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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)

**MEMORANDUM OF UNDERSTANDING WITH LEPANTO
IN RELATION TO THE ACQUISITION OF AN INTEREST IN FAR
SOUTHEAST GOLD RESOURCES, INC.**

The Board wishes to announce that on 8 November 2007, the Company entered into a memorandum of understanding with Lepanto in relation to the acquisition of 20% interest in FSGRI for an indicative consideration of US\$70 million.

This announcement is made on voluntary basis of the Company.

The board of directors (the "Board") of Zijin Mining Group Co., Ltd. (the "Company") wishes to announce that on 8 November 2007, the Company entered into a memorandum of understanding with Lepanto Consolidated Mining Company ("Lepanto") in relation to the acquisition of 20% interest in Far Southeast Gold Resources, Inc. ("FSGRI") for an indicative consideration of US\$70 million.

Such proposed acquisition is subject to execution of relevant definitive agreements satisfactory to both parties, approval of the boards of directors of both parties, and to any regulatory or other approvals that may be further required. Lepanto owns 60% of the share capital of FSGRI. It is the current intention of both parties to move towards the immediate development and operation of the Far Southeast Project.

Lepanto is a leading Philippine mining company whose shares are listed on the Philippine Stock Exchange, and owner of sixty percent (60%) of the outstanding capital stock of FSGRI, a corporation organized and existing under the laws of the Republic of the Philippines. FSGRI is the owner of the Far Southeast Project, located in Mankayan, Benguet, Philippines.

According to the information provided by Lepanto, the Far Southeast Project is a gold-copper porphyry deposit located in Mankayan, Benguet, Philippines and a bankable feasibility study on the Far Southeast Project was completed by JS Redpath Corp. in 1988 which, with additional phases of mineral inventory addition and enhancement works through diamond drilling, was updated in 1995. Based on the 1995 update**, reflective of the costs and metal prices at that time, mineral resource amounts to 657 million tonnes at 0.65% Copper and 0.94g Au/t. Mineable ore reserves stands at 123 million tonnes at 0.80 % Copper and 1.51 grams Au/t.

***At 0.7% Cu equivalent cut-off and ore reserves at Cu US\$1/lb & Au US\$400/oz with 1.5% Cu equivalent cut-off.*

Should the definitive agreement be executed, the Company will make further announcement, if required by The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the “Listing Rules”).

This announcement is made on voluntary basis of the Company.

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

8 November 2007 Fujian, China.

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