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Wanguo International Mining Group Limited

萬國國際礦業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3939)

ENTERING INTO THE AGREEMENT IN RELATION TO DISPOSAL OF EXPLORATION ACTIVITIES IN THE REGIONAL PROJECT AND NEAR MINE PROJECT

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and Part XIVA of the SFO.

Reference is made to the announcement of the Company dated 24 October 2014 (the “**Announcement**”) in relation to, among others, the Exploration Activities in the Regional Project and the Near Mine Project. Unless the context requires otherwise, terms defined in this announcement shall have the same meanings as those defined in the Announcement.

STATUS OF THE EXPLORATION ACTIVITIES

As disclosed in the section headed “Management Discussion and Analysis - Horizontal Expansion” of our 2017 interim report (the “**2017 Interim Report**”), the Group has finished preliminary survey and exploration in the Regional Project and Near Mine Project (collectively referred to as “**Projects**”) by the end of 2016. The Group decided to utilize the resources in other directions and had temporarily suspended further exploration for the Projects as at 30 June 2017 and up to the date of this announcement.

At the date of this announcement, the total costs incurred for the Exploration Activities in the Projects were approximately RMB12.0 million, including a refundable environmental deposit of approximately RMB1.3 million.

DISPOSAL OF THE EXPLORATION ACTIVITIES

The Board is pleased to announce that on 8 March 2018 (after trading hours), Wanguo Australia (an indirectly wholly owned subsidiary of the Company) entered into a Geological Data and Exploration Results Transfer Agreement (地質資料和勘探研究成果轉讓協議) (the “**Agreement**”) with Huanyu Engineering, pursuant to which the Group has agreed to dispose of, and Huanyu Engineering has agreed to acquire, specified geological data, exploration results and interests in relation to the Projects and all related data at a consideration of RMB5.0 million (the “**Disposal**”). Completion of the Disposal is expected to take place within 90 days from the date of the Agreement.

The consideration is payable as follows:

- a) 10% within 10 days from date of the Agreement
- b) 20% within 3 months from date of the Agreement
- c) remaining 70% within 10 months from date of the Agreement

Upon completion of the Disposal, the Group expects to record a loss on disposal of approximately RMB5.7 million in respect of the Projects after deducting the sales proceeds and refundable environmental deposit. Therefore, the Board considered a provision for impairment in respect of the Projects of approximately RMB5.7 million to reflect such unrecovered amount in the financial results for the year ended 31 December 2017. The Directors believe that the Disposal will not have any material adverse effect on the operation and financial conditions of the Group.

REASONS FOR THE DISPOSAL

The Board considers that the Disposal is in line with the development strategy of the Group to utilize the resources in other directions as (i) the Group has completed the acquisition of Xizang Changdu County Dadi Mining Company Limited on 13 July 2017 and settlement of the consideration and development of the mine shall take place thereafter; (ii) the Group has signed a deed of amendment and restatement with AXF Resources Pty Ltd on 20 February 2018 in respect of amendment to the terms of the acquisition of majority shareholding in a gold mine in Solomon Islands where resources shall be allocated to; and (iii) the Group considers the prospect and profitability of the Projects are much lower than the Walege Project and the Gold Ridge Project respectively.

The Board considers that the terms and conditions of the Agreement and transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interest of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATION

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, Huanyu Engineering and its associates are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

As each of the applicable percentage ratios in respect of the entering into the Agreement is below 5%, the entering into the Agreement does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules. This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and Part XIVA of the SFO.

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

By Order of the Board
Wanguo International Mining Group Limited
Gao Mingqing
Chairman

Hong Kong, 8 March 2018

As at the date of this announcement, the Board comprises Mr. Gao Mingqing (Chairman), Ms. Gao Jinzhu, Mr. Xie Yaolin and Mr. Liu Zhichun as executive directors; Mr. Li Kwok Ping and Mr. Lee Hung Yuen as non-executive directors; and Dr. Lu Jian Zhong, Mr. Qi Yang and Mr. Shen Peng as independent non-executive directors

DEFINITIONS

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

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors of the Company
“Company”	Wanguo International Mining Group Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the main board of The Stock Exchange of Hong Kong Limited
“connected person(s)”	has the meaning ascribed to such term under the Listing Rules
“Director(s)”	director(s) of the Company
“Exploration Activities”	exploration activities include exploration works in the Regional Project and the Near Mine Project by the Company
“Gold Ridge Project”	the project concerning the gold mine located on the island of Guadalcanal, the central island of the Solomon Islands
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Huanyu Engineering”	Jiangxi Province Huanyu Engineering and Equipment Company Limited* (江西省寰宇工程設備有限公司), a company established in the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

“Share(s)”	ordinary share(s) of HK\$0.1 in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Walege Project”	the project concerning the mine in Walege of the Changdu County, Tibet Autonomous Region, the PRC
“Wanguo Australia”	Wanguo Australia International Group PTY Limited, a limited company incorporated in Australia, which is an indirectly wholly owned subsidiary of the Company
“%”	per cent.

** for identification purposes only*