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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
CONTINUING CONNECTED TRANSACTIONS**

The Board announces that, on 18 February 2009, the Company has entered into the Zijinshan Agreement with Xinhua Engineering, in relation to the provision of exploitation contracting services for gold and non-ferrous metals (inclusive of the process of stripping, mining and transportation) for part of the Zijinshan Gold Mine by Xinhua Engineering for a term from 1 January 2009 to 31 December 2009 subject to the priority of renewal by Xinhua Engineering upon expiration.

Mr. Chen Fashu currently holds approximately 51% shareholding of Xinhua Engineering and approximately 73.56% shareholding of Xinhua Industrial. Mr. Chen Fashu and Xinhua Industrial currently hold approximately 3.09% and approximately 11.89% shareholding of the Company respectively. Xinhua Engineering is a connected person of the Company pursuant to the Listing Rules. Therefore, any transaction between Xinhua Engineering and the Group constitutes a connected transaction under Chapter 14A of the Listing Rules.

The Board also wishes to announce that the Company has entered into a sale of copper cathodes agreement dated 18 February 2009 with Jinyi Copper for a term from 1 January 2009 to 31 December 2009.

Minxi Xinghang is a substantial shareholder and a promoter of the Company and currently holds and owns approximately 28.96% shareholding of the Company and 42% equity interest in Jinyi Copper. Jinyi Copper is an associate of Minxi Xinghang and a connected person to the Company (as defined in the Listing Rules). Under the Listing Rules, the transaction constitutes a continuing connected transaction of the Company.

The Continuing Connected Transactions, which are continuous in nature and were entered into in the ordinary course of business of the Company. As the applicable percentage ratios (as defined in the Listing Rules) in relation to the transactions are more than 0.1% but less than 2.5% (except profit percentage ratio), the transactions constitute exempt continuing connected transactions of the Company under 14A.34 of the Listing Rules with exemption on the approval from Independent Shareholders and are subject to the reporting and announcement requirements set out in Listing Rules 14A.45 to 14A.47.

PRINCIPAL TERMS OF AGREEMENT

1. ZIJINSHAN AGREEMENT

Date: 18 February 2009

Parties: Xinhua Engineering and the Company, Xinhua Engineering is a domestic company incorporated in the PRC with limited liability, which was one of the promoters of the Company. Xinhua Engineering is mainly engaged in investment and mining business in the PRC

Services to be provided: Provision of exploitation contracting services for gold and non-ferrous metals (inclusive of the process of stripping, mining and transportation) for part of the Zijinshan Gold Mine

Pricing: Such transaction will be conducted on terms by reference to the market prices, the pricing methods of a gold mine and the actual mining progress of Zijinshan Gold Mine, or similar terms available from independent third parties

Term: From 1 January 2009 to 31 December 2009

Payment Term: The amount payable by the Company to Xinhua Engineering each month is calculated in accordance with the following formula:-

The amount payable by the Company each month = the value of service fee of the preceding month X 80% – value of supplies used – withholding tax previously paid – disbursements previously made – any other deductions + the remaining balance of service fee incurred 6 months earlier, the balance should be paid after 6 months.

Others: Xinhua Engineering has the priority of renewal upon expiration.

The terms of the Zijinshan Agreement were arrived at after arm's length negotiation between the Company and Xinhua Engineering.

NEW ANNUAL CAP

The Company estimates that the maximum amounts (“**New Annual Cap**”) of the Zijinshan Agreement for the year ended 31 December 2009 will be RMB 152 million.

The New Annual Cap of the Zijinshan Agreement was determined by reference to historical figures payable under the previous contracting agreements entered into between the Company and Xinhua Engineering, and to a possible increase in production scale by the Group. For each of the two years ended 31 December 2007 and 31 December 2008, the service fees paid to Xinhua Engineering under the previous contracting agreements were RMB157,200,000 (audited) and RMB137,590,000 (unaudited) respectively. The breakdown of the transaction value is as follows:

| | | Year 2007 (audited) RMB | Year 2008 (unaudited) RMB | Year 2009 (Cap) RMB |
|----|------------------------------------------------------------------------------------------------------|-------------------------------|---------------------------------|---------------------------|
| 1. | Provision of exploitation services and mining works by Xinhua Engineering at the Zijinshan Gold Mine | 157,200,000 | 137,590,000 | 152,000,000 |

For each of the two financial years ended 31 December 2007 and 31 December 2008, Xinhua Engineering has produced approximately 9,530,000 cubic metres (audited) and 9,827,500 cubic metres (unaudited) of ore in Zijinshan Gold Mine respectively. It is estimated that Xinhua Engineering will produce approximately 10,460,000 cubic metres of ore in the Zijinshan Gold Mine subject to variation depending on the actual annual and monthly production schedule set by the Company for 2009 under the Zijinshan Agreement. The estimated increase in production volume in Zijinshan Gold Mine is due to the estimated strong demand for the product of the Company.

CONNECTION BETWEEN THE PARTIES IN THE TRANSACTION

Mr. Chen Fashu currently holds approximately 51% shareholding of Xinhua Engineering and approximately 73.56% shareholding of Xinhua Industrial. Mr. Chen Fashu and Xinhua Industrial currently hold approximately 3.09% and approximately 11.89% shareholding of the Company respectively. Xinhua Engineering is a connected person of the Company pursuant to the Listing Rules. Therefore, any transaction between Xinhua Engineering and the Group constitutes a connected transaction under Chapter 14A of the Listing Rules.

REASONS 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. By virtue of the Zijinshan Agreement, the Group will be able to continue to contract out exploitation works, thereby reducing the capital investment by the Group in equipment and human resources and enhancing the productivity and efficiency of exploitation. Therefore, the Directors including the independent non-executive directors

of the Company consider that the transaction and the terms of the Zijinshan 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.

PRINCIPAL TERMS OF AGREEMENT

2. SALE OF COPPER CATHODES AGREEMENT

| | |
|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Date: | 18 February 2009 |
| Parties: | Jinyi Copper and the Company, Jinyi Copper is a domestic company incorporated in the PRC with limited liability, and is mainly engaged in production and sale of copper pipes in Shanghang, Fujian. |
| Sale of product: | Sale of copper cathodes to Jinyi Copper |
| Pricing: | Such transaction will be conducted on terms by reference to the monthly average spot price of #1 copper cathodes quoted in Shanghai Non-ferrous Metal Website which will be used if the product meets the specifications of GB/T467-1997 Cu-Cath-1 |
| Term: | from 1 January 2009 to 31 December 2009 |
| Payment Term: | The Company will issue 17% value added tax invoice to Jinyi Copper at the end of each month or at the beginning of the following month. Jinyi Copper will settle the invoice issued within 3 months by a bank accepted draft valid for 3 months. In case of any delay payments, the Company has the rights to suspend supply and adopt measures of receivables collection. An interest will also be charged based on the basic bank lending rate plus 20% increase for any delay payment (based on the date of Jinyi Copper's bank payment slip). |

The terms of the Sale of Copper Cathodes Agreement were arrived at after arm's length negotiation between the Company and Jinyi Copper.

The Company's wholly-owned subsidiary Zijin Investment currently holds 49% equity interest in Jinyi Copper, Minxi Xinghang currently holds 42% equity interest in Jinyi Copper, and Master Achieve currently holds 9% equity interest in Jinyi Copper. Jinyi Copper is an associate company of the Company.

NEW ANNUAL CAP

The Company proposes that the maximum amounts ("**New Annual Cap**") of the Sale of Copper Cathodes Agreement for the year ended 31 December 2009 will be RMB 200 million.

The New Annual Cap of the Sale of Copper Cathodes Agreement was determined by reference to historical figures payable under the previous contracting agreement entered into between the Company and Jinyi Copper and to the production scale of Jinyi Copper. The breakdown of the transaction value is as follows:

| | | Year 2008 (October to December) RMB (unaudited) | Year 2009 (Cap) RMB |
|----|-----------------------------------------|----------------------------------------------------|------------------------|
| 1. | Sale of copper cathodes to Jinyi Copper | 16,310,000 | 200,000,000 |

The Company sold 2,003.388 tonnes (unaudited) copper cathodes (RMB129,140,000) (unaudited) to Jinyi Copper for the period from 1 January 2008 to 30 September 2008. The Company sold 630 tonnes (unaudited) copper cathodes

(RMB16,310,000) (unaudited) to Jinyi Copper for the period from 1 October 2008 to 31 December 2008.

It is estimated that the Company will sell approximately 5,000 tonnes copper cathodes to Jinyi Copper in 2009 under the Sale of Copper Cathodes Agreement. The estimated sale is due to the estimated price and demand for the product, and the production capacity in Jinyi Copper.

CONNECTION BETWEEN THE PARTIES IN THE TRANSACTION

Minxi Xinghang is a substantial shareholder and a promoter of the Company and currently holds and owns approximately 28.96% shareholding of the Company and 42% equity interest in Jinyi Copper. Jinyi Copper is an associate of Minxi Xinghang and a connected person to the Company (as defined in the Listing Rules). Under the Listing Rules, the transaction constitutes a continuing connected transaction of the Company.

REASONS 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. Jinyi Copper is mainly engaged in production and sale of copper pipes in Shanghang, Fujian. As a result of the transaction, the Company may sell the copper cathodes locally to Jinyi Copper which will benefit both parties. Therefore, the Directors including the independent non-executive directors 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.

GENERAL

The Continuing Connected Transactions, which are continuous in nature and were entered into in the ordinary course of business of the Company. As the applicable percentage ratios (as defined in the Listing Rules) in relation to the transactions are more than 0.1% but less than 2.5% (except profit percentage ratio), the transactions constitute exempt connected transactions of the Company under 14A.34 of the Listing Rules with exemption on the approval from Independent Shareholders and are 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 have the meanings set out below:

| | |
|-------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Board” | the board of Directors of the Company |
| “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 |
| “Continuing Connected Transactions” | the connected transactions contemplated under the Zijinshan Agreement and Sales of Copper Cathodes Agreement which were entered into between the Company, Xinhua Engineering and Jinyi Copper on a continuing basis respectively |
| “Director(s)” | the director(s) 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 Shareholders” | any shareholder of the Company that is not required to abstain from |

| | |
|-------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | voting at a general meeting to approve a connected transaction pursuant to the Listing Rules |
| “Jinyi Copper” | Fujian Jinyi Copper Products Company Limited (福建金藝銅業有限公司), a company incorporated in the PRC with limited liability |
| “Listing Rules” | The Rules Governing the Listing of Securities on the Stock Exchange |
| “Master Achieve” | Master Achieve Enterprise Ltd. (高遠企業有限公司), a limited company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Hua Yi Copper Holdings Ltd., Hua Yi Copper Holdings Ltd. is a listed company in the Stock Exchange |
| “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 state-owned limited company incorporated in the PRC with limited liability, a promoter and a substantial shareholder of the Company and currently owns and holds approximately 28.96% shareholding of the Company |
| “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 |
| “Sale of Copper Cathodes Agreement” | the agreement entered into between the Company and Jinyi Copper on 18 February 2009 in relation to, <i>inter alia</i> , the sale of copper cathodes from the Company to Jinyi Copper |
| “Shareholder(s)” | the shareholder(s) of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Xinhuadu Engineering” | Fujian Xinhuadu Engineering Company Limited (福建省新華都工程有限責任公司), formerly known as Shanghang County Huadu Construction Engineering Company Limited (上杭縣華都建設工程有限公司), a domestic company incorporated in the PRC with limited liability, and one of the promoters of the Company |
| “Xinhuadu Industrial” | Xinhuadu Industrial Group Company Limited (新華都實業集團股份有限公司), a domestic company incorporated in the PRC with limited liability, and one of the promoters of the Company |
| “Zijinshan Agreement” | the agreement entered into between the Company and Xinhuadu Engineering on 18 February 2009 in relation to, <i>inter alia</i> , the provision of exploitation contracting services for gold and other nonferrous metals by Xinhuadu Engineering to the Company |
| “Zijinshan Gold Mine” | the gold mine of the Group in Shanghang county, Fujian province, the PRC |
| “Zijin Investment” | Fujian Zijin Investment Co., Ltd.(福建紫金投資有限公司), a wholly-owned subsidiary of the Company and a limited company incorporated in the PRC with limited liability |
| “%” | 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

18 February 2009 Fujian, China.

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