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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
DISCLOSEABLE TRANSACTION
SALE OF EQUITY INTEREST OF A NON-WHOLLY OWNED SUBSIDIARY**

The Board of the Company is pleased to announce that its wholly owned subsidiary, Best Ground Group entered into the Agreement with Marigold Time International on 25 September 2009 to dispose of shares ("Sale Shares") representing 70% equity interest held and owned by it in China Gold (the "Transaction").

As the applicable percentage of revenue for the Transaction is more than 5% but less than 25%, the Transaction constitutes a discloseable transaction of the Company pursuant to Rule 14.09(2) of the Listing Rules.

The Board of the Company is pleased to announce that its wholly owned subsidiary, Best Ground Group entered into the Agreement with Marigold Time International on 25 September 2009 to dispose of shares ("Sale Shares") representing 70% equity interest held and owned by it in China Gold (the "Transaction"). The principal terms of the Agreement are as follows:

PRINCIPAL TERMS OF THE AGREEMENT

Date: 25 September 2009

Parties:

1. Best Ground Group, a company incorporated in the British Virgin Islands with limited liability and a wholly owned subsidiary of the Company, is principally engaged in investment holding. It holds 70% interest in China Gold. China Gold's only asset is 50.05% equity interest in a jointly-controlled entity, Guoda Gold. Guoda Gold is principally engaged in gold smelting business in Shangdong Province, the PRC; and
2. Marigold Time International, is a company incorporated in the British Virgin Islands with limited liability and the company is principally engaged in investment holding.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Marigold Time International and its ultimate beneficial owner are not connected persons (as defined in the Listing Rules) of the Company.

According to the audited report prepared under the PRC generally accepted accounting principles, as at 31 December 2008, Guoda Gold's total value of assets is RMB848,909,601. Its total net asset value is RMB 375,775,915. Its net profit before tax and other business items is RMB 103,040,032 and its net profit after tax and other business items is RMB 85,169,435. For the year ended 31 December 2007, its net profit before tax and other business items is RMB 63,042,472 and its net profit after tax and other business items is RMB 51,805,608.

Consideration:

Pursuant to the Agreement, Marigold Time International agreed to pay a total consideration (the "Consideration") of RMB 192.50 million by installments as follows:

1. A non-refundable deposit in the amount of RMB 20 million of the Consideration is payable to Best Ground Group on the date of the Agreement; and
2. The balance of the Consideration in the amount of RMB 172.50 million and the contingent liabilities to the extent not discharged (as elaborated below) not exceeding the amount of RMB 100 million is payable to Best Ground Group by cash on or before the completion date (in any event no later than 30 December 2009).

The Consideration of the transaction was arrived at after arm's length negotiations between the parties thereto and on normal commercial terms with reference to cost of acquisition and its net asset value. The original cost of acquisition was US\$20,000,000.

It is estimated that the gain in the disposal of Sale Shares is approximately RMB 35,000,000. The Company intends to use the proceed as general working capital of the Company.

Contingent Liabilities

Pursuant to the Agreement, Marigold Time International has undertaken unconditionally to procure the release or discharge of the guarantee made by the Company to Guoda Gold, which will not exceed RMB 100 million before the title transfer of the shares.

Conditions Precedent

The completion of the Agreement is subject to the satisfaction of, among others, the following conditions:

1. Marigold Time International having performed the obligation to pay Consideration and discharged its obligations in relation to contingent liabilities; and
2. Marigold Time International's warranties and declarations contained in the Agreement shall be in all material respects true and accurate.

Completion

Completion shall take place with 5 working days after the obligations specified in the conditions precedent of the Agreement are fulfilled, or at such other place or such other date as may be designated by Best Ground Group.

Pursuant to the Agreement, before completion date, Marigold Time International shall pay the balance of the Consideration and the contingent liabilities (to the extent not discharged) to Best Ground Group.

Further, upon completion, China Gold will cease to be a subsidiary of the Company.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Company is principally engaged in the exploration, 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 dispose the smelting business not controlled by the Company and bring a reasonable gain from the investment. Therefore, the Directors consider that the Transaction and the terms of the sale and purchase 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

As the applicable percentage of revenue for the Transaction is more than 5% but less than 25%, the Transaction constitutes a discloseable transaction of the Company pursuant to Rule 14.09(2) of the Listing Rules.

DEFINITIONS

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

“Best Ground”	Best Ground Group Limited (域佳集團有限公司), a wholly-owned subsidiary of the Company, a limited company incorporated in the British Virgin Islands with limited liability
“Board”	the board of Directors
“China Gold”	China Gold Development Group (H.K.) Limited (中國黃金開發集團(香港)有限公司), a private limited company incorporated in Hong Kong and a non-wholly owned subsidiary 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
“Guoda Gold”	Shangdong Guoda Gold Company Limited (山東國大黃金股份有限公司), a joint stock limited company incorporated in the PRC

	and a jointly invested entity of China Gold;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Marigold Time International”	Marigold Time International Limited (金盞時代國際有限公司), a limited company incorporated in the British Virgin Islands with limited liability
“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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	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

Fujian, the PRC, 25 September 2009

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