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North Mining Shares Company Limited

北方礦業股份有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 433)

PLACING OF NEW SHARES UNDER GENERAL MANDATE AND RESUMPTION OF TRADING

PLACING

On 2 September 2015 (after trading hours), the Company and Driven Innovation Limited, the Placee, entered into the Placing Agreement pursuant to which the Company has conditionally agreed to allot and issue, and the Placee has conditionally agreed to subscribe for 2,900,000,000 Placing Shares at a price of HK\$0.08 each.

The Placing Shares represent (i) approximately 17.06% of the existing issued share capital of the Company of 17,002,616,709 Shares as at the date of this announcement; and (ii) approximately 14.57% of the Company's issued share capital of 19,902,616,709 Shares as enlarged by the Placing Shares.

The Placing is conditional upon, among other things, the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares.

Completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 4 September 2015 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 9 September 2015.

THE PLACING AGREEMENT

Date: 2 September 2015 (after trading hours)

Issuer : The Company

Placee : Driven Innovation Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Placee and its ultimate beneficial owner(s) is/are Independent Third Party(ies) who is/are independent of the Company and its connected persons (as defined in Chapter 14A of the Listing Rules). As of the date of this announcement, (1) the Placee holds 128,000,000 shares of the Company, representing approximately 0.75% of the existing issued share capital of the Company; and (2) China Huarong International Holdings Limited ("Huarong"), the holding company of the Placee, is deemed to have interests in 1,870,000,000 shares of the Company under Part XV of the SFO since Mr. Gu Jie, a substantial shareholder of the Company, has charged these shares to Huarong group on 11 December 2014. However, Huarong does not have voting right in the general meeting of the Company with respect to these shares.

Placing Shares

The Placing Shares represent (i) approximately 17.06% of the existing issued share capital of the Company of 17,002,616,709 Shares as at the date of this

announcement; and (ii) approximately 14.57% of the Company's issued share capital of 19,902,616,709 Shares as enlarged by the Placing Shares. The aggregate nominal value of the Placing Shares will be HK\$46,400,000.

Ranking of Placing Shares

The Placing Shares will, upon issue, rank pari passu in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

Placing Price

The Placing Price of HK\$0.08 represents

- i. a discount of approximately 19.19% over the closing price of HK\$0.099 per Share as quoted on the Stock Exchange on the Last Trading Day;
- ii. a discount of approximately 13.98% over the average of the closing prices of HK\$0.093 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the Last Trading Day;
- iii. a discount of approximately 16.67% over the average of the closing prices of HK\$0.096 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately prior to the Last Trading Day; and
- iv. a discount of approximately 68.50% over the audited net assets value per Share of approximately HK\$0.254 as at 31 December 2014.

The Placing Price was determined with reference to the recent market price of the Shares and was negotiated on an arm's length basis between the Company and the Placee. The Directors consider that the terms of the Placing are on normal commercial terms and are fair and reasonable based on the current market conditions and the Placing is in the interests of the Company and the Shareholders as a whole. The net price of the Placing Share is approximately HK\$0.0799.

GENERAL MANDATE

The Placing Shares will be allotted and issued under the General Mandate granted to the Directors at the annual general meeting of the Company held on 28 May 2015, subject to the limit up to 3,320,523,341 Shares (being the maximum number of Shares issuable under the General Mandate granted to the directors of the Company). As of the date of this announcement, a balance of 2,920,523,341 shares could be issued under the un-utilized General Mandate.

Since the Placing Shares will be allotted and issued under the General Mandate, the Placing is not subject to Shareholders' approval. The 2,900,000,000 Placing Shares to be allotted and issued will utilize approximately 87.34% of the General Mandate.

CONDITIONS OF THE PLACING

Completion of the Placing is subject to, among other things, the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Placing Shares.

Completion of the Placing will take place on the second Business Day after the fulfilment of the conditions precedent as set out in the Placing Agreement or such other date as may be agreed by the Company and the Placee.

Completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Board considers that the Placing will strengthen the financial position of the Group. The Directors are of the view that the Placing is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The proceeds from the Placing of about HK\$232,000,000 are intended to be used as general working capital for the Group.

EFFECTS ON SHAREHOLDING STRUCTURE

The existing and enlarged shareholding structure of the Company immediately before and after the completion of the Placing is set out below:

	As at the date of this announcement		Immediately after completion of the Placing	
	No. of Shares	Approx. percentage	No. of Shares	Approx. percentage
Universal Union Limited	3,729,808,552	21.94%	3,729,808,552	18.74%
Gu Jie	1,876,580,000	11.04%	1,876,580,000	9.43%
Placee	128,000,000	0.75%	3,028,000,000	15.21%
Other public shareholders	<u>11,268,228,157</u>	<u>66.27%</u>	<u>11,268,228,157</u>	<u>56.62%</u>
<i>Total</i>	<u>17,002,616,709</u>	<u>100%</u>	<u>19,902,616,709</u>	<u>100%</u>

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising activities in the previous 12 months immediately preceding the date of this announcement.

GENERAL

The principal activities of the Group are (i) mining operation – exploitation, exploration and trading of mineral resources; (ii) property leasing operations; and (iii) property management operations.

TERMS USED IN THIS ANNOUNCEMENT

In this announcement, unless the context otherwise required, the following terms and expressions shall have the following meanings when used herein.

“Board”	board of Directors
“Business Day”	any day (not being a Saturday, Sunday and public or statutory holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Company”	North Mining Shares Company Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange
“Completion Date”	the date on which all the conditions precedent as set out in the Placing Agreement have been fulfilled

“Connected Person(s)”	has the meaning given to that term in the Listing Rules
“Directors”	directors of the Company
“General Mandate”	the general mandate to allot, issue and deal with Shares granted to the Directors by resolution of the Shareholders passed at the annual general meeting held on 28 May 2015
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Parity(ies)”	as defined under the Listing Rules, means any person or company and their respective ultimate beneficial owner(s), to the best knowledge, information and belief of the Directors and having made all reasonable enquiries, are third parties independent of the Company and its connected persons
“Last Trading Day”	2 September 2015, being the last trading day for the Shares before the publication of this announcement
“Listing Committee”	The Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee”	Driven Innovation Limited
“Placing”	the placing of 2,900,000,000 Placing Shares pursuant to the terms of the Placing Agreement
“Placing Agreement”	the conditional placing agreement dated 2 September 2015 entered into between the Company and the Placee in relation to the Placing

“Placing Price”	HK\$0.08 per Placing Share
“Placing Share(s)”	an aggregate of 2,900,000,000 new Shares to be allotted and issued pursuant to the terms and conditions of the Placing Agreement
“PRC”	The People’s Republic of China
“SFO”	The Securities and Futures Ordinance of Hong Kong
“Share(s)”	the ordinary share(s) of HK\$0.016 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board of
North Mining Shares Company Limited
Gao Yuan Xing
Chairman

Hong Kong, 8 September 2015

As at the date of this announcement, the Board of the Company comprises Mr. Gao Yuan Xing, Mr. Qian Yi Dong, Mr. Yang Ying Min, Mr. Zhang Jia Kun and Ms. Li Li Juan as executive Directors; and Mr. Mu Xiangming, Dr. Cheng Chak Ho and Mr. Lo Wa Kei Roy as independent non-executive Directors.