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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Zijin Mining Group Co., Ltd.*, you should at once hand this circular to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

**PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
PROPOSED ELECTION OF DIRECTORS AND SUPERVISORS
PROPOSED REMUNERATIONS OF DIRECTORS AND SUPERVISORS OF THE
FOURTH TERM OF BOARD OF DIRECTORS AND SUPERVISORY COMMITTEE
AND
PROPOSED TO ISSUE MEDIUM-TERM NOTES AND SHORT-TERM NOTES**

The notice convening the extraordinary general meeting of the Company to be held at the Company's conference room at 1st Floor, No.1 Zijin Road, Shanghang County, Fujian Province, The People's Republic of China on 5 November 2009 (Thursday) at 9:00 a.m. is attached to this circular. Whether or not you are able to attend the meeting, please complete and return the enclosed proxy form and ballot form in accordance with the instructions printed thereon, to the office of the Secretary to the Board of the Company at No. 128 Xiangyun Third Road, Huli District, Xiamen, Fujian Province, The People's Republic of China (Fax: (86) 592 3969667), as soon as possible and in any event not less than 24 hours prior to the commencement of the extraordinary general meeting. Completion and return of the proxy form and ballot form will not preclude you from attending and voting at the meeting should you so wish.

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

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DEFINITIONS

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

“Articles of Association”	the articles of association of the Company
“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 convened at 9:00 a.m. on 5 November 2009, Thursday, at the conference room on the 1st floor of the Company’s office building at No.1 Zijin Road, Shanghang County, Fujian Province, The PRC
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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 circular, excludes Hong Kong, Macau SAR and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Shares”	share(s) of RMB0.1 each in the share capital of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Supervisor(s)”	the member(s) of Supervisory Committee
“Supervisory Committee”	the supervisory committee of the Company
“%”	per cent

LETTER FROM THE BOARD OF DIRECTORS



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)

Executive Directors:

Chen Jinghe (*the Chairman*)
Liu Xiaochu
Luo Yingnan
Lan Fusheng
Huang Xiaodong
Zou Laichang

Non-executive Director:

Peng Jiaqing

Independent non-executive Directors:

Chen Yuchuan
Lin Yongjing
Su Congfu
Loong Ping Kwan

Registered Office and Principal

Place of Business:

No.1 Zijin Road
Shanghang County
Fujian Province
The PRC

Place of business in Hong Kong:

Suite 1601, Sino Plaza,
255-257 Gloucester Road
Causeway Bay
Hong Kong

19 September 2009

To Shareholders

Dear Sir/Madam,

**PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
PROPOSED ELECTION OF DIRECTORS AND SUPERVISORS
PROPOSED REMUNERATIONS OF DIRECTORS AND SUPERVISORS OF THE
FOURTH TERM OF BOARD OF DIRECTORS AND SUPERVISORY COMMITTEE
AND
PROPOSED TO ISSUE MEDIUM-TERM NOTES AND SHORT-TERM NOTES**

1. INTRODUCTION

The purpose of this circular is to provide you with information regarding (i) the proposed amendments to the Articles of Association; (ii) the proposed election of Directors and Supervisors; (iii) the proposed remunerations of directors and supervisors of the fourth term of board of directors and supervisory committee; and (iv) the proposed to issue medium-term notes and short-term notes.

LETTER FROM THE BOARD OF DIRECTORS

2. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

In accordance with the Company Law of the PRC (revised in 2005), and the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules and having regard to the Guidelines for Articles of Association of Listed Companies (revised in 2006), other laws, administrative rules and regulations, the Company proposed to amend the Articles of Association.

The proposed amendments to the Articles of Association are set out in Appendix 1 to this circular.

3. ELECTION OF DIRECTORS

The Board currently consists of 11 Directors, including 6 executive Directors, namely, Mr. Chen Jinghe, Mr. Liu Xiaochu, Mr. Luo Yingnan, Mr. Lan Fusheng, Mr. Huang Xiaodong and Mr. Zou Laichang, one non-executive Director namely Mr. Peng Jiaqing, and 4 independent non-executive Directors, namely, Mr. Chen Yuchuan, Mr. Lin Yongjing, Mr. Su Congfu and Mr. Loong Ping Kwan.

According to Article 106 of the Articles of Association, the term of office of each of the Directors is 3 years. Under the Articles of Association, the appointment of Directors requires the approval by Shareholders at general meetings and their terms of office shall commence on the date of their appointment. Each Director shall be eligible for re-election by Shareholders upon the end of the term. The fourth Board will consist of 11 Directors, including 6 executive Directors, 1 non-executive Director, and 4 independent non-executive Directors.

The Board of Directors of the Company have nominated Mr. Chen Jinghe, Mr. Luo Yingnan, Mr. Liu Xiaochu, Mr. Lan Fusheng, Mr. Huang Xiaodong, Mr. Zou Laichang and Mr. Peng Jiaqing as candidates for election as Directors (where Mr. Peng Jiaqing is proposed to be non-executive Director), and Mr. Su Congfu, Mr. Chen Yuchuan, Mr. Lin Yongjing, and Mr. Wang Xiaojun as candidates for election as independent non-executive Directors for the fourth term of office commencing on the date of the EGM and expire on 4 November 2012.

At the EGM, resolutions will be proposed to elect the Directors of the fourth term and approve the remunerations proposal of the Directors for the fourth term. Details of which are set out in Appendix 3 to this circular.

A resolution will therefore be proposed at the EGM to authorise the Board to enter into new service contracts and/or appointment letters with each of the newly elected Directors whose term shall commence from the date of the EGM.

The biographical details of the candidates proposed to be elected as Directors at the EGM are set out in Appendix 2 to this circular.

4. ELECTION OF SUPERVISORS

The Supervisory Committee currently consists of 4 Supervisors, including 2 representatives of staff and workers of the Company, namely, Ms. Lan Liying and Mr. Zhang Yumin and 2 representatives of shareholders, namely, Mr. Lin Jintian and Mr. Xu Qiang.

LETTER FROM THE BOARD OF DIRECTORS

According to Article 127 of the Articles of Association, the term of office of each of Supervisors is 3 years. Under the Articles of Association, the appointment of Supervisors requires the approval by Shareholders at general meetings and the term of office shall commence on the date of their appointment. Each Supervisor shall be eligible for re-election by Shareholders upon the end of the term.

The Supervisory Committee of the Company have nominated Mr. Lin Shuiqing, Mr. Xu Qiang, and Mr. Lin Xinxi as candidates for election as Supervisors of the fourth term. The labour union of the Company will elect 2 workers and staff representatives as Supervisors of the fourth term. The fourth term of office shall commence on the date of the EGM and expire on 4 November 2012.

At the EGM, resolutions will be proposed to elect the Supervisors of the fourth term and approve the remunerations proposal of the Supervisors for the fourth term. Details of which are set out in Appendix 3 to this circular.

A resolution will therefore be proposed at the EGM to authorise the Board to enter into new service contracts and/or appointment letters with each of the newly elected Supervisors commencing from the date of the EGM.

The biographical details of the candidates proposed to be elected as Supervisors at the EGM are set out in Appendix 2 to this circular.

5. PROPOSED REMUNERATIONS OF DIRECTORS AND SUPERVISORS OF THE FOURTH TERM OF BOARD OF DIRECTORS AND SUPERVISORY COMMITTEE

In order to ascertain the remunerations to the members of the fourth term of Board of Directors and Supervisory Committee, to establish a scientific, standardised and unified performance appraisal system and use it as a basis of remuneration realization, effective implementation of motivation and restrictions, management and supervision, so as to improve the Company's results and its core competitiveness, to fully motivate the enthusiasm and responsibility of the Directors and Supervisors, the Board establishes the remuneration proposal for the fourth term of Board of Directors and Supervisory Committee. Details of which are set out in Appendix 3 in this circular.

6. PROPOSED TO ISSUE MEDIUM-TERM NOTES AND SHORT-TERM NOTES

In order to satisfy the Company's need in fund for its production and operation, external investment, project construction and to adjust its debts structure and to lower its financing costs and supplement its working capital, after considering and studying the concentrated loan financing in the industry, the Board proposes to issue medium-term notes and short-term notes ("the Issue") publicly in one or multiple tranches in the PRC, and proposes to the general meeting to grant a general and unconditional mandate to the Board by way of a special resolution in order to determine the specific matters in relation to the Issue. Details of which are set out in Appendix 4 in this circular.

LETTER FROM THE BOARD OF DIRECTORS

7. EXTRAORDINARY GENERAL MEETING

The Board have resolved to convene an EGM to elect Directors and Supervisors, to authorise the Board to enter into new contracts and/or appointment letters with each of newly elected Directors and Supervisors, and to approve the proposed amendments of the Articles of Association of the Company, to approve the proposed remunerations of Directors and Supervisors of the fourth term of Board of Directors and Supervisory Committee, and to approve and authorise the issue of medium-term notes and short-term notes, and other proposal (details set out in another circular attached). Notice of the EGM is attached to this circular. Whether or not you are able to attend the EGM, you are requested to complete and return the enclosed proxy form and ballot form in accordance with the instructions printed thereon to the office of secretary to the Board at No. 128 Xiangyun Third Road, Huli District, Xiaman, Fujian, the PRC (Fax: (86) 592 3969667) as soon as possible, and in any event not less than 24 hours prior to the commencement of the EGM. Completion and return of the proxy form and the ballot form will not preclude you from attending and voting at the EGM should you so wish.

8. PROCEDURES FOR DEMANDING A POLL BY SHAREHOLDERS

Pursuant to Article 85 of the current Articles of Association of the Company, voting at the EGM shall be taken on a poll.

9. CUMULATIVE VOTING

When Directors or Supervisors are elected through cumulative voting at the EGM, the number of total votes that a shareholder can effectively exercise is the product of (i) the number of shares held by such shareholder, and (ii) the number of Directors, or Supervisors to be elected. A shareholder can give all his or her votes to one candidate or divide his or her votes among several candidates. The Directors or Supervisors are elected by way of cumulative voting at the EGM based on the number of votes the candidates receive.

10. RECOMMENDATION

The Directors consider that the proposed amendments to the Articles of Association, the proposed election of Directors, the proposed election of Supervisors, the proposed remunerations of Directors and Supervisors of the fourth term of Board of Directors and Supervisory Committee, and the proposed to issue medium-term notes and short-term notes are all in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend you to vote in favour of all the relevant resolutions to be proposed at the EGM.

The Company will publish an announcement on the results of the EGM on the business day following the EGM with respect to whether or not the resolutions set out in this circular have been passed by the Shareholders.

LETTER FROM THE BOARD OF DIRECTORS

11. MISCELLANEOUS

Should there be any discrepancy, the Chinese text of this circular shall prevail over its English text.

By order of the Board
Zijin Mining Group Co., Ltd.*
Chen Jinghe
Chairman

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

APPENDIX 1 PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Dear Shareholders,

In order to perfect corporate governance, the Company proposes to amend the Articles of Association in accordance with the Company Law and Guidelines for Articles of Association of Listed Companies as follows:

1. First paragraph of Article 105:

Original: The Company shall establish a board of directors consisting of 11 directors of which 7 are shareholder's representative directors and 4 are independent directors. No employee representatives are to be appointed as directors in the current session of the board of directors. The board of directors shall consist of 1 chairman and 3 vice chairmen.

Amended to: The Company shall establish a board of directors consisting of 11 directors of which 4 are independent directors. The board of directors shall consist of 1 chairman and 1 to 3 vice chairmen as necessary.

Reason for amendment: to perfect corporate governance

2. **Article 110:**

Original: The board of directors shall be accountable to the shareholders' general meeting and shall exercise the following functions and powers:

- (1) To convene the shareholders' general meeting and to report on its work to the shareholders' general meeting;
- (2) To execute the resolutions of the shareholders' general meeting;
- (3) To decide on the business plans and investment solutions of the Company;
- (4) To formulate the annual financial budgets and final accounts of the Company;
- (5) To formulate the plans for profit distribution and indemnification for losses of the Company;
- (6) To formulate plans for the increase or reduction in the registered capital of the Company and for the issue of Company debentures or other securities and listing schemes;
- (7) To propose plans for the Company's major acquisitions, the purchase of the Company's stocks or the merger, division or dissolution, change of form of the Company;
- (8) Subject to the scope of authorization of the shareholders' general meeting, to decide on matters including the Company's overseas investment, purchase and disposal of assets, charging of assets, matters in relation to external guarantee, commissioned wealth management, and connected transactions;

APPENDIX 1 PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

- (9) To determine the establishment of the Company's internal management organization;
- (10) To appoint or dismiss the President of the Company, Secretary of the board of directors; appoint or dismiss members of the senior management including the Company's Senior Vice President, Vice President and Financial Director according to the nomination of the President, and determine matters in relation to their remunerations and sanctions;
- (11) To forthwith apply for judicial order to freeze the Company's shares held by any substantial shareholders, persons in actual control and their associates who are found by the board of directors to be invading the assets of the Company. If the invasion of the assets of the Company could not be repaid in cash, repayment should be made by realization of shares. Depending on the seriousness of the case, the persons directly responsible for the assistance or connivance to the invasion of the Company's assets shall be punished accordingly whereas directors who are in grave liability shall be dismissed;
- (12) To formulate the basic management system of the Company;
- (13) To formulate proposals for amendment of the Articles of Association of the Company;
- (14) To manage the disclosure of information of the Company;
- (15) To seek the shareholders' approval in the general meeting for the appointment or change of the accounting firm for the Company's audit;
- (16) To consider and review the working report and the work of the President of the Company;
- (17) To perform other duties and exercise other powers which are set out in laws, administrative regulations, department rules or the Articles of Association, as well as other duties or powers as authorized by the shareholders' general meeting.

Resolutions by the board of directors on matters referred to in the preceding paragraphs may be passed by the affirmative votes of more than half of the directors with the exception of resolutions on matters referred to in items (6), (7), (8), (13) which shall require the affirmative votes of more than two-thirds of the directors.

The board of directors has several committees under its control, and their duties, powers and functions are authorized by the board of directors according to relevant regulations and the Articles of Association of the Company.

Amended to: The board of directors shall be accountable to the shareholders' general meeting and shall exercise the following functions and powers:

- (1) To convene the shareholders' general meeting and to report on its work to the shareholders' general meeting;
- (2) To execute the resolutions of the shareholders' general meeting;

APPENDIX 1 PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

- (3) To decide on the business plans and investment solutions of the Company;
- (4) To formulate the annual financial budgets and final accounts of the Company;
- (5) To formulate the plans for profit distribution and indemnification for losses of the Company;
- (6) To formulate plans for the increase or reduction in the registered capital of the Company and for the issue of Company debentures, or other securities and listing schemes;
- (7) To propose plans for the Company's major acquisitions, the purchase of the Company's stocks or the merger, division or dissolution, change of form of the Company;
- (8) Subject to the scope of authorization of the shareholders' general meeting, to decide on matters including the Company's overseas investment, purchase and disposal of assets, charging of assets, matters in relation to external guarantee, commissioned wealth management, and connected transactions;
- (9) To determine the establishment of the Company's internal management organization;
- (10) To appoint or dismiss the President of the Company, Secretary of the board of directors; appoint or dismiss members of the senior management including the Company's Senior Vice President, Vice President and Financial Director according to the nomination of the President, and determine matters in relation to their remunerations and sanctions;
- (11) To forthwith apply for judicial order to freeze the Company's shares held by any substantial shareholders, persons in actual control and their associates who are found by the board of directors to be invading the assets of the Company. If the invasion of the assets of the Company could not be repaid in cash, repayment should be made by realization of shares. Depending on the seriousness of the case, the persons directly responsible for the assistance or connivance to the invasion of the Company's assets shall be punished accordingly whereas directors who are in grave liability shall be dismissed;
- (12) To formulate the basic management system of the Company;
- (13) To formulate proposals for amendment of the Articles of Association of the Company;
- (14) To manage the disclosure of information of the Company;
- (15) To seek the shareholders' approval in the general meeting for the appointment or change of the accounting firm for the Company's audit;
- (16) To consider and review the working report and the work of the President of the Company;
- (17) To perform other duties and exercise other powers which are set out in laws, administrative regulations, department rules or the Articles of Association, as well as other duties or powers as authorized by the shareholders' general meeting.

APPENDIX 1 PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Resolutions by the board of directors on matters referred to in the preceding paragraphs may be passed by the affirmative votes of more than half of all directors with the exception of resolutions on matters referred to in items (6), (7), (8), (13) which shall be passed by more than half of all directors and the affirmative votes of more than two-thirds of all directors present in the meeting.

The board of directors has several committees under its control, and their duties, powers and functions are authorized by the board of directors according to relevant regulations and the Articles of Association of the Company.

Reason(s) for amendment: to perfect corporate governance

3. Fourth paragraph of Article 112:

Original: Any external guarantees (including but not limited to pledges, liens or guarantees of assets) provided in any one of the circumstances as stipulated in article 62 of this Articles and Association shall be approved by the shareholder's general meeting. Any provisions of external guarantees not falling within Article 62 shall be approved by the board of directors, which shall only be approved with the consent of more than two-thirds of the directors present in the board meeting and the consent of more than two-thirds of all of the independent non-executive directors or approved by the approval of the shareholders' general meeting. The Company is prohibited to grant any external guarantees without the approval of the board of directors or the shareholder's general meeting.

Amended to: Any external guarantees (including but not limited to pledges, liens or guarantees of assets) provided in any one of the circumstances as stipulated in article 62 of this Articles and Association shall be approved by the shareholder's general meeting. Any provisions of external guarantees not falling within Article 62 shall be approved by the board of directors, which shall only be approved with the consent of more than two-thirds of all directors present in the meeting and passed by more than half of all directors or approved by the approval of the shareholders' general meeting. The Company is prohibited to grant any external guarantees without the approval of the board of directors or the shareholder's general meeting.

Reason(s) for amendment: to perfect corporate governance

Would the shareholders please consider and approve.

Zijin Mining Group Co., Ltd.*

Biographical details of the candidates proposed to be elected as Directors and Supervisors are set out as follows:

EXECUTIVE DIRECTORS

Mr. Chen Jinghe, aged 52, chairman, president, chief engineer of the Company. He is currently a professor grade senior engineer, a specialist who enjoys a special allowance from the State Council, a delegate to the Tenth People's Congress of Fujian province, chairman of chairman group of China Mining Association, and the vice president of the China Gold Association. Mr. Chen graduated from Fuzhou University with a bachelor's degree in geology in 1982 and obtained an EMBA degree from Xiamen University. He was a team head of Minxi Geology Division from 1986 to 1992, major founder and organiser for exploration of Zijinshan Gold and Copper Mine. He was the chairman and general manager of the Company from August 1993 to August 2000. In August 2000, he was appointed as chairman of the Company. Mr. Chen, the major leader in the development process of the Company, specialises in mine exploration, evaluation and exploitation management. He was awarded the "National Scientific Advancement Award", several awards from the province and ministry, and several national invention patents.

Mr. Luo Yingnan, aged 52, vice-chairman of the Company, and a professor grade senior engineer. He graduated from Fuzhou University with a bachelor's degree in geology in 1982. Mr. Luo was the head of the Geological Unit for the Second Team of the Second Geological Prospecting Bureau under the Ministry of Metallurgy and the manager of Longyan Metallurgy Industry Company. Mr. Luo was appointed as an executive director and a general manager of the Company from August 2000 to August 2006; and was appointed as the vice-chairman of the Company in August 2006. Mr. Luo has extensive experiences in geology exploration, mine evaluation and operation of mining enterprises.

Mr. Liu Xiaochu, aged 62, vice-chairman of the Company and a supervisor of Hunan Nonferrous Metals Corporation Limited, which listed on the Hong Kong Stock Exchange in March 2006 and an independent director of Fujian Hong Bo Printing Corporation Ltd. He graduated from Fuzhou University with a bachelor's degree in physics in 1982. Mr. Liu was the division head, deputy department head and department head of the Fujian Economic Reform Commission from December 1986 to December 1999, and during this period, he instructed the reform and listing of enterprises in Fujian. He has been appointed as a director of Xinhua Industrial Group Company Limited since December 1999. Mr. Liu was appointed as the vice-chairman of the Company in August 2000. Mr. Liu is familiar with the company law, the listing rules, and the capital market.

Mr. Lan Fusheng, aged 45, executive director, and vice-chairman of the Company. He graduated from Fuzhou University with a bachelor's degree in geology in 1984 and obtained a master's degree in business administration from La Trobe University in 2000. He was the manager of Shanghang County Xinhui Jewellery Company from 1992 to 1994. Mr. Lan joined the Company in 1994 and was appointed as an executive director and a deputy general manager of the Company from August 2000 to August 2006. Mr. Lan has extensive experiences in managing the investment business of enterprises and mining project evaluation, and merger and acquisition. On 2 June 2008, Mr. Lan was appointed as non-executive director and non-executive chairman of an associated company of the Company — Monterrico Metals PLC (was listed on AIM, the UK), the company was delisted on 2 June 2009.

Mr. Huang Xiaodong, aged 54, executive director and senior vice president of the Company. He graduated from the Hefei University of Technology with a specialisation in computing in 1980, and graduated from Xiamen University with an EMBA degree. Mr. Huang has been an engineer of the Computer Science Research Institute in Fujian, and deputy department head and department head of the Science and Technology Committee in Fujian. From 1995 to 2001, he has been the general manager and assistant to the general manager of the corporate department of Huamin (Group) Company Limited, and from 2002 to 2004, he was the deputy general manager of Chinalco (Fujian) Ruimin Company Limited. Mr. Huang has been appointed as the Company's chief economist from February 2005 to August 2006. Mr. Huang has extensive experiences in business management and international operations. On 1 June 2007, Mr. Huang was appointed as executive director and chief executive officer of an associated company of the Company — Monterrico Metals PLC (was listed on AIM, the UK), the company was delisted on 2 June 2009.

Mr. Zou Laichang, aged 41, senior engineer, executive director and senior vice president of the Company. He graduated from Fujian Agriculture and Forestry University Forestry College with a bachelor degree in chemistry in 1990 and obtained an MBA degree in Xiamen University later. Mr. Zou was the head of the production division of the Shanghang County Forestry and Chemical Factory from August 1990 to March 1996. He has worked for the Company as the deputy director of gold refinery, the deputy head of the institute of mining and refining design and research, the deputy chief engineer, and chief engineer, since March 1996. Mr. Zou specialises in hydrometallurgical process, and is one of the major science and technology innovators, and gained several awards from the province and ministries.

NON-EXECUTIVE DIRECTOR

Mr. Peng Jiaqing, aged 64, non-executive director of the Company. Mr. Peng is a senior economist, and the vice chairman of the Fujian Technology Economic and Modernization Management Association. Mr. Peng graduated from Fujian Normal University major in Chinese linguistics in 1968, Mr. Peng has been a chief secretary of Liupanshui Guizhou provincial government, deputy branch manager of Xiamen branch, branch manager of Zhangzhou branch and deputy office supervisor of Fujian provincial branch of Industrial and Commercial Bank of China. Mr. Peng was appointed as a non-executive director of the Company in June 2008.

Save as disclosed in this circular and as at the date of this announcement, Mr. Chen Jinghe, Mr. Liu Xiaochu, Mr. Luo Yingnan, Mr. Lan Fusheng, Mr. Huang Xiaodong, Mr. Zou Laichang and Mr. Peng Jiaqing (collectively, the "Directors Candidates") have not held any directorships in other listed public companies in the last three years, do not hold any other position with the Company or any of its subsidiaries and is not related to any directors, senior management or substantial or controlling shareholders of the Company.

None of the Directors Candidates has been penalised by the China Securities Regulatory Commission or other relevant departments and stock exchanges.

INTERESTS AND SHORT POSITION OF DIRECTORS AND CHIEF EXECUTIVE IN THE
ISSUED SHARES OF THE COMPANY

- (1) As at 8 September 2009, being the latest practicable date, Shareholding in the Company held by Directors:

Director	Number of Domestic Shares/amount of Equity interest held	Nature of Interest	Long/short positions	Proximate percentage of shareholding in such class of securities	Proximate percentage of shareholding in the registered capital
Chen Jinghe	87,000,000	Personal	Long	0.83%	0.60%
Liu Xiaochu	4,828,350	Personal	Long	0.05%	0.03%
Luo Yingnan	5,000,000	Personal	Long	0.05%	0.03%
Lan Fusheng	5,000,000	Personal	Long	0.05%	0.03%
Zou Laichang	1,000,000	Personal	Long	0.01%	0.01%

Save as disclosed herein above, each of Mr. Chen Jinghe, Mr. Liu Xiaochu, Mr. Luo Yingnan, Mr. Lan Fusheng, Mr. Peng Jiaqing, Mr. Huang Xiaodong and Mr. Zou Laichang (collectively, the “Directors Candidates”) does not have any interest in the shares of the Company within the meaning of Part XV of SFO as at the date hereof. Save as disclosed above, there were no relationships between the above candidates themselves or between the above candidates and the senior management, substantial shareholders or controlling shareholders of the Company.

The Directors Candidates, once elected at the EGM, will enter into a service contract and/or appointment letter with the Company for a term of three years commencing on the date of the EGM and expiring on 4 November 2012. The remuneration of the Directors Candidates will be determined by the Board in accordance with the proposed remunerations of Directors and Supervisors of the fourth term of Board of Directors and Supervisory Committee to be approved in this EGM, and the terms and conditions of the said service contract and/or appointment letters having regard to their duties and responsibilities with the Company, the Company’s remuneration policy, and the Company’s results appraisal. For the year ended 31 December 2008, Mr. Chen Jinghe, Mr. Liu Xiaochu, Mr. Luo Yingnan, Mr. Lan Fusheng, Mr. Peng Jiaqing, Mr. Huang Xiaodong, and Mr. Zou Laichang received a basic annual remuneration of RMB2,431,100, RMB2,395,800, RMB3,526,700, RMB2,234,400, RMB112,500, RMB1,002,000 and RMB1,929,600 respectively. Further announcement will be issued once their new remuneration is determined.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Su Congfu, aged 63, is an independent non-executive director of the Company. He is also a professor grade senior engineer, former deputy director of Anhui Metallurgy Department, and manager of Anhui Gold Company, former head of the Metallurgy Department of Anhui Economics and

Commerce Committee, and assistant inspector of the Bureau of Work Safety in Anhui. Mr. Su graduated from Beijing Steel Institute with a mining specialisation. He was the chief of Anqing Copper Mine, and assistant to the general manager of Tongling Non-ferrous Metal Group Company. He is dedicated to mining and processing, refining, producing and managing in the steel, non-ferrous metal and gold industries and he has substantial management experience in mining enterprises and has a high operational standard.

Mr. Chen Yuchuan, aged 75, an independent non-executive director of the Company, researcher, supervisor of doctoral students, and academician of the Chinese Academy of Engineering. Mr. Chen graduated from Donetsk Polytechnic University of the former Soviet Union in 1959, majoring in geology exploration. He was the chief engineer in the former geology and mine ministry, and head of the Chinese Academy of Geology Sciences, vice-chairman of the International Association on the Genesis of Ore Deposits, member of the course evaluation team for the State Council Degree Committee, part-time professor of Beijing University and Nanjing University, and member of the 9th National People's Political Consultative Conference. Currently, Mr. Chen is appointed as director of the Science Committee for the Chinese Academy of Geology Sciences, head of the Mine and Geology Specialist Committee, Mr. Chen dedicates himself to deposit geology, geochemistry, regional metallogeny rules, estimation of metallogeny, and mine exploration. Mr. Chen is a famous geology specialist in the world.

Mr. Lin Yongjing, aged 66, is an independent non-executive director of the Company. He is also a senior accountant, a registered certified public accountant ("CPA"), and a registered valuer. He graduated from Xiamen University with an accounting specialisation in July 1967. He was formerly the director and chief accountant of the Fujian Huaxing Certified Public Accountants. He was the head of Fujian Appraisal Centre, the director of the Fujian State-owned Property Bureau, and vice chief-officer of Fujian Provincial Financial Bureau, committee member of the 7th Provincial People's Political Consultative Conference of Fujian. He currently is the chairman of the Fujian State-owned Assets Management Association, vice-chairman of Fujian Listing Enterprises Association, expert specially invited by National State-owned Property Management Committee, senior member of China Appraisal Society. In June 2005, he was appointed as an independent director of Fujian Sanmu Group Company Limited (A Share Company), and in October 2005, he was appointed as an independent director of Fujian Mindong Power Company Limited (A Share Company). In May 2007, he was appointed as an independent director of Hainan Zhenghe Industrial Group Co., Ltd. (A Shares). Mr. Lin is an expert in finance, audit and asset management.

Mr. Wang Xiaojun, Chinese, aged 54, graduated from Chinese Academy of Social Sciences in 1986 with a master degree in law. He is a lawyer qualified in China, Hong Kong and the United Kingdom. Mr. Wang was a lawyer in Beijing from 1986 to 1988, he was seconded by the Ministry of Justice of the PRC to a law firm in the United Kingdom as a consultant of PRC laws in 1988. He joined The Stock Exchange of Hong Kong Limited in 1992, From 1993 to 1996, he worked with Richards Butler. In 1996 he served as an associate director of BNP Paribas Peregrine Capital Ltd. From 1997 to 2001, he served as a director of ING Barings Investment Bank. In 2001 he established X.J. Wang & Co., and in 2004 X.J. Wang & Co., became in association with Jun He Law Offices. Mr. Wang Xiaojun completed and participated in many transactions and cases, including direct investment, joint

venture, company listing and acquisition and merger. He was an independent non-executive director of Yanzhou Coal Mining Company Limited from 2001 to 2007. He currently is as an independent non-executive director of Oriental Patron Financial Investments Limited, Guangzhou Shipyard International Company Limited and NORINCO International Company Limited.

Save as disclosed above and as at the date of this announcement, Mr. Chen Yuchuan, Mr. Lin Yongjing, Mr. Su Congfu and Mr. Wang Xiaojun (collectively, the “Independent Non-executive Directors Candidates”) have not held any directorships in other listed public companies in the last three years, do not hold any other position with the Company or any of its subsidiaries and is not related to any directors, senior management or substantial or controlling shareholders of the Company. None of the Independent Non-executive Directors Candidates have any other interest in the shares of the Company or its associated companies within the meaning of Part XV of SFO as at the date of this announcement.

None of the Independent Non-executive Directors Candidates has been penalised by the China Securities Regulatory Commission or other relevant departments and stock exchanges.

The above Independent Non-executive Directors Candidates, once elected at the EGM, will enter into a service contract and/or appointment letter with the Company for a term of three years commencing on the date of the EGM and expiring on 4 November 2012. For the year ended 31 December 2008, Mr. Chen Yuchuan, Mr. Lin Yongjing, Mr. Su Congfu and Mr. Loong Ping Kwan received an annual salary of RMB150,000, RMB150,000, RMB150,000, and RMB150,000 respectively. The remuneration of the Directors Candidates will be determined by the Board in accordance with the proposed remunerations of Directors and Supervisors of the fourth term of Board of Directors and Supervisory Committee to be approved in this EGM, and the terms and conditions of the said service contract and/or appointment letters having regard to their duties and responsibilities with the Company, the Company’s remuneration policy, and the Company’s results appraisal.

Since Mr. Loong Ping Kwan has continuously been appointed as independent non-executive director of the Company for two terms. In accordance with the related PRC laws and regulations, Mr. Loong cannot be nominated for re-election. Mr. Loong has confirmed that there is no disagreement with the Board and there are no matters relating to the non-nomination which need to be brought to the attention of the Shareholders of the Company.

SUPERVISORS

Mr. Lin Shuiqing, aged 45, tertiary educated. He was a teacher from August 1982 to September 1991. From September 1991 to March 1998, he was a staff, head of staff, deputy director and director of the Shanghang Committee Office, and deputy director of Shanghang County Communist Party Construction Office. From March 1998 to May 2002, he was a deputy secretary, head of town and secretary of Zhongdu Town of Shanghang County Communist Party. From June 2002 to May 2006, he was a director of Shanghang County Communist Party office, committee member of the Shanghang

County Communist Party and concurrently the director of the same in office. From May 2006 to August 2009, he was a committee member of the Shanghang County Communist Party, director of Shanghang County Tongzhanbu and Secretary of Shanghang County Non State-owned Economic Working Committee. Mr. Lin has resigned as a civil servant.

Mr. Xu Qiang, aged 58, tertiary educated, is a supervisor and vice-chairman of the Supervisory Committee. He is a senior accountant, registered CPA, registered valuer and a chief accountant of Fujian Huaqiang Limited Liability Accountants' Firm. He has been the deputy director of Fujian Huaxing Accountants' Firm and the director of Fujian Asset Valuation Centre. Mr. Xu was appointed as a supervisor of the Company in August 2000.

Mr. Lin Xinxi, aged 47, tertiary educated. From January 1980 to May 1987, he engaged accounting work with the supply and sales department of the Shanghang County. From October 1987 to July 1999, he was the officer, deputy manager, manager and secretary of division party of Shanghang County Agricultural Company. From July 1999 to July 2002, he was a committee member and secretary of the disciplinary council of Diantian Town of Shanghang County Communist Party. From August 2002 to October 2008, he was an inspector, member, and deputy secretary of the disciplinary council of Shanghang County Communist Party, and a committee member of the 15th Committee of the People's Congress of Shanghang County. From October 2008 to August 2009, he was the deputy secretary of Shanghang County Communist Party, a committee member of the 15th Committee of the People's Congress of Shanghang County and the chairman of supervisory committee of Minxi Xinghang State-owned Assets Investment Company Limited. Mr. Lin has resigned as a civil servant.

The biographical details of the Supervisors representing the staff and workers will be announced before the convention of the EGM.

INTERESTS AND SHORT POSITION OF SUPERVISORS IN THE ISSUED SHARES OF THE COMPANY

- (1) As at 8 September 2009, being the latest practicable date, Shareholding in the Company held by Supervisor:

Supervisor	Number of Domestic Shares/amount of Equity interest held	Nature of Interest	Long/short positions	Proximate percentage of shareholding in such class of securities	Proximate percentage of shareholding in the registered capital
Lan Liying	670,000 ^(note 1)	Personal	Long	0.01%	0.01%

Note 1

Our Supervisor Ms. Lan Liying holds 500,000 Domestic Shares in the Company, and her husband Mr. Lan Dongwen holds 170,000 Domestic Shares in the Company, Ms. Lan Liying is accordingly deemed as being interested in such shares under Section 316 of the SFO, therefore, Ms. Lan Liying holds 670,000 Domestic Shares in total.

Save as disclosed above, none of Mr. Lin Shuiqing, Mr. Xu Qiang, and Mr. Lin Xinxi (collectively, the “Supervisor Candidates”) has any interest in the shares of the Company within the meaning of Part XV of SFO. Save as disclosed above, there were no relationship between the Supervisor Candidates themselves or between the Supervisor Candidates and senior management, substantial shareholders or controlling shareholders of the Company.

The Supervisor Candidates, once elected at the EGM, will enter into a service contract or appointment letter with the Company for a term of three years commencing on the date of the EGM and expire on 4 November 2012. The remuneration of the Supervisor Candidates will be determined by the Board in accordance with the proposed remunerations of Directors and Supervisors of the fourth term of Board of Directors and Supervisory Committee to be approved in this EGM, and the terms and conditions of the said service contract or appointment letter having regard to their duties and responsibilities with the Company, the Company’s remuneration policy, and the Company’s results appraisal. For the year ended 31 December 2008, each of Mr. Xu Qiang, Mr. Lin Jintian, Ms. Lan Liying and Mr. Zhang Yumin received annual salary of RMB120,000, RMB436,400, RMB339,700 and RMB188,800. Further announcement will be issued once their remuneration is determined.

Mr. Lin Jintian and Ms. Lan Liying will not act as Supervisors after the end of the third term of Supervisory Committee. Mr. Lin Jintian and Ms. Lan Liying have confirmed that there is no disagreement with Board and Supervisory Committee and there are no matters relating to the non-nomination which need to be brought to the attention of the Shareholders of the Company.

POSITIONS HELD BY DIRECTORS AND SUPERVISORS CANDIDATES IN THE SUBSIDIARIES OF THE GROUP AS AT THE DATE HEREOF

Name	Company Name	Position
Mr. Luo Yingnan	Zijin Mining Group South-west Co., Ltd.	Director
Mr. Lan Fusheng	Zijin International Mining Co., Ltd.	Director
Mr. Lan Fusheng	Best Ground Group Ltd.	Director
Mr. Lan Fusheng	China Gold Development Group (H.K.) Ltd.	Director
Mr. Lan Fusheng	Kingbao Mining Ltd.	Chairman
Mr. Lan Fusheng	Fujian Jinshan Investment Co., Ltd.	Chairman
Mr. Zou Laichang	Kingbao Mining Ltd.	Director
Mr. Huang Xiaodong	Gold Enhance International Ltd.	Director
Mr. Huang Xiaodong	Gold Mountains (H.K.) International Mining Co., Ltd.	Chairman
Mr. Huang Xiaodong	Super Winner Overseas Limited	Director

APPENDIX 2**PARTICULARS OF DIRECTORS AND SUPERVISORS CANDIDATES TO BE ELECTED**

Name	Company Name	Position
Mr. Huang Xiaodong	Golden Island Resource (BVI) Limited	Director
Mr. Huang Xiaodong	Jinfeng (HK) International Mining Co., Ltd.	Director
Mr. Huang Xiaodong	Fujian Jinshan Investment Co., Ltd.	Director

Save as disclosed above, none of the Directors, Supervisors, and the chief executive or their associates has any interest in the securities of the Company or its associated company (as defined in the Part XV of SFO) as at the date hereof. None of the Directors, Supervisors and chief executive or their spouse or children under the age of 18 years is holding any option to subscribe securities of the Company, or has exercised any such option.

Save as disclosed above, no arrangement has been entered into between the Company or its holding company or its subsidiaries, which will allow the Directors, Supervisors or chief executive of the Company to be benefited by acquiring the shares or debentures of the Company or other body corporate.

Save as disclosed above, there are no other matters relating to the candidates for the election of Directors and Supervisors, that need to be brought to the attention of the Shareholders and there is no other information relating to the candidates for Directors and Supervisors which is required to be disclosed pursuant to any of the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules.

Dear Shareholders,

In order to ascertain the remunerations to the members of the fourth term of Board of Directors and Supervisory Committee, to establish a scientific, standardised and unified performance appraisal system and use it as a basis of remuneration realization, effective implementation of motivation and restrictions, management and supervision, so as to improve the Company's results and its core competitiveness, to fully motivate the enthusiasm and responsibility of the Directors and Supervisors, the Board establishes the remuneration proposal for the fourth term of the Board and Supervisory Committee. Details are as follow:

1. Principles

To put efficiency as top priority and give consideration to fair and equitable;

To determine the remuneration in accordance with their contributions to the enterprise; and

To match the responsibilities, rights and interests and to match the short term interests and long term interests.

2. Target of Remunerations

Chairman of the Company (legal representative);

Executive directors, Chairman of the Supervisory Committee; and

Annual allowance for non-executive directors, independent non-executive directors and supervisors.

3. Remuneration of the Chairman

The remuneration comprises basic annual salary and annual incentive salary.

(1) *Basic annual salary*

Basic annual salary of chairman is RMB420,000 per year.

(2) *Annual Incentive Salary*

- (i) Immediate part of annual incentive salary = (Company's profit after tax for the current year - Company's net asset of last year end x 6%) x 0.15% x appraisal factor x 40%

(Company's profit after tax for the current year represents the Group's profit attributable to equity holders of the parent in the consolidated statement as prepared in accordance with China Accounting Standards, similarly hereinafter)

(Company's net assets of last year end represents the Group's equity attributable to equity holders of the parent in the consolidated statement as prepared in accordance with China Accounting Standards, similarly hereinafter)

(ii) *Option bonus: bonus virtual shares*

Number of virtual shares = (Company's profit after tax for the current year - Company's net asset of last year end x 6%) x 0.15% x appraisal factor x 60% / Company's net assets per share (equity attributable to equity holders of the parent, similarly hereinafter) in the audited consolidated statements as at the end of the current year.

If there is no renewal of the term of service or the chairman resigned prior to the end of term of service, the number of virtual shares will be calculated by the latest announced financial figures before his resignation and the time factor.

The virtual shares have the same interests and bear the same risk as ordinary shares; entitled to the dividend and bonus issue, but not entitled to the voting rights and in the participation of placement. If there is a placement, virtual shares should be appropriately adjusted in accordance with the net asset amount after placement, and it cannot be transferred and pledged.

A special account will be opened for keeping the option bonus.

4. Remuneration review and realization

- (1) Annual salary will be reviewed and confirmed annually, in general, the review should be finished by the first quarter of the following year, the confirmation of operation results will be based on the annual audit report. The nomination and remuneration committee will be responsible for the appraisal and the nomination of appraisal method.
- (2) The appraisal factor of the annual incentive salary can be varied in the range of 25% up or down of the countable annual incentive salary and to be booked in the administrative expense after approval obtained in general meeting.
- (3) The receipt of basic annual salary and annual incentive salary during the term of service, the receiver will be responsible the personal income tax.
- (4) Distribution of basic annual salary and annual incentive salary
 1. Basic annual salary will be divided by 12 months and paid monthly.

2. Calculation and distribution of annual incentive salary.
 - (1) Calculation and distribution of immediate part of the annual incentive salary: the immediate part of the annual incentive salary will be calculated on a basis of the method under the heading of immediate part of annual incentive salary mentioned above, and will distribute to the operator within the month following the completion of the annual appraisal; if there is no renewal of term of service, the immediate part of annual incentive salary will be distributed within 3 months after the appraisal.
 - (2) Calculation and realization of the option bonus: the amount of option bonus is equal to the number of virtual shares x net assets per share;

Net assets per share will base on the financial figures of the year prior to the realization year.

Realization method: after left the offices, the conversion of virtual shares into net assets value and realization will be carried in 3 years based on a ratio of 40%: 30%; 30% respectively.

5. Obligation

- (1) Any resignation that is due to breach of contract or improper reasons without an approval from the general meeting, its accumulated option bonus shall not be realized, and shall be used to set off the administrative expense of the Company.
- (2) The shareholders in general meeting shall have the right to terminate the appointment contract prior the expiry with those persons who cannot cope with corporate development, or make substantial mistake in decision and management which leads to a substantial loss of the Company. Those persons shall be investigated in accordance with the Company law, the relevant law and regulations and Articles of Association and their annual incentive salary of that year shall be cancelled.
- (3) Apart from receiving the annual salary, if he serves as a director or supervisor concurrently in any subsidiary or an associate company and receives additional allowance. He needs to report to the Board where the Board shall review his additional allowance together with his annual salary.
- (4) During the term of service, in the event that he violates any regulations, Articles of Association or make any false statement and take any improper action to obtain the annual incentive salary when executing his duties, his annual incentive salary shall be cancelled.

6. Remuneration of the executive directors and chairman of the supervisory committee

Remuneration comprises executive director's basic annual salary, Chairman of Supervisory Committees basic annual salary and annual incentive salary.

(1) Basic annual salary

The basic annual salary of each executive director and chairman of the supervisory committee shall be RMB300,000 per year.

(2) Annual incentive salary

Calculation of the annual incentive salary:

Total amount of the annual incentive salary = (Company's Net profit after tax for the current year - Company's net assets of last year x 6%) x 0.075% x number of employed x duration of service x appraisal factor.

Distribution of the annual incentive salary will be proposed by the Chairman of the board of directors, reviewed by nomination and remuneration committee and approved by the general meeting.

The annual incentive salary comprises 50% immediate bonus and 50% option bonus. A special account will be opened for keeping the option bonus.

- (3) Reference is made to the above-mentioned relevant regulations to the Chairman in respect of the obligation, option conversion, option realization etc.
- (4) Basic annual salary of Directors and Chairman of Supervisory Committee shall be divided by 12 months and paid monthly, the annual incentive salary shall be calculated after annual audit and appraisal.

7. Allowance for directors and supervisors

- (1) Annual allowance for an independent non-executive director and a non-executive director is RMB150,000 per year, distributed and calculated monthly.
- (2) Annual allowance for vice chairman of supervisory committee is RMB120,000 per year, distributed and calculated monthly; annual allowance for each of other supervisors is RMB72,000 per year, distributed and calculated monthly.
- (3) In addition to the above allowance, daily duty allowance for each of non-executive directors and independent non-executive directors is RMB1,200 respectively and daily duty allowance for each of vice chairman of supervisory committee is RMB1,000.

8. On top of the total annual incentive salary calculated by the above annual incentive salary proposal, in view of the board's performance and operational performance and by reference to the opinion of the nomination and remuneration committee, shareholders in general meeting can determine the total amount of annual incentive salary within the range of 25% up or down and to evaluate the remuneration of each executive director. The annual remuneration of the directors and supervisors shall be determined in the general meeting.
9. The executive directors, the Chairman of the supervisory committee and the senior management of the Company shall be entitled to receive allowance when they retire, resign or are transferred to another position, the specific requirements are stated in Appendix A "Policy of allowance for the retirement, resignation and position transfer for executive directors, the Chairman of the supervisory committee and the senior management of Zijin Mining Group Co., Ltd."

An additional service allowance of RMB20,000 per year shall be paid to any resigned or retired independent non-executive director or non-executive director when he has completed the term of service. A full year additional service allowance shall be paid if his service period is more than 9 months but less than a year. RMB10,000 of additional service allowance shall be paid if his service period is more than 3 months but less than a year. Each supervisor other than the Chairman of the supervisory committee shall be paid an additional service allowance of RMB15,000 per year when he completed the term of service. A full year additional service allowance shall be paid if his service period is more than 9 months but less than a year. RMB7,500 of additional service allowance shall be paid if his service period is more than 3 months but less than a year.

The length of service of the independent non-executive directors, non-executive director and others supervisors other than the Chairman of the supervisory committee should be counted from their time of appointment of the relevant positions in the Company since 2001.

10. The execution period of this proposal applies for the service period of the fourth term of board of directors and supervisory committee. The confirmation and realization of incentive salary of the third term of board of directors and supervisory committee upon their completion of term of service will also base on this proposal. The execution period in Appendix A "Policy of allowance for the retirement, resignation and position transfer for executive directors, the Chairman of the supervisory committee and the senior management of Zijin Mining Group Co., Ltd." shall be based on each of their required execution period.
11. This proposal will be executed after the approval in the general meeting.
12. Any annual remuneration and allowance in this proposal are tax included; the personal income tax will be withhold and paid by the Company.

Please consider and approved.

Appendix A “Policy of allowance for the retirement, resignation and position transfer for executive directors, the Chairman of the supervisory committee and the senior management of Zijin Mining Group Co., Ltd.”

Policy of allowance for the retirement, resignation and position transfer for executive directors, the Chairman of the supervisory committee and the senior management of the Company is as follows:

1. Targets of allowance for the retirement, resignation and position transfer

The executive directors, Chairman of the supervisory committee, president (general manager), vice president (deputy general manager), part time vice president, financial controller, secretary to the board etc.

2. Conditions for the grant

- i. Apply for retirement in the term during which he meets the statutory retirement age with approval from the Board;
- ii. Completed the term of service and being transferred to a non senior management position or resigned;
- iii. Resigned due to health reasons.

Resignation with extraordinary reasons during the term of service, no allowance will be paid even if approved by board of directors.

3. Confirmation of the amount of the allowance

- i. The target member who has completed a year service shall enjoy an allowance equal to one month salary. If his service period is more than 9 months but less than a year, he shall be deemed to have completed a full year service. If his service period is more than 3 months but less than a year, a half-month salary shall be paid as an allowance.

The total maximum amount of the allowance shall not exceed the target staff’s total annual salary of the current year.

- ii. “one month salary” shall mean the total annual salary of each appointment of the target staff divided by 12 months.

4. Length of employment period

- i. The length of employment period of the executive directors, Chairman of the supervisory committee who is being approved in the general meeting; and the length of employment period of the vice chairman (deputy general manager), financial controller, secretary to the board who is nominated by the president (general manager) and approved by the Board shall be calculated from their respective appointment dates until the end of the term.

Those who are continuously employed, and transferred among the positions of executive director, Chairman of the supervisory committee, president (general manager), vice president (deputy general manager), part time vice president, financial controller, secretary to the Board, the length of employment period shall be counted continuously among those positions.

- ii. The length of employment period shall be counted since 2001 (According to the “Approval to establish Fujian Zijin Mining Group Co., Ltd.” Min Zheng Ti Gu [2000] No. 22 issued by the People’s Government of Fujian Province on August 2000).
- iii. Those staff members who already retired and resigned in that period can request re-grant of the allowance.

5. Distribution of allowance for those retired and resigned

The allowance can be distributed in the quarter following the approval of the retirement, resignation and position transfer by one installment or installments with reference to their post, and employment period.

6. Miscellaneous

- i. Allowance for retirement, resignation or position transfer is tax-included, the personal income tax shall be withheld and paid by the Company in accordance with the PRC’s regulations.
- ii. This policy shall be executed after being reviewed by the board of directors and approval in the general meeting.
- iii. The board of directors reserves the right of interpretation of this policy.

Dear Shareholders,

In order to satisfy the Company's need in fund for its production and operation, external investment, project construction and to adjust its debts structure and to lower its financing costs and supplement its working capital, after considering and studying the concentrated loan financing in the industry, the Board proposes to issue medium-term notes and short-term notes ("the Issue") publicly in one or multiple tranches in the PRC, and proposes to the general meeting to grant a general and unconditional mandate to the Board by way of a special resolution in order to determine the specific matters in relation to the Issue. Details are as follow:

A. The proposed issue of the medium-term notes and short-term notes

1. Total issued amount: intend to register the issue of medium-term notes and short-term notes with a total aggregate principal amount not exceeding RMB7.5 billion (RMB7.5 billion included) in National Association of Financial Market Institutional Investors ("Association of Institutional Investors"), and issue in one or multiple tranches, partly or wholly in the PRC within the maturity according to the market condition, floating interest rate and the Company's need in fund.
2. Maturity: Not more than 10 years (10 years included) for the medium-term notes; not more than 365 days (365 days included) for the short-term notes.
3. Interest rate: the interest rates of the medium-term notes and short-term notes will be determined by the credit rating of the Company, the demand and supply in the capital market but shall not be higher than the prime borrowing rate of the People's Bank of China in the period.
4. Target investors: Institutional investors in the national inter-bank market
5. Use of proceeds:

The proceeds from the medium-term notes will be used for, including but not limited to, the working capital, repayment of bank loan, external investment, project construction and other fund needs etc.; and

The proceeds from the short-term notes will be used for working capital and repayment of bank loan for working capital and other fund needs etc.
6. Validity of the resolution: the Issue considered and approved in the general meeting will be valid within the maturity of the registration of the medium-term notes and short-term notes.

B. *General mandate*

To ensure the smooth operation of the Issue, the Board is required to seek approval from shareholders in general meeting for granting a general mandate to determine the specific matters in relation to the Issue, includes (but not limited to):

1. To determine the specific terms and conditions of the category of the Issue (proposed combination), time, size, term and interest rate of the Issue (includes but not limited to a specific quantity, amount, price, interest rate or its determination mechanism, place, time, maturity, issue in tranche(s), conditions of re-sell and re-purchase, rating arrangement, the provision of guarantees, the maturity of repayment of the principal and interests, use of proceeds within the scope approved in the general meeting, arrangement of underwriter and other matters in relation to the Issue etc);
2. To take all necessary and related actions and procedures of the Issue (includes but not limited to appoint intermediaries, to apply for approvals, registration and filing to the relevant regulatory authorities in relation to the Issue, to sign all necessary legal documents, to execute the registration and listing procedures of the medium-term notes and short-term notes on behalf of the Company);
3. To approve, confirm and rectify any actions and procedures of the Issue adopted by the Board;
4. If there is any changes in regulatory policy or market conditions, except for the matters that need to be voted at the general meeting as stated in the relevant laws, regulations and the Articles of Association, the Board can make appropriate adjustments to the specific plan of the Issue in accordance with the opinions of the regulatory authorities;
5. To disclose the relevant information pursuant to the requirements of regulatory authorities; and
6. To deal with other specific matters in relation to the issue of medium-term notes and short-term notes.

The items (1) to (4) of the above mandate will be valid within the registered maturity of the medium-term notes and short-term notes after the resolution is considered and approved at the general meeting, the items (5) to (6) of the above mandate will be valid in its relevant period.

Please consider and approve.