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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)

**CONNECTED TRANSACTIONS
EQUITY INTEREST ACQUISITION OF A NON WHOLLY-OWNED SUBSIDIARY**

The Board wishes to announce that the Company's wholly-owned subsidiaries, Zijin Investment and Best Ground entered into three equity interest acquisition agreements on 6 November 2008 with connected persons – New High Profit and Dynamite Reward to acquire 31.22% and 16.97% equity interest in our subsidiary, Zijin Copper respectively, and an independent third party, Shanghai Baisen to acquire 0.81% equity interest in our subsidiary, Zijin Copper.

As at the date of this announcement, New High Profit currently holds and owns 31.22% equity interest in Zijin Copper, a subsidiary of the Company. New High Profit is a substantial shareholder of Zijin Copper and a connected person of the Company pursuant to the Listing Rules. Dynamite Reward currently holds and owns 16.97% equity interest in Zijin Copper, a subsidiary of the Company. Dynamite Reward is a substantial shareholder of Zijin Copper and a connected person of the Company pursuant to the Listing Rules. Therefore, any transaction between New High Profit, Dynamite Reward and the Group constitutes a connected transaction under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (as set out in the Listing Rules) for the acquisition is more than 0.1% but less than 2.5%, the acquisition constitutes connected transactions 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.

NEW HIGH PROFIT AGREEMENT

Date: 6 November 2008

Parties:

1. Best Ground, is a wholly-owned subsidiary of the Company. Best Ground is mainly engaged in investment in the PRC; and
2. New High Profit currently owns 31.22% equity interest in Zijin Copper. New High Profit is mainly engaged in investment in the PRC.

The agreement is a connected transaction, which was entered into in the ordinary course of business of the Company.

DYNAMITE REWARD AGREEMENT

Date: 6 November 2008

Parties:

1. Best Ground, is a wholly-owned subsidiary of the Company. Best Ground is mainly engaged in investment in the PRC; and
2. Dynamite Reward currently owns 16.97% equity interest in Zijin Copper, Dynamite Reward is mainly engaged in investment in the PRC.

The agreement is a connected transaction, which was entered into in the ordinary course of business of the Company.

SHANGHAI BAISEN AGREEMENT

Date: 6 November 2008

Parties:

1. Zijin Investment, is a wholly-owned subsidiary of the Company. After the completion of the equity interest acquisition agreement, Zijin Investment's equity interest in Zijin Copper will be increased from 50.37% to 51.18%. Zijin Investment is mainly engaged in hydropower, logistics, and risk exploration investments in the PRC; and
2. Shanghai Baisen currently owns 0.81% equity interest in Zijin Copper, Shanghai Baisen is mainly engaged in investment in the PRC.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Shanghai Baisen 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.

PRINCIPAL TERMS OF THE PROPOSED TRANSACTIONS UNDER THE ABOVE AGREEMENTS

General

The Board wishes to announce that the Company's wholly-owned subsidiaries, Zijin Investment and Best Ground entered into three equity interest acquisition agreements on 6 November 2008 with connected persons – New High Profit and Dynamite Reward to acquire 31.22% and 16.97% equity interest of our subsidiary, Zijin Copper respectively, and an independent third party, Shanghai Baisen to acquire 0.81% equity interest in our subsidiary, Zijin Copper. After the completion of the proposed transactions, Zijin Copper will become a wholly-owned subsidiary of the Company.

Zijin Copper was incorporated in September 2004 and is principally engaged in production of copper products in Shanghang County, Fujian province, the PRC. Its current paid-up capital is RMB190,000,000 (approximately HK\$218,390,804).

Zijin Investment originally invested RMB95,705,700 and currently holds and owns 50.37% equity interest in Zijin Copper. Zijin Investment is a wholly-owned subsidiary of the Company. Zijin Copper is a subsidiary of the Company. New High Profit (a connected person of the Group by virtue of its interest in Zijin Copper) originally invested RMB59,315,300 and currently holds and owns 31.22% equity interest in Zijin Copper. Dynamite Reward (a connected person of the Group by virtue of its interest in Zijin Copper) originally invested RMB32,250,000 and currently holds and owns 16.97% equity interest in Zijin Copper. Shanghai Baisen (an independent third party) originally invested RMB1,539,000 and currently holds and owns 0.81% equity interest in Zijin Copper. Xiamen Zijin originally invested RMB1,190,000 and currently holds and owns 0.63% equity interest in Zijin Copper. Xiamen Zijin is a

wholly-owned subsidiary of the Company.

After the acquisition, Zijin Investment will hold 51.18% equity interest in Zijin Copper, Best Ground will hold 48.19% equity interest in Zijin Copper, Xiamen Zijin will hold 0.63% equity interest in Zijin Copper, and Zijin Copper will become a wholly-owned subsidiary of the Company.

According to audited financial statements prepared under the PRC generally accepted accounting principles, as at 31 December 2007, Zijin Copper's total value of assets is RMB518,159,515 (approximately HK\$595,585,649), its net asset value is RMB168,109,461 (approximately HK\$193,229,265), its loss before tax and extraordinary items is RMB11,858,794 (approximately HK\$13,630,797), and its net loss after tax and extraordinary items is RMB11,658,868 (approximately HK\$13,400,998). For the year ended 31 December 2006, it did not record any profit nor loss.

Xiamen Zijin agreed to give up its pre-emption right in this share acquisition.

Consideration

Pursuant to New High Profit Agreement, Best Ground agreed to acquire 31.22% equity interest of Zijin Copper from New High Profit with cash consideration of RMB56,349,500 (HK\$63,758,200 at exchange rate RMB0.8838 to HK\$1) from internal resources. The full settlement of the consideration is expected not later than 31 December 2008. New High Profit's original investment is RMB59,315,300.

Pursuant to Dynamite Reward Agreement, Best Ground agreed to acquire 16.97% equity interest of Zijin Copper from Dynamite Reward with cash consideration of RMB30,637,500 (HK\$34,665,700 at exchange rate RMB0.8838 to HK\$1) from internal resources. The full settlement of the consideration is expected not later than 31 December 2008. Dynamite Reward's original investment is RMB32,250,000.

Pursuant to Shanghai Baisen Agreement, Zijin Investment agreed to acquire 0.81% equity interest of Zijin Copper from Shanghai Baisen with cash consideration of RMB1,462,000 from internal resources. The full settlement of the consideration is expected not later than 31 December 2008. Shanghai Baisen's original investment is RMB1,539,000.

The Directors are of the view that as the total consideration of RMB88,449,000 for 49% equity interest in Zijin Copper is determined based on arm's length negotiations and the total consideration is fair and reasonable so far as the Company and the Shareholders as a whole are concerned. The consideration was agreed by reference to various factors including Zijin Copper's audited net asset value and the original investment cost of the vendor.

The agreements are expected to be completed not later than 31 December 2008. All parties do not have any further financial commitments in this transaction.

Connected Transaction

As at the date of this announcement, New High Profit currently holds and owns 31.22% equity interest in Zijin Copper, a subsidiary of the Company. New High Profit is a substantial shareholder of Zijin Copper and a connected person of the Company pursuant to the Listing Rules. Dynamite Reward currently holds and owns 16.97% equity interest in Zijin Copper, a subsidiary of the Company. Dynamite Reward is a substantial shareholder of Zijin Copper and a connected person of the Company pursuant to the Listing Rules. Therefore, any transaction between New High Profit, Dynamite Reward and the Group constitutes a connected transaction under Chapter 14A of the Listing Rules.

Board of Directors

After the acquisition, Zijin Copper will become the Group's wholly-owned subsidiary and the Company will nominate all the directors to the board of directors of Zijin Copper.

REASONS AND BENEFITS 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 has an opportunity to increase its investment in Zijin Copper and will enable the Group to have larger share of return in Zijin Copper. 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.

LISTING RULES

As the applicable percentage ratios (as set out in the Listing Rules) for the acquisition is more than 0.1% but less than 2.5%, the acquisition constitutes connected transactions 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 shall have the following meanings :

“Best Ground”	(域佳集團有限公司) Best Ground Group Limited, a wholly-owned subsidiary of the Company, a company incorporated in British Virgin Islands with limited liability and is mainly engaged in investment in the PRC
“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
“Dynamite Reward”	(宏豐控股有限公司) Dynamite Reward Holdings Limited is a company incorporated in British Virgin Islands with limited liability
“Dynamite Reward Agreement”	the agreement entered into between Best Ground and Dynamite Reward on 6 November 2008 in relation to, inter alia, the sale of 16.97% equity interest in Zijin Copper from Dynamite Reward to Best Ground
“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
“Listing Rules”	The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“New High Profit”	(新高潤集團有限公司) New High Profit Group Limited, a company incorporated in British Virgin Islands with limited liability
“New High Profit Agreement”	the agreement entered into between Best Ground and New High Profit on 6 November 2008 in relation to, inter alia, the sale of 31.22% equity interest in Zijin Copper from New High Profit to Best Ground
“PRC”	The People’s Republic of China, but for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Baisen”	(上海拜森實業有限公司) Shanghai Baisen Industrial Limited, a company incorporated in the PRC with limited liability
“Shanghai Baisen Agreement”	the agreement entered into between Zijin Investment and Shanghai Baisen on 6 November 2008 in relation to, inter alia, the sale of 0.81% equity interest in Zijin Copper from Shanghai Baisen to Zijin Investment
“Shareholder(s)”	the shareholder(s) of the Company
“Zijin Copper”	(福建紫金銅業有限公司) Fujian Zijin Copper Company Limited, a subsidiary of the Company, a company incorporated in the PRC with limited liability and is mainly engaged in production of copper products business in Shanghang County, Fujian, the PRC
“Zijin Investment”	(福建紫金投資有限公司) Fujian Zijin Investment Company Limited, a wholly-owned subsidiary of the Company, a company incorporated in the PRC with limited liability and is mainly engaged in hydropower, logistics, and risk exploration investments in the PRC
“Xiamen Zijin”	(廈門紫金科技有限公司) Xiamen Zijin Science and Technology Co., Ltd. a wholly-owned subsidiary of the Company, a company incorporated in the PRC with limited liability and is mainly engaged in investment and refinery
“%”	per cent

Note: For the purpose of this announcement, unless otherwise specified, amounts denominated in Renminbi have been translated for the purpose of illustration only into Hong Kong dollars at the exchange rate of HK\$1.00 = RMB0.87.

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. Peng Jiaqing 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
Zijin Mining Group Co., Ltd.*
Chen Jinghe
Chairman

6 November 2008 Fujian, China.

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