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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)

CONTINUING CONNECTED TRANSACTION

The Board wishes to announce that the Company has entered into a sales of copper cathodes agreement dated 15 December 2009 with Jinyi Copper for a term from 1 January 2009 to 31 December 2009, which also replaced and superseded an agreement entered into with Jinyi Copper on 18 February 2009.

Minxi Xinghang is a substantial shareholder and a promoter of the Company and currently holds and owns approximately 28.96% shareholding of the Company and 46.5% equity interest in Jinyi Copper. Jinyi Copper is an associate of Minxi Xinghang and a connected person to the Company (as defined in the Listing Rules). Under the Listing Rules, the transaction constitutes a continuing connected transaction of the Company.

The Continuing Connected Transaction, which is continuous in nature and was entered into in the ordinary course of business of the Company. As the aggregate applicable percentage ratios in relation to the transaction 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 transaction constitutes an exempt continuing connected transaction of the Company under Rule 14A.34 of the Listing Rules with exemption on the approval from Independent Shareholders and is subject to the reporting and announcement requirements set out in Listing Rules 14A.36 and 14A.45 to 14A.47.

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PRINCIPAL TERMS OF AGREEMENT

SALES OF COPPER CATHODES AGREEMENT

Date: 15 December 2009

Parties: Jinyi Copper and the Company, Jinyi Copper is a subsidiary of the Company and a domestic company incorporated in the PRC with limited liability, and is mainly engaged in production and sales of copper pipes in Shanghang, Fujian.

Sales of product: Sales of copper cathodes to Jinyi Copper

Pricing: Such transaction will be conducted on terms by reference to the monthly average spot price of #1 copper cathodes quoted in Shanghai Non-ferrous Metal Website which will be used if the product meets the specifications of GB/T467-1997 Cu-Cath-1

Term: from 1 January 2009 to 31 December 2009

Payment Term: The Company will issue 17% value added tax invoice to Jinyi Copper at the end of each month or at the beginning of the following month. Jinyi Copper will settle the invoice issued within 3 months by a bank accepted draft valid for 3 months. In case of any delay payments, the Company has the rights to suspend supply and adopt measures of receivables collection. An interest will also be charged based on the basic bank lending rate plus 20% increase for any delay payment (based on the date of Jinyi Copper's bank payment slip).

The terms of the Sales of Copper Cathodes Agreement were arrived at after arm's length negotiation between the Company and Jinyi Copper.

The Company's wholly-owned subsidiary Zijin Investment currently holds 28.5% equity interest in Jinyi Copper, the Company's wholly-owned subsidiary Best Ground currently holds 25% equity interest in Jinyi Copper, and Minxi Xinghang currently holds 46.5% equity interest in Jinyi Copper. Jinyi Copper is a subsidiary of the Company.

NEW ANNUAL CAP

The Company proposes that the maximum amounts ("**New Annual Cap**") of the Sales of Copper Cathodes Agreement for the year ended 31 December 2009 will be RMB 250 million.

The New Annual Cap of the Sales of Copper Cathodes Agreement was determined by reference to historical figures payable under the previous sales agreement entered into between the Company and Jinyi Copper and to the production scale of Jinyi Copper. The breakdown of the transaction value is as follows:

		Year 2008 (October to December) RMB (audited)	Year 2009 (Cap) RMB
1.	Sales of copper cathodes to Jinyi Copper	10,630,000	250,000,000

The Company sold 340 tonnes (audited) copper cathodes (RMB10,630,000) (audited) to Jinyi Copper for the period from 1 October 2008 to 31 December 2008.

It is estimated that the Company will sell approximately 5,635 tonnes copper cathodes to Jinyi Copper in 2009 under the Sales of Copper Cathodes Agreement. The increase of estimated sales and annual cap is mainly attributable to the higher than expected price and quantity demand for the copper product in 2009.

It is expected that the original total sales volume and the total sales amount (5,000 tonnes and

RMB200 million (original annual cap)) will be exceeded which is due to the estimated increase in sales volume and the high sales prices in past 11 months. Therefore, the Company and Jinyi Copper agreed to enter a new agreement to replace and supersede the agreement entered on 18 February 2009. By the end of November 2009, 4,690 tonnes copper cathodes amounting RMB198 million was sold to Jinyi Copper. Except the new sales quantity and annual cap, all the terms in the new agreement are the same as the original agreement signed on 18 February 2009.

CONNECTION BETWEEN THE PARTIES IN THE TRANSACTION

Minxi Xinghang is a substantial shareholder and a promoter of the Company and currently holds and owns approximately 28.96% shareholding of the Company and 46.5% equity interest in Jinyi Copper. Jinyi Copper is an associate of Minxi Xinghang and a connected person to the Company (as defined in the Listing Rules). Under the Listing Rules, the transaction constitutes a continuing connected transaction of the Company.

REASONS FOR THE PROPOSED TRANSACTION

The Company is principally engaged in the mining, production, refining and sales of gold and other mineral resources in the PRC. Jinyi Copper is mainly engaged in production and sales of copper pipes in Shanghang, Fujian. As a result of the transaction, the Company may sell the copper cathodes locally to Jinyi Copper which will benefit both parties. Therefore, the Directors including the independent non-executive directors consider that the transaction and the terms of the agreement are in ordinary course of business and on normal commercial terms and fair and reasonable and in the interest of the Company and its shareholders as a whole.

GENERAL

The Continuing Connected Transaction, which is continuous in nature and was entered into in the ordinary course of business of the Company. As the applicable percentage ratios (as defined in the Listing Rules) in relation to the transactions are more than 0.1% but less than 2.5% (except profit percentage ratio), the transaction constitutes an exempt continuing connected transaction of the Company under 14A.34 of the Listing Rules with exemption on the approval from Independent Shareholders and is subject to the reporting and announcement requirements set out in Listing Rules 14A.36 and 14A.45 to 14A.47.

DEFINITIONS

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

“Best Ground”	Best Ground Group Limited (域佳集團有限公司), a wholly-owned subsidiary of the Company incorporated in British Virgin Islands with limited liability and is mainly engaged in mining investment in the PRC
“Board”	the board of Directors of the Company
“Company”	Zijin Mining Group Co., Ltd.* (紫金礦業集團股份有限公司), a joint stock limited company incorporated in the PRC

	with limited liability
“Continuing Connected Transaction”	the connected transaction contemplated under the Sales of Copper Cathodes Agreement which was entered into between the Company and Jinyi Copper on a continuing basis respectively
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	any shareholder of the Company that is not required to abstain from voting at a general meeting to approve a connected transaction pursuant to the Listing Rules
“Jinyi Copper”	Fujian Jinyi Copper Products Company Limited (福建金藝銅業有限公司), a subsidiary of the Company and a company incorporated in the PRC with limited liability
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Minxi Xinghang”	Minxi Xinghang State-owned Assets Investment Co., Ltd. (閩西興杭國有資產投資經營有限公司), a state-owned limited company incorporated in the PRC with limited liability, a promoter and a substantial shareholder of the Company and currently owns and holds approximately 28.96% shareholding of the Company
“PRC”	the People’s Republic of China, but for the purpose of this announcement, excludes Hong Kong, Macau SAR and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Sales of Copper Cathodes Agreement”	the agreement entered into between the Company and Jinyi Copper on 15 December 2009 in relation to, <i>inter alia</i> , the sales of copper cathodes from the Company to Jinyi Copper
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Zijin Investment”	Fujian Zijin Investment Co., Ltd.(福建紫金投資有限公司), a wholly-owned subsidiary of the Company and a limited company incorporated in the PRC with limited liability

“%”

per cent

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

15 December 2009, Fujian, PRC

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