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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 MIDAS
IN RELATION TO A JOINT VENTURE IN FUXING COPPER PROJECT**

The Board wishes to announce that on 18 January 2008, the Company entered into a memorandum of understanding ("MOU") with Midas in relation to a joint venture in the Fuxing Copper Project. Midas may acquire up to 70% interest in the Fuxing Copper Project pursuant to the terms and conditions of the MOU. The Company has a right to buy-back 30% equity interest of the joint venture company from Midas.

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 18 January 2008, the Company entered into a memorandum of understanding ("MOU") with Midas Resources Limited ("Midas") (being a company listed on the Australian Stock Exchange ASX:MDS) in relation to a joint venture in the Fuxing Copper Project (the "Project"). Midas may acquire up to 70% interest in the Project pursuant to the terms and conditions of the MOU. The Company has a right to buy-back 30% equity interest of the joint venture company from Midas. The Project is located near Hami, Xinjiang Province, the People's Republic of China (the "PRC"). The Company currently owns 100% interest in the exploration licences of the Project.

The proposed joint venture is subject to Midas' formal notice advising its intent to enter into the joint venture within five days of completing due diligence of the Project and the Company elects to cooperate with Midas. Midas will complete the due diligence in two months time from the date of signing of the MOU. Pursuant to the terms and conditions of the MOU, Midas may acquire up to 70% interest in the Project in several stages, which are summarised as follows:

Stage One: Midas will spend US\$0.2 million on exploration in the Project within the first 12 months of the joint venture. At the conclusion of Stage One, Midas can either withdraw or proceed to Stage Two;

Stage Two: Should Midas proceed to Stage Two, a joint venture company will be formed with an initial capital of US\$5 million consisting of (i) tenements and associated rights contributed by the Company valued at US\$3.5 million and (ii) US\$1.3 million in cash from Midas plus the Stage One work contributed by Midas valued at US\$0.2 million. Midas will have a deemed 30% equity interest with the right to acquire a further 20% interest by spending further US\$ 2 million on exploration of the Project over three years. The Company will own 70% interest in the joint venture company. If Midas exercises its right of acquisition of the interest of the joint venture company as described above, the Company will reduce its holding of joint venture company to 50%;

Stage Three: If Midas completes a definitive feasibility study as referred in the MOU and submits detailed geological reports of exploration (which have been approved by the authorized institute of the PRC and completed by a qualified organization to the shareholders of the joint venture company along with a recommendation to commence mining on the Project) then, after approval by shareholders of the joint venture company and applying for a mining right on the Project, Midas will thereby attain an additional 20% interest of the joint venture company. Midas will own 70% interest of the joint venture company and the Company will own 30% of the joint venture company. The Company has a right to buy-back 30% equity interest of the joint venture company from Midas under certain terms and conditions. If the Company exercises this right, the Company and Midas will own 60% and 40% equity interest of the joint venture company respectively.

Midas is a Perth based resource exploration company with a significant gold project at Lake Carey in Western Australia and a porphyry copper-molybdenum project in Queensland at Waitara. Midas has also been actively pursuing gold and base metal acquisition opportunities in Australia and the PRC. Midas also has an established corporate office in Shenzhen, the PRC and a regional office near Chengdu in Sichuan Province, the PRC.

There is no assurance that the proposed joint venture will proceed or not. The approval of the PRC authorities may be required for the execution of the proposed joint venture (if any). 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

23 January 2008 Fujian, China.

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