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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)

ANNOUNCEMENT

CONNECTED AND DISCLOSEABLE TRANSACTIONS AND CONTINUING CONNECTED TRANSACTION FORMATION OF A JOINT VENTURE

The Board wishes to announce that on 8 January 2009, the Company has entered into a joint venture agreement (the "JV Agreement") with the Company's substantial shareholder, Minxi Xinghang, to form a joint venture (the "Transaction"). It is intended that this joint venture will build a copper refinery in Shanghang, Fujian, the PRC, with a capacity of 200,000 tonnes/year.

Minxi Xinghang currently owns approximately 28.96% shareholding of the Company. Minxi Xinghang is a connected person of the Company as defined under the Listing Rules. Therefore, any transaction between Minxi Xinghang and the Company constitutes a connected transaction under Chapter 14A of the Listing Rules. As the relevant percentage ratios under Chapter 14A of the Listing Rules exceed 2.5% and the value thereof is more than HK\$10,000,000, the transaction is subject to reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. The transaction between the Company and Minxi Xinghang in relation to the JV Agreement also constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules because the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules are more than 5% but less than 25%.

In connection with the Transaction, the Company and Minxi Xinghang agreed that both parties will provide financial guarantee to the joint venture, which is continuous in nature and was entered into in the ordinary course of business of the Company and constituted continuing connected transaction of the Company under Chapter 14A of the Listing Rules. Since both parties will not have any charges to the joint venture in providing the financial guarantee. The terms are not normal commercial term and the financial guarantee will be subject to Independent Shareholders' approval.

The Company has appointed Get Nice Capital Limited as an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Transaction and the Proposed Annual Cap. The Independent Shareholders will be asked to consider, if thought fit, approve by poll the Transaction and the Proposed Annual Cap for 2009, 2010 and 2011 which will be RMB 900 millions at the EGM.

A circular containing, among other things, (i) details of the Transaction; (ii) a letter from Get Nice Capital Limited to the Independent Board Committee containing its advice to the Independent

Board Committee and the Independent Shareholders on the approval of the Transaction and the Annual Cap; (iii) the recommendation of the Independent Board Committee regarding the approval of the Transaction and the Annual Cap; and (iv) a notice of the EGM will be dispatched to the shareholders of the Company as soon as practicable.

Pursuit to the Listing Rules, Minxi Xinghang and its respective associates (as defined in the Listing Rules) are required to abstain from voting in the EGM in respect of the Transaction and the Proposed Annual Cap.

1. BACKGROUND

The Board of the Company wishes to announce that on 8 January 2009, the Company has entered into a joint venture agreement (the “JV Agreement”) with the Company’s substantial shareholder, Minxi Xinghang to form a joint venture (the “Transaction”). It is intended that this joint venture will build a copper refinery in Shanghang, Fujian, the PRC, with a capacity of 200,000 tonnes/year. The total expected investment amount to be made by this joint venture company will be approximately RMB 2.6 billions.

2. PRINCIPAL TERMS OF THE JV AGREEMENT

Date: 8 January 2009

Parties:

1. Minxi Xinghang, currently owns approximately 28.96% shareholding of the Company, is a government owned domestic company incorporated in the PRC with limited liability and is principally engaged in investment in Fujian, the PRC; and
2. The Company, is principally engaged in the mining, production, refining and sale of gold and other mineral resources in the PRC.

The terms of the JV Agreement were arrived at an arm’s length negotiation basis with Minxi Xinghang and are on normal commercial terms and in the ordinary and usual course of business of the Company.

The name of the joint venture

Subject to the final approval by the relevant authority, the joint venture will be temporarily named as Zijin Copper Company Limited (紫金銅業有限公司).

The joint venture

Minxi Xinghang will own 50% equity interest of the joint venture and the Company will own 50% equity interest of the joint venture. The authorised capital of the joint venture will be RMB 1 billion. Minxi Xinghang will invest RMB 500 millions in cash and the Company will invest RMB 500 millions in cash. The Company will invest RMB100 millions in cash and Minxi Xinghang will invest RMB100 millions in cash respectively as initial capital injection within 10 working days

from the date of pre-approval of the joint venture's name by the relevant authority. The balance of the authorised capital will be proportionally paid in installments by the Company and Minxi Xinghang in cash within 2 years after the formation of the joint venture.

Apart from the abovementioned capital commitment, which was determined by commercial negotiation between the parties on the arm's length basis with reference to the feasibility study, the Company and Minxi Xinghang agreed that each party will provide financial guarantee to the joint venture proportionally according to the respective interest in the joint venture, each party's yearly maximum amount proposed of which (the "Proposed Annual Cap") for 2009, 2010 and 2011 will be RMB 900 millions, which was determined by the parties on the arm's length basis and is in the ordinary and usual course of business of the Company. Since both parties will not have any charges to the joint venture in providing the financial guarantee. The terms are not normal commercial term and the financial guarantee will be subject to Independent Shareholders' approval.

The Company's total capital commitment and maximum financial guarantee will be RMB 0.5 billion and RMB 0.9 billion respectively.

The Company intends to fund this joint venture from its internal cash resources.

Board representation and management

Following completion, Minxi Xinghang will nominate 3 directors and the Company will nominate 3 directors to the board of directors of the joint venture.

Accounting treatment

Equity method will be used to book this joint venture's financial results into the Group's financial statements.

3. REASONS FOR AND BENEFITS OF THE TRANSACTION

All the Directors (excluding the independent non-executive directors who will express their views on the Transaction after considering the independent financial adviser's advice letter to be included in the circular) consider that the terms of the Transaction are fair and reasonable and in the best interests of the Company and its shareholders as a whole having been negotiated on an arm's length basis and are on normal commercial terms and in the ordinary and usual course of business.

By virtue of the JV Agreement, it will be able to promote the integrated economic strength of Company in the mining industry of the PRC. This investment will provide a steady source of income to the Company in the future.

4. CONNECTION BETWEEN THE PARTIES IN THE TRANSACTION

Minxi Xinghang currently owns approximately 28.96% shareholding of the Company. Minxi Xinghang is a connected person of the Company as defined under the Listing Rules. Therefore, any transaction between Minxi Xinghang and the Company constitutes a connected transaction under Chapter 14A of the Listing Rules. As the relevant percentage ratios under Chapter 14A of the Listing Rules exceed 2.5% and the value thereof is more than HK\$10,000,000, the transaction is

subject to reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. The transaction between the Company and Minxi Xinghang in relation to the JV Agreement also constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules because the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules are more than 5% but less than 25%.

5. INFORMATION ABOUT THE COMPANY

The Company is principally engaged in the mining, production, refining and sale of gold and other mineral resources in the PRC.

6. INFORMATION ABOUT MINXI XINGHANG

Minxi Xinghang, currently owns approximately 28.96% shareholding of the Company, is a government owned domestic company incorporated in the PRC with limited liability and is principally engaged in investment in Fujian, the PRC.

7. GENERAL

Minxi Xinghang currently owns approximately 28.96% shareholding of the Company. Minxi Xinghang is a connected person of the Company as defined under the Listing Rules. Therefore, any transaction between Minxi Xinghang and the Company constitutes a connected transaction under Chapter 14A of the Listing Rules. As the relevant percentage ratios under Chapter 14A of the Listing Rules exceed 2.5% and the value thereof is more than HK\$10,000,000, the Transaction is subject to reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. The Transaction between the Company and Minxi Xinghang in relation to the JV Agreement also constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules because the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules are more than 5% but less than 25%.

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A circular containing, among other things, (i) details of the Transaction; (ii) a letter from Get Nice Capital Limited to the Independent Board Committee containing its advice to the Independent Board Committee and the Independent Shareholders on the approval of the Transaction and the Proposed Annual Cap; (iii) the recommendation of the Independent Board Committee regarding the

approval of the Transaction and the Proposed Annual Cap; and (iv) a notice of the EGM will be dispatched to the shareholders of the Company as soon as practicable.

Pursuit to the Listing Rules, Minxi Xinghang and its respective associates (as defined in the Listing Rules) are required to abstain from voting in the EGM in respect of the Transaction and the Proposed Annual Cap.

8. DEFINITIONS

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

“JV Agreement”	the agreement dated 8 January 2009 entered into between the Company and Minxi Xinghang in relation to, among other things, form a joint venture company in the PRC
“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
“EGM”	the extraordinary general meeting of the Company to be held for the purpose of approving the Transaction and the Proposed Annual Cap
“Minxi Xinghang”	Minxi Xinghang State-owned Assets Investment Co., Ltd. (閩西興杭國有資產投資經營有限公司), a government owned company incorporated in the PRC with limited liability, currently owns approximately 28.96% shareholding 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
“Independent Board Committee”	the independent board committee of the Company constituted for the purpose of the Transaction, comprising four independent non-executive directors
“Independent Shareholders”	shareholders of the Company other than Minxi Xinghang and its respective associates (as defined in the Listing Rules)
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, but for the purpose of this announcement, excludes Hong Kong, Macau SAR and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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 of Directors
Zijin Mining Group Co., Ltd.*
Chen Jinghe
Chairman

8 January 2009 Fujian, China.

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