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## CNNC INTERNATIONAL LIMITED

中核國際有限公司\*

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 2302)

### ANNOUNCEMENT

#### UPDATE ON SUSPENSION OF URANIUM EXPLORATION LICENSES

Reference is made to the circular of the Company dated 30 June 2009 and the announcements of the Company dated 16 July 2009 and 22 July 2009 in relation to the suspension of all the uranium exploration licenses held by WP Subsidiaries.

The Board would like to provide further updates in relation to the suspension.

Reference is made to the circular (the “**Circular**”) of CNNC International Limited (the “**Company**”) dated 30 June 2009 and the announcements of the Company dated 16 July 2009 and 22 July 2009 in relation to the suspension of the uranium exploration licenses held by the subsidiaries (“**WP Subsidiaries**”) of Western Prospector Group Limited (“**Western Prospector**”), a company incorporated in Canada having its issued shares listed on the TSX Venture Exchange, and an indirect non wholly-owned subsidiary of the Company, by the Mineral Resources Authority of Mongolia (“**MRAM**”). The board of directors (the “**Board**”) of the Company would like to provide further updates in relation to the suspension.

As mentioned on p.19 of the Circular, the Mongolian legal counsel to the Company indicated that, among other things, in respect of the suspension (“**First Suspension**”) of the exploration licenses 7685X and 4969X held by a WP Subsidiary, it would be reasonable for the inspectors from Mongolia’s Atomic Energy Agency (“**MAEA**”) to conclude that Western Prospector had addressed all of the violations and breaches raised in MAEA’s report to their satisfaction. In fact, the First Suspension was lifted on 9 July 2009. However, the Minerals Resources Authority of Mongolia (“**MRAM**”), based on the findings of the State Specialized Inspection Authority of the Regulatory Agency of the Government of Mongolia (the “**SSIA**”), had on 10 July 2009 issued letters (“**10 July Letters**”) to WP Subsidiaries and other companies which hold mineral licenses in the Dornod Aimag area in Mongolia, whereby, among other things, the SSIA recommended suspension of all the uranium exploration licenses held by WP Subsidiaries (namely, licenses nos. 4969X, 7685X, 4846X, 4970X, 4974X, 6995X, 7023X, 7405X, 9283X, 9353X and 9363X) for a period of three months because WP Subsidiaries are alleged to be in breach of Article 45.1 of the Mongolia’s Law on Subsoil, Articles 5.4 and 5.6 of Mongolia’s Minerals Law. The allegations set out in the 10 July Letters are different from those set out in the letter from MRAM dated 13 April 2009 in relation to the First Suspension.

The Company, based on the legal advice from its Mongolia legal advisers, is of the view that MRAM's allegations are without merit. WP Subsidiaries have made an application to MRAM for the reinstatement of the licences held by them.

The Board will issue further announcement if there is any material development in the above matter in due course.

**WARNING: ALTHOUGH THE COMPANY BELIEVES THAT THE ALLEGATIONS OF MRAM AND SSIA ARE WITHOUT MERIT, THERE CAN BE NO ASSURANCES AS TO THE OUTCOME OF CORRESPONDENCE OR DISCUSSIONS WITH MRAM OR SSIA. SHAREHOLDERS AND/OR POTENTIAL INVESTORS OF THE COMPANY ARE ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SHARES OF THE COMPANY.**

By order of the board of directors  
**CNNC International Limited**  
中核國際有限公司\*  
**Li Philip Sau Yan**  
*Company Secretary*

Hong Kong, 27 July 2009

*As of the date of this announcement, the board of directors of the Company comprises non-executive director and chairman, namely, Mr. Qiu Jiangan, executive directors, namely, Mr. Han Ruiping and Mr. Xu Hongchao, non-executive director, namely, Mr. Huang Mingang and independent non-executive directors, namely, Mr. Cheong Ying Chew Henry, Mr. Cui Liguang and Mr. Zhang Lei.*

\* *For identification purpose only*