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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 TRANSACTION-INVESTMENT IN AN ASSOCIATE
COMPANY**

The Board wishes to announce that the Company's wholly-owned subsidiary, Best Ground has entered into a share purchase agreement (the "Share Purchase Agreement") dated 3 April 2009 with an independent third party, Master Achieve for a purchase of 9% equity interest in an associate company of the Company in the PRC, Jinyi Copper. Jinyi Copper is mainly engaged in production and sale of copper pipes in Shanghang, Fujian. Zijin Investment (a wholly-owned subsidiary of the Company) and Minxi Xinghang currently own 49% and 42% equity interests in Jinyi Copper respectively.

Minxi Xinghang is a substantial shareholder and a promoter of the Company and currently holds and owns approximately 28.96% shareholding of the Company. Since Minxi Xinghang also owns more than 30% equity interest in one of the Company's subsidiary, Minxi Xinghang is a controller of the Company (as defined in the Listing Rules). Based on the Listing Rule 14A.13, since Minxi Xinghang owns 42% equity interest in Jinyi Copper, the transaction between the Company's wholly-owned subsidiary, Best Ground and an independent third party, Master Achieve also constitutes a connected transaction of the Company.

The total amount of the consideration of the transaction is more than 0.1% but less than 2.5% in the relevant percentage ratios (as set out in the Listing Rules) except profit percentage ratio. The transaction constitutes a connected transaction of the Company under Rule 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.

SHARE PURCHASE AGREEMENT

Date: 3 April 2009

Parties:

1. Master Achieve, a limited company registered in Hong Kong and a wholly-owned

subsidiary of a Hong Kong Stock Exchange listed company, Hua Yi Copper Holdings Ltd. After the completion of the Share Purchase Agreement, Master Achieve will not own any equity interest in Jinyi Copper; and

2. Best Ground, a wholly-owned subsidiary of the Company. After the completion of the Share Purchase Agreement, Best Ground will hold 9% equity interest in Jinyi Copper. Best Ground is mainly engaged in mining investment in the PRC.

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

Zijin Investment is a wholly-owned subsidiary of the Company currently holding 49% of Jinyi Copper. Minxi Xinghang currently holds and owns 42% equity interest in Jinyi Copper. Master Achieve currently owns 9% equity interest in Jinyi Copper. After the completion of the Share Purchase Agreement, Zijin Investment will hold 49% equity interest in Jinyi Copper, Minxi Xinghang will hold 42% equity interest in Jinyi Copper, and Best Ground will own 9% equity interest in Jinyi Copper. Master Achieve will no longer own any equity interest in Jinyi Copper. Jinyi Copper will be a subsidiary of the Company after completion of the Share Purchase Agreement.

PRINCIPAL TERMS OF THE TRANSACTION

General

The Board wishes to announce that the Company's wholly-owned subsidiary, Best Ground has entered into the Share Purchase Agreement dated 3 April 2009 with Master Achieve, an independent third party, for a purchase of 9% equity interest in an associate company of the Company in the PRC, Jinyi Copper. Jinyi Copper's current registered capital is RMB200 million. Jinyi Copper is mainly engaged in production and sale of copper pipes in Shanghang, Fujian.

Jinyi Copper was incorporated in November 2005 and its current registered capital is RMB200 million. Master Achieve contributed capital of RMB18 million and owns 9% equity interest in Jinyi Copper, Zijin Investment contributed capital of RMB98 million and owns 49% equity interest in Jinyi Copper, and Minxi Xinghang contributed capital of RMB84 million and owns 42% equity interest in Jinyi Copper.

According to an audited financial statements prepared under the PRC generally accepted accounting principles, as at 31 December 2008, Jinyi Copper's total asset value was RMB212,510,065 (approximately HK\$244,264,443), its net asset value was RMB163,062,371 (approximately HK\$187,428,013), its loss before tax and extraordinary items was RMB40,054,972 (approximately HK\$46,040,198), and its net loss after tax and extraordinary items was RMB36,145,370 (approximately HK\$41,546,402). According to an audited financial statements prepared under the PRC generally accepted accounting principles, as at 31 December 2007, Jinyi Copper's total asset value was RMB106,102,884 (approximately HK\$121,957,337), its net asset value was RMB38,900,131 (approximately HK\$44,712,794), its loss before tax and extraordinary items was RMB1,232,699 (approximately

HK\$1,416,895), and its net loss after tax and extraordinary items was RMB1,232,699 (approximately HK\$1,416,895).

The consideration for the share purchase was arrived at after arm's length negotiations between the parties thereto and on normal commercial terms.

After completion of the Share Purchase Agreement, the profit sharing of Jinyi Copper will be based on the respective proportionate shareholding in the company.

Consideration

Pursuant to the Share Purchase Agreement, Best Ground will acquire 9% equity interest in Jinyi Copper from Master Achieve with the consideration of RMB17,100,000 (approximately HK\$19,655,172) in cash from its internal resources. The consideration is payable in HK dollar.

Master Achieve contributed capital of RMB18 million and owns 9% equity interest in Jinyi Copper, Zijin Investment contributed capital of RMB98 million and owns 49% equity interest in Jinyi Copper, and Minxi Xinghang contributed capital of RMB84 million and owns 42% equity interest in Jinyi Copper.

Pursuant to the Share Purchase Agreement, Best Ground will pay RMB10 million to Master Achieve within 5 days from the date of signing of this contract, RMB6.25 million to Master Achieve within 30 days from the date of signing of this contract. Best Ground will pay the balance RMB0.85 million to Master Achieve within 3 days from the date of the completion of all the shares transfer procedures.

The consideration of the share purchase was arrived at after arm's length negotiations between the parties thereto and on normal commercial terms. The consideration was agreed by reference to various factors including Jinyi Copper's audited net asset value and the original investment cost of the vendor.

This agreement is expected to complete not later than the end of October 2009. Except the share purchase under the Share Purchase Agreement, all parties do not have any further financial commitments in this transaction.

Completion of the transaction under the Share Purchase Agreement is conditional upon:

1. the other shareholders of the Jinyi Copper, namely Minxi Xinghang and Zijin Investment, have given consent letter to the transfer of shares under the Share Purchase Agreement and agreed to waive their pre-emptive rights over the equity interest under the articles of association of Jinyin Copper;
2. the relevant authority in the PRC has approved the transfer of shares under the Share Purchase Agreement and has issued the relevant certificate of approval to Jinyin Copper; and
3. Best Ground and Master Achieve have entered into an assignment of guarantee of shares whereby Master Achieve shall assign to Best Ground its guarantee obligations owed to Zijin Investment under the guarantee agreement dated 29 November 2006 entered into between Master Achieve and Zijin Investment in relation to a RMB loan extended by a bank to Jinyin Copper.

Board of directors

The board of directors of Jinyi Copper consists of 5 directors, of which the Group nominates 3 persons, and Minxi Xinghang nominates 2 persons.

CONNECTED TRANSACTION

Zijin Investment (a wholly-owned subsidiary of the Company) and Minxi Xinghang currently own 49% and 42% equity interests in Jinyi Copper respectively.

Minxi Xinghang is a substantial shareholder and a promoter of the Company and currently holds and owns approximately 28.96% shareholding of the Company. Since Minxi Xinghang also owns more than 30% equity interest in one of the Company's subsidiary, Minxi Xinghang is a controller of the Company (as defined in the Listing Rules). Based on the Listing Rule 14A.13, since Minxi Xinghang owns 42% equity interest in Jinyi Copper, the transaction between the Company's wholly-owned subsidiary, Best Ground and an independent third party, Master Achieve also constitutes a 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. As a result of the transaction, the Company has an opportunity to increase its investment in Jinyi Copper which will enable the Group to acquire the controlling stake in Jinyi Copper. 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.

After completion of the Share Purchase Agreement, Jinyi Copper will become a 58% - owned subsidiary of the Company.

GENERAL

The total amount of the consideration of the transaction is more than 0.1% but less than 2.5% in the relevant percentage ratios (as set out in the Listing Rules) except profit percentage ratio. The transaction constitutes a connected transaction of the Company under Rule 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 have the meaning set out below:

“Best Ground”	(域佳集團有限公司) Best Ground Group Limited, a wholly-owned subsidiary of the Company incorporated in British Virgin Islands with limited liability and is mainly engaged in mining investment in the PRC
“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 People’s Republic of China with limited liability
“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
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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 formed in the PRC with limited liability
“Listing Rules”	The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Master Achieve”	Master Achieve Enterprise Ltd. (高遠企業有限公司), a 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 of Hong Kong 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
“Shareholder(s)”	the shareholder(s) of the Company
“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

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

3 April 2009 Fujian, China.

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