

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

CONNECTED TRANSACTION - TRADING

The Board wishes to announce that the Group's subsidiary – ZGC entered into a trading agreement on 21 September 2007 with a connected person – Jinshan Trading.

Jinshan Trading is a promoter of the Company and currently holds about 2.54% shareholding of the Company. Jinshan Trading is a connected person of the Company pursuant to the Listing Rules.

As the applicable percentage ratios (as defined in the Listing Rules) in relation to the transaction are more than 0.1% but less than 2.5% (except profit percentage), the transaction constitutes an exempt connected transaction of the Company under 14A.32 of the Listing Rules with exemption on the approval from Independent Shareholders and is subject to the reporting and announcement requirements set out in Listing Rules 14A.45 to 14A.47.

AGREEMENT

Date: 21 September 2007

Parties:

1. ZGC - the Group's subsidiary is principally engaged in the mining, production, refining and sale of gold and other mineral resources in Tajikistan; and
2. Jinshan Trading – a company incorporated in the PRC and mainly engages in mining facility and equipment trading and investment in the PRC.

DETAILS OF THE PROPOSED TRANSACTION

General

The Board wishes to announce that the Group's subsidiary – ZGC entered into a trading agreement on 21 September 2007 with a connected person – Jinshan Trading. According to the agreement, Jinshan Trading will supply mining equipment to ZGC. The mining equipment will be shipped on or before 31 December 2007.

ZGC's 75% equity interest is currently owned by the Group. ZGC's 25% equity interest is currently owned by Tajikistan Government. Jinshan Trading is a promoter of the Company and currently holds about 2.54% shareholding of the Company. Jinshan Trading is a connected person of the Company pursuant to the Listing Rules.

Consideration

Pursuant to the trading agreement, ZGC agreed to acquire the mining equipment from Jinshan Trading with total cash consideration of US\$5 million (HK\$39,000,000 equivalent).

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

In relation to the trading of mining equipment, ZGC will pay US\$5 million (HK\$39,000,000 equivalent) from internal sources to Jinshan Trading on or before 31 December 2007. The agreement is expected to be completed not later than 31 December 2007.

Connected Transaction

ZGC's 75% equity interest is currently owned by the Group. Jinshan Trading is a promoter of the Company and currently holds about 2.54% shareholding of the Company. Jinshan Trading is a connected person of the Company pursuant to the Listing Rules. Therefore, any transaction between Jinshan Trading and ZGC constitutes a connected transaction under Chapter 14A of the Listing Rules.

REASONS FOR THE PROPOSED TRANSACTION

The Company is principally engaged in the mining, production, refining and sale of gold and other mineral resources in the PRC. As a result of the transaction, the Company is able to secure the supply of the mining equipment from Jinshan Trading to a subsidiary located in Central Asia in an efficient manner and on a market price and the Company trusts that this will enable ZGC to improve the production capacity as soon as possible. Therefore, the Directors including the independent non-executive directors of the Company 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 interest of the Company and its Shareholders as a whole.

GENERAL

As the applicable percentage ratios (as defined in the Listing Rules) in relation to the transaction are more than 0.1% but less than 2.5% (except profit percentage), the transaction constitutes an exempt connected transaction of the Company under 14A.32 of the Listing Rules with exemption on the approval from Independent Shareholders and is subject to the reporting and announcement requirements set out in Listing Rules 14A.45 to 14A.47.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	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 PRC with limited liability
“Director(s)”	the director(s) of the Company
“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
“Independent Shareholder”	any shareholder of the Company that is not required to abstain from voting at a general meeting to approve a connected transaction
“Jinshan Trading”	Shanghang County Jinshan Trading Company Limited (上杭縣金山貿易有限公司), a promoter of the Company currently holding 2.54% shareholding of the Company and a company formed in the PRC with limited liability
“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
“Shareholder(s)”	the shareholder(s) of the Company
“US\$”	US dollars, the lawful currency of United States of America
“ZGC”	JV Zeravshan LLC, a subsidiary of the Company and a company incorporated in Tajikastan with limited liability
“%”	per cent

Note: For the purpose of this announcement, unless otherwise specified, amounts denominated in US\$ have been translated for the purpose of illustration only into Hong Kong dollars at the exchange rate of HK\$7.8 = US\$1.

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

21 September 2007, Fujian, China.

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