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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 FOR SHARES IN RIDGE MINING PLC**

The Board is pleased to announce that the Company and Gold Mountains, a wholly-owned subsidiary of the Company, entered into the Subscription Agreement with Ridge Mining, a company incorporated in England and Wales and the shares of which are quoted and traded on AIM.

Pursuant to the Subscription Agreement, Ridge Mining has conditionally agreed to issue to Gold Mountains and Gold Mountains has conditionally agreed to subscribe for 16,000,000 Subscription Shares representing approximately 20 per cent of the issued share capital of Ridge Mining as enlarged following the issue of the Subscription Shares, and 10,000,000 warrants to subscribe for New Ordinary Shares at an exercise price of £0.70 per share with an exercise period of three years from the date of grant, in consideration for the payment by Gold Mountains of £8,200,000.

Under the Subscription Agreement, Ridge Mining, Gold Mountains and the Company will also execute the Relationship Deed to, inter alia, govern the basis of future cooperation on Ridge Mining's projects.

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

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### **SUBSCRIPTION AGREEMENT**

Date: 29 September 2006

Parties:

1. The Company is principally engaged in the exploration, mining, production, refining and sale of gold and other mineral resources in the PRC.
2. Gold Mountains, a wholly-owned subsidiary of the Company, is principally engaged in investment and mineral trading.

3. Ridge Mining is a resource company incorporated under the laws of England and Wales and listed on AIM. The principal activity of Ridge Mining and its subsidiaries is exploration for and development of platinum and associated metals. It has certain platinum projects in South Africa.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Ridge Mining and its ultimate substantial beneficial owners are third parties independent of the Company and connected persons of the Company and are not connected persons (as defined by the Listing Rules) of the Company.

## **DETAILS OF THE PROPOSED TRANSACTION**

### **General**

The Board is pleased to announce that the Company entered into the Subscription Agreement with Ridge Mining on 29 September 2006.

Pursuant to the Subscription Agreement, Ridge Mining has conditionally agreed to issue to Gold Mountains and Gold Mountains has conditionally agreed to subscribe for 16,000,000 Subscription Shares representing approximately 20 per cent of the issued share capital of Ridge Mining as enlarged following the issue of the Subscription Shares and 10,000,000 warrants to subscribe for New Ordinary Shares at an exercise price of £0.70 per share with an exercise period of three years from the date of grant, in consideration for the payment by Gold Mountains of £8.2 million. Each warrant enables its holder to subscribe for one New Ordinary Share at an exercise price of £0.70 per share. If the warrants are exercised in full and if no further shares of Ridge Mining are issued, Gold Mountains will hold approximately 29.30 per cent of the issued share capital of Ridge Mining as enlarged following the issue of the Subscription Shares and New Ordinary Shares upon exercise of the warrants in full.

### **Consideration**

The total consideration payable under the Subscription Agreement is £8.2 million. The average consideration per share and warrant of Ridge Mining are £0.45 and £0.10 respectively. The subscription consideration was arrived at after arm's length negotiations between the parties thereto and on normal commercial terms. The closing price of shares of Ridge Mining on 28 September 2006 was £0.32.

### **Conditions**

The subscription of the Subscription Shares and the warrants by Gold Mountains are subject to the satisfaction of certain conditions including:-

- (a) the representations, warranties and undertakings of Ridge Mining set out in the Subscription Agreement shall be true and correct at and as of the Closing with the same effect as though such representations, warranties and undertakings were made at and as of the Closing;

- (b) passing of resolutions by the shareholders of Ridge Mining to enable the issue of the Subscription Shares and the warrants to proceed;
- (c) Gold Mountains shall have provided evidence satisfactory to Ridge Mining, acting reasonably, that Gold Mountains has applied for or obtained all regulatory and third party consents and approvals required to be obtained by it in connection with the completion of the transactions contemplated by the Subscription Agreement;
- (d) Ridge Mining shall have performed and complied with all the covenants and agreements and satisfied all the conditions required by the Subscription Agreement to be performed, complied with or satisfied by it at or prior to the Closing; and
- (e) the admission to trading of the Subscription Shares on AIM shall have become effective in accordance with the AIM rules.

### **Future Co-operation**

The Subscription Agreement is conditional upon, inter alia, Ridge Mining, Gold Mountains and the Company executing the Relationship Deed to, inter alia, govern the basis of future cooperation on Ridge Mining's projects. Under the Relationship Deed, Gold Mountains will be entitled to nominate one non-executive director to be appointed to the board of directors of Ridge Mining in accordance with the terms of the Relationship Deed. Gold Mountains shall also be entitled to nominate one executive director to be appointed to the board of directors of RMS.

### **REASONS FOR THE PROPOSED 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 has an opportunity to participate in mining overseas. Therefore, the Directors consider that the transaction and the terms of the agreement are in the ordinary course of business and on normal commercial terms and fair and reasonable and in the interest of the Company and its shareholders as a whole.

### **GENERAL**

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

## DEFINITIONS

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

“£”	Great Britain Pound, the lawful currency of United Kingdom
“AIM”	the AIM Market operated by London Stock Exchange plc
“AIM Rules”	the rules of AIM as issued by London Stock Exchange plc
“Board”	the board of Directors
“Closing”	the business day following that on which the conditions in the Subscription Agreement have all been satisfied or waived
“Company”	(紫金礦業集團股份有限公司) Zijin Mining Group Co., Ltd.*, a joint stock limited company incorporated in the PRC with limited liability
“Director(s)”	the director(s) of the Company
“Gold Mountains”	Gold Mountains (H.K.) International Mining Company Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“New Ordinary Shares”	new ordinary shares of US\$0.05 each in the capital of Ridge Mining
“PRC”	The People’s Republic of China, but for the purpose of this announcement, excludes Hong Kong, Macau SAR and Taiwan
“Relationship Deed”	the relationship deed to be entered into between the Company, Gold Mountains and Ridge Mining
“Ridge Mining”	Ridge Mining plc, a company incorporated in England and Wales and the shares of which are quoted and traded on AIM

“RMS”	Ridge Mining Services (Pty) Ltd., an indirectly wholly-owned operating subsidiary of Ridge Mining incorporated under the laws of South Africa
“Subscription Agreement”	the subscription agreement dated 29 September 2006, entered into between the Company, Gold Mountains and Ridge Mining
“Subscription Shares”	16 million New Ordinary Shares
“%”	per cent

*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, Huang Xiaodong, and Zou Laichang as executive directors, Mr. Ke Xiping as non-executive director, and Messrs. Chen Yuchuan, Su Congfu, Lin Yongjing, 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 September 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.