

If you are in any doubt about this circular or as to the action to be taken, you should consult your stockbroker, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Zijin Mining Group Co., Ltd.*, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

NON-EXEMPT CONTINUING CONNECTED TRANSACTION

**Independent Financial Advisor to the Independent Board Committee
and the Independent Shareholders**



A letter from the Board is set out on pages 3 to 9 of this circular. A letter from the Independent Board Committee containing its recommendations in respect of the continuing connected transaction is set out on pages 10 to 11 of this circular. A letter from Get Nice Capital Limited, the independent financial adviser, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 12 to 18 of this circular.

A notice convening an extraordinary general meeting of the Company to be held at the Company's conference room at 1st Floor, No. 1 Zijin Road, Shanghang County, Fujian Province, The People's Republic of China on 28 December 2006 at 9:00 a.m. is set out on pages 25 to 27 of this circular. Whether or not you are able to attend the meeting, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon, as soon as possible and in any event not less than twenty days prior to the commencement of the extraordinary general meeting to the office of the Secretary to the Board of the Company at No.1 Zijin Road, Shanghang County, Fujian Province, The People's Republic of China. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting should you so wish.

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

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DEFINITIONS

In this circular, except where the context otherwise requires, the following terms shall have the following meanings:

“2006-2008 Agreement”	the agreement entered into between Bayannaer Zijin and Gansu Jianxin on 23 October 2006 in relation to, inter alia, the purchase of zinc concentrates from Gansu Jianxin to Bayannaer Zijin for the period from 23 October 2006 to 31 December 2008
“Annual Cap”	the annual maximum amount of the Non-exempt Continuing Connected Transaction for each of the three years ended 31 December 2008
“Associates”	has the meaning ascribed in the Listing Rules
“Bayannaer Zijin”	Bayannaer Zijin Non-ferrous Metals Co., Ltd., a subsidiary of the Company, and a company incorporated in the PRC with limited liability
“Bayannaer Zijin Labour Union”	The Labour Union of Bayannaer Zijin Non-ferrous Metals Co., Ltd., a labour union statutorily formed in the PRC
“Board”	the board of Directors
“Company”	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
“Domestic Shares”	ordinary shares of nominal value of RMB0.1 each in the share capital of the Company which were subscribed for or credited as paid up in RMB
“EGM”	the extraordinary general meeting of the Company to be held for the purpose of approving, inter alia, the Non-exempt Continuing Connected Transaction and the Annual Cap
“Gansu Jianxin”	Gansu Jianxin Enterprise Group Co., Ltd., a company incorporated in the PRC with limited liability
“Group”	the Company and its subsidiaries
“H Shares”	foreign invested shares of nominal value of RMB0.1 each in the share capital of the Company listed on the Stock Exchange
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Huao Mining”	Bayannaer Huao Mining Chemical Co., Ltd., Gansu Jianxin’s subsidiary, and a company incorporated in the PRC with limited liability
“Independent Board Committee”	the independent board committee of the Company constituted for the purpose of the Non-exempt Continuing Connected Transaction, comprising four independent non-executive Directors
“Independent Shareholders”	shareholders of the Company other than Gansu Jianxin and their respective associations (as defined in the Listing Rules)
“Latest Practicable Date”	9 November 2006, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Non-exempt Continuing Connected Transaction”	the connected transaction under the 2006-2008 Agreement which was entered into between Bayannaer Zijin and Gansu Jianxin on a continuing basis
“PRC”	the People’s Republic of China, but for the purpose of this circular, excludes Hong Kong, Macau SAR and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wancheng Commercial”	Wancheng Commercial Dongshengmiao Co., Ltd., a company incorporated in the PRC with limited liability
“Wulatehouqi Xingya”	Wulatehouqi Xingya Business Ltd., a company incorporated in the PRC with limited liability
“Xiamen Jinhuang”	Xiamen Jinhuang Technology Consultancy Co., Ltd., a company incorporated in the PRC with limited liability
“%”	per cent

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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)

Executive Directors:

Chen Jinghe (*the Chairman*)

Liu Xiaochu

Luo Yingnan

Lan Fusheng

Huang Xiaodong

Zou Laichang

Non-executive Director:

Ke Xiping

Independent Non-executive Directors:

Chen Yuchuan

Su Congfu

Lin Yongjing

Loong Ping Kwan

Registered Office and Principal

Place of Business:

No.1 Zijin Road

Shanghang County

Fujian Province

The PRC

Place of Business in Hong Kong:

Suite 1608, West Tower

Shun Tak Centre

168-200 Connaught Road

Central

Hong Kong

13 November 2006

To the Shareholders

Dear Sir or Madam,

CONNECTED TRANSACTION

1. INTRODUCTION

Reference is made to announcement dated 24 October 2006. On 23 October 2006, the Company's subsidiary — Bayannaoer Zijin entered into the 2006-2008 Agreement with Gansu Jianxin in relation to the purchase of zinc concentrates for a term from 23 October 2006 to 31 December 2008.

As at the Latest Practicable Date, Gansu Jianxin owns 90% shareholding of Huaao Mining, and Huaao Mining owns 10% shareholding of Bayannaoer Zijin. Gansu Jianxin is a connected person of the Company pursuant to the Listing Rules. Therefore, any transaction between Gansu Jianxin and the Group constitutes a connected transaction under Chapter 14A of the Listing Rules.

LETTER FROM THE BOARD

The 2006-2008 Agreement is a Non-exempt Continuing Connected Transaction, which is continuous in nature and was entered into in the ordinary course of business of the Company, constitutes continuing connected transaction of the Company under the Listing Rules and is subject to reporting, announcement and Independent Shareholders' approval requirements pursuant to Rule 14A.35. The Independent Shareholders will be asked to consider and, if thought fit, approve by poll the Non-exempt Continuing Connected Transaction and the Annual Cap for the three years ended 31 December 2008 at EGM. The Annual Cap of 2006-2008 Agreement for the three years ended 31 December 2008 will be RMB75 million, RMB1,200 million, and RMB1,200 million respectively.

The Company has appointed Get Nice Capital Limited as an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Non-exempt Continuing Connected Transaction.

The purpose of this circular is (i) to give you further details of the Non-exempt Continuing Connected Transaction and the Annual Cap; (ii) to set out the letter of advice from Get Nice Capital Limited, an independent financial adviser to the Independent Board Committee and the Independent Shareholders; (iii) the recommendation of the Independent Board Committee; and (iv) to seek your approval at the EGM of the ordinary resolutions referred to herein.

2. 2006-2008 AGREEMENT

Date:	23 October 2006
Parties:	Bayannaer Zijin and Gansu Jianxin
Product to be purchased:	Zinc concentrates
Pricing:	Such transaction will be conducted on terms by reference to the market prices or similar terms available from independent third parties
Term:	From 23 October 2006 to 31 December 2008
Commencement:	The first transaction of zinc concentrates between Bayannaer Zijin and Gansu Jianxin should be started from 23 October 2006
Conditions Precedent:	The 2006-2008 Agreement is conditional upon signing and obtaining approval by Independent Shareholders at EGM

The terms of the 2006-2008 Agreement were arrived at after arm's length negotiation with Gansu Jianxin. The payment will be calculated and settled by cash once a month based on the actual purchased volume and grades of zinc concentrates.

LETTER FROM THE BOARD

3. REASONS FOR AND BENEFITS OF THE NON-EXEMPT CONTINUING CONNECTED TRANSACTION

The Directors including the independent non-executive directors believe that the terms of the Non-exempt Continuing Connected Transaction are fair and reasonable and in the best interests of the shareholders as a whole.

By virtue of the 2006-2008 Agreement, the Company will be able to continue the full scale operation of zinc refinery in Bayannaouer, Inner Mongolia though there might be a risk of reliance on the supply of the zinc concentrates from Gansu Jianxin in coming two years.

As the purchase of zinc concentrates from Gansu Jianxin is crucial to the production process at the zinc refinery plant in Bayannaouer, Inner Mongolia, the Directors believe that a stable relationship with, and competitive performance by, Gansu Jianxin is important to the Group. The Directors believe that the entering into the 2006-2008 Agreement will be able to continue the smooth running and operation of the zinc refinery plant of the Company.

In addition, as the Company is not restricted from conducting transaction with any third parties under the 2006-2008 Agreement, the Directors consider such term could provide commercial flexibility to the Company as it can enter into similar arrangement with any independent third party which the Company considers to be appropriate, in the event the Company might not be able to agree with Gansu Jianxin on terms or pricing consideration.

4. APPROVAL BY INDEPENDENT SHAREHOLDERS

(1) Annual Cap for the Non-exempt Continuing Connected Transaction

The Company proposes that the maximum amounts (“Annual Cap”) of the 2006-2008 Agreement for each of the three years ended 31 December 2008 will be RMB75 million, RMB1,200 million and RMB1,200 million respectively.

The Annual Cap was determined by reference to the future demand of zinc concentrates and the annual production capacity of the zinc refinery. The breakdown of the transaction value is as follows:

	Year 2006	Year 2007	Year 2008
	(Cap)	(Cap)	(Cap)
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
1. Product to be purchased:	75,000,000	1,200,000,000	1,200,000,000

Based on the current market price of zinc metal in zinc concentrates of RMB21,000 per tonne, Gansu Jianxin will sell approximately 3,571, 57,142, and 57,142 tonnes zinc metal in zinc concentrates for 2006, 2007, and 2008 respectively under 2006-2008 Agreement.

LETTER FROM THE BOARD

(2) Approval by Independent Shareholders

As at the Latest Practicable Date, Gansu Jianxin owns 90% shareholding of Huaao Mining, and Huaao Mining owns 10% shareholding of Bayannaer Zijin. Gansu Jianxin is a connected person of the Company pursuant to the Listing Rules and the 2006-2008 Agreement is a Non-exempt Continuing Connected Transaction and constitutes a connected transaction. Since the annual aggregate consideration of the Non-exempt Continuing Connected Transaction will not be less than HK\$10,000,000 and each of relevant percentage ratios as defined in Rule 14A.10 of the Listing Rules will not be less than 2.5%, pursuant to rule 14A.35 of the Listing Rules, the Non-exempt Continuing Connected Transaction would require disclosure by way of announcement, preparation and dispatch of circulars to shareholders and prior approval by the Independent Shareholders of the Company by poll. The Independent Shareholders will also be asked to consider and, if thought fit, approve by poll the Annual Cap at EGM.

5. CONDITIONS TO THE APPROVALS

The Independent Shareholders' approval regarding the Annual Cap of 2006-2008 Agreement and the Non-exempt Continuing Connected Transaction for the three financial years ended 31 December 2008 shall be subject to the following conditions:

1. The Non-exempt Continuing Connected Transaction
 - (1) has been entered into in the ordinary and usual course of business of the Company;
 - (2) has been entered into in accordance with the terms of the 2006-2008 Agreement governing them on terms that are fair and reasonable so far as the Company and its shareholders as a whole are concerned;
 - (3) has been conducted either (A) on normal commercial terms or (B) on terms no less favourable than those available from independent third parties.
2. The annual aggregate amount of the Non-exempt Continuing Connected Transaction for each financial year shall not exceed the Annual Cap.
3. The independent non-executive Directors of the Company at the relevant time shall review annually the Non-exempt Continuing Connected Transaction and confirm in the Company's next annual report that the Non-exempt Continuing Connected Transaction is conducted in the manner as stated in (1), (2) and (3) above.
4. The auditors of the Company shall review the Non-exempt Continuing Connected Transaction annually and provide the Board (a copy of which shall be provided to the Stock Exchange) with a letter (the "Auditors' Letter") stating that:
 - (i) the Non-exempt Continuing Connected Transaction has received the approval of the Board;

LETTER FROM THE BOARD

- (ii) the Non-exempt Continuing Connected Transaction is in accordance with the pricing policy of the Company;
- (iii) the Non-exempt Continuing Connected Transaction has been entered into in accordance with the terms of the agreement governing such Non-exempt Continuing Connected Transaction; and
- (iv) the Annual Cap for the Non-exempt Continuing Connected Transaction has not been exceeded.

For the purpose of the above review by the international auditors of the Company, Gansu Jianxin undertakes to the Stock Exchange that they will provide the international auditors of the Company with access to Gansu Jianxin's accounting records.

Where, for whatever reason, the international auditors of the Company decline to accept the engagement or are not able to provide the Auditors' Letter, the Board shall notify the Stock Exchange and publish an announcement immediately.

- 5. Details of the Non-exempt Continuing Connected Transaction in each financial year shall be disclosed as required under rule 14A.46 of the Listing Rules in the annual report of the Company for that financial year together with a statement of the opinion of the independent non-executive Directors and the international auditors of the Company as referred in paragraphs 3 & 4 above.

If any terms of the Non-exempt Continuing Connected Transaction as mentioned above is altered or if the Company enters into any new agreement with any connected person (within the meaning of the Listing Rules) in the future, the Company will, in respect thereof, comply with the provisions of Chapter 14A of the Listing Rules governing connected transaction.

6. CONNECTION BETWEEN THE PARTIES IN THE TRANSACTION

As at the Latest Practicable Date, Gansu Jianxin owns 90% shareholding of Huaao Mining, and Huaao Mining owns 10% shareholding of Bayannaer Zijin. Gansu Jianxin is a connected person of the Company pursuant to the Listing Rules. Therefore, any transaction between Gansu Jianxin and the Group constitutes a connected transaction under Chapter 14A of the Listing Rules.

The 2006-2008 Agreement is a Non-exempt Continuing Connected Transaction and contemplated under this circular constitutes continuing connected transaction under Chapter 14A of the Listing Rules. Since each of relevant percentage ratios as defined in Rule 14A.10 of the Listing Rules is not less than 2.5%, the Non-exempt Continuing Connected Transaction is subject to Independent Shareholders' approval requirement pursuant to Rule 14A.35.

LETTER FROM THE BOARD

7. INFORMATION ABOUT THE COMPANY

The Company is principally engaged in the exploration, mining, production, refining and sale of gold and other mineral resources in the PRC.

8. INFORMATION ABOUT BAYANNAOER ZIJIN AND GANSU JIANXIN

Bayannaer Zijin is a domestic company incorporated in the PRC with limited liability and mainly carries out mining and zinc refinery business in Inner Mongolia. Bayannaer Zijin is a subsidiary of the Company. Bayannaer Zijin's 75% equity interest is currently owned by the Company, its 10% equity interest is currently owned by Huaao Mining, its 10% equity interest is currently owned by Wulatehouqi Xingya, its 3.2% equity interest is currently owned by Bayannaer Zijin Labour Union, its 1% equity interest is currently owned by Wancheng Commercial, and its 0.8% equity interest is currently owned by Xiamen Jinhuang.

Since Gansu Jianxin owns 90% shareholding of Huaao Mining, Gansu Jianxin is considered to be a connected person of the Company (as defined by the Listing Rules).

Gansu Jianxin is a domestic company incorporated in the PRC with limited liability and mainly carries out investment and minerals trading business in the PRC.

9. EXTRAORDINARY GENERAL MEETING

The Directors have resolved to convene the EGM to consider and, if thought fit by the Independent Shareholders, to approve the Non-exempt Continuing Connected Transaction and the Annual Cap. Notice of the EGM is set out on pages 25 to 27 of this circular. Whether or not you are able to attend the EGM, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon, as soon as possible and in any event not less than 24 hours prior to the commencement of the EGM to the Secretary to the Board office of the Company at No. 1 Zijin Road, Shanghang County, Fujian Province, The PRC (Fax: (86) 592 396 9667). Completion and return of the form of proxy will not preclude you from attending and voting at the EGM should you so wish.

10. RECOMMENDATION

The Directors consider that the entering of the Non-exempt Continuing Connected Transaction and the Annual Cap is in the best interests of the Company and its shareholders as a whole and is fair and reasonable as far as the Independent Shareholders are concerned.

The Independent Board Committee comprising four independent non-executive Directors of the Company has been appointed to advise the Independent Shareholders in respect of the Non-exempt Continuing Connected Transaction. Get Nice Capital Limited has been appointed as independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the same.

LETTER FROM THE BOARD

After taking into account the reasons for and benefits of the Non-exempt Continuing Connected Transaction, the relevant terms of the 2006-2008 Agreement, and the opinion of Get Nice Capital Limited, the Independent Board Committee considers that the Non-exempt Continuing Connected Transaction (including the Annual Cap) is fair and reasonable as far as the Independent Shareholders are concerned. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Non-exempt Continuing Connected Transaction and the Annual Cap.

All connected persons or shareholders with a material interest in the transaction and its Associates shall abstain from voting in approving the Non-exempt Continuing Connected Transaction and the Annual Cap.

To the best of the knowledge, information and belief of the Company having made all reasonable enquiries, no shareholder of the Company is required to abstain from voting in the EGM in respect of the Non-exempt Continuing Connected Transaction.

The Independent Shareholders will be asked to consider and, if thought fit, approve by poll the Non-exempt Continuing Connected Transaction and the Annual Cap at EGM.

The Company will publish an announcement on the results of the EGM on the business day following the EGM with respect to whether or not the resolution set out in this circular has been passed by the Independent Shareholders.

11. ADDITIONAL INFORMATION

Your attention is drawn to the letter from the Independent Board Committee and the letter of advice from Get Nice Capital Limited and information set out in the appendix to this circular.

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

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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)

Independent Non-executive Directors:

Chen Yuchuan

Su Congfu

Lin Yongjing

Loong Ping Kwan

Registered Office and Principal

Place of Business:

No.1 Zijin Road

Shanghang County

Fujian Province

The PRC

13 November 2006

To the Independent Shareholders

Dear Sir or Madam,

NON-EXEMPT CONTINUING CONNECTED TRANSACTION

We refer to this circular dated 13 November, 2006 issued by the Company to its Shareholders, of which this letter forms part. Unless the context otherwise requires, terms defined in this circular shall have the same meanings when used in this letter.

As the Independent Board Committee, we have been appointed to advise the Independent Shareholders as to whether, in our opinion, the entering of the Non-exempt Continuing Connected Transaction is in the interests of the Company and the Shareholders as a whole and the terms of which are fair and reasonable so far as the Independent Shareholders are concerned. None of the members of the Independent Board Committee have any direct or indirect interest in the Non-exempt Continuing Connected Transaction. In addition, Get Nice Capital Limited has been appointed as independent financial adviser.

We wish to draw your attention to (i) the letters of advice from Get Nice Capital Limited as set out on pages 12 to 18 of this circular; and (ii) the letter from the Board on pages 3 to 9 of this circular, which set out information relating to, and the reasons for and benefits of the Non-exempt Continuing Connected Transaction.

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LETTER FROM THE INDEPENDENT BOARD COMMITTEE

As the Company's independent non-executive Directors, we have discussed with the management of the Company the reasons for and benefits of the Non-exempt Continuing Connected Transaction and the basis upon which their terms have been determined. We have considered the factors and reasons considered by, and the opinions and recommendations of, Get Nice Capital Limited as set out on pages 12 to 18 of this circular. We concur with the view of Get Nice Capital Limited that the entering into of the Non-exempt Continuing Connected Transaction is in the interests of the Company and the Shareholders as a whole and the terms of which are fair and reasonable as far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution approving the Non-exempt Continuing Connected Transaction and the Annual Cap to be proposed at the EGM.

Yours faithfully,
The Independent Board Committee of
Zijin Mining Group Co., Ltd.*
Chen Yuchuan
Su Congfu
Lin Yongjing
Loong Ping Kwan

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LETTER FROM GET NICE CAPITAL LIMITED

The following is the full text of a letter from Get Nice Capital Limited for the purpose of incorporation in this circular, in connection with its advice to the Independent Board Committee and the Independent Shareholders in relation to the Non-exempt Continuing Connected Transaction:

Get Nice Capital Limited

10th Floor, Cosco Tower,
Grand Millennium Plaza,
183 Queen's Road, Central
Hong Kong

13 November 2006

*To the Independent Board Committee and the Independent Shareholders of
Zijin Mining Group Co., Ltd.*

NON-EXEMPT CONTINUING CONNECTED TRANSACTION

We refer to our engagement as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Non-exempt Continuing Connected Transaction, details of which are set out in the "Letter from the Board" (the "Letter") contained in the circular of the Company dated 13 November 2006 (the "Circular"), of which this letter forms part. Terms defined in the Circular shall have the same meanings in this letter unless the context of this letter otherwise requires.

On 23 October 2006, Bayannaer Zijin, a subsidiary of the Company, entered into the 2006-2008 Agreement in relation to the purchase of zinc concentrates from Gansu Jianxin for a term from 23 October 2006 to 31 December 2008. As at the Latest Practicable Date, Gansu Jianxin owned 90% shareholding of Huaao Mining, and Huaao Mining owned 10% shareholding of Bayannaer Zijin. Gansu Jianxin is a connected person of the Company pursuant to the Listing Rules. Therefore, any transactions between Gansu Jianxin and the Group constitutes a connected transaction under Chapter 14A of the Listing Rules. The 2006-2008 Agreement is a Non-exempt Continuing Connected Transaction, which is continuous in nature and was entered into in the ordinary course of business of the Company, constitutes continuing connected transaction of the Company under the Listing Rules. Since each of relevant percentage ratios as defined in Rule 14A.10 of the Listing Rules is not less than 2.5%, pursuant to rule 14A.35 of the Listing Rules, the Non-exempt Continuing Connected Transaction is subject to the approval by the Independent Shareholders of the Company at the EGM. The Independent Shareholders will also be asked to consider and, if thought fit, approve by poll the Annual Cap at the EGM. Pursuant to the Listing Rules, any shareholders of the Company who are associates of Gansu Jianxin will abstain from voting in the EGM to approve the Non-exempt Continuing Connected Transaction and the Annual Cap and all matters contemplated thereunder. To the best of the knowledge, information and belief of the Company having made all reasonable enquiries, no shareholder of the Company is required to abstain from voting in the EGM in respect of the Non-exempt Continuing Connected Transaction.

LETTER FROM GET NICE CAPITAL LIMITED

In formulating our recommendation, we have relied on the statements, information, opinions and representations contained in the Circular and the information, facts and representations provided to us by the Directors and management of the Company. We have assumed that all information, representations and opinions contained or referred to in the Circular and all information, representations and opinions which have been provided by the Directors or management of the Company for which they are solely responsible, are true and accurate at the time they were made and will continue to be accurate at the date of the dispatch of the Circular. We are also not aware that any statements of belief, opinion and intention made by the Directors in the Circular were not reasonably made after due and careful enquiry and not based on honestly-held opinions. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and we have been advised by the Directors that no material facts have been omitted from the information and representations provided in and referred in the Circular.

We consider that we have been provided with sufficient information to enable us to reach an informed view and to justify our reliance on the accuracy of the information and representations contained in the Circular and to provide a reasonable basis for our opinion. We have not, however, carried out any independent verification of the information provided by the Directors and management of the Company, nor have we conducted an independent investigation into the business and affairs of the Company or any of its respective subsidiaries or associates.

PRINCIPAL FACTORS AND REASONS TAKEN INTO ACCOUNT

In arriving at our advice to the Independent Board Committee and the Independent Shareholders in respect of the Non-exempt Continuing Connected Transaction, we have taken the following principal factors and reasons into consideration:

I. Background and reasons for the Non-exempt Continuing Connected Transaction

The Company is principally engaged in the exploration, mining, production, refining and sale of gold and other mineral resources in the PRC.

Bayannaer Zijin, a subsidiary of the Company, is a domestic company incorporated in the PRC with limited liability and mainly carries out mining and zinc refinery business in Inner Mongolia.

Gansu Jianxin is a domestic company incorporated in the PRC with limited liability and mainly carries out investment and minerals trading business in the PRC.

As disclosed in the Company's Interim Report 2006, Bayannaer Zijin started a trial run of its production facility in May 2006 and in July 2006 it produced the first lot of electrolytic zinc. With the success of this trial run, Bayannaer Zijin has decided to launch a full scale of operation with 100,000 tonnes of annual production capacity starting from September 2006. In view of the limited number of existing suppliers of zinc concentrates, the Directors consider that additional suppliers are required to ensure the steady production and supply of zinc concentrates so as to cope with the increase in the scale of the operation of Bayannaer Zijin. By virtue of the 2006-2008 Agreement, the first transaction of zinc concentrates could be started from 23 October 2006 and therefore Bayannaer Zijin will be able to continue the full scale of zinc refinery operation in Bayannaer, Inner Mongolia.

LETTER FROM GET NICE CAPITAL LIMITED

In addition, as advised by the Directors, Gansu Jianxin is in close proximity to the location of Bayannaer Zijin when compared with other existing suppliers, which in turn will reduce the delivery time and delivery costs for the zinc concentrates. Accordingly, it can enhance the competitive edge of Bayannaer Zijin.

In light of the above, we are of the view that the entering into of the 2006-2008 Agreement is crucial to business operation of and is in line with the business strategy of Bayannaer Zijin and therefore is in the interest of the Company and its shareholders as a whole.

II. TERMS OF THE NON-EXEMPT CONTINUING CONNECTED TRANSACTION

As disclosed in the Letter, the Non-exempt Continuing Connected Transaction under the 2006-2008 Agreement will be conducted on terms by reference to the market prices or similar terms available from independent third parties.

For 2006-2008 Agreement, the Directors believe that the terms of the Non-exempt Continuing Connected Transaction are fair and reasonable and in the best interests of the Shareholders as a whole.

In reviewing the terms of the Non-exempt Continuing Connected Transaction under the 2006-2008 Agreement, we have obtained from the Company samples of the existing contracts for the supply of zinc concentrates by other independent third parties to the Company. We have reviewed the above samples and noted from such samples that the principal terms of the Non-exempt Continuing Connected Transaction are by reference to the market prices or similar to that of the transactions with the independent third parties. Based on such situation as revealed by the above samples, we consider that there is no preferential treatment to the Non-exempt Continuing Connected Transaction to be entered into between the Group and Gansu Jianxin.

In addition, as the Company is not restricted from conducting transactions with any third parties under the 2006-2008 Agreement, we consider such term could provide commercial flexibility to the Company as it can enter into similar arrangement with any independent third party which the Company considers to be appropriate, in the event the Company might not be able to agree with Gansu Jianxin on terms or pricing consideration.

Based on the above, we consider that the Non-exempt Continuing Connected Transaction to be on normal commercial terms and its terms are fair and reasonable which are therefore in the interest of the Company and the Shareholders as a whole.

III. ANNUAL CAP FOR THE NON-EXEMPT CONTINUING CONNECTED TRANSACTION

The Company proposes that the maximum amounts (“Annual Cap”) of the 2006-2008 Agreement for each of the three years ended 31 December 2008 will be RMB75 million, RMB1,200 million and RMB1,200 million respectively.

LETTER FROM GET NICE CAPITAL LIMITED

The Annual Cap was determined by reference to the future demand of zinc concentrates and the annual production capacity of the zinc refinery. The breakdown of the transaction value is as follows:

	Year 2006	Year 2007	Year 2008
	(Cap)	(Cap)	(Cap)
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
1. Product to be purchased:	75,000,000	1,200,000,000	1,200,000,000

Based on the current market price of zinc metal in zinc concentrates of RMB21,000 per tonne as disclosed in the Letter, Gansu Jianxin will sell approximately 3,571, 57,142, and 57,142 tonnes zinc metal in zinc concentrates for 2006, 2007, and 2008 respectively under 2006-2008 Agreement.

Based on Bayannaer Zijin's annual production capacity of the zinc refinery of 100,000 tonnes, the Annual Cap for each of the three years ended 31 December 2008 of RMB75 million, RMB1,200 million and RMB1,200 million will account for 3.57%, 57.14% and 57.14% of the annual production capacity of the zinc refinery respectively. Accordingly, we believe that Bayannaer Zijin's reliance on the supply of the zinc concentrates from Gansu Jianxin is significant particularly in year 2007 and year 2008.

We have discussed the Annual Cap with the Directors and were advised that Bayannaer Zijin is in the early stage of business operation and a smooth and steady supply of zinc concentrates is essential. Also, for a typical zinc refinery factory like Bayannaer Zijin, a sufficient level of stock of zinc concentrates is required. As the existing zinc concentrates' suppliers other than Gansu Jianxin are dealt with on contract by contract basis, Bayannaer Zijin will incur more time and effort to negotiate for each supply of zinc concentrates as compared with that under the 2006-2008 Agreement which is on a continuous basis. Moreover, as mentioned earlier in this letter, the supply of zinc concentrates from Gansu Jianxin has a cost advantage over the existing suppliers due to its close proximity to the location of Bayannaer Zijin when compared with other existing suppliers. Therefore the entering into of the 2006-2008 Agreement and the existence of the Annual Cap will ensure the smooth operation and enhance the competitive edge of Bayannaer Zijin.

In light of the above, we believe that the benefits derived from the Annual Cap will outweigh the risk of reliance on the supply of the zinc concentrates from Gansu Jianxin and therefore consider that the Annual Cap is fair and reasonable and is in the interest of the Company and the Shareholders as a whole.

IV. CONDITIONS TO THE APPROVAL

The Independent Shareholders' approval regarding the Annual Cap of 2006-2008 Agreement and the Non-exempt Continuing Connected Transaction for the three financial years ended 31 December 2008 shall be subject to the following conditions:

1. The Non-exempt Continuing Connected Transaction
 - (1) has been entered into in the ordinary and usual course of business of the Company;
 - (2) has been entered into in accordance with the terms of the 2006-2008 Agreement governing them on terms that are fair and reasonable so far as the Company and its shareholders as a whole are concerned; and
 - (3) has been conducted either (A) on normal commercial terms or (B) on terms no less favourable than those available from independent third parties.
2. The annual aggregate amount of the Non-exempt Continuing Connected Transaction for each financial year shall not exceed the Annual Cap.
3. The independent non-executive Directors of the Company at the relevant time shall review annually the Non-exempt Continuing Connected Transaction and confirm in the Company's next annual report that the Non-exempt Continuing Connected Transaction is conducted in the manner as stated in (1), (2) and (3) above.
4. The auditors of the Company shall review the Non-exempt Continuing Connected Transaction annually and provide the Board (a copy of which shall be provided to the Stock Exchange) with a letter (the "Auditors' Letter") stating that:
 - (i) the Non-exempt Continuing Connected Transaction has received the approval of the Board;
 - (ii) the Non-exempt Continuing Connected Transaction is in accordance with the pricing policy of the Company;
 - (iii) the Non-exempt Continuing Connected Transaction has been entered into in accordance with the terms of the agreement governing such Non-exempt Continuing Connected Transaction; and
 - (iv) the Annual Cap for the Non-exempt Continuing Connected Transaction has not been exceeded.

LETTER FROM GET NICE CAPITAL LIMITED

For the purpose of the above review by the international auditors of the Company, Gansu Jianxin undertakes to the Stock Exchange that they will provide the international auditors of the Company with access to Gansu Jianxin's accounting records.

Where, for whatever reason, the international auditors of the Company decline to accept the engagement or are not able to provide the Auditors' Letter, the Board shall notify the Stock Exchange and publish an announcement immediately.

5. Details of the Non-exempt Continuing Connected Transaction in each financial year shall be disclosed as required under rule 14A.46 of the Listing Rules in the annual report of the Company for that financial year together with a statement of the opinion of the independent non-executive Directors and the international auditors of the Company as referred in paragraphs 3 & 4 above.

If any terms of the Non-exempt Continuing Connected Transaction as mentioned above is altered or if the Company enters into any new agreements with any connected person (within the meaning of the Listing Rules) in the future, the Company will, in respect thereof, comply with the provisions of Chapter 14A of the Listing Rules governing connected transaction.

In view of the existence of the above conditions, we consider that the Company has taken appropriate measures to govern its entering into the Non-exempt Continuing Connected Transaction and the Annual Cap and hence to safeguard the interests of the Company and the Shareholders as a whole.

RECOMMENDATION

Based on the information and representations provided and opinions given by the Board and having taken into account the above principal factors and reasons, particularly that:

1. the entering into of the 2006-2008 Agreement is crucial to business operation of and is in line with the business strategy of Bayannaer Zijin;
2. the terms of the Non-exempt Continuing Connected Transaction are fair and reasonable to and are in the interest of the Company and its shareholders as a whole;
3. the benefits derived from the Annual Cap will outweigh the risk of reliance on the supply of the zinc concentrates from Gansu Jianxin; and

LETTER FROM GET NICE CAPITAL LIMITED

4. the Company has taken appropriate measures to govern its entering into the Non-exempt Continuing Connected Transaction and the Annual Cap and hence to safeguard the interests of the Company and its shareholders as a whole,

we are of the view that the Non-exempt Continuing Connected Transaction and the Annual Cap are on normal commercial terms and are fair and reasonable so far as the Shareholders are concerned and that the conditions of the Non-exempt Continuing Connected Transaction and the Annual Cap, which offer sufficient safeguards to the Company, are in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the resolutions in connection with the Non-exempt Continuing Connected Transaction and the Annual Cap at the EGM.

Yours faithfully,

For and on behalf of

Get Nice Capital Limited

Louis Yiu

Gary Hung

Director

Director

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

2. SHARE CAPITAL

As at the Latest Practicable Date, the total number of issued shares of the Company is 10,513,047,280, comprising 7,308,695,280 Domestic shares, and 3,204,352,000 H shares listed on the Stock Exchange.

3. DISCLOSURE OF INTERESTS OF THE DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE OF THE COMPANY

As at the Latest Practicable Date, the interests of the Directors, Supervisors or the chief executive of the Company in the shares or equity or debt securities of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the Directors are taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO to be entered into the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed companies, to be notified to the Company and the Hong Kong Stock Exchange are as follows:

(1) Shareholding in the Company:

Director	Number of Domestic Shares/amount of Equity interest held	Nature of Interest	Long/short positions	Proximate percentage of shareholding in such class of securities	Proximate percentage of shareholding in the registered capital
Ke Xiping	912,000,000 (Note 1)	Company	Long	12.48%	8.67%
Chen Jinghe	91,675,200	Personal	Long	1.25%	0.87%

(2) Shareholding in the Company's subsidiaries:

Directors/ Supervisors/ Chief Executive	Name of subsidiaries	Amount of equity interests held	Nature of interests	Long/short positions	Proximate percentage of shareholding in the registered capital
Chen Jinghe	Bayannaer Zijin	3,000,000	Company	Long	0.80%
Chen Jinghe	Jiuzhaigou Zijin	50,000 (Note 2)	Personal	Long	0.13%
Chen Jinghe	Guizhou Zijin	1,404,000 (Note 3)	Company	Long	2.34%
Liu Xiaochu	Jiuzhaigou Zijin	50,000 (Note 2)	Personal	Long	0.13%
Luo Yingnan	Jiuzhaigou Zijin	50,000 (Note 2)	Personal	Long	0.13%
Lan Fusheng	Jiuzhaigou Zijin	50,000 (Note 2)	Personal	Long	0.13%
Lan Liying	Jiuzhaigou Zijin	25,000 (Note 4)	Personal	Long	0.06%

Notes:

- (1) Xiamen Hengxing Industrial Co., Ltd. holds 380,000,000 Domestic Shares in the Company, and holds 49% shareholding in Fujian Xinhua Engineering Company Limited (which is holding 532,000,000 Domestic Shares in the Company). Under Section 316 of the SFO, Xiamen Hengxing Industrial Co., Ltd. is therefore interested in 912,000,000 Domestic Shares in the Company. Mr. Ke Xiping owns 73.21% interest in Xiamen Hengxing Industrial Co., Ltd.. Under Section 316 of the SFO, Mr. Ke Xiping is regarded as being interested in such shares.
- (2) The Committee of Labour Union of the Company owns 15% of the total registered capital of Jiuzhaigou Zijin on behalf of approximately 830 members. Among which, it holds an equity interest of RMB50,000 as an agent for and on behalf of each of Mr. Chen Jinghe, Mr. Liu Xiaochu, Mr. Luo Yingnan, and Mr. Lan Fusheng.
- (3) On 15 March 2006, Xiamen Hengxing Mining Company Limited, a shareholder of Guizhou Zijin Mining Company Limited (being a subsidiary of the Company) transferred 1,404,000 shares it held in Guizhou Zijin to Xiamen Jinhua Technology Consultant Company Limited is held as to 34% by Mr. Chen Jinghe, a Director, and as to 32.7% by his wife Mrs. Lai Jinlian. Mr. Chen Jinghe is accordingly deemed as being interested in such shares under Rule 316 of the SFO. The relevant share transfer has been registered with the Domestic Shares Trust, and also filed with the Stock Exchange.
- (4) The Committee of Labour Union of the Company owns 15% of the total registered capital of Jiuzhaigou Zijin on behalf of approximately 830 members. Among which, it holds an equity interest of RMB25,000 as an agent for and on behalf of Ms. Lan Liying.

Save as disclosed in this circular, as at the Latest Practicable Date, none of the Directors, Supervisors or the chief executive of the Company had any interest or short position in the shares,

underlying shares and debentures of the Company (within the meaning of the SFO) which (a) were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Director is taken or deemed to have under such provisions of the SFO; or (b) were required, pursuant to section 352 of the SFO to be entered into the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, to be notified to the Company and the Hong Kong Stock Exchange.

4. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as was known to the directors and chief executive of the Company, the persons, other than a Director or chief executive of the Company, who had an interest or a short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO were as follows:

Name of Shareholder	Class of shares	Number of shares/equity interest held	Approximate percentage of the total number of issued shares	Approximate percentage	Approximate percentage of total number of issued H shares	Long/short positions
				of total number of issued Domestic shares		
Minxi Xinghang State-owned Assets Investment Co., Ltd.	Domestic Shares	3,368,721,696	32.04%	46.09%	—	Long
Xinhuadu Industrial Company Limited	Domestic Shares	2,030,148,000 (Note 1)	19.31%	27.78%	—	Long
Chen Fashu	Domestic Shares	2,030,148,000 (Note 2)	19.31%	27.78%	—	Long
Shanghang County Jinshan Trading Co., Ltd.	Domestic Shares	1,293,084,800	12.3%	17.69%	—	Long
Xiamen Hengxing Industrial Company Limited	Domestic Shares	912,000,000 (Note 3)	8.67%	12.48%	—	Long
Ke Xiping	Domestic Shares	912,000,000 (Note 4)	8.67%	12.48%	—	Long
Fujian Xinhuadu Engineering Company Limited	Domestic Shares	532,000,000	5.06%	7.28%	—	Long
Merrill Lynch & Co., Inc.	H Shares	734,583,930 (Note 5)	6.99%	—	22.92%	Long
HSBC Halbis Partners (HK) Ltd.	H Shares	189,614,000 (Note 6)	1.8%	—	5.91%	Long

Notes:

- (1) Xinhua Industrial Company Limited holds 1,383,200,000 Domestic Shares in the Company, and holds 51% in Fujian Xinhua Engineering Company Limited (which holds 532,000,000 Domestic Shares in the Company), and holds 64.54% in Fujian Xinhua Department Store Company Limited (which holds 114,948,000 Domestic Shares in the Company). Therefore, under Section 316 of the SFO, Xinhua Industrial Company Limited is interested in 2,030,148,000 Domestic Shares in the Company.
- (2) Mr. Chen Fashu holds 73.56% interests in the issued share capital of Xinhua Industrial Company Limited, therefore, under Section 316 of the SFO, Mr. Chen Fashu is deemed to be interested in 2,030,148,000 Domestic Shares in the Company.
- (3) Xiamen Hengxing Industrial Company Limited holds 380,000,000 Domestic Shares in the Company, and holds 49% in Fujian Xinhua Engineering Company Limited (which holds 532,000,000 Domestic Shares in the Company). Under Section 316 of the SFO, Xiamen Hengxing Industrial Company Limited is therefore interested in 912,000,000 Domestic Shares in the Company.
- (4) Mr. Ke Xiping holds 73.21% interests in the issued share capital of Xiamen Hengxing Industry Company Limited. Under Section 316 of the SFO, Mr. Ke Xi Ping is deemed to be interested in 912,000,000 Domestic Shares in the Company.
- (5) Merrill Lynch & Co., Inc. is interested in 734,583,930 H Shares (Long position) of the Company (representing approximately 22.92% of the total issued H Shares). 727,002,000 H Shares of which were held through Merrill Lynch & Co., Inc.'s controlled corporations including Merrill Lynch Group, Inc., ML Invest. Inc., ML Invest Holdings Ltd., Merrill Lynch Investment Managers Group Ltd., and Merrill Lynch Investment Managers Group Ltd. (on behalf of discretionary clients). 7,581,930 H shares of which were held through Merrill Lynch & Co., Inc.'s controlled corporations including Merrill Lynch International Incorporated, Merrill Lynch International Holdings Inc., and Merrill Lynch Europe Plc.
- (6) HSBC Halbis Partners (HK) Ltd. is interested in 189,614,000 H Shares (Long position) of the Company (representing approximately 5.91% of the total issued H Shares).

Save as disclosed above, the Directors and chief executive of the Company are not aware that there is any party who, as at the Latest Practicable Date, had an interest or a short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Group.

5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2005, the date to which the latest audited financial statements of the Group were made up.

6. LITIGATION

No member of the Group is engaged in any litigation or arbitration or claim of material importance and there is no litigation or arbitration or claim of material importance known to the Directors to be pending or threatened by or against any member of the Group.

7. CONSENT OF EXPERT

The following expert has given and has not withdrawn their written consent to the issue of this circular with the inclusion of their letter and reference to their name in the form and context in which they respectively appear:

Name	Qualifications
Get Nice Capital Limited	Independent financial adviser and a licensed corporation to carry out type 6 regulated activities under the SFO

As at the Latest Practicable Date, the above expert is not beneficially interested in the share capital of any member of the Group nor do they have any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, Get Nice Capital Limited was not interested, directly or indirectly, in any assets which had since 31 December 2005, being the date to which the latest published audited accounts of the Group were made up, been acquired or disposed of by or leased to any member of the Group or which are proposed to be acquired or disposed of by or leased to any member of the Group.

8. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors and supervisors of the Company had entered into, or proposed to enter into, a service contract with the Company or any member of the Group which does not expire or is not terminable by such member of the Group within one year without payment of compensation, other than statutory compensation.

9. MATERIAL INTEREST

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date which was significant in relation to the business of the Group taken as a whole.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group since 31 December 2005, being the date to which the latest published audited accounts of the Group were made up, or which are proposed to be acquired or disposed of by or leased to any member of the Group.

10. COMPETING INTEREST

As at the Latest Practicable Date, none of the Directors or their respective associates had any interest in any business which competed or was likely to compete, either directly or indirectly, with the business of the Group (as would be required to be disclosed under Rule 8.10 of the Listing Rules if each of them were a controlling shareholder).

11. PROCEDURES FOR DEMANDING A POLL BY SHAREHOLDERS

Pursuant to Article 71 of the Articles of Association of the Company, voting at shareholders' general meeting shall be taken on a poll.

12. MISCELLANEOUS

- (a) The company secretary and qualified accountant of the Company is Mr. Fan Cheung Man. Mr. Fan is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of ACCA- the UK.
- (b) The share registrar of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited, 46th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (c) In the case of any discrepancy, the English text of this circular and form of proxy shall prevail over the Chinese text.

13. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at the Hong Kong office of the Company, at Suite 1608, West Tower, Shun Tak Centre, 168-200 Connaught Road, Central, Hong Kong during normal business hours on any weekday (except public holidays) from the date of this circular up to and including 29 November 2006 and at the EGM:

- (a) the 2006-2008 Agreement;
- (b) the letter of recommendation from the Independent Board Committee of the Company to the Independent Shareholders as set out in this circular;
- (c) the letter of advice from Get Nice Capital Limited as set out in this circular;
- (d) the written consent from Get Nice Capital Limited referred to in paragraph of this appendix.



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 an extraordinary general meeting of Zijin Mining Group Co., Ltd.* ("the Company") will be held at the Company's conference room at the 1st floor of the Company's office building at No.1 Zijin Road, Shanghang County, Fujian Province, The People's Republic of China (the "PRC") on 28 December 2006 (Thursday) at 9:00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed as ordinary resolutions:

ORDINARY RESOLUTIONS

"THAT:

- (1) the agreement entered into between the Company's subsidiary — Bayannaer Zijin and 甘肅建新實業集團有限公司 (Gansu Jianxin Enterprise Group Company Limited) on 23 October 2006 (the "2006-2008 Agreement") (copy of which is tabled at the meeting and marked "A" and initialed by the chairman of the meeting for identification purpose), the terms thereof and the non-exempt continuing connected transaction (the "Non-exempt Continuing Connected Transaction") contemplated thereunder be and are hereby approved, ratified and confirmed;
- (2) the proposed annual cap of the 2006-2008 Agreement for each of the three years ended 31 December 2008 being RMB75,000,000, RMB1,200,000,000 and RMB1,200,000,000 respectively be and are hereby approved; and
- (3) any one director of the Company be and is hereby authorised for and on behalf of the Company to execute all such other documents, instruments and agreements and to do all such acts or things deemed by him/her to be incidental to, ancillary to or in connection with the Non-exempt Continuing Connected Transaction."

Zijin Mining Group Co., Ltd.*
The Board of Directors

13 November 2006

NOTICE OF THE THIRD EXTRAORDINARY GENERAL MEETING IN 2006

Notes:

1. The register of members of the Company will be closed from 29 November 2006 (Wednesday) to 28 December 2006 (Thursday) (both days inclusive), during which period no H share transfers will be effected. Shareholders of the Company whose names appear on the register of members of the Company before 4:00 p.m. on 29 November 2006 (Wednesday) (and the Directors, the Supervisors and the senior officers of the Company are entitled to attend the EGM or any adjournment thereof and to vote in the meeting, their instruments of transfer must be delivered to the Registrar of H Shares of the Company no later than 4:00 p.m. on 28 November 2006 (Tuesday)).

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

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

2. Shareholders of the Company who intend to attend the EGM are asked to send the completed and signed reply slip for attendance dispatched to the Company's shareholders together with the circular dated 13 November 2006 to the Board Secretariat of the Company at least 20 days before the EGM, being 8 December 2006 (Friday), by hand, by post or by facsimile. The written reply will not affect the right of the shareholders (see Note 1 above) to attend and vote at the EGM. The completion and deposit of a form of proxy will not preclude any shareholder from attending and voting in person at the EGM or any adjournment thereof.

Details of the Office for the Secretary to the Board of the Company is as follows:

1 Zijin Road
Shanghang County
Fujian Province
The PRC
Tel: (86) 597 384 1468 (86) 592 396 9662
Fax: (86) 592 396 9667

3. A shareholder of the Company entitled to attend and vote at the EGM may appoint one or more proxies (whether the person is a shareholder of the Company or not) to attend and vote on his/her behalf at the EGM. When a shareholder appoints more than one proxy, such proxies may only vote on a poll. Each shareholder (or his/her proxy or proxies) shall be entitled to one vote for each share held.

NOTICE OF THE THIRD EXTRAORDINARY GENERAL MEETING IN 2006

4. Shareholders of the Company must appoint a proxy or proxies in writing i.e. the original proxy form dispatched to the Company's shareholders together with the circular dated 13 November 2006 or a copy of it, which shall be signed by the person appointing the proxy or proxies or by his/her duly authorised attorney. If the form of proxy is signed by an attorney, the document appointing the attorney must be certified by a notary public. If the appointing shareholder is a legal person, the legal person's seal or the signature of its director(s) or representative(s) duly authorised in writing is required. To be valid, a notarially certified power of attorney or other authority (if any) and the form of proxy must be received by the Company's Registrar of H Shares — Computershare Hong Kong Investor Services Limited 24 hours prior to the commencement of the EGM. The address is: 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong. A form of proxy for use at the EGM is dispatched to the Company's shareholders together with the circular dated 13 November 2006.
5. Shareholders of the Company or their proxies shall present proof of identity upon attending the EGM. Should a proxy be appointed, the proxy shall also present his/her form of proxy.
6. The EGM is expected to last half a day. Shareholders who attend the EGM shall bear their own travelling and accommodation expenses.

As at the date of this notice, the Board of Directors comprises:

Executive Directors:

Chen Jinghe (*the Chairman*)
Liu Xiaochu
Luo Yingnan
Lan Fusheng
Huang Xiaodong
Zou Laichang

Independent Non-executive Directors:

Chen Yuchuan
Su Congfu
Lin Yongjing
Loong Ping Kwan

Non-executive Director:

Ke Xiping

* *The Company's English name is for identification purpose only.*