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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)

UPDATES ON CO-OPERATION WITH PINGCHUAN IRON MINING COMPANY

This announcement is made by the Company on a voluntary basis.

Reference is made to the announcement of the Company dated 10 March 2010 (the “**Announcement**”). Terms used herein shall have the same meaning as defined in the Announcement unless otherwise stated.

The Board is pleased to announce that on 21 April 2010, respective representatives of the Company and Pingchuan Iron Mining Company had a meeting to update the progress and re-visit the mode of co-operation under the Framework Agreement.

Under the Framework Agreement, it was then proposed for the Pingchuan Iron Mining Company to establish the Pingchuan Subsidiary, and 49% of which net assets would then be acquired by the Company for injection into the Joint Venture. Following the above negotiation between parties to the Framework Agreement on 21 April 2010, it is currently proposed for the Company (or its subsidiary) to directly form the Joint Venture with the Pingchuan Iron Mining Company in order to develop Pingchuan Iron Mine. The production model at the Pingchuan Iron Mine, which is proposed to be further developed by the Joint Venture, is currently planned on a preliminary scale of about 800,000 tonnes of ores to be produced annually when the Pingchuan Iron Mine reaches its production capacity. The infrastructure period for the development of the Pingchuan Iron Mine is currently expected within three years for reaching the above preliminary annual production scale. The preliminary amount of investment for the above infrastructure period (the “**Infrastructure Investment**”) is currently estimated to be about RMB235 million.

It is expected that the Company (or its subsidiary) and the Pingchuan Iron Mining Company will enter into the contract for establishing, and the articles of association of the Joint Venture shortly, which documents are subject to the approval by and relevant registration procedures with the relevant commerce department and the industry and commerce administration authority. The registered capital of the Joint Venture is proposed to be RMB100 million. The Joint Venture is expected to be owned by the Group and by Pingchuan Iron Mining Company by 49% and 51% respectively. It is currently estimated that the aggregate preliminary investment by the Group in the Joint Venture will not exceed HK\$250 million (for the cash portion and inclusive of the Infrastructure Investment) (subject to the valuation on the Pingchuan Iron Mine to be arranged).

Shareholders and potential investors of the Company should note that the exact terms and structure of the transactions (including the exact amount of total consideration based on valuation on the Pingchuan Iron Mine to be arranged) have not been determined. Further announcement(s) in respect of the above co-operation will be made by the Company in accordance with the Listing Rules if there is any material development or there is any binding agreement entered into.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the Shares.

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

Hong Kong, 21 April 2010

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