

NOTICE OF 2010 ANNUAL GENERAL MEETING

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Zijin Mining Group Co., Ltd.*

紫金礦業集團股份有限公司

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock code: 2899)

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting (“AGM”) of Zijin Mining Group Co., Ltd.* (the “Company”) for the year ended 31 December 2010 will be held at 9:00 a.m. on 30 May 2011, Monday, at the conference room at the Company’s office building at No.1 Zijin Road, Shanghang County, Fujian Province, the People’s Republic of China (the “PRC”) to consider, approve and authorise the following matters:

SPECIAL RESOLUTIONS

1. to consider and approve the amendments of the articles of association of the Company in the form as set out in Appendix 1 and such amendments shall take effect conditional upon obtaining the approval, endorsement or registration as may be necessary from the relevant government authorities of the PRC; and to authorise the Board of Directors to deal with on behalf of the Company the relevant application, approval, registration, filing procedures and other related matters arising from the amendments of the articles of association, and to authorize the Board of Directors to further amend the articles of association of the Company so as to meet or fulfill the possible requirements of the relevant authorities of the PRC in relation to approval, endorsement and/or registration;
2. to consider and approve the proposal of issuing bonds overseas by the Company through a domestic company’s wholly-owned overseas subsidiary and it is proposed to the shareholders at the general meeting to consider and approve the Company’s wholly owned subsidiary overseas to issue bonds in US dollar so as to meet the capital required for sourcing copper concentrates overseas in the 200,000 tonnes copper refinery project, and other overseas operations, and approve Zijin Mining Group Co., Ltd.* to provide the guarantee (if required) in relation to the bond issue, and authorize the Board of Directors of the overseas subsidiary and Zijin Mining Group Co., Ltd.* to make necessary arrangements in relation to the bond issue. This authorization is valid for 24 months from the date of this resolution approved at the general meeting or the date on which the authorized matters have been completed (depends on the issuance of the bonds);

ORDINARY RESOLUTIONS

3. to consider and approve the Report of the Board of Directors of the Company for 2010;
4. to consider and approve the Report of the Independent Directors of the Company for 2010;

5. to consider and approve the Report of Supervisory Committee of the Company for 2010;
6. to consider and approve the Company's financial report for the year ended 31 December 2010;
7. to consider and approve the Company's 2010 annual report and its summary report;
8. to consider and approve the profit distribution proposal of the Company for the year ended 31 December 2010;
9. to consider and approve the remunerations of the Executive Directors and Chairman of Supervisory Committee of the Company for the year ended 31 December 2010 as set out in Appendix 2;
10. to consider and approve the adoption of the China's accounting standards for the preparation of the financial statements of the Company, no reappointment of Ernst & Young as the international auditors of the Company and the reappointment of Ernst & Young Hua Ming as the Company's auditor for the year ended 31 December 2011, and to authorise the Board of Directors to determine the remuneration. The Ministry of Finance, the Recommended Committee of China Securities Regulatory Commission for the accounting firms auditing the enterprises of H shares, Hong Kong Financial Services and the Treasury Bureau, the Hong Kong Securities and Futures Commission, Hong Kong Exchanges and Clearing Limited ("Stock Exchange"), Hong Kong Financial Reporting Council and Hong Kong Institute of Certified Public Accountants reached consensus to allow a PRC company listed in HK or a HK company listed in the PRC to prepare the financial statements according to local accounting standards and audit by local accounting firms according to local auditing standards. In order to reduce audit costs, the Company suggests the general meeting to consider and approve the proposal of non re-appointment of international auditors — Ernst & Young and appoint Ernst & Young Hua Ming to audit the Company's financial statements 2011 according to the China Auditing Standards and act as the Company's international auditor to take up its responsibilities stated in the "Listing Rules of the Stock Exchange". After the communications between the Company and Ernst and Young, Ernst and Young has confirmed that there were no matters regarding the proposed non re-appointment that need to be brought to the attention of the shareholders of the Company. The Company also confirmed that there were no relevant matters regarding to the proposed non re-appointment that need to be brought to the attention of the shareholders of the Company. Ernst and Young and the Company further confirmed that there were no disagreements or unresolved matters between the Company and Ernst and Young regarding the proposed non re-appointment; and
11. to consider and approve the proposal of usage change of part of proceeds as set out in Appendix 3.

By order of the Board of Directors
Zijin Mining Group Co., Ltd.*
Chen Jinghe
Chairman

Fujian, the PRC, 13 April 2011

Notes:

- (A) The Company's register of H Shares members will be closed from 30 April 2011 (Saturday) to 30 May 2011 (Monday) (both days inclusive), during which period no transfer of H Shares will be registered. Holders of H Shares of the Company whose names appear on the H share register of members on 30 May 2011 (Monday, being

the record date) will be entitled to attend and vote at the AGM of the Company to be convened on 30 May 2011 (Monday) at No.1 Zijin Road, Shanghang County, Fujian Province, the PRC, and to be a qualified shareholder of the Company to receive the final dividends for the year ended 31 December 2010 of RMB1.00 per 10 shares (tax included) (the “2010 Final Dividend”). The 2010 Final Dividend is subject to the approval at the coming annual general meeting of the Company. In order to be qualified for attending and voting at the AGM and for receiving the 2010 Final Dividend, all transfers of shares must be lodged with the Registrar of H Shares of the Company no later than 4:30 p.m. on 29 April 2011 (Friday).

The address of the Hong Kong Registrar of H Shares is:

Computershare Hong Kong Investor Services Limited,
Shops 1712-1716,
17th Floor, Hopewell Centre,
183 Queen’s Road East,
Wanchai,
Hong Kong

- (B) Holders of H Shares who intend to attend the AGM must complete and return the reply slip in writing to the Secretariat of the Board of the Company twenty days before the AGM, that is 10 May 2011 (Tuesday).

Details of the office for the Secretariat of the Board of the Company is as follows:

19-22/F., Haifu Centre,
599 Sishui Road, Huli District
Xiamen, Fujian
People’s Republic of China
Tel: (86) 592 2933656
Fax: (86) 592 2933580

- (C) Holders of H Shares who has the right to attend and vote at the AGM are entitled to appoint one or more proxies (whether or not a member) to attend and vote on his behalf. For those shareholders who appoint more than one proxy, such proxies can only exercise their voting rights by way of polls. Shareholders who intend to appoint one or more proxies should first read the Company’s 2010 annual report.
- (D) The instrument appointing a proxy must be in writing and signed by the appointer or his attorney duly authorised in writing. In the event that such instrument is signed by an attorney of the appointer, an authorisation that authorised such signatory shall be notarised.
- (E) To be valid, the form of proxy (and if the form of proxy is signed by a person under a power of attorney or other authority on behalf of the appointer, then together with such power of attorney or other authority) must be deposited at the Company’s Registrar of H Shares of the Company — Computershare Hong Kong Investor Services Limited no later than 24 hours before the specified time for the holding of the AGM. The address is: 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong.
- (F) If a proxy is appointed to attend the AGM on behalf of a shareholder, the proxy must indicate its identification and the authorisation instrument with the date of issue and duly signed by the proxy and its legal representative, and in the case of legal representative of legal person shareholders, such legal representative must indicate its own identification and effective document to identify its identity as legal representative. If a legal person shareholder appoints a company’s representative other than its legal representative to attend the AGM, such representative must indicate its own identification and the authorisation instrument bearing the company chop of the legal person shareholder and duly authorised by its legal representative.
- (G) The AGM is expected to last for half a day, and shareholders attending the AGM will be responsible for their own traveling and accommodation expenses.

EXPECTED TIMETABLE

Year 2011 (Note)

Last trading day with rights	27 April (Wednesday)
First ex-rights trading day	28 April (Thursday)
Latest time for lodging transfer of Shares	29 April (Friday) 4:30 p.m.
Book closure period (both days inclusive)	30 April (Saturday) to 30 May (Monday)
Record date	30 May (Monday)
AGM	30 May (Monday)
Announcement on results of AGM	31 May (Tuesday)
Register of Members re-opens	31 May (Tuesday)
Delivery of dividends	To be announced

Note: All times refer to Hong Kong local times.

As at the date of this announcement, the Board of Directors of the Company comprises Messrs. Chen Jinghe (Chairman), Luo Yingnan, Liu Xiaochu, Lan Fusheng, Huang Xiaodong, and Zou Laichang as executive directors, Mr. Peng Jiaqing as non-executive director, and Messrs. Chen Yuchuan, Su Congfu, Lin Yongjing, and Wang Xiaojun as independent non-executive directors.

* *The English name of the Company is for identification purpose only*

Appendix 1:

Amendments to Articles of Association of the Company

According to the *consultation conclusions on “Acceptance of Mainland Accounting and Auditing Standards and Mainland Audit Firms for Mainland Incorporated Companies listed in Hong Kong”* published by The Stock Exchange of Hong Kong Limited in December 2010, big certified public accounting firms in Mainland China endorsed by the Central Government’s Ministry of Finance and China Securities Regulatory Commission can apply China auditing standards when providing services to the Mainland incorporated issuers which are listed in Hong Kong for the financial year ending on or after 15 December 2010.

In order to improve the efficiency, reduce the costs of disclosure, and enable the Company to adopt China’s accounting standards and the relevant regulations for the preparation of financial reports, the Company proposes to change the current Articles of Association as the following:

1. Article 158:

Original: The financial statements of the Company shall be prepared not only in accordance with China’s accounting standards, laws and regulations but also in accordance with international accounting standards or the accounting standards of the place(s) outside the People’s Republic of China where shares of the Company are listed. If there are major differences in the financial statements prepared in accordance with these two sets of accounting standards, such differences shall be stated in notes appended to such financial statements. For purpose of the Company’s distribution of after-tax profits in a given fiscal year, the smaller amount of after-tax profits shown in the above-mentioned two kinds of financial statements shall govern.

Amended to: According to the listing rules and the relevant regulatory requirements of the People’s Republic of China and Hong Kong, the financial statements of the Company shall be prepared in accordance with China’s accounting standards and the relevant regulations.

Reason(s) for amendment: to enable the Company to adopt the China’s accounting standards and in accordance with the relevant regulations for the preparation of financial reports.

2. Article 159:

Original: Interim results or financial information published or disclosed by the Company shall be prepared in accordance with China’s accounting standards, laws and regulations as well as international standards or the accounting standards of the place(s) outside the People’s Republic of China where shares of the Company are listed.

Amended to: Quarterly reports, interim results or financial information published or disclosed by the Company shall be prepared in accordance with China’s accounting standards and the relevant regulations.

Reason(s) for amendment: to enable the Company to adopt China’s accounting standards and in accordance with the relevant regulations for the preparation of financial reports.

Zijin Mining Group Co., Ltd.*
Board of Directors
30 March 2011

In the event of inconsistency between the Chinese version and English version, the Chinese version shall prevail.

Appendix 2:

Resolution approving the remuneration of the Company's Executive Directors, Chairman of Supervisory Committee 2010

(1) **The calculation parameters**

2009 net assets attributable to parent company was RMB18,170,180,121;

2010 net profit attributable to parent company was RMB4,827,916,727

(2) **Formulae**

Total annual salary of the Chairman = basic salary (RMB420,000) + [bonus = (current year's profit after tax - net assets of preceding year \times 6%) \times 0.15% \times 100% \times assessment factor]

Total annual salary of the President = basic salary (RMB396,000) + [bonus = (current year's profit after tax - net assets of preceding year \times 6%) \times 0.135% \times 100% \times assessment factor]

Total annual salary of the executive directors / chairman of supervisory committee = basic salary (RMB300,000) + [bonus = (current year's profit after tax - net assets of preceding year \times 6%) \times 0.075% \times 100% \times assessment factor]

- (3) Upon the approval of the "Proposal of remuneration and appraisal for the fourth term of Board of Directors and Supervisors of Supervisory Committee" at the second Extraordinary General Meeting 2009, and according to the Company's operating results for the year 2010, the total annual salary for the executive directors and the chairman of supervisory committee (total 7 persons) for this year amounted to RMB26,984,857; in view of the "7.3" and "9.21" incidents, the executive directors and chairman of supervisory committee proposed a reduction on annual salary, and the reduction amounted to RMB7,684,857, and the total annual salary after reduction amounted to RMB19,300,000, representing a reduction of 28.48%.

Zijin Mining Group Co., Ltd.*
Board of Directors
30 March 2011

Appendix 3:

Proposal of usage change of part of proceeds

1. Overview of the Use of the Company's proceeds

With the approval of the China Securities Regulatory Commission (Zhengjianxuke [2008] no. 417), the Company made a public offer of 1,400,000,000 ordinary shares of the Company to the public at an issue price of RMB7.13 per share on 16 April 2008 and raised a total of RMB9,982,000,000. The net proceeds after deducting the administrative expenses of RMB175,039,800 in relation to the public offering was in the amount of RMB9,806,960,200.

The prospectus for the initial public offering of A shares of the Company sets out that the raised proceeds will be applied and invested mainly in 8 projects including the Zijinshan Gold and Copper Mine Joint Open Pit Mining Project, the balance will be applied towards strengthening the cash flow position or repayment to bank loans of the Company. The plans for the use of proceeds are as follows:

		<i>RMB'000</i>
No.	Project Name	Proposed investment
1	Zijinshan Gold and Copper Mine joint open pit mining project	1,521,040.80
2	Hunchun Zijin Shuguang Gold and Copper Mine technological innovation and expansion project	461,500.00
3	200 tonnes daily refractory gold processing and refining project	198,380.00
4	Mineral resources exploration project	357,000.00
5	Acquisition of the exploration right in Zhongliao Copper Mine Wuziqilong Jintonghu section exploration project	198,000.00
6	Increase capital injection in Zijin Tongguan for the acquisition of equity interest in Monterrico Metals PLC project	603,000.00
7	Acquisition and development of the ZGC Gold Mine in Tajikistan	1,305,345.00
8	Acquisition of 70% interest in Zijin Longxing which owns the mining right in the Tuva Lead Zinc Mine	271,600.00
9	Supplemental working capital	<u>4,891,094.40</u>
	Total	<u><u>9,806,960.20</u></u>

On 15 December 2010, the Company convened the first 2010 extraordinary general meeting and specifically reviewed and passed the resolutions on change of use of partial proceeds: (1) the investment sum of RMB342,105,100 (including interest) not yet applied towards the mineral resources exploration project until the end of June 2010 will be re-directed and invested in the Comprehensive Utilization of Circular Economy for the Qinghai Deerni Tailings Project; (2) will use the proceeds to replace the self-financed shareholder's loan of US\$35,418,681.07 (approximately RMB241,116,200) for the development and construction of the ZGC project. For any subsequent investments, ZGC should open and maintain a "NRA" account in the People's Republic of China (the "PRC") as a

specific monitored account, which is denominated in Renminbi as the major currency for trading. The Company entered into tri-management agreements with the bank and sponsor on 15 December 2010 for ZGC project and 25 January 2011 for Qinghai project respectively for the supervision of the use of the proceeds.

The unused balance of proceeds represents RMB1,200,000 upon the completion of the “Acquisition of the exploration right in Zhongliao Copper Mine Wuziqilong Jintonghu section exploration project”. The unused balance of proceeds represents RMB286,000 upon the completion and the achievement of production of “200 tonnes daily refractory gold processing and refining project”. In the year of 2010, the Company redirected the abovementioned unused proceeds totalling RMB1,486,000 to invest into “Zijinshan Gold and Copper Mine joint open pit mining project”.

As at 31 March 2011, the use of proceeds is as follows:

					<i>RMB'000</i>
No.	Project Name	Proposed investment	Adjusted investment	Actual investment	Progress
1	Zijinshan Gold and Copper Mine joint open pit mining project	1,521,040.80	1,522,526.80	1,524,113.20	100%
2	Hunchun Zijin Shuguang Gold and Copper Mine technological innovation and expansion project	461,500.00	461,500.00	431,072.10	93.41%
3	200 tonnes daily refractory gold processing and refining project	198,380.00	198,094.00	198,094.00	100%
4	Mining resources exploration project	357,000.00	17,067.60	17,067.60	100%
5	Acquisition of the exploration right in Zhongliao Copper Mine Wuziqilong Jintonghu section exploration project	198,000.00	196,800.00	196,800.00	100%
6	Increase capital injection in Zijin Tongguan for the acquisition of equity interest in Monterrico Metals PLC project	603,000.00	603,000.00	603,000.00	100%
7	Acquisition and development of the ZGC Gold Mine in Tajikistan	1,305,345.00	1,305,345.00	707,486.70	54.20%
8	Acquisition of 70% interest in Zijin Longxing which owns the mining right in the Tuva Lead Zinc Mine	271,600.00	271,600.00	271,600.00	100%
9	Comprehensive Utilization of Circular Economy for the Qinghai Deerni Tailings Project	0	342,105.10	41,750.80	12.20%
10	Supplemental working capital	4,891,094.40	4,891,094.40	4,768,000.00	

2. The Reasons for the Proposed Change of Use of Proceeds

In relation to the above projects:

- (1) Though the acquisition of shares for “Acquisition and development of the ZGC Gold Mine in Tajikistan” has been completed and currently it is in development stage, the development was delayed and it did not meet the schedule of investment injection and production due to lack of supplies in the area, difficulty in domestic procurement and logistic, and technological and economic problem. As at 31 March 2011, the actual investment amounted to RMB707,486,700 with a remaining proceeds of RMB608,670,100 (included interest), in which RMB552,527,200 was deposited into the specific bank account for proceeds in Agricultural Bank of Shanghang; RMB56,142,900 was deposited into the ZGC project’s “NRA” account in Agricultural Bank of Shanghang;
- (2) “Supplemental working capital” is the excess of the proceeds raised through the initial public offering of A shares of the Company. As at 31 March 2011, the actual investment towards supplemental working capital amounted to RMB4,768,000,000 with a remaining proceeds of RMB255,308,200 (including interest).

In order to improve efficiency in the use of proceeds, according to the Shanghai Stock Exchange and the Company’s requirements with respect to proceeds management, as at 31 March 2011 the total unused proceeds of “Acquisition and development of the ZGC Gold Mine in Tajikistan” amounted to RMB552,527,200 (RMB56,142,900 deposited in the ZGC’s NRA account will not be changed) and “Supplemental working capital” amounted to RMB255,308,200 (including interest) will be re-directed and invested in the “200,000 tonnes copper refinery of Zijin Copper Co., Ltd. project” (in total: RMB807,835,400 (including interest)).

The Company will use self-financed funds to continue the development of the ZGC Gold Mine.

The change of use of part of the proceeds raised not only promotes a more efficient usage of the fund raised, but also reduces the financial cost, in line with the interests of all shareholders as a whole.

The proposed change of use of proceeds will not constitute a connected transaction.

The proposed change of use of part of proceeds has been reviewed and approved by the extraordinary meeting of board of directors in 2011, but is still subject to the approval of the annual general meeting of shareholders of the Company for the year of 2010.

3. The Status of the New Project

I) *The Need to Implement the Project*

On 9 March 2009, the Company convened the first 2009 extraordinary general meeting, the meeting reviewed and passed a resolution to form Zijin Copper Co., Ltd. (“Zijin Copper”) with Minxi Xinghang State-owned Assets Investment Co., Ltd. (“Minxi Xinghang”), being the Company’s largest shareholder, for establishing a 200,000 tonnes copper refinery project. Each of the Company and Minxi Xinghang holds 50% interest in Zijin Copper. In September 2009, Minxi Xinghang made an auction in Longyan Property Exchange to sell its 50% interest in Zijin Copper. The Company participated in the auction and successfully acquired 50% interest in Zijin Copper from Minxi Xinghang. Zijin Copper became a wholly-owned subsidiary of the Company and the establishment of the 200,000 tonnes copper refinery will be financed solely by the Company.

The 200,000 tonnes copper refinery complies with the state policy and is enlisted into “Fujian national economic and social development of the eleventh five-year plan summary”. The government authorities in the province, city, and county levels granted a range of privilege investment policies on industrial land use, water for industrial use, electricity for industrial use and construction of the project. This project is the first copper refinery in Fujian and it will effectively ease the supply in copper cathodes with neighbour provinces. This project has obtained all necessary approvals and the construction has started in 2009. Currently, the total investment amounted to RMB2.619 billion (72%) and it is in the stage of facility installation.

The Company is one of the companies controlling the largest mineral resources (metal) in the PRC, controlling approximately 10 million tonnes of copper reserves / resources. The Company can supply about 17.5% copper concentrates needed in the refinery plant from mines in Fujian. It is expected that the completion of the refinery plant will actively promote the development of local economy and uplift the comprehensive strength of the Company and comply with the Company’s development strategy.

II) *Estimate of the Investment and Use of Proceeds*

According to the “Preliminary design for the 200,000 tonnes per annum refinery project of Zijin Copper Co., Ltd.” published by China Ruilin Engineering and Technology Co., Ltd. in 2009, the investment sum of the project amounted to RMB3,633,491,100, including investment of fixed assets in the amount of RMB3,035,787,100 and working capital in the amount of RMB597,704,000.

Apart from the amount of RMB807,835,400 which is the subject matter of the change of use of proceeds, the company will finance the balance of investment from its own sources.

III) *Production Scale and Products in Design*

The production scale of the project is 200,000 tonnes of copper cathodes production per year, copper concentrates as the raw materials. Production scale of major products is as follows:

Product name	Unit	Volume	Quality standards
Copper cathodes	Tonnes/year	200,000	GB/T467-1997
Sulfuric acid (100%)	10,000 tonnes/year	81.89	98%
Gold	Tonnes/year	5.074	99.99%
Silver	Tonnes/year	126.196	99.99%
Thick copper sulfate	Tonnes/year	3,270	First grade

IV) *Technology*

This refinery project uses the world’s more advanced and mature technology, that bunker ingredients - copper concentrate steam drying - high-speed smelting - PS converter blowing - rotary anode furnace refining - a permanent stainless steel cathode electrolytic refining.

V) *Environmental Protection and Comprehensive Utilization*

To ensure that the emissions of the project meet the national standards, taking the review comments of the environmental impact report and the explicit requirements of the State Environmental Protection Department, this project is required to take strict control measures on emission, waste water, waste residue and noise so as to ensure the discharge of pollutants meets the standards and the total volume of discharge is under control, minimizing its impact on the regional environment.

The environmental protection investment of the project amounted to RMB227,120,000.

VI) *Energy Economization*

The project will adopt various energy-saving measures to reduce energy consumption, in which recycling heat is the major energy-saving measure. FSF smelting furnace, CF furnace, anode furnace and sulfuric acid system produce steam of 92.8t / h, 719,386 tonnes of steam could be recycled a year.

The integrated energy consumption of copper cathode is: 238kgce / t of copper cathode, about 56% lower than the value in “norm of energy consumption per unit products of copper metallurgical enterprise”(GB21248-2007), the energy economization effect is remarkable.

VII) *Phosphorus Chemical Project*

To solve the sales problem of sulfuric acid products after the project put into operation, Zijin Copper and Guizhou Wengfu (Group) Company Limited (“Wengfu Group”) jointly set up Wengfu Zijin Chemical Industry Company Limited as the downstream facility project of the 200,000 tonnes copper refinery project. The construction of a phosphorus chemical project will be led by Wengfu Group. The construction has commenced and it is expected to complete at the end of 2011.

VIII) *Location*

The project will be located in Meiba village, Jiaoyangxiang of Shanghang county, Fujian Province, nearby the Shanghang railway station. The east of the plant is the warehouse exclusive for Shanghang railway and 319 National Road. The plant is convenient for transportation that it is 30km away from Zijinshan Gold and Copper Mine area and 283km away from Xiamen terminal which is the nearest terminal.

IX) *The Arrangement and Implementation Progress of the Project*

The Company’s wholly owned subsidiary Zijin Copper is responsible to carry out the project which started in 2009. As at 31 March 2011, the investment sum amounted to RMB2.619 billion, representing 72% of the total investment sum, and the project has entered into the equipment installation phase.

The change of use of proceeds will mainly be spent on purchasing facilities and investment of civil engineering works for the 200,000 tonnes copper refinery project.

X) *Project Efficiency Analysis*

According to the “Preliminary design for the 200,000 tonnes per annum refinery project of Zijin Copper Co., Ltd.” published by China Ruilin Engineering and Technology Co., Ltd. in 2009, the project takes 2 years to construct and is expected to run production testing by the end of 2011. The project’s financial internal rate of return is 13.46% (before tax) and 10.24% (after tax); investment recovery period is 8.62 years (before tax) and 10.12 years (after tax); the return on total investment is 10.89%; net profit to capital rate is 26.14%. (Measuring premises: the raw materials of the project will be domestic copper concentrates and imported copper concentrates. Owned-mines accounted for 30.43% of the raw materials, benchmark price of imported copper concentrate: US\$2/lb for copper; processing fee: Copper TC: US\$70/t, RC: US\$0.07/lb; benchmark price of domestic copper concentrate: RMB36,000/t; coefficient of buying out copper concentrate containing copper is 84.5%.)

Sensitivity analysis of the project:

No.	Coefficient	Variance ratio	Internal return (before tax)	Sensitivity
1	TC/RC and buying out	10%	14.88%	1.061
		5%	14.17%	1.063
		-5%	12.74%	1.068
		-10%	12.02%	1.070
2	Product production volume	10%	14.71%	0.932
		5%	14.09%	0.947
		-5%	12.80%	0.979
		-10%	12.12%	0.995
3	Construction investment	10%	12.40%	-0.788
		5%	12.91%	-0.811
		-5%	14.04%	-0.864
		-10%	14.66%	-0.893
4	Operation and processing costs	10%	12.12%	-0.996
		5%	12.79%	-0.993
		-5%	14.12%	-0.987
		-10%	14.78%	-0.985
5	Standard return		13.46%	

The domestic refinery processing fee standard (TC/RC) is 56/5.6 in accordance with the result of the negotiation in 2011 between the copper raw material negotiation team of the PRC and the overseas suppliers. It had a substantial increase over the year 2010.

It is expected that the investment in fixed assets will be increased by 3% to 5% due to the substantial growth of CPI and PPI leading to an increase of cost in procurement of some facilities.

XI) *Project Approval*

The filing of the project has been confirmed in “Min Fa Gai Gong Ye Bei [2006] No.013” in December 2006 by Fujian Province Development and Planning Commission and its owner has been changed from Zijin Mining Group Co., Ltd. to Zijin Copper Co., Ltd. in April 2010, the filing number is “Min Fa Gai Bei [2010] No.K00015”; in November 2008, it was approved by the State’s Environmental Protection Department “Huang Sheng [2008] No. 473”; in November 2007, it received a reply “Shui Bao Han [2007] No.277” from the State’s Water Resources Department on the proposal of water and soil conservation; in April 2009, it obtained the dangerous chemicals, construction project safety permit submissions, “Min An Jian Wei Hua Xiangmu Shen Zi [2009] No.9” from the Fujian Province Administration of Production Safety; in June 2009, it obtained the land use permit, “Shanghang County Guo Yong [2009]No. 0317” issued by the Shanghang County Land Resources Bureau.

4. **Prospect of the Project and Risks Analysis**

(1) *Market Prospect and Analysis*

Zijin Copper 200,000 tonnes of copper refinery project uses advanced and mature technology and the plant and equipment level is not lower than the domestic advanced level of similar plants and fully learns and absorbs advanced experiences about refinery overseas. The project strictly controls the investment, intends to select domestic equipment, introduces key technology and equipment; takes effective energy saving measures to reduce overall energy consumption; emphasises on environmental protection, reduces emission, waste water and waste residue pollution, implements the review comments of the environmental impact report and the clear requirements of environmental protection measures on the approvals to ensure the economic, social and environmental benefits. The PRC is in rapid development phase and requires a lot of metal materials, copper cathode, being the main product of the project, which has good prospects and is basically at the seller’s market.

According to the “Preliminary design of 200,000 tonnes copper refinery of Zijin Copper Co., Ltd.”, the investment sum of the project amounted to RMB3,633,491,100. After the project has been put into operation, the financial internal rate of return is 13.46% (before tax), the financial internal rate of return of self-financed fund is 18.01%, and both rates are higher than the benchmark rate of return. The project has certain economic benefits, and strong anti-risk ability.

(2) *Major Risks Analysis*

The profits of the project will be greatly affected by the supply of copper concentrate and fluctuation of copper’s processing fees (TC/RC). The Company has achieved initial success for approaching and negotiating with large international suppliers and manufacturers of copper concentrate recently, confirming the amount of raw material procurement for this year and first half of next year. For production and operation, the Company plans to strengthen the sophisticated management, examine and control the production costs strictly, and make good use of futures hedging instruments to reduce the supply risk in purchase of raw materials.

5. The Opinion of the Independent Non-executive Directors in relation to the proposed Change of Use of Part of the Proceeds

The Independent Non-executive Directors, namely Mr. Lin Yongjing, Mr. Su Congfu, Mr. Chen Yuchuan and Mr. Wang Xiaojun, formed the following opinion in relation to the proposed change of use of part of the proceeds: the change of use of part of the proceeds was proposed by the Board of Directors after taking into account the relevant objective factors and circumstances is capable of raising the efficiency in relation to utilisation of the fund raised and to effect an effective allocation of resources, is to the benefit of the Company and the shareholders as a whole and is of no adverse effect to the benefits of the shareholders, in particular minority shareholders, of the Company. The contents and the procedures in relation to the proposed change of use of part of the proceeds are in compliance with the law and regulations in relation to the use of proceeds by listing companies and the provisions and requirements of the Proceeds Management Policy of the Company. The Independent Non-executive Directors agreed to the proposed investment sum of RMB807,835,400 (including interest) not yet applied towards the “Acquisition and development of the ZGC Gold Mine in Tajikistan” and “Supplemental working capital” to be re-directed and invested in the “Zijin Copper 200,000 tonnes of copper refinery project” and would like to submit the proposal for the consideration and approval by the annual general meeting of the shareholders of the Company for the year of 2010.

6. The Decision Making Procedures and Opinion of the Supervisory Committee

The Company’s Supervisory Committee after review and consideration formed the following opinion in relation to the proposed change of use of part of the proceeds: the change of use of part of the proceeds is capable of raising the efficiency in relation to utilisation of the fund raised, is of no adverse effect to the benefits of the shareholders of the Company and the decision and review procedures in relation to the proposed change of use of part of the proceeds are in compliance with the applicable law and regulations and the relevant regulations and law for management of proceeds of listing companies. The Supervisory Committee agreed to the proposed investment sum of RMB807,835,400 (including interest) not yet applied towards the “Acquisition and development of the ZGC Gold Mine in Tajikistan” and “Supplemental working capital” to be re-directed and invested in the “Zijin Copper 200,000 tonnes of copper refinery project” and would like to submit the proposal for the consideration and approval by the annual general meeting of the shareholders of the Company for the year of 2010.

7. Sponsor’s Opinion

The sponsor of the Company, Essence Securities Co., Ltd., after verification considered that: The change of use of part of the proceeds was considered and approved by the Board of Directors and was further agreed by the Independent Non-executive Directors and Supervisory Committee. The procedures in relation to the proposed change of use of part of the proceeds have complied with the necessary legal procedures and requirements and the relevant provisions and requirements of “Shanghai Stock Exchange’s Requirements with respect to Proceeds Management”.

Therefore, the sponsor of the Company agreed the Company to submit the proposal for the consideration and approval by the annual general meeting of the shareholders of the Company for the year of 2010, and to act in accordance with the applicable legal procedures and make necessary disclosures before implementation of the proposal.

8. Documents for Inspection

- (1) Board resolution
- (2) Supervisory Committee resolution
- (3) Opinion of the Independent Non-executive Directors
- (4) Opinion of Sponsor
- (5) “Preliminary design for the 200,000 tonnes per annum refinery project of Zijin Copper Co., Ltd.”

Zijin Mining Group Co., Ltd.
Board of Directors

13 April 2011

**The Opinion of the Independent Non-executive Directors of
Zijin Mining Group Co., Ltd. in relation to the proposed Change of Use of Proceeds**

The fourth term of the Board of Directors of Zijin Mining Group Co., Ltd. proposed to convene an extraordinary board meeting on 12 April 2011 to discuss the “Proposal in relation to the change of use of part of the proceeds”. The investment sum of RMB807,835,400 (including interest) not yet applied towards the “Acquisition and development of the ZGC Gold Mine in Tajikistan” and “Supplemental working capital” is proposed to be re-directed and invested in the 200,000 tonnes copper refinery project of Zijin Copper Co., Ltd.

The Independent Non-executive Directors, namely Mr. Lin Yongjing, Mr. Su Congfu, Mr. Chen Yuchuan and Mr. Wang Xiaojun, formed the following opinion in relation to the proposed change of use of part of the proceeds:

1. The change of use of part of the proceeds was proposed by the Board of Directors after taking into account the relevant objective factors and circumstances is capable of raising the efficiency in relation to utilisation of the fund raised and to effect an effective allocation of resources, is to the benefit of the Company and the shareholders as a whole and is of no adverse effect to the benefits of the shareholders, in particular minority shareholders, of the Company.
2. The contents and the procedures in relation to the proposed change of use of part of the proceeds are in compliance with the law and regulations in relation to the use of proceeds by listing companies and the provisions and requirements of the Proceeds Management Policy of the Company.
3. The Independent Non-executive Directors agreed to the proposed investment sum of RMB807,835,400 (including interest) not yet applied towards the “Acquisition and development of the ZGC Gold Mine in Tajikistan” and “Supplemental working capital” to be re-directed and invested in the 200,000 tonnes copper refinery project of Zijin Copper Co., Ltd. and would like to submit the proposal for the consideration and approval by the annual general meeting of the shareholders of the Company for the year of 2010.

Independent non-executive directors:

Su Congfu	Chen Yuchuan
Lin Yongjing	Wang Xiaojun

Zijin Mining Group Co., Ltd.
11 April 2011

**The Opinion of Essence Securities Co., Ltd. in relation to the Change of
Use of part of the Proceeds of Zijin Mining Group Co., Ltd.**

Essence Securities Co., Ltd. (“Essence Securities” or the “Company’s sponsor”), the sponsor of Zijin Mining Group Co., Ltd. (“Zijin Mining” or the “Company”) for initial public offering of A shares and supervising ongoing listing, has conducted verification in relation to the proposed change of use of part of the proceeds of Zijin Mining Group Co., Ltd. according to the relevant provisions and requirements of “Approach of Business Management for Securities Issuance and Listing” and “Shanghai Stock Exchange’s Requirements with respect to Proceeds Management”. Their opinions after verification are as follows.

1. Overview of the Company’s proceeds

With the approval of the China Securities Regulatory Commission (Zhengjianxuke [2008] no. 417), the Company made a public offer of 1,400,000,000 ordinary shares of the Company to the public at an issue price of RMB7.13 per share on 16 April 2008 and raised a total of RMB9,982,000,000. The net proceeds after deducting the administrative expenses of RMB175,039,800 in relation to the public offering was in the amount of RMB9,806,960,200. Verified by the report “Tian Jian Hua Zheng Zhong Zhou (2008) GF Zi No.020005” issued by Tianjian Huazheng Zhongzhou (Beijing) CPA Ltd., the proceeds was deposited into the Company’s specific account for proceeds on 22 April 2008.

(1) Plans for the use of Proceeds

The prospectus for the initial public offering of A shares of the Company sets out that the raised proceeds will be applied and invested mainly in 8 projects including the Zijinshan Gold and Copper Mine Joint Open Pit Mining Project, the balance will be applied towards strengthening the cash flow position or repayment to bank loans of the Company. The plans for the use of proceeds are as follows:

Unit: RMB’000

No.	Project Name	Proposed investment
1	Zijinshan Gold and Copper Mine joint open pit mining project	1,521,040.80
2	Hunchun Zijin Shuguang Gold and Copper Mine technological innovation and expansion project	461,500.00
3	200 tonnes daily refractory gold processing and refining project	198,380.00
4	Mineral resources exploration project	357,000.00
5	Acquisition of the exploration right in Zhongliao Copper Mine Wuziqilong Jintonghu section exploration project	198,000.00
6	Increase capital injection in Zijin Tongguan for the acquisition of equity interest in Monterrico Metals PLC project	603,000.00
7	Acquisition and development of the ZGC Gold Mine in Tajikistan	1,305,345.00
8	Acquisition of 70% interest in Zijin Longxing which owns the mining right in the Tuva Lead Zinc Mine	271,600.00
9	Supplemental working capital	4,891,094.40
	Total	<u>9,806,960.20</u>

(2) *Changes for the use of Proceeds*

According to the resolution in relation to the change of use of partial proceeds passed on the first extraordinary general meeting in 2010, the investment sum of RMB342,105,100 (including interest) not yet applied towards the mineral resources exploration project until the end of June 2010 will be re-directed and invested in the Comprehensive Utilization of Circular Economy for the Qinghai Deerni Tailings Project.

The unused balance of proceeds represents RMB1,200,000 upon the completion of the “Acquisition of the exploration right in Zhongliao Copper Mine Wuziqilong Jintonghu section exploration project”. The unused balance of proceeds represents RMB286,000 upon the completion and the achievement of production of “200 tonnes daily refractory gold processing and refining project”. In the year of 2010, the Company redirected the abovementioned unused proceeds totalling RMB1,486,000 to invest into “Zijinshan Gold and Copper Mine joint open pit mining project”.

(3) *Status of the use of Proceeds*

As at 31 March 2011, the use of proceeds is as follows:

Unit: RMB'000

No.	Project Name	Proposed investment	Actual investment	Progress
1	Zijinshan Gold and Copper Mine joint open pit mining project	1,522,526.80	1,524,113.20	100%
2	Hunchun Zijin Shuguang Gold and Copper Mine technological innovation and expansion project	461,500.00	431,072.10	93.41%
3	200 tonnes daily refractory gold processing and refining project	198,094.00	198,094.00	100%
4	Mining resources exploration project	17,067.60	17,067.60	100%
5	Acquisition of the exploration right in Zhongliao Copper Mine Wuziqilong Jintonghu section exploration project	196,800.00	196,800.00	100%
6	Increase capital injection in Zijin Tongguan for the acquisition of equity interest in Monterrico Metals PLC project	603,000.00	603,000.00	100%
7	Acquisition and development of the ZGC Gold Mine in Tajikistan	1,305,345.00	707,486.70	54.20%
8	Acquisition of 70% interest in Zijin Longxing which owns the mining right in the Tuva Lead Zinc Mine	271,600.00	271,600.00	100%
9	Comprehensive Utilization of Circular Economy for the Qinghai Deerni Tailings Project	342,105.10	41,750.80	12.20%
10	Supplemental working capital	4,891,094.40	4,768,000.00	

2. *Investment Status of the Proposed Change of Use of Proceeds*

Though the acquisition of shares for “Acquisition and development of the ZGC Gold Mine in Tajikistan” has been completed and currently it is in development stage, the development was delayed and it did not meet the schedule of investment injection and production due to lack of supplies in the area, difficulty in domestic procurement and logistic, and technological and economic problem. As at 31 March 2011, the actual investment amounted to RMB707,486,700 with a remaining proceeds of RMB608,670,100, in which RMB552,527,200 was deposited into the specific bank account for proceeds in Agricultural Bank of Shanghang; RMB56,142,900 was deposited into the ZGC project’s “NRA” account in Agricultural Bank of Shanghang.

In addition, as at 31 March 2011, the actual investment towards supplemental working capital amounted to RMB4,768,000,000 with a remaining proceeds of RMB255,308,200 (including interest).

In order to improve efficiency in the use of proceeds, according to the Shanghai Stock Exchange and the Company’s requirements with respect to proceeds management, the total unused proceeds as of 31 March 2011 from “Acquisition and development of the ZGC Gold Mine in Tajikistan” and “Supplemental working capital” will be re-directed and invested in the “200,000 tonnes copper refinery of Zijin Copper Co., Ltd. project”. The Company will use self-financed funds to continue the development of the ZGC Gold Mine.

The proposed change of use of proceeds will not constitute a connected transaction.

3. *Status of newly invested projects*

According to the “Preliminary design for the 200,000 tonnes per annum refinery project of Zijin Copper Co., Ltd.” published by China Ruilin Engineering and Technology Co., Ltd. in 2009, the investment sum of the project amounted to RMB3,633,491,100, including investment of fixed assets in the amount of RMB3,035,787,100 and working capital in the amount of RMB597,704,000.

The production scale of the project is 200,000 tonnes of copper cathodes production per year, copper concentrates as the raw materials. Production scale of major products is as follows:

Product name	Unit	Volume	Quality standards
Copper cathodes	Tonnes/year	200,000	GB/T467-1997
Sulfuric acid (100%)	10,000 tonnes/year	81.89	98%
Gold	Tonnes/year	5.074	99.99%
Silver	Tonnes/year	126.196	99.99%
Thick copper sulfates	Tonnes/year	3,270	First grade

The Company’s wholly owned subsidiary Zijin Copper is responsible to carry out the project which started in 2009. As at 31 March 2011, the investment sum amounted to RMB2.619 billion, representing 72% of the total investment sum, and the project has entered into the equipment installation phase. The change of use of proceeds will mainly be spent on purchasing facilities and investment of civil engineering works for the 200,000 tonnes copper refinery project. The company will finance the balance of investment from its own sources.

4. *Procedures for the changes*

The proposed change of use of part of proceeds has been reviewed and approved by the extraordinary meeting of board of directors in 2011, but is still subject to the approval of the annual general meeting of shareholders of the Company for the year of 2010.

5. *The opinions of the Company's sponsor*

After verification, the Company's sponsor considered that: The change of use of part of the proceeds was considered and approved by the Board of Directors and was further agreed by the Independent Non-executive Directors and Supervisory Committee. The procedures in relation to the proposed change of use of part of the proceeds have complied with the necessary legal procedures and requirements and the relevant provisions and requirements of "Shanghai Stock Exchange's Requirements with respect to Proceeds Management".

Therefore, the Company's sponsor agreed the Company to submit the proposal for the consideration and approval by the annual general meeting of the shareholders of the Company for the year of 2010, and to act in accordance with the applicable legal procedures and make necessary disclosures before implementation of the proposal.

(No text in this page, the signed and sealed page of "The Opinion of Essence Securities Co., Ltd. in relation to the Change of Use of part of the Proceeds of Zijin Mining Group Co., Ltd.")

Representatives of Sponsor:

Xu Rongjian

Zhao Fei

Essence Securities Co., Ltd.

12 April 2011