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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)

DISCLOSEABLE TRANSACTION FURTHER CAPITAL CONTRIBUTION IN AN ASSOCIATE

The Board wishes to announce that on 6 November 2007, the Company entered into a Capital Contribution Agreement of Malipo Zijin with Malipo State-owned and Malipo Luowei.

Pursuant to the Capital Contribution Agreement, Malipo Zijin's capital will be increased from RMB100,000,000 to RMB1,000,000,000, the Company agreed to contribute RMB801,000,000 of the increased capital, Malipo State-owned agreed to contribute RMB49,000,000 of the increased capital, and Malipo Luowei agreed to contribute RMB50,000,000 of the increased capital. After the completion of the capital contribution, the Company will hold 85% equity interest of Malipo Zijin, Malipo State-owned will hold 10% equity interest of Malipo Zijin, and Malipo Luowei will hold 5% equity interest of Malipo Zijin. Malipo Zijin will become a subsidiary of the Company.

The total assets test exceeds 5% but less than 25% of the percentage ratio as defined in Chapter 14 of the Listing Rules, and this transaction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. A circular containing, amongst other things, further details relating to this transaction will be dispatched to the shareholders of the Company as soon as practicable.

CAPITAL CONTRIBUTION AGREEMENT

Date: 6 November 2007

Parties:

1. The Company is principally engaged in the mining, production, refining and sale of gold and other mineral resources in the PRC;
2. Malipo State-owned is a state owned company in Malipo County mainly involved in investment and management of state owned assets in Malipo, the PRC; and
3. Malipo Luowei is mainly engaged in investment and trading in the PRC.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Malipo State-owned and its ultimate beneficial owners, and Malipo Luowei and its ultimate 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 TRANSACTION

General

The Board wishes to announce that on 6 November 2007, the Company entered into a Capital Contribution Agreement of Malipo Zijin with Malipo State-owned and Malipo Luowei.

Malipo Zijin was formed in February 2007. Its capital is RMB100,000,000. The Company currently holds 49% equity interest and Malipo State-owned currently holds 51% equity interest. Malipo Zijin is an associate company of the Company. Malipo Zijin is mainly engaged in restructuring the mining business and consolidating tungsten mines and other mineral resources in Malipo County, the PRC. According to a valuation report issued by China Mining Association (中國礦業聯合會) which based on the status as at 28 February 2007, about 71,495 tonnes tungsten WO₃ reserve/resource have been included in a consolidation plan. Malipo Zijin has acquired 6 mining rights and consolidated about 55,079 tonnes tungsten WO₃ reserve/resource before date of this transaction in Malipo. China Mining Association is a qualified valuer in mining reserve in the PRC.

Pursuant to the Capital Contribution Agreement, Malipo Zijin's capital will be increased from RMB100,000,000 to RMB1,000,000,000, the Company agreed to contribute RMB801,000,000 of the increased capital, Malipo State-owned agreed to contribute RMB49,000,000 of the increased capital, and Malipo Luowei agreed to contribute RMB50,000,000 of the increased capital. After the completion of the capital contribution, the Company will hold 85% equity interest of Malipo Zijin, Malipo State-owned will hold 10% equity interest of Malipo Zijin, and Malipo Luowei will hold 5% equity interest of Malipo Zijin. Malipo Zijin will become a subsidiary of the Company. The increased capital will be used to acquire tungsten and other mineral resource.

All the parties also agreed to change the name of Malipo Zijin into (文山麻栗坡紫金鎢業集團有限公司) Wenshan Malipo Zijin Tungsten Group Company Limited.

According to an unaudited report of Malipo Zijin as at 30 September 2007 in accordance with the PRC Generally Accepted Accounting Practice, Malipo Zijin's total value of assets was RMB254,832,704. As at 30 September 2007, its total net asset value was RMB17,788,194. For the period ended 30 September 2007, its net loss before tax and extraordinary items and its net loss after tax and extraordinary items was RMB2,211,805.

Consideration

Pursuant to the Capital Contribution Agreement, the total consideration payable by the Company is RMB801,000,000.

The Company will pay the consideration of RMB801,000,000 in cash from internal resources. Malipo State-owned will pay the consideration of RMB49,000,000 by injection of evaluated assets. Malipo Luowei will pay the consideration of RMB50,000,000 in cash. All the parties should complete the capital contribution by 6 months from the date of the Capital Contribution Agreement.

The consideration was arrived at arm's length negotiation between the parties thereto and on normal commercial terms.

All parties do not have any further financial commitments in this transaction. The profit sharing of Malipo Zijin will be based on the respective proportionate shareholding interest in Malipo Zijin.

Further Contribution

All the parties agreed that if Malipo Zijin needs a further capital contribution, the parties will contribute proportionally based on the shareholding. If any party fails to contribute proportionally based on its shareholding, its shareholding will be diluted by the other parties.

Board of Directors

The board of directors of Malipo Zijin will be changed from 3 directors to 5 directors after the transaction, the Company will nominate 3 persons as directors, Malipo State-owned will nominate 1 person as director, and Malipo Luowei will nominate 1 person as director to form the board of directors of Malipo Zijin.

REASONS FOR THE 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 has an opportunity to participate in mining of tungsten and other mineral resource in Yunnan area. 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

The total assets test exceeds 5% but less than 25% of the percentage ratio as defined in Chapter 14 of the Listing Rules, and this transaction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. A circular containing, amongst other things, further details relating to this transaction will be dispatched to the shareholders of the Company as soon as practicable.

DEFINITIONS

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

“%”	per cent
“Board”	the board of Directors
“Capital Contribution Agreement”	the capital contribution agreement dated 6 November 2007, entered into between the Company, Malipo State-owned, and Malipo Luowei
“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
“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
“Malipo Luowei”	(麻栗坡珞璋投資有限公司) Malipo Luowei Investment Company Limited, a limited liability company incorporated in the PRC
“Malipo State-owned”	(麻栗坡縣國有資產(持股)經營有限責任公司) Malipo County Stated-owned Assets (Shareholding) Operation Company Limited, a limited liability company incorporated in the PRC
“Malipo Zijin”	(麻栗坡紫金鎢業有限責任公司) Malipo Zijin Tungsten Company

“PRC” Limited, an associate company of the Company, a limited liability company incorporated in the PRC
The People’s Republic of China, but for the purpose of this announcement, excludes Hong Kong, Macau SAR and Taiwan

“WO₃” Tungsten trioxide

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

6 November 2007 Fujian, China.

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