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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 TRANSACTIONS-INVESTMENT IN A COMPANY

The Board wishes to announce that the Company's subsidiary, Bayannaer Zijin has entered into share purchase agreements (the "Share Purchase Agreements") dated 13 November 2009 with Jinhui Wine, Yate Investment and Hainan Baohui for purchase of 15%, 12.5% and 10% equity interest in Wancheng Commercial respectively. Wancheng Commercial is mainly engaged in mining, process and selling of zinc mine, lead mine, sulfur mine, copper mine and iron mine in the PRC. The Company currently owns and holds 10% equity interest in Wancheng Commercial.

Jinhui Wine currently owns and holds 15% equity interest in Company's subsidiary, Gansu Yate. Jinhui Wine is a connected person of the Company as defined under the Listing Rules. As the ultimate beneficial owner of Jinhui Wine, Yate Investment and Hainan Baohui is Mr. Li Ming, Yate Investment and Hainan Baohui are connected persons of the Company as defined under the Listing Rules. Based on the Listing Rule 14A.13, the transactions between the Company's subsidiary, Bayannaer Zijin, Jinhui Wine, Yate Investment and Hainan Baohui constitute connected transactions of the Company.

As the aggregate applicable percentage ratios in relation to the transactions are more than 0.1% but less than 2.5% in the relevant percentage ratios (as set out in the Listing Rules) except for the profit percentage ratio. The transactions constitute connected transactions of the Company under Rule 14A.32 of the Listing Rules with exemption on the approval from Independent Shareholders and are subject to the reporting and announcement requirements set out in Listing Rules 14A.45 to 14A.47.

SHARE PURCHASE AGREEMENTS

Date: 13 November 2009

Parties:

1. Bayannaer Zijin, a subsidiary of the Company incorporated in the PRC with limited liability, mainly engaged in mining and zinc refinery business in Inner Mongolia. After the completion of the Share Purchase Agreements, Bayannaer Zijin will hold 37.5% equity interest in Wancheng Commercial;
2. Jinhui Wine, a company incorporated in the PRC with limited liability, mainly engaged in wine making and selling business, currently owns and holds 15% equity interest in Wancheng Commercial and 15% equity interest in the Company's subsidiary, Gansu Yate. After the completion of the Share Purchase Agreements, Jinhui Wine will no longer own any equity interest in Wancheng Commercial;

3. Yate Investment, a company incorporated in the PRC with limited liability, mainly engaged in mineral exploration and mining business and currently owns and holds 12.5% equity interest in Wancheng Commercial. After the completion of the Share Purchase Agreements, Yate Investment will no longer own any equity interest in Wancheng Commercial; and
4. Hainan Baohui, a company incorporated in the PRC with limited liability, mainly engaged in real estate, agriculture development, product development of lead, zinc, copper, gold and silver and currently owns and holds 10% equity interest in Wancheng Commercial. After the completion of the Share Purchase Agreements, Hainan Baohui will no longer own any equity interest in Wancheng Commercial.

The Company currently holds and owns 10% equity interest in Wancheng Commercial. Jinhui Wine currently owns and holds 15% equity interest in Wancheng Commercial. Yate Investment currently holds and owns 12.5% equity interest in Wancheng Commercial. Hainan Baohui currently holds and owns 10% equity interest in Wancheng Commercial. Hainan Qianjinda Investment Company Limited currently holds and owns 52.5% equity interest in Wancheng Commercial. After the completion of the Share Purchase Agreements, the Company will own 10% equity interest in Wancheng Commercial. The Company's subsidiary, Bayannaer Zijin will hold 37.5% equity interest in Wancheng Commercial. Hainan Qianjinda Investment Company Limited will own 52.5% equity interest in Wancheng Commercial. Jinhui Wine, Yate Investment and Hainan Baohui will no longer own any equity interest in Wancheng Commercial.

After completion of the Share Purchase Agreements, the Group directly owns 10% equity interest in Wancheng Commercial and will indirectly own 37.5% equity interest in Wancheng Commercial, in total, the Group will control 47.5% equity interest in Wancheng Commercial. Wancheng Commercial will become an associated company of the Company. Equity method will be used to book Wancheng Commercial's performance into the Group's financial statements.

PRINCIPAL TERMS OF THE TRANSACTIONS

General

The Board wishes to announce that the Company's subsidiary, Bayannaer Zijin has entered into share purchase agreements (the "Share Purchase Agreements") dated 13 November 2009 with Jinhui Wine, Yate Investment and Hainan Baohui for purchase of 15%, 12.5% and 10% equity interest in Wancheng Commercial respectively. Wancheng Commercial is mainly engaged in mining, process and selling of zinc mine, lead mine, sulfur mine, copper mine and iron mine in the PRC. The Company currently owns and holds 10% equity interest in Wancheng Commercial.

Wancheng Commercial was incorporated in 30 January 1997 and its current registered capital is RMB12,000,000. Jinhui Wine invested RMB136,624,200 and owns and holds 15% equity interest in Wancheng Commercial. Yate Investment invest RMB12,500,000 and holds and owns 12.5% equity interest in Wancheng Commercial. Hainan Baohui invested RMB10,000,000 and holds and owns 10% equity interest in Wancheng Commercial.

According to an audited financial statements prepared under the PRC generally accepted accounting principles, as at 31 December 2008, Wancheng Commercial's total asset value was RMB250,025,041 (approximately HK\$284,119,365), its net asset value was RMB84,679,352 (approximately HK\$96,226,536), its profit before tax and extraordinary items was RMB277,705,141 (approximately HK\$315,574,024), and its net profit after tax and extraordinary items was RMB207,532,720 (approximately HK\$235,832,636). As at 31 December 2007, its profit

before tax and extraordinary items was RMB457,584,159 (approximately HK\$519,981,999), and its net profit after tax and extraordinary items was RMB305,700,167 (approximately HK\$347,386,553).

The parties agreed that the undistributed retained earnings of Wancheng Commercial as at 31 August 2009 will be distributed to Jinhui Wine, Yate Investment and Hainan Baohui based on their respective shareholding of 15%, 12.5% and 10% in Wancheng Commercial. After completion of the Share Purchase Agreements, the profit sharing of Wancheng Commercial from 1 September 2009 will be based on the respective proportionate shareholding of each party in the company. The Share Purchase Agreements are expected to be completed not later than 31 December 2009.

Consideration

Pursuant to the Share Purchase Agreements, Bayannaer Zijin will acquire 15% equity interest in Wancheng Commercial from Jinhui Wine with the consideration of RMB42,000,000 (approximately HK\$47,727,273); 12.5% equity interest in Wancheng Commercial from Yate Investment with the consideration of RMB35,000,000 (approximately HK\$39,772,727); 10% equity interest in Wancheng Commercial from Hainan Baohui with the consideration of RMB28,000,000 (approximately HK\$31,818,182), total consideration of the transactions is RMB105,000,000 (approximately HK\$119,318,182). The consideration will be paid in cash from its internal resources.

Pursuant to the Share Purchase Agreements, Bayannaer Zijin will pay 40% (RMB16,800,000, RMB14,000,000 and RMB11,200,000) of the total consideration as the first installment to Jinhui Wine, Yate Investment and Hainan Baohui's designated account respectively within 7 working days from the effective date of the agreements, the total of the first installment is RMB42,000,000. Bayannaer Zijin will pay 40% (RMB16,800,000, RMB14,000,000 and RMB11,200,000) of the total consideration as the second installment to Jinhui Wine, Yate Investment and Hainan Baohui's designated account respectively within 15 working days from the effective date of the agreements, the total of the second installment is RMB42,000,000. Bayannaer Zijin will pay the balance of 20% (RMB8,400,000, RMB7,000,000 and RMB5,600,000) of the total consideration to Jinhui Wine, Yate Investment and Hainan Baohui's designated account respectively within 7 working days from the date of the completion of all the shares transfer procedures, the total of the balance is RMB21,000,000. The total consideration of the transactions is RMB105,000,000 and will be paid in cash from internal resources of Bayannaer Zijin.

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 vendors' original costs and Wancheng Commercial's audited net assets value and net profit after tax in past two financial years.

Except the share purchase under the Share Purchase Agreements, all parties do not have any further financial commitments in these transactions.

BOARD OF DIRECTORS

After completion of the Share Purchase Agreements, the board of directors of Wancheng Commercial will consist of 5 directors, of which Bayannaer Zijin will nominate 2 directors, and Hainan Qianjinda Investment Company Limited will nominate 3 directors.

CONNECTED TRANSACTIONS

Jinhui Wine currently owns and holds 15% equity interest in Company's subsidiary, Gansu Yate. Jinhui Wine is a connected person of the Company as defined under the Listing Rules. As the ultimate beneficial owner of Jinhui Wine, Yate Investment and Hainan Baohui is Mr. Li Ming, Yate Investment and Hainan Baohui are connected persons of the Company as defined under the Listing Rules. Based on the Listing Rule 14A.13, the transactions between the Company's subsidiary, Bayannaer Zijin, Jinhui Wine, Yate Investment and Hainan Baohui constitute connected transactions of the Company.

REASONS FOR AND BENEFITS OF THE PROPOSED TRANSACTIONS

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 transactions, the Company has an opportunity to increase its investment in Wancheng Commercial which will enable the Group to acquire larger stake in Wancheng Commercial and it will be expected to have a synergy effect with the Group's zinc refinery facilities in Inner Mongolia. Therefore, the Directors including the independent non-executive directors consider that the transactions and the terms of the agreements 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 aggregate applicable percentage ratios in relation to the transactions are more than 0.1% but less than 2.5% in the relevant percentage ratios (as set out in the Listing Rules) except for the profit percentage ratio. The transactions constitute connected transactions of the Company under Rule 14A.32 of the Listing Rules with exemption on the approval from Independent Shareholders and are subject to the reporting and announcement requirements set out in Listing Rules 14A.45 to 14A.47.

DEFINITIONS

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

“Bayannaer Zijin”	Bayannaer Zijin Non-ferrous Metals Co., Ltd. (巴彥淖爾紫金有色金屬有限公司), a subsidiary of the Company, and a company incorporated in the PRC with limited liability
“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
“Gansu Yate”	Gansu Yate Mining Company Limited (甘肅亞特礦業有限公司), a subsidiary of the Company, and a company incorporated in the PRC with limited liability
“Group”	the Company and its subsidiaries
“Hainan Baohui”	Hainan Baohui Investment Company Limited(海南寶徽投資有限公司), a company incorporated in the PRC with limited liability
“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
“Jinhui Wine”	Gansu Jinhui Wine Group Company Limited (甘肅金徽酒業集團有限公司), a company incorporated in the PRC with limited liability
“Listing Rules”	The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“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
“Wancheng Commercial”	Wancheng Commercial Dongshengmiao Co., Ltd. (萬城商務東升廟有限公司), a company of the Company and a company incorporated in the PRC with limited liability
“Yate Investment”	Gansu Yate Investment Group Company Limited (甘肅亞特投資集團有限公司), a 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 = RMB0.88.

As at the date of this announcement, the Board of Directors of the Company comprises Messrs. Chen Jinghe (Chairman), Luo Yingnan, Liu Xiaochu, Lan Fusheng, Huang Xiaodong, and Zou Laichang as executive directors, Mister. Peng Jiaqing as non-executive director, and Messrs. Su Congfu, Chen Yuchuan, Lin Yongjing, and Wang Xiaojun as independent non-executive directors.

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

16 November 2009 Fujian, PRC

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