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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)

DISCLOSEABLE TRANSACTION RECLASSIFICATION AND VARIATION OF TERMS FOR THE ACQUISITION OF THE MAJORITY SHAREHOLDING IN AXF GOLD RIDGE PTY LTD WHICH INDIRECTLY OWNS A GOLD MINE IN SOLOMON ISLANDS

Reference is made to the announcements of the Company dated 18 July 2017, 22 February 2018 and 19 October 2018 and 31 March 2020 relating to, amongst other things, the major transaction in relation to the acquisition of the majority shareholding in AXF Gold Ridge Pty Ltd which indirectly owns a gold mine in Solomon Islands (the “**Announcements**”). Capitalised terms used herein shall have the same meanings as those defined in the Announcements unless stated otherwise.

AMENDMENT AGREEMENT

On 24 April 2020, the Company and AXF Resources entered into an amendment agreement to the S&P Agreement (the “**Amendment**”), pursuant to which, amongst other things, the consideration for the Acquisition will be adjusted and certain obligations of the Company under the S&P Agreement will cease as well.

Pursuant to the Amendment, the consideration for the Acquisition becomes payable as follows:

- a) AUD4.8 million upon execution (which the parties acknowledge has already been paid);
- b) AUD9.4 million within 10 days of the Execution Date (which the parties acknowledge has already been paid); and
- c) AUD7.905 million by 27 March 2020 (which the parties acknowledge has already been paid).

As a result, the total consideration will be reduced from AUD53.473 million (including the AUD11.11 million of the Reconstruction Works taken to be paid by the Company on behalf of AXF Resources) to AUD39.215 million (including the AUD17.110 million that has already been paid for the Reconstruction Works).

In addition to the above,

- the Company's obligation for the Reconstruction Works ceases. The Target Company is solely responsible for and bear the risks of the Reconstruction Works and shall bear the costs of the Reconstruction Works and the non Reconstruction Works Costs; and
- the Company's obligation to enter into the Put Option Agreement to acquire the remaining interest in the Target Company ceases.

IMPLICATIONS UNDER THE LISTING RULES

As disclosed in the Announcements, as one or more of the applicable percentage ratios in respect of the Acquisition (together with the Reconstruction Works) and the Put Option were more than 25% but less than 100%, the Acquisition (together with the Reconstruction Works) and the Put Option constitute a major transaction for the Company under Chapter 14 of the Listing Rules.

In light of the Amendment, the consideration for the Acquisition has been reduced and the Company's obligations for Reconstruction Works and the Put Option have ceased. In such circumstances, as one or more of the applicable percentage ratios in respect of the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the announcement requirement under the Listing Rules. The Company therefore will not separately issue a circular in respect of the Acquisition.

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

Hong Kong, 24 April 2020

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, Mr. Shen Peng and Mr. Wang Xin as independent non-executive Directors.