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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 announcements of the Company dated 27 July 2009, 21 August 2009 and 13 November 2009 respectively in relation to the suspension of all the uranium exploration licenses held by the Subsidiaries and the applications made by the Subsidiaries for re-registration of such licences.

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

Reference is made to the announcements of CNNC International Limited (the “**Company**”) dated 27 July 2009, 21 August 2009 and 13 November 2009 (the “**Announcements**”) in relation to the suspension of all uranium exploration licences held by the subsidiaries (the “**Subsidiaries**”) of the Company, by the Mineral Resources Authority of Mongolia (the “**MRAM**”) and the applications made by the Subsidiaries for re-registration of such licences. The board of directors (the “**Board**”) of the Company would like to provide further updates in relation to the suspension. Terms used in this announcement shall have the same meanings as those defined in the Announcements unless the context otherwise defined.

The Board is pleased to announce that the MRAM has lifted the suspension of all the uranium exploration licenses held by the Subsidiaries (namely, licenses nos. 4969X, 7685X, 4846X, 4970X, 4974X, 6995X, 7023X, 7405X, 9283X, 9353X and 9363X) and re-registered all such uranium exploration licenses on 12 November 2009, but the certificates of re-registration were physically handed to the Subsidiaries on 25 December 2009.

Based on the Subsidiaries’ discussions with the relevant Mongolian authorities and the advice from its Mongolian legal advisers, following the re-registration of the uranium exploration licenses, the license holders will have the right to apply for mining licenses to mine or extract the resources identified in the relevant areas covered by the exploration licenses once the State has determined the percentage of shares of the license holders that the State will own (i.e. a minimum of 34% or 51%) for no consideration. However, the Board wishes to inform the Shareholders and the potential investors that as the implementation of various provisions of

the New Laws remains unclear, it is uncertain whether the Mongolian authorities will impose other taxes or levies in respect of the subsequent exploration or mining activities undertaken in the relevant areas covered by the exploration licences which are held by the Subsidiaries.

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, 29 December 2009

*As of the date of this announcement, the board of directors of the Company comprises non-executive director and chairman, namely, Mr. Qiu Jiangang, 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*