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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)

AMENDMENTS TO THE TERMS OF LONG-TERM SALES CONTRACT OF AN ASSOCIATE

The Company announces that SOMINA and CNEIC have agreed to the Amendments to the terms of the Long-Term Sales Contract by removing the Floor Price, the Ceiling Price and the Annual Minimum Quantity and adding a maximum annual quantity of U₃O₈ to be supplied by SOMINA in the Long-Term Sales Contract. The parties also agreed for the price of U₃O₈ to be delivered in 2014 as set out below.

BACKGROUND

Reference is made to the announcement dated 23rd January, 2010 (the “**Announcement**”) and the circular dated 4th March, 2010 (the “**Circular**”) of CNNC International Limited (the “**Company**” together with its subsidiaries, the “**Group**”) in relation to the acquisition of Ideal Mining Limited (“**Ideal Mining**”) by the Group from CNNC Overseas Uranium Holding Limited (“**CNNC Overseas**”), the controlling shareholder of the Company, which is interested in approximately 66.72% of the issued share capital of the Company as at the date of this announcement. CNNC Overseas is an indirect wholly-owned subsidiary of China National Nuclear Corporation (“**CNNC**”), a large-scale state-owned enterprise established in the PRC.

The principal asset of Ideal Mining is a 37.2% interest in the issued share capital of Société des Mines d’Azelik S.A. (“**SOMINA**”), which owns a uranium mine in Niger (“**Niger Mine**”). As a result of the said acquisition which was completed on 25th March, 2010, the Group holds a 37.2% equity interest in SOMINA, which has become an associate of the Group.

As disclosed in the Announcement and the Circular, on 24th August, 2009, prior to the said acquisition, SOMINA entered into a long term sales contract with China Nuclear Energy Industry Corporation (“**CNEIC**”), a wholly-owned subsidiary of CNNC, under which SOMINA agreed to sell and CNEIC agreed to purchase all uranium ore concentrates (“**U₃O₈**”) produced by SOMINA for a term ending on 31st December, 2022 (the “**Long-Term Sales Contract**”). Pursuant to the Long-Term Sales Contract,

SOMINA undertook to deliver certain annual minimum quantity of U₃O₈ during the term (“**Annual Minimum Quantity**”), and the price for the U₃O₈ (the “**Contract Price**”) shall be determined according to a formula based on the arithmetic average of the spot U₃O₈ price and long-term U₃O₈ price over three consecutive months prior to delivery as set out in the Circular (the “**Average Price**”), but subject to the floor price (the “**Floor Price**”) and the ceiling price (the “**Ceiling Price**”) of US\$60 and US\$100 per pound of U₃O₈ respectively.

AMENDMENTS TO THE TERMS OF LONG-TERM SALES CONTRACT

According to SOMINA, the market price of U₃O₈ has been declining from approximately US\$66 and US\$70 per pound of spot U₃O₈ price and long-term U₃O₈ price respectively in February 2011 to approximately US\$32 and US\$44 per pound of spot U₃O₈ price and long-term U₃O₈ price respectively in August 2014. Hence, the Average Price for August 2014 is approximately US\$38 per pound, which is far below the Floor Price of US\$60 per pound of U₃O₈. The continuous decline in the price of U₃O₈ is unexpected and beyond the control of SOMINA and CNEIC. SOMINA has, due to delay in certain construction works for the Niger Mine, failed to meet the Annual Minimum Quantity under the Long-Term Sales Contract, and such failures have been waived by CNEIC. SOMINA further considers that it will not be able to meet the Annual Minimum Quantity until the completion of the construction works for the Niger Mine, which may take a few more years.

By reason of the unexpected decline in the price of U₃O₈ and the delay of construction works for the Niger Mine, and in order to maintain a long term business relation, on 22nd September, 2014, SOMINA and CNEIC agreed to amend the terms of the Long-Term Sales Contract, such that the Floor Price, the Ceiling Price and the Annual Minimum Quantity were removed (the “**Amendments**”), and the maximum annual quantity of U₃O₈ to be supplied shall be 750 tonnes of metal uranium. In anticipation of and prior to finalizing the Amendments, the parties also agreed that for the U₃O₈ to be delivered in the remaining of 2014, the price shall be approximately US\$48 per pound of U₃O₈.

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

Hong Kong, 25th September, 2014

As at the date of this announcement, the board of directors of the Company comprises chairman and non-executive director, namely, Mr. CaiXifu, executive director, namely, Ms. Wang Ying, non-executive director, namely, Mr. Xu Shouyi and independent non-executive directors, namely, Mr. Cheong Ying Chew Henry, Mr. Cui Ligu and Mr. Zhang Lei.