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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)**

**Voluntary Announcement:**  
**Development of Pingchuan**  
**Iron Mine Lanzhichang Lot**

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

Reference is made to the 2010 annual report of the Company and the announcement of the Company dated 9 December 2010, in relation to the co-operation between the Group and Pingchuan Iron Mining Company through establishing Yuechuan JV to develop the Pingchuan Iron Mine (Lanzhichang lot).

On 13 June 2011, the board of directors of Yuechuan JV approved the development plan of 2011 in relation to the Pingchuan Iron Mine (Lanzhichang lot). The Board wishes to provide the Shareholders with updates on such development project.

Reference is made to the 2010 annual report of the Company and the announcement of the Company dated 9 December 2010, in relation to the co-operation between the Group and Pingchuan Iron Mining Company through establishing Yuechuan JV to develop the Pingchuan Iron Mine (Lanzhichang lot). As disclosed in the said annual report and the announcement, the board of directors of Yuechuan JV comprises of five directors of which three directors shall be appointed by Yue Da HK and two directors shall be appointed by Pingchuan Iron Mining Company and the chairman shall be nominated by Pingchuan Iron Mining Company and the vice chairman shall be nominated by Yue Da HK.

On 13 June 2011, the board of directors of Yuechuan JV approved the development plan of 2011 in relation to the Pingchuan Iron Mine (Lanzhichang lot). The Board wishes to provide the Shareholders with updates on such development project.

By the end of 2010, Yuechuan JV completed, among others, the following major tasks in relation to the Pingchuan Iron Mine (Lanzhichang lot):

- engagement of 昆明有色冶金設計院 (Kunming Institute for Nonferrous Metal Metallurgy Design\*) to commence a preliminary design plan for the exploitation in Pingchuan Iron Mine (Lanzhichang lot);
- actively searching for new mining opportunities and appointment of experts to conduct on-site investigation and thorough research work within Yanyuan County;

- filing of the results of exploitation works and preparation of relevant tender documents;
- laying of a 6.5-kilometer water supply pipelines for both production and daily living purposes;
- surface leveling of the car parking area located at the pit access of certain exploitation tunnels;
- surface leveling of the living area for the mining site management staff; and
- widening and maintenance of an approximately 7-kilometer highway connecting the mining site with the neighbourhood area.

The following major tasks are expected to be implemented during the year of 2011:

- completion of relevant application procedures for the mining rights of the Pingchuan Iron Mine (Lanzhichang lot);
- preliminary mining pit surveying and demarcation works;
- construction of a 35-kilovolt transformer substation and power transmission cables;
- construction of exploitation tunnels as well as the living areas and facilities for mining workers and management staff in the mining site;
- exploration of the selected bulk sample processed ores and undergoing of processing experiments; and
- planning and finalisation of exploitation and design proposal.

Apart from the above, Yuechuan JV will continue to actively co-operate with Pingchuan Iron Mining Company in the development and construction of the Pingchuan Iron Mine (Lanzhichang lot) through establishing a team of high standard personnel equipped with advanced technology, in order to shorten the time needed for constructing the mining site and thus allow the earliest possible commencement of production.

In addition, Yuechuan JV will continue to seek for attractive mining opportunities to ensure the supply of new resource for the sustainable development of Yuechuan JV.

The Company will keep the Shareholders informed when substantial progress is achieved in the development project of the Pingchuan Iron Mine (Lanzhichang lot).

The Directors believe that the development of the Pingchuan Iron Mine (Lanzhichang lot) is in the interest of the Shareholders as a whole.

## **DEFINITIONS**

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

- |                |  |
|----------------|--|
| “associate(s)” | has the meaning ascribed to it under the Listing Rules |
| “Board”        | the board of Directors                                 |

“Company”	Yue Da Mining Holdings Limited 悦達礦業控股有限公司, a company incorporated in the Cayman Islands and the issued Shares of which are listed on the main board of the Stock Exchange
“Director(s)”	director(s) of the Company
“Group”	collectively, the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Pingchuan Iron Mine (Lanzhichang lot)”	comprising an area of about six square kilometers of 平川鐵礦爛紙廠礦段 (Pingchuan Iron Mine (Lanzhichang lot)*), a mine situated at Yanyuan County, Sichuan Province, the PRC
“Pingchuan Iron Mining Company”	四川省鹽源縣平川鐵礦 (Sichuan Province Yanyuan County Pingchuan Iron Mine*), a state-owned enterprise under the authority of 四川省鹽源縣人民政府 (Sichuan Province Yanyuan County People’s Government, the PRC*)
“PRC”	the People’s Republic of China
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Yanyuan County”	四川省鹽源縣 (Yanyuan County, Sichuan Province, the PRC)
“Yuechuan JV”	涼山州悦川礦業有限責任公司 (Liangshan Prefecture Yuechuan Mining Co., Limited*), a limited liability company incorporated in the PRC which 49% of its equity interest is held by Yue Da HK and 51% of its equity interest is held by Pingchuan Iron Mining Company
“Yue Da HK”	Yue Da Pingchuan Limited (悦達平川有限公司), a company incorporated in Hong Kong and is a wholly owned subsidiary of the Company
“%”	per cent.

\* *Unofficial transliteration from Chinese name(s) for identification purposes only*

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

Hong Kong, 16 June 2011

*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, Ms Leung Mei Han, Mr Cui Shu Ming, Mr Han Run Sheng and Dr Liu Yongping.*