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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 TRANSACTION - INVESTMENT IN A COMPANY

The Board wishes to announce that the Company's wholly-owned subsidiary, Zijin North-west has entered into a capital increase agreement (the "Capital Increase Agreement") dated 13 March 2010 with a connected party, Xinjiang Kanas for its capital increase. Xinjiang Kanas is mainly engaged in travel business in Kanas, Xinjiang, the PRC.

Xinhuadu Industrial Group Company Limited is a substantial shareholder and a promoter of the Company and currently holds and owns 35% shareholding of Fujian Wuyishan Travel Development Company Limited, and Fujian Wuyishan Travel Development Company Limited currently holds and owns 35% shareholding of Xinjiang Kanas. Therefore Xinjiang Kanas is a connected person to the Company (as defined in the Listing Rules). Based on the Listing Rules 14A.13, the transaction between the Company's wholly-owned subsidiary, Zijin North-west and Xinjiang Kanas constitutes a connected transaction 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 a connected transaction of the Company under Rule 14A.32 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.45 to 14A.47.

CAPITAL INCREASE AGREEMENT

Date: 13 March 2010

Parties:

1. Zijin North-west, a wholly-owned subsidiary of the Company incorporated in the PRC with limited liability, mainly engaged in mining and investment business in the PRC. After the completion of the Capital Increase Agreement, Zijin North-west will hold about 25.234% equity interest in Xinjiang Kanas; and
2. Xinjiang Kanas, a company incorporated in the PRC with limited liability, mainly engaged in travel business in Kanas, Xinjiang, the PRC.

Buerjin County State-owned Assets Company Limited currently holds and owns about 37.887% equity interest in Xinjiang Kanas. Fujian Wuyishan Travel Development Company Limited currently holds and owns 35% equity interest in Xinjiang Kanas. Beijing Beifang Electric

Engineering Company Limited currently holds and owns about 17.106% equity interest in Xinjiang Kanas. Buerjin Forest of Aertaishan State-owned Management Bureau currently holds and owns about 3.094% equity interest in Xinjiang Kanas. Wu Jiangyong currently holds and owns about 2.23% equity interest in Xinjiang Kanas. Zhang Lanqi currently holds and owns about 0.182% equity interest in Xinjiang Kanas. Ye Lusheng currently holds and owns about 1.125% equity interest in Xinjiang Kanas. Wang Guozhi currently holds and owns about 1.888% equity interest in Xinjiang Kanas. Peng Li currently holds and owns about 1.488% equity interest in Xinjiang Kanas. After the completion of Capital Increase Agreement, Buerjin County State-owned Assets Company Limited will hold about 28.327% equity interest in Xinjiang Kanas. Fujian Wuyishan Travel Development Company Limited will hold about 26.168% equity interest in Xinjiang Kanas. Zijin North-west will hold about 25.234% equity interest in Xinjiang Kanas. Beijing Beifang Electric Engineering Company Limited will hold about 12.79% equity interest in Xinjiang Kanas. Buerjin Forest of Aertaishan State-owned Management Bureau will hold about 2.313% equity interest in Xinjiang Kanas. Wu Jiangyong will hold about 1.667% equity interest in Xinjiang Kanas. Zhang Lanqi will hold about 0.137% equity interest in Xinjiang Kanas. Ye Lusheng will hold about 0.841% equity interest in Xinjiang Kanas. Wang Guozhi will hold about 1.411% equity interest in Xinjiang Kanas. Peng Li will hold about 1.112% equity interest in Xinjiang Kanas. Except Fujian Wuyishan Travel Development Company Limited, all other shareholders of Xinjiang Kanas and their ultimate beneficial owners are, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, third parties independent to the Company and its connected persons.

After completion of the Capital Increase Agreement, the Group directly owns about 25.234% equity interest in Xinjiang Kanas. Xinjiang Kanas will become an associated company of the Company. Equity method will be used to book Xinjiang Kanas's performance into the Group's financial statements.

PRINCIPAL TERMS OF THE TRANSACTION

General

The Board wishes to announce that the Company's wholly-owned subsidiary, Zijin North-west has entered into a capital increase agreement (the "Capital Increase Agreement") dated 13 March 2010 with a connected party, Xinjiang Kanas for its capital increase. Xinjiang Kanas is mainly engaged in travel business in Kanas, Xinjiang, the PRC and its current registered capital is RMB80,000,000. After the completion of the Capital Increase Agreement, Xinjiang Kanas's registered capital will be increased to RMB107,000,000.

Xinjiang Kanas was incorporated in 26 March 1999 and its current registered capital is RMB80,000,000.

According to an audited financial statements prepared under the PRC generally accepted accounting principles, as at 31 December 2008, Xinjiang Kanas's total asset value was RMB179,604,825 (approximately HK\$204,096,392), its net asset value was RMB102,486,877 (approximately HK\$116,462,360), its loss before tax and extraordinary items was RMB7,271,261 (approximately HK\$8,262,797), its loss after tax and extraordinary items was RMB7,295,020 (approximately HK\$8,289,795). As at 31 December 2007, its profit before tax and extraordinary items was RMB19,387,328 (approximately HK\$22,031,055), and its net profit after tax and extraordinary items was RMB16,048,240 (approximately HK\$18,236,636).

After the completion of the Capital Increase Agreement, the profit sharing of Xinjiang Kanas will be based on the respective proportionate shareholding in Xinjiang Kanas.

Consideration

Pursuant to the Capital Increase Agreement, Xinjiang Kanas will increase its capital from RMB80,000,000 to RMB107,000,000, Zijin North-west will purchase 27,000,000 shares of Xinjiang Kanas at RMB1.81 per share, the consideration will be RMB48,870,000 (approximately HK\$55,534,091). After the completion of Capital Increase Agreement, Zijin North-west will hold about 25.234% equity interest in Xinjiang Kanas. Zijin North-west will pay the consideration to Xinjiang Kanas's designated account within 10 days of the signing date of the Capital Increase Agreement. The consideration will be paid in cash from the internal resources of Zijin North-west.

The consideration of the capital increase 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 Xinjiang Kanas's audited net assets value in 2008.

The Capital Increase Agreement is expected to complete not later than 31 May 2010. Except the capital increase under the Capital Increase Agreement, all parties do not have any further financial commitments in the transaction.

BOARD OF DIRECTORS

After completion of the Capital Increase Agreement, the board of directors of Xinjiang Kanas will consist of 7 directors, of which Buerjin County State-owned Assets Company Limited will nominate 2 directors, Fujian Wuyishan Travel Development Company Limited will nominate 2 directors, Zijin North-west will nominate 2 directors and Beijing Beifang Electric Engineering Company Limited will nominate 1 director.

CONNECTED TRANSACTION

Xinhuadu Industrial Group Company Limited is a substantial shareholder and a promoter of the Company and currently holds and owns 35% shareholding of Fujian Wuyishan Travel Development Company Limited, Fujian Wuyishan Travel Development Company Limited currently holds and owns 35% shareholding of Xinjiang Kanas. Therefore Xinjiang Kanas is a connected person to the Company (as defined in the Listing Rules). Pursuant to rule 14A.13 of the Listing Rules, the transaction between the Company's wholly-owned subsidiary, Zijin North-west and Xinjiang Kanas constitutes a connected transaction of the Company.

REASONS FOR AND BENEFITS OF THE PROPOSED TRANSACTION

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 transaction, the Company has an opportunity to invest the travel business in Kanas, Xinjiang which will enable the Group to obtain the travel resources in Xinjiang Kanas. 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

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 a connected transaction of the Company under Rule

14A.32 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.45 to 14A.47.

DEFINITIONS

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

“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
“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
“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
“Xinjiang Kanas”	Buerjin County Kanas Travel Company Limited (布爾津縣喀納斯旅遊有限責任公司), a company incorporated in the PRC with limited liability
“Zijin North-west”	Zijin Mining Group North West Company Limited (紫金礦業集團西北有限公司), 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

15 March 2010 Fujian, PRC

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