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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 INTEREST ACQUISITION OF SUBSIDIARIES

The Board wishes to announce that the Company's wholly-owned subsidiary, Zijin International entered into a share transfer agreement ("Wuhou Zijin Share Transfer Agreement") on 16 December 2009 with Mr. Huang Mao for purchase of 22% equity interest in a subsidiary of the Company – Wuhou Zijin. Wuhou Zijin mainly engaged in mining, process and selling of zinc and lead mine in Inner Mongolia, the PRC. Zijin International currently holds and owns 73% equity interest in Wuhou Zijin. The Company also entered into a share transfer agreement ("Bayannaer Zijin Share Transfer Agreement") on 16 December 2009 with Mr. Huang Mao for purchase of 4.8% equity interest in a subsidiary of the Company – Bayannaer Zijin. Bayannaer Zijin mainly engaged in mining and zinc refinery in Inner Mongolia, the PRC. The Company currently holds and owns 62.4% equity interest in Bayannaer Zijin.

Mr. Huang Mao currently holds and owns 22% equity interest in Wuhou Zijin, therefore, Mr. Huang Mao is a connected person of the Company as defined under the Listing Rules. Based on the Listing Rule 14A.13, the transactions between the Company, the Company's subsidiary Zijin International and Mr. Huang Mao 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.

Wuhou Zijin Share Transfer Agreement

Date: 16 December 2009

Parties:

1. Zijin International - a wholly-owned subsidiary of the Company incorporated in the PRC with limited liability, mainly engaged in mining, selling of mineral products and investment in mines. After the completion of the Wuhou Zijin Share Transfer Agreement, Zijin International will hold 95% equity interest in Wuhou Zijin; and
2. Mr. Huang Mao, currently holds and owns 22% equity interest in Wuhou Zijin, after the completion of the Wuhou Zijin Share Transfer Agreement, Mr. Huang Mao will no longer own any equity interest in Wuhou Zijin.

Zijin International currently holds and owns 73% equity interest in Wuhou Zijin, Mr. Huang Mao currently

holds and owns 22% equity interest in Wuhou Zijin and Mr. Wu Jianjun currently holds and owns 5% equity interest in Wuhou Zijin. After the completion of Wuhou Zijin Share Transfer Agreement, Zijin International will hold 95% equity interest in Wuhou Zijin and Mr. Wu Jianjun will hold 5% equity interest in Wuhou Zijin and Mr. Huang Mao will no longer own any equity interest in Wuhou Zijin, Wuhou Zijin remains a subsidiary of the Company.

PRINCIPAL TERMS OF THE TRANSACTION

General

The Board wishes to announce that the Company's wholly-owned subsidiary, Zijin International entered into a share transfer agreement ("Wuhou Zijin Share Transfer Agreement") on 16 December 2009 with Mr. Huang Mao for purchase of 22% equity interest in the subsidiary of the Company – Wuhou Zijin. Wuhou Zijin mainly engaged in mining, process and selling of zinc and lead mine in Inner Mongolia, the PRC. Zijin International currently holds and owns 73% equity interest in Wuhou Zijin.

Wuhou Zijin was incorporated on 9 August 2004, its current registered capital is RMB50,000,000. Mr. Huang Mao has aggregately invested RMB11,000,000 including the initial capital injection in August 2004 and the following capital enlargements and holds and owns 22% equity interest in Wuhou Zijin.

According to audited financial statements prepared under the PRC Generally Accepted Accounting Principles, as at 31 December 2008, Wuhou Zijin's total value of assets is RMB354,252,633, its net asset value is RMB146,825,177, its profit before tax and extraordinary items is RMB149,746,322, and its net profit after tax and extraordinary items is RMB107,934,924. For the year ended 31 December 2007, its net profit before tax and extraordinary items is RMB434,650,063 and its net profit after tax and extraordinary items is RMB290,752,766.

Any undistributed profit attributable to that 22% equity interest upon the signing of the agreement will belong to the buyer. After completion of the Wuhou Zijin Share Transfer Agreement, the profit sharing of Wuhou Zijin will be based on the respective proportionate shareholding of each party in the company. The Wuhou Zijin Share Transfer Agreement is expected to be completed not later than 31 January 2010.

Consideration (Wuhou Zijin)

Pursuant to the Wuhou Zijin Share Transfer Agreement, Zijin International will acquire 22% equity interest in Wuhou Zijin from Mr. Huang Mao with the consideration of RMB150,000,000 (approximately HK\$170,454,545). The consideration will be paid in cash from Zijin International's internal resources.

Pursuant to the Wuhou Zijin Share Transfer Agreement, Zijin International will pay 10% (RMB15,000,000) of the total consideration as the first installment to Mr. Huang Mao on the effective date of the agreement; Zijin International will pay 60% (RMB90,000,000) of the total consideration as the second installment to Mr. Huang Mao within 6 working days from the effective date of the agreement; Zijin International will pay the balance of 30% (RMB45,000,000) of the total consideration to Mr. Huang Mao within 6 working days from the date of the completion of all the shares transfer procedures.

The consideration of the share transfer 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 vendor's original cost, Wuhou Zijin's audited net assets value and net profit after tax in past two financial years.

Except the share transfer under the Wuhou Zijin Share Transfer Agreement, all parties do not have any further financial commitments in the transaction.

BOARD OF DIRECTORS

After completion of the Wuhou Zijin Share Transfer Agreement, the board of directors of Wuhou Zijin will

consist of 4 directors, Zijin International will nominate all directors.

Bayannaer Zijin Share Transfer Agreement

Date: 16 December 2009

Parties:

1. the Company - the Company is principally engaged in the mining, production, refining and sale of gold and other mineral resources in the PRC. After the completion of the Bayannaer Zijin Share Transfer Agreement, the Company will hold 67.2% equity interest in Bayannaer Zijin; and
2. Mr. Huang Mao, currently holds and owns 4.8% equity interest in Bayannaer Zijin, after the completion of the Bayannaer Zijin Share Transfer Agreement, Mr. Huang Mao will no longer own any equity interest in Bayannaer Zijin.

The Company currently holds and owns 62.4% equity interest in Bayannaer Zijin, Western Mining Joint Stock Co., Ltd. currently holds and owns 20% equity interest in Bayannaer Zijin, Bayannaer Huaao Mining Chemical Co., Ltd. currently holds and owns 8% equity interest in Bayannaer Zijin, Mr. Huang Mao currently holds and owns 4.8% equity interest in Bayannaer Zijin, Bayannaer Zijin Labour Union currently owns and holds 3.2% of Bayannaer Zijin, Wancheng Commercial Dongshengmiao Co., Ltd. currently owns and holds 0.8% of Bayannaer Zijin, and Xiamen Jinhuang Technology Consultancy Co., Ltd. currently owns and holds 0.8% of Bayannaer Zijin. After the completion of Bayannaer Zijin Share Transfer Agreement, the Company will own 67.2% equity interest in Bayannaer Zijin, Western Mining Joint Stock Co., Ltd. will own 20% equity interest in Bayannaer Zijin, Bayannaer Huaao Mining Chemical Co., Ltd. will own 8% equity interest in Bayannaer Zijin, Bayannaer Zijin Labour Union will own 3.2% of Bayannaer Zijin, Wancheng Commercial Dongshengmiao Co., Ltd. will own 0.8% of Bayannaer Zijin, Xiamen Jinhuang Technology Consultancy Co., Ltd. will own 0.8% of Bayannaer Zijin and Mr. Huang Mao will no longer own any equity interest in Bayannaer Zijin, Bayannaer Zijin remains a subsidiary of the Company.

PRINCIPAL TERMS OF THE TRANSACTION

General

The Board wishes to announce that the Company entered into a share transfer agreement (“Bayannaer Zijin Share Transfer Agreement”) on 16 December 2009 with Mr. Huang Mao for purchase of 4.8% equity interest in the subsidiary of the Company Bayannaer Zijin. Bayannaer Zijin mainly engaged in mining and zinc refinery in Inner Mongolia, the PRC. The Company currently holds and owns 62.4% equity interest in Bayannaer Zijin.

Bayannaer Zijin was incorporated on 22 November 2004, its current registered capital is RMB375,000,000. Mr. Huang Mao invested RMB18,000,000 in December 2007 and holds and owns 4.8% equity interest in Bayannaer Zijin.

According to audited financial statements prepared under the PRC Generally Accepted Accounting Principles, as at 31 December 2008, Bayannaer Zijin’s total value of assets is RMB1,823,119,177, its net asset value is RMB766,277,507, its profit before tax and extraordinary items is RMB50,435,629, and its net profit after tax and extraordinary items is RMB43,551,108. For the year ended 31 December 2007, its net profit before tax and extraordinary items is RMB125,140,097 and its net profit after tax and extraordinary items is RMB106,369,083.

Any undistributed profit attributable to that 4.8% equity interest upon the signing of the agreement will belong to the buyer. After completion of the Bayannaer Zijin Share Transfer Agreement, the profit sharing of

Bayannaer Zijin will be based on the respective proportionate shareholding of each party in the company. The Bayannaer Zijin Share Transfer Agreement is expected to be completed not later than 31 January 2010.

Consideration (Bayannaer Zijin)

Pursuant to the Bayannaer Zijin Share Transfer Agreement, the Company will acquire 4.8% equity interest in Bayannaer Zijin from Mr. Huang Mao with the consideration of RMB43,200,000 (approximately HK\$49,090,909). The consideration will be paid in cash from internal resources of the Company.

Pursuant to the Bayannaer Zijin Share Transfer Agreement, the Company will pay about 10.42% (RMB4,500,000) of the total consideration as the first installment to Mr. Huang Mao on the effective date of the agreement; the Company will pay 60% (RMB25,920,000) of the total consideration as the second installment to Mr. Huang Mao within 6 working days from the effective date of the agreement; the Company will pay the balance of 29.58% (RMB12,780,000) of the total consideration to Mr. Huang Mao within 6 working days from the date of the completion of all the shares transfer procedures.

The consideration of the share transfer 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 vendor's original cost, Bayannaer Zijin's audited net assets value and net profit after tax in past two financial years.

Except the share transfer under the Bayannaer Zijin Share Transfer Agreement, all parties do not have any further financial commitments in the transaction.

BOARD OF DIRECTORS

After completion of the Bayannaer Zijin Share Transfer Agreement, the board of directors of Bayannaer Zijin will consist of 9 directors, of which 6 directors will be nominated by the Company.

CONNECTED TRANSACTIONS

Mr. Huang Mao currently holds and owns 22% equity interest in Wuhou Zijin, therefore, Mr. Huang Mao is a connected person of the Company as defined under the Listing Rules. Based on the Listing Rule 14A.13, the transactions between the Company, the Company's subsidiary Zijin International and Mr. Huang Mao 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 investment in Wuhou Zijin and Bayannaer Zijin, which will enable the Group to have larger share of return in Wuhou Zijin and Bayannaer Zijin and it will be expected to have a synergy effect with the Group's business in Inner Mongolia. Therefore, the Directors including the independent non-executive directors of the Company 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 meanings 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
“Bayannaer Zijin Labour Union”	The Labour Union of Bayannaer Zijin Non-ferrous Metals Co., Ltd. (巴彥淖爾紫金有色金屬有限公司工會), a labour union statutorily formed 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
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollar”	Hong Kong dollar, the lawful currency of Hong Kong
“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
“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
“Wuhou Zijin”	Wulatehouqi Zijin Mining Company Limited (烏拉特后旗紫金礦業有限公司), a subsidiary of the Company and a company incorporated in the PRC with limited liability
“Zijin International”	Zijin International Mining Company Limited(紫金國際礦業有限公司), a wholly-owned subsidiary of the Company and 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

Fujian, the PRC, 16 December 2009

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