherwise specified in the 2011 Agreement (as amended) and save for any antecedent breaches of the 2011 Agreement (as amended).

Save and except for the aforesaid extension of the Long Stop Date, all other terms of the 2011 Agreement remain unchanged and continue in full force and effect.

DELAY IN DESPATCH OF CIRCULAR

As mentioned in the September Announcement, the Circular was planned to be despatched to Shareholders on or before 14 October 2011. Since more time is required to prepare the Circular for reasons as mentioned above (including without limitation, a Competent Person's Report and Valuation Report (as defined in Chapter 18 of the Listing Rules) in relation to the Target), the despatch date of the Circular will be postponed to a date falling on or before 30 April 2012.

By order of the Board
Yue Da Mining Holdings Limited
Chen Yunhua
Chairman

Hong Kong, 14 October 2011

As at the date of this announcement, the Board comprises the following members: (a) as executive Directors, Mr Dong Li Yong, Mr Liu Xiaoguang and Mr Hu Huaimin; (b) as non-executive Directors, Mr Chen Yunhua and Mr Qi Guang Ya; and (c) as independent non-executive Directors, Ms Leung Mei Han, Mr Cui Shu Ming, Mr Han Run Sheng and Dr Liu Yongping.

** for identification purpose only*