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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

ADJUSTMENT ON RESOURCE TAX IN THE PRC

On 31 May 2006, the Company learnt from the website of the State Administration of Taxation, the PRC that it has recently issued a Notice about an adjustment on resource tax. Pursuant to the Notice, among other things, Zijinshan Gold Mine has been classified as Grade Five and Hunchun Gold Mine has been classified as Grade Six.

This announcement is made pursuant to rule 13.09 of the Listing Rules.

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On 31 May 2006, the Company learnt from the website of the State Administration of Taxation, the PRC that it has recently issued a notice (CaiShui No. 2006-69) ("Notice") about an adjustment on resource tax. Pursuant to the Notice, among other things, the rates of resource tax for various grades of rock and gold mines have been adjusted upwards. According to the enterprise list in the Notice, Zijinshan Gold Mine has been classified as Grade Five and Hunchun Gold Mine has been classified as Grade Six and resource tax is levied according to the grade of mines and the applicable amount of tax per tonne of ore produced. The resource tax on the ore produced from Zijinshan Gold Mine has been increased from RMB1.3 per tonne to RMB3.00 per tonne and from Hunchun Gold Mine has been increased from RMB0.9 per tonne to RMB2.00 per tonne.

Guizhou Shuiyindong Gold Mine has not been listed in the Notice and pursuant to the Notice, the adjustment of resource tax for the unlisted enterprises will be decided by provincial government or autonomous government within a range of 30%. The decision will be reported to Finance Ministry and the State Administration of Taxation, the PRC. As at the date of this announcement, Guizhou Shuiyindong Gold Mine has not received any notice of adjustment.

For the financial year ended 31 December 2005, the Group has paid resource tax of RMB19,540,000, RMB1,070,000 and RMB1,580,000 in relation to Zijinshan Gold Mine, Hunchun Gold Mine, and Guizhou Shuiyindong respectively .

Pursuant to the Notice, the resource tax will not be levied on the reuse of tailing. Regarding the taxation issue of the scrap stones with a grade lower than 0.5g per tonne using in hydrometallurgy, the provincial government will decide whether the resource tax will be levied.

Investors should note that the adjustment on resource tax may affect the Group's net profit.

The said Notice (CaiShui No. 2006-69) from the State Administration of Taxation, the PRC took effect on 1 May 2006.

For the details of the Notice, please browse www.chinatax.gov.cn.

Definitions

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

“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
“Group”	the Company and its subsidiaries
“Guizhou Shuiyindong Gold Mine”	Guizhou Shuiyindong Gold Mine, the gold mine of the Group in Zhenfeng county, Guizhou province, the PRC
“Hunchun Gold Mine”	Hunchun Gold and Copper Mine, a mine of the Group located near Hunchun city in Yanbianzhou autonomous region, Jilin province, the PRC
“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
“Zijinshan Gold Mine”	Zijinshan Gold and Copper Mine, the gold mine of the Group in Shanghang county, Fujian province, the PRC

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 Rao 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

1 June, 2006 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.