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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)**

## OVERSEAS REGULATORY ANNOUNCEMENT

This is an announcement published by Zijin Mining Group Co., Ltd.\* (the "Company") in the web-site of Shanghai Stock Exchange, the People's Republic of China (中華人民共和國上海證券交易所), China Securities Journal (中國證券報), Shanghai Securities News (上海證券報), Securities Daily (證券日報), and Secutimes (證券時報).

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, 27 May 2010

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

## **Announcement in relation to the rectification progress of “Notice of Supervision after Environmental Protection Inspection of Listed Companies” issued by Administration Office of Ministry of Environmental Protection of the People’s Republic of China**

**The board of directors and all the directors of the Company warrant that there are no false representations or misleading statements contained in or material omissions from this announcement, and jointly and severally accept responsibility for the truthfulness, accuracy and completeness of the contents contained herein.**

During the period from October to November 2009, the environmental protection supervisory centres in eastern China, northern China, north west, south west, and southern China under the Ministry of Environmental Protection of the People’s Republic of China (the “Ministry”), in accordance with a unified procedure, conduct an inspection on the compliance of the rectification undertaking made by listing companies of which had passed the inspection made by the Ministry from 2007 to 2008. The environmental protection supervisory centres carried out on-site environmental protection inspections at some entities of Zijin Mining Group Co. Ltd. (the “Company”). Recently, the Company learned that a “Notice of Supervision after Environmental Protection Inspection of Listed Companies” (Huanban [2010] no. 67) (the “Notice of Supervision”) was published by the Administration Office of the Ministry on the website of the Ministry, of which in the Notice of Supervision, the Ministry made criticisms to the Company and other 10 entities. In response to the Notice of Supervision, the Company convened an emergency meeting to verify, analyse and study the problems mentioned in the Notice of Supervision, and announces the relevant information as follows:

- I. The Company has already performed comprehensive rectification measures in relation to the problems that were raised during the environmental protection inspections during the period of A shares listing, the problems mentioned in the Notice of Supervision were mainly attributable to incomplete rectification measures or newly emerging problems of some entities.
- II. The Company carried out immediate rectification measures to the problems raised by respective supervision teams during their on-site inspections, most of the rectification projects have been completed as at the date of Notice of Supervision.
- III. The progress of rectification of the problems mentioned in the Notice of Supervision are as follow:

<b>Name of entities</b>	<b>Environmental protection problems arising from incomplete rectification</b>	<b>Rectification progress</b>
Hunan Hengyang	Guanshi Iron Mine (360,000 t/a) mining and process plant commenced production in May 2004,	After the Company took over Hengyang Shangqing in November

<p>Shangqing Mining Company Limited (“Hengyang Shangqing”)</p>	<p>and subsequently submitted an environmental protection evaluation report after the production commenced and received an approval (Xianghuanping [2007] no. 112) in September 2007. The environmental problems were still pending and not completed during the inspection, the problems include unsatisfactory facility for sewage treatment; absence of sewage intercepting trench in the tailing reservoirs; unsatisfactory reinforcing measures around the tailing reservoirs; likeliness of the sewage to flow downstream; as well as the existence of potential environmental and safety problem due to its closeness to public road.</p>	<p>2006, it suspended the production of Hengyang Shangqing and carried out rectification measures immediately, after the completion of the procedures, improvement of the facility in relation to environmental protection, and upon approval from Hunan Environmental Protection Bureau, Hengyang Shangqing resumed production in November 2007.</p> <p>In May 2009, the Company transferred all the equity interest in Hengyang Shangqing, Hengyang Shangqing no longer belongs to the Company.</p>
<p>Hunan Anhua Xinfeng Mining Company Limited</p>	<p>The leachate collection system of the tailing reservoirs is simple and poor, no leakage prevention measures, the lime was added manually, no pH online monitoring device, at the time of inspection, the sewage treatment was not rectified in accordance with the undertaking made; the dust cleaning facilities are simple and poor with low effectiveness.</p>	<p>Design Institute has been engaged to design the leachate collection system of the tailing reservoirs, it is expected to be completed in mid of June 2010; pH online monitoring device is under installation; dust cleaning facilities have been rectified, and the effectiveness is satisfactory. The Company proposed to sell its equity interest in Hunan Anhua Xinfeng Mining Company Limited.</p>
<p>Funing Zhenglong Gold Mine Resources Development Co., Ltd.</p>	<p>No PVC wrapping used to prevent percolation in most of the simple ditches for collecting cyanide solutions; standard cofferdam has not been built around the heap leaching field adsorption column, no PVC wrapping used to prevent percolation in the lower ground of the adsorption column and lean solution pool; during the on-site inspection, lean solution pool in heap leaching field shows a leakage sign; no contingent pool was built in the heap leaching field as required.</p>	<p>Rectification has been completed.</p>
<p>Longkou Jinfeng Company Limited</p>	<p>Sewage was discharged directly, dust problem exists due to no covering soil and no afforestation, no rainwater ditch was built outside the tailing reservoirs.</p>	<p>Rectification has been completed.</p>
<p>Longkou Jintai</p>	<p>In the acceptance of advice in relation to the old</p>	<p>Longkou Jintai is mainly engaged in</p>

Gold Company Limited (“Longkou Jintai”)	process plant of Longkou Jintai, it was required to build a new 360,000m <sup>3</sup> tailing reservoir, but it remains incomplete at the time of inspection; the new process plant has not complied with environmental evaluation approval and completion acceptance procedure; no protection dikes in the tailing reservoir, no rainwater seepage and diversion measures, no covering soil and no afforestation, dust, rainwater and wastewater can be found in all places.	geological exploration, the new process plant has not commenced production; respective procedures are in progress; the rectification of old tailing reservoir has been basically completed and is expected to be fully completed in mid of June 2010, relevant procedures of development of the new tailing reservoir are in progress, Longkou Jintai will not commence production prior to the completion of the new tailing reservoir.
Zijinshan Gold and Copper Mine	The sewage treatment system of Xiatianliao leachate ceased to operate in September 2009 due to absence of approval from environmental protection department, its operation remains suspended at the time of on-site inspection; the leachate in the tailings, after collected by collection pool, was discharged directly to tailing reservoir without treatment.	Rectification has been completed.
Xinjiang Jinbao Mining Company Limited	The process waste occupied the river and did not meet the environmental protection technical requirements; no environmental evaluation approval was obtained in the expansion project (adding a thickening pond)	Rectification has been completed.

IV. The rectification of the above entities has not been approved by relevant local environmental protection department except Funing Zhenglong Gold Mine Resources Development Co., Ltd., which has passed the inspection of the local county environmental protection department, the Company will report relevant information to the Ministry and local environmental protection department of where the projects locate, in accordance with the time as stated in the Notice of Supervision, in order to perform the duty and obligation of the enterprise.

The Company expresses its deep apology for not carrying out rectification up to the standard as required by environmental protection department. The Company will further raise the awareness of environmental protection, and reinforce its sense of responsibility towards citizens and society. The Company will take the Notice of Supervision as turning point and carry out a comprehensive internal inspection for the environmental protection measures of the Group, to perfect relevant procedures and the facilities of each entity, to reinforce its continued involvement in environmental protection, to achieve the “Santongshi” of environmental protection construction and main construction, to keep the

environmental protection facilities in good condition, to improve the operating effectiveness and internal usage rate, and to maintain limited discharge.

The Company warrants to enhance and improve the internal management and supervisory, to enhance the environmental protection inputs, in order to implement and realize the undertakings made during its listing. The Company also welcomes supervision and inspection from the society and relevant departments.

Zijin Mining Group Co., Ltd.

Board of directors

28 May 2010