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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)

TRANSACTIONS - EQUITY ACQUISITION AND DISPOSAL OF INTEREST IN TWO ASSOCIATES

The Board wishes to announce that the Company entered into two agreements with Western Mining Group and Western Mining Joint Stock in relation to:

- (i) an acquisition of 20% equity interest in its associate, Duobaoshan Copper, from Western Mining Group in the consideration of RMB60,000,000.00; and
- (ii) a disposal of 17% equity interest in its associate, Tibet Yulong, to Western Mining Joint Stock in the consideration of RMB106,250,000.00.

Each of the above transactions does not fall within the ambit of Chapters 14 and 14A of the Listing Rules.

This announcement is made by the Company pursuant to Listing Rule 13.09(1)(a).

(I) ACQUISITION AGREEMENT

Date: 9 August 2007

Parties:

1. The Company is principally engaged in mining, production, refining and sale of gold and other mineral resources in the PRC and currently owns 31% equity interest in Duobaoshan Copper; and
2. Western Mining Group is principally engaged in investment in and operation of mineral resources business and energy projects in the PRC and currently owns 29% equity interest in Duobaoshan Copper.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiry, Western Mining Group and its ultimate beneficial owners are the third parties independent of the Company and its connected persons.

Heilongjiang Mining Group Co., Ltd. (黑龍江省礦業集團有限責任公司), Heilongjiang Heilong Mining Joint Stock Co., Ltd. (黑龍江黑龍礦業股份有限公司) ("Heilong Mining") and Harbin Baifu Investment Co., Ltd. (哈爾濱百福投資有限公司) own the remaining 27%, 10% and 3% equity interest of Duobaoshan Copper respectively.

DETAILS OF THE PROPOSED TRANSACTION

General

The Board wishes to announce that the Company entered into an Acquisition Agreement on 9 August 2007 with Western Mining Group to acquire in total 20% equity interest of Duobaoshan Copper. After the completion of the Acquisition Agreement, the Company will own 51% equity interest of Duobaoshan Copper which will become a subsidiary of the Company.

Western Mining Group currently owns 33.75% equity interest of Heilong Mining. Western Mining Group will dispose of the remaining 9% equity interest of Duobaoshan Copper to Heilong Mining. Upon the completion of the transaction, Heilong Mining will own 19% equity interest of Duobaoshan Copper whilst Western Mining Group will indirectly own 6.41% equity interest of Duobaoshan Copper and it will not directly own equity interest of Duobaoshan Copper any more.

Duobaoshan Copper was formed on 5 January 2006 and is principally engaged in mining business in the PRC. Its current paid up capital is RMB300,000,000.00.

The above share transfers are subject to the approval of Qinghai SASAC.

Consideration

Pursuant to the Acquisition Agreement, the Company agreed to acquire 20% equity interest of Duobaoshan Copper for a cash consideration of RMB60,000,000.00. The Company will pay RMB60,000,000.00 to Western Mining Group within 5 working days upon the completion of the share transfer.

The consideration of the acquisition was arrived at after arm's length negotiations between the parties thereto and on normal commercial terms.

Reasons for the proposed transaction

The Company is principally engaged in 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 increase investment in Duobaoshan Copper and will enable the Group to have larger share of return in Duobaoshan Copper. After the above transaction and the transaction of the Disposal Agreement below, Western Mining Joint Stock and the Company can fully make use of their own advantages and each of them can focus on the mining of one mine so that the progress of the mining of Duobaoshan and Yulong mines can be expedited.

The Directors consider that the transaction and the terms of the Acquisition Agreement are fair and reasonable and in the interest of the Company and its shareholders as a whole.

(II) DISPOSAL AGREEMENT

Date: 9 August 2007

Parties:

1. The Company is principally engaged in the mining, production, refining and sale of gold and other mineral resources in the PRC and currently owns 39% equity interest of Tibet Yulong; and
2. Western Mining Joint Stock is principally engaged in mining, process, refining, processing and sale of lead, zinc, copper, aluminium and other non-ferrous metals in the PRC and currently owns

41% equity interest in Tibet Yulong.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiry, Western Mining Joint Stock and its ultimate beneficial owners are the third parties independent of the Company and its connected persons. Western Mining Group currently owns approximately 28.21% equity interest in Western Mining Joint Stock.

DETAILS OF THE PROPOSED TRANSACTION

General

The Board wishes to announce that the Company entered into a Disposal Agreement on 9 August 2007 with Western Mining Joint Stock to dispose of in total 17% equity interest of Tibet Yulong when the approval of Qinghai SASAC in relation to the acquisition of 20% equity interest of Duobaoshan Copper by the Company is obtained and all the necessary legal procedures of the acquisition of the said equity interest are completed. After the completion of the Disposal Agreement, the Company and Western Mining Joint Stock will own 22% and 58% equity interest of Tibet Yulong respectively. Tibet Geological Mineral Prospecting and Exploration Bureau Team 6 (西藏自治區地質礦產勘查開發局第六地質大隊), Tibet Changdu District State Owned Assets Company (西藏自治區昌都地區國有資產經營公司) and Tibet Mining Company (西藏自治區礦業開發總公司) own the remaining 10%, 8% and 2% equity interest of Yulong Tibet respectively.

Tibet Yulong was formed in May 2005 and is principally engaged in mining business in the PRC. Its current paid up capital is RMB625,000,000.00.

Consideration

Pursuant to the Disposal Agreement, the Company agreed to dispose of 17% equity interest of Tibet Yulong to Western Mining Joint Stock for a cash consideration of RMB106,250,000.00. Western Mining Joint Stock will pay RMB106,250,000.00 to the Company within 5 working days upon the completion of the share transfer.

The consideration of the disposal was arrived at after arm's length negotiations between the parties thereto and on normal commercial terms.

Reasons for the proposed transaction

The Company considers that the disposal of the equity interest of Tibet Yulong can increase the cashflow of the Company. The proceeds of RMB106,250,000.00 arising from the disposal will be used by the Company as its working capital. After the above transactions, Western Mining Joint Stock and the Company can fully make use of their own advantages and each of them can focus on the mining of one mine so that the progress of the mining of Duobaoshan and Yulong mines can be expedited.

The Directors consider that the transaction and the terms of the Disposal Agreement are fair and reasonable and in the interest of the Company and its shareholders as a whole.

GENERAL

Each of the above transactions does not fall within the ambit of Chapters 14 and 14A of the Listing Rules.

This announcement is made by the Company pursuant to Listing Rule 13.09(1)(a).

DEFINITIONS

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

“Acquisition Agreement”	the agreement entered between the Company and Western Mining Group dated 9 August 2007 for the acquisition of 20% equity interest in Duobaoshan Copper
“Board”	the board of Directors
“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
“Disposal Agreement”	the agreement entered between the Company and Western Mining Joint Stock dated 9 August 2007 for the disposal of 17% equity interest in Tibet Yulong
“Duobaoshan Copper”	(黑龍江多寶山銅業股份有限公司) Heilongjiang Duobaoshan Copper Joint Stock Company Limited, a joint stock limited company incorporated in the PRC with limited liability
“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
“PRC”	The People’s Republic of China, but for the purpose of this announcement, excludes Hong Kong, Macau SAR and Taiwan
“Qinghai SASAC”	(青海省國有資產監督管理委員會) The State-owned Assets Supervision and Administration Commission of Qinghai province
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“Tibet Yulong”	(西藏玉龍銅業股份有限公司) Tibet Yulong Copper Joint Stock Limited, a joint stock company incorporated in the PRC with limited liability
“Western Mining Group”	(西部礦業集團有限公司) Western Mining Group Co., Ltd., a company incorporated in the PRC with limited liability. It is the controlling shareholder of Western Mining Joint Stock and currently holds approximately 28.21% equity interest of Western Mining Joint Stock
“Western Mining Joint Stock”	(西部礦業股份有限公司) Western Mining Joint Stock Co., Ltd., a joint stock company incorporated in the PRC with limited liability. It was listed on the Shanghai Stock Exchange on 12 July 2007 and its stock code is 601168

“%”

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

10 August 2007 Fujian, China

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