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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)

SUBSCRIPTION OF SHARES IN LINGBAO GOLD COMPANY LTD.

On 29 December 2005, the Company's wholly owned subsidiary - Gold Mountains entered into an Agreement to subscribe for 12,666,000 H shares of Lingbao (representing approximately 4.9% of the total number of H shares or approximately 1.7% of the issued share capital of Lingbao immediately after the completion of the global offering of Lingbao) at a price per H share equal to the price of public offering of Lingbao. According to the prospectus of Lingbao dated 30 December 2005, the maximum price for a H share of Lingbao is HK\$3.33 and therefore the total consideration is expected to be not higher than HK\$42,177,780 subject to payment of applicable brokerage, transaction levy and trading fee. Amongst other undertakings to Lingbao, Gold Mountains agreed to a lock-up period of 6 months from the commencement of dealing in H shares of Lingbao on the Hong Kong Stock Exchange.

This announcement is not a notifiable transaction and it is made pursuant to rule 13.09 of the Listing Rules.

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Agreement

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Parties:

1. Gold Mountains, is principally engaged in investment, trading, exploration, mining, production, refining and sale of gold and other mineral resources in Canada and South East Asia. Gold Mountains will own approximately 4.9% of the total number of H shares or approximately 1.7% of the issued share capital of Lingbao upon completion of its global offering;
2. Lingbao, is principally engaged in gold mining, and smelting business in the PRC. Lingbao has prepared to list its H shares on Hong Kong Stock Exchange. Lingbao will issue 12,666,000 H shares to Gold Mountains under its strategic placement; and
3. BOCI, is one of the joint sponsors and the lead manager of Lingbao's listing on Hong Kong Stock Exchange. BOCI is incorporated in Hong Kong and principally engaged in listing and corporate finance business in Hong Kong.

Lingbao recorded RMB856,278,000 and RMB1,223,429,000 turnover and declared no dividends in years 2003 and 2004 respectively. Lingbao made RMB75,799,000 and RMB119,395,000 net profit in years 2003 and 2004 respectively. For details of Lingbao, please refer to its prospectus dated 30 December 2005.

Consideration

The consideration for the acquisition of the shares is based on the final offer price determined for Lingbao's listing and shall be paid in cash in full on completion by Gold Mountains' internal resources.

Condition

The completion of this agreement is subject to the success of Lingbao's listing on Hong Kong Stock Exchange.

Reasons for the transaction

The Company is principally engaged in the exploration, mining, production, refining and sale of gold and other mineral resources in the PRC. As a result of the transaction, the Company may have an opportunity to invest in other gold mining company proposed to be listed on the Hong Kong Stock Exchange. Therefore, the Directors consider that the transaction and the terms of the agreement are in ordinary course of business and on normal commercial terms and fair and reasonable and in the best interests of the Company and its shareholders as a whole.

General

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, none of Lingbao and its ultimate beneficial owners as at the date hereof is a connected person (as defined in the Listing Rules) of the Company.

Definitions

In this announcement, unless otherwise indicated in the context, the following expressions have the meaning set out below:

“Agreement”	An agreement signed on 29 December 2005 between Gold Mountains and Lingbao and BOCI for the subscription and purchase of Lingbao’s H shares
“BOCI”	BOCI Asia Limited, a limited company incorporated in Hong Kong and is one of the joint sponsors and the lead manager of Lingbao’s listing on Hong Kong Stock Exchange. BOCI is principally engaged in listing and corporate finance business in Hong Kong.
“Company”	Zijin Mining Group Co., Ltd.*, a joint stock limited company incorporated in the People’s Republic of China with limited liability
“Director(s)”	the director(s) of the Company
“Gold Mountains”	Gold Mountains (Hong Kong) International Mining Co., Ltd. is a wholly owned subsidiary of the Company, the company incorporated in Hong Kong with limited liability
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Lingbao”	Lingbao Gold Company Ltd., a company incorporated in the PRC and preparing to list on the main board of Hong Kong Stock Exchange. The company is primarily engaged in gold mining and smelting in the PRC.
“Lingbao H Share”	Ordinary shares issued in the share capital of Lingbao, with a RMB-denominated par value of RMB0.20 each which are subscribed for and traded in Hong Kong dollars and for which an application has been made for listing and permission to deal on the Hong Kong Stock Exchange
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange

“PRC” The People’s Republic of China, but for the purpose of this announcement, excludes Hong Kong, Macau SAR and Taiwan

“RMB” Renminbi, the lawful currency of the PRC

“%” per cent

Note: For the purpose of this announcement, unless otherwise specified, amounts denominated in RMB have been translated for the purpose of illustration only into Hong Kong dollars at the exchange rate of HK1.00 = RMB1.04.

As at the date of this announcement, the Board of Directors of the Company comprises Messrs. Chen Jinghe (Chairman), Liu Xiaochu, Luo Yingnan, Lan Fusheng, and Roa Yimin as executive directors, Mr. Ke Xiping as non-executive director, and Messrs. Yang Dali, Yao Lizhong, and Loong Ping Kwan as independent non-executive directors.

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

29 December 2005 Fujian, China.

** The Company’s English name is for identification purpose only*

Please also refer to the published version of this announcement in The Standard.