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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)**

## **Announcement**

Xinyi Zijin Mining Company Limited (“Xinyi Zijin”) and Xinyi Baoyuan Mining Company Limited (“Xinyi Baoyuan”), the wholly-owned subsidiaries of Zijin Mining Group Co., Ltd.\* (the “Company”), received a notice of response to proceedings (2010 Xinfaminchuzi no.1511) on 16 October 2010 issued by the Guangdong Province Xinyi City People’s Court (the “People’s Court”), notifying Xinyi Zijin and Xinyi Baoyuan that the People’s Court has determined that it will hear the proceedings commenced by the Guangdong Province Xinyi City People’s Government against Xinyi Zijin and Xinyi Baoyuan in relation to compensation for property damage, a summary of the writ of Guangdong Province Xinyi City People’s Government is as follows:

Order sought:

1. An order be granted by the People’s Court against Xinyi Zijin and Xinyi Baoyuan to pay RMB19,500,000 to compensate losses, and in respect of loss exceeding the amount of RMB19,500,000, further proceedings will be filed separately upon full verification of the amount of loss.
2. All costs of the present proceedings be borne by the defendant.

Facts and grounds:

On 21 September 2010, the collapse of the dam at the Yinyan Tin Mine Kaoqiling tailing pool located at Qianpai town, Xinyi City, which Xinyi Zijin and Xinyi Baoyuan had the right to operate, has resulted in significant casualties and property losses in Xinyi City. Therefore an order is sought from the People’s Court against Xinyi Zijin and Xinyi Baoyuan to compensate for economic loss in the amount of RMB19,500,000. If the total loss, upon full verification, exceeds RMB19,500,000, further proceedings will be filed separately so that the lawful rights of Xinyi City be legally protected.

At present, the incident is under investigation. Xinyi Zijin and Xinyi Baoyuan will, according to the law, submit to the People’s Court the design, construction, supervision, examination and approval of the Kaoqiling tailing pool, and other relevant evidence and information of the atmospheric effects of “Fanapi” and the rainfall, and will bear relevant responsibility in accordance with the order of the court.

The Company will make further disclosure in relation to the proceedings.

**Investors and shareholders are advised to exercise caution when dealing in the shares of the Company.**

This announcement is made by the Company on a voluntary basis.

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*

17 October 2010 Fujian, the PRC

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