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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
IN RELATION TO THE LETTER OF INTENT
WITH XINJIANG QITAI COUNTY GOVERNMENT**

The board of directors (the "Board") of Zijin Mining Group Co., Ltd.* (the "Company") wishes to announce that the Company entered into a "Letter of intent to develop an integrated utilization of coal electric project" with Xinjiang Qitai County Government on 9 September 2009 in Xiamen, the People's Republic of China.

Investors and shareholders are advised to exercise cautions when dealing in the shares of the Company.

Such letter of intent is subject to execution of relevant definitive agreements satisfactory to both parties, subject to internal approval procedures of both parties, and to any regulatory or other approvals that may be further required. Should any definitive agreement be executed or should there is any further progress of the above matter, the Company will make further announcement as required by the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange.

This announcement is made on voluntary basis of the Company.

In order to accelerate the local industrial development of Xinjiang Qitai County, to make the best use of the edge in coal resources, to implement the strategy of exchanging competitive advantage in resources, based on the principles of mutual benefits and development, Zijin Mining Group Co., Ltd.* ("the Company") entered into a "Letter of intent to develop an integrated utilization of coal electric project" (煤電綜合利用項目開發建設意向協議書) with Xinjiang Qitai County Government on 9 September 2009 in Xiamen, the People's Republic of China. The principal terms are as follows:

1. The project: To develop an integrated utilization of coal electric project in Xinjiang Qitai County Zhundong Zhangjunmiao coal electric industrial region (新疆奇台縣准東將軍廟煤電煤化工產業帶)

The Company obtained the exploration right of Xinjiang Qitai County Qitai Heishantou Coal Mine (新疆奇台縣奇台黑山頭煤礦) in 2006 with a total area of 13.67km². According to the "Approved resources reserve certificate in relation to the Xinjiang Zhundong coalfield Qitai

County Heishantaou open pit coal mine exploration report” (“Xin Guo Tu Zi Chu Bei Zi [2008] No.244”) issued by the Department of Land and Resources of Xinjiang Uygur Autonomous Region, the total reserves (measured+indicated+inferred) of Heishantou Coal Mine is about 388.51 million tonnes.

2. Co-operation Intent:

- i. Qitai County Government will assist the Company for the progress in the project development, including: consent to the Company to enjoy the favorable policies for investment promotion in Xinjiang Uygur Autonomous Region and Qitai County; assist the Company to apply for relevant licences to comply with the regulations and requirements of the minerals resources mining and development policy, to liaise and coordinate with relevant departments to obtain supportive documents in relation to the project construction; to supervise and manage the Company’s production and operation in accordance with the “Mineral Resources Law” and relevant laws and regulations; to coordinate and arrange the infrastructure construction works such as water supply, electricity supply, highway, railway, telecommunication which can accelerate the commencement of the project’s construction and production.
- ii. The Company will establish and register an independent legal person in Xinjiang Qitai County, which shall pay tax and operate in accordance with relevant laws and regulations, shall be self-financing and shall enjoy the favorable policies in Xinjiang Uygur Autonomous Region. The Company will be responsible for the initial theoretical study and reporting work. Its operation and production should comply with the law and regulations of the People’s Republic of China. After the project commences, the Company should exploit and utilize the resources reasonably, design and construct the project pursuant to the relevant law and regulations as well as the production technology requirements of the People’s Republic of China, and meet the requirements in relation to environmental protection, fire prevention and safety production.

The Company would like to remind investors and shareholders that the signed letter of intent only represents the basic principles and a framework of mutual intention to cooperate by both parties, and there may be changes during the progress and implementation of the letter of intent. The execution of relevant definitive agreements, the Company’s internal approval procedures (the Board meeting and shareholders’ general meeting), and the external approval procedures (the relevant regulatory bodies) will be required beforehand for the project mentioned in the letter of intent. The Company shall make further disclosures about the progress of the project as required by the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange. The execution of this letter of intent and any subsequent contracts may have uncertainties, including but not limited to the performance ability of both parties, market conditions, policy and law etc.

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Such letter of intent is subject to execution of relevant definitive agreements satisfactory to both parties, subject to internal approval procedures of both parties, and to any regulatory or other approvals that may be further required. Should any definitive agreement be executed or should there is any further progress of the above matter, the Company will make further announcement as required by the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange.

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. 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

Fujian, the PRC, 9 September 2009

**The English name of the Company is for identification purpose only*