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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)

TERMINATION OF CN OPTION AGREEMENTS

Reference is made to the announcement dated 17 December 2015 (the “**Announcement**”) of North Mining Shares Company Limited (the “**Company**”) in relation to proposed issue of convertible notes under specific mandate and grant of CN options (the “**Grant of CN Options**”) to subscribe for convertible notes. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

As mentioned in the Announcement, completion of the Grant of CN Options is conditional upon the fulfillment or waiver of the conditions precedent under the CN Option Agreements. As at the date of this announcement, certain conditions precedent have not been fulfilled or waived. After due and careful consideration, the Company and the Potential Subscribers have mutually agreed to terminate the CN Option Agreements and have entered into the termination agreements on 18 August 2016 (the “**Termination Agreements**”) to terminate the CN Option Agreements with immediate effect.

Accordingly, all antecedent obligations and liabilities of the parties under the CN Option Agreements will be absolutely discharged and released in all aspects and neither the Company nor the Potential Subscribers will have any claim against the other in respect of the Grant of CN Options. No convertible notes have been or will be issued thereunder.

The Directors are of the view that the termination of the CN Option Agreements and the issuance of convertible notes contemplated thereunder have no material adverse impact on the financial position and operations of the Company.

The Company will continue to consider alternative plans to raise fund as and when appropriate and will keep the market informed by way of announcement in compliance with the requirements of the Listing Rules in due course.

By order of the Board of
North Mining Shares Company Limited
Yang Ying Min
Chairman

Hong Kong, 18 August 2016

As at the date of this announcement, the Board of the Company comprises Mr. Yang Ying Min, Mr. Qian Yi Dong, Mr. Zhang Jia Kun and Ms. Li Li Juan as Executive Directors; and Mr. William Fong, Mr. Leung Kar Fai and Dr. Cheng Chak Ho as Independent Non-executive Directors.