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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**

Zijin Mining Group Co., Ltd.\* (the “**Company**”) received the criminal judgment [(2011) Longxinjingchuzi No. 31] of Fujian Province Longyan City Xinluo District People’s Court (the “**Court**”) on 30 January 2011. The Longyan City Xinluo District People’s Procuratorate issued a prosecution notice [Longxinjiangongxingsu (2010) No.673] against the Company’s Zijinshan Gold and Copper Mine (the “**Zijinshan Gold and Copper Mine**”) and other five natural persons in relation to a substantial environmental offence regarding waste water leakage at Zijinshan Gold and Copper Mine in July 2010. The judgment of the first trial was handed down on 30 January 2011. A summary of the judgment in relation to Zijinshan Gold and Copper Mine is as the follows:

“The Court considered that Zijinshan Gold and Copper Mine of Zijin Mining Group Co., Ltd.\*, the defendant, was in breach of the national regulations and did not adequately focus on environmental protection and safety issues in its production, did not adopt effective measures to resolve the existing potential environmental risks which led to leakage of dangerous waste into the Ting River and polluted the Ting River in the region, resulting in a loss of dead fishes in a total of RMB22,206,000 suffered by the fish farmers, suspension of water supply in various regions of Shanghang County for one day, and release of 30,844,400 catty fishes from the fishery cages. Other five individual defendants were direct management personnel and responsible officers, who shall be directly responsible for the incident. The defendants’ acts have constituted a serious pollution offence. The charge brought by the prosecution was justified and accepted. After the incident, Zijinshan Gold and Copper Mine, the corporate defendant, submitted verbal and written reports to the relevant government authorities prior to the involvement of the judiciary. The persons-in-charge and the defendant made frank disclosure of fact and progress of the incident in all investigations and enquiries before and after the proceeding commenced by the judiciary, and that the defendant surrendered in an active and voluntary manner. According to the law, the conducts of the defendant shall be considered as an admission of guilt. The other five individual defendants who have also disclosed the fact of the incident frankly, their conducts are also considered as an admission of guilt. Having regard to the substantial and specifically serious consequences of the incident, the Court decided to order a lenient sentence to Zijinshan Gold and Copper Mine but did not accept the defendant’s lawyers’ opinions regarding mitigation. The Court also did not accept the arguments that the causes of death of fishes and the measure of their loss were uncertain. The Court accepted other submissions. According to the law, the Court also allowed a deduction of an amount of fine in respect of the administrative penalty which had been ordered by the Fujian Environmental Protection Bureau. With reference to the relevant responsibilities, and repentance of each individual defendants and the seriousness of the consequences of the incident, the defendants

were sentenced with a lenient penalty in different degrees. Regarding the settlement of compensations to the loss suffered by the fish farmers, the court considered to order lenient penalties to Zijinshan Gold and Copper Mine and the other five individual defendants.

In accordance with Articles 338, 346, 30, 31, 61, 62, item 1 of Article 67, Articles 45, 47, 52, 53 of the Criminal Law of the People's Republic of China, Article 3 of The Interpretation of the Supreme People's Court on Some Issues Concerning the Specific Application of Law in the Trial of Criminal Cases Involving Environmental Pollution, Article 2 of the Regulations Issued by the Supreme People's Court on Some Issues Concerning the Application of Property-Oriented Penalty, Article 1 of Notice of the Supreme People's Court and the Supreme People's Procuratorate on Issuing the Opinions on Some Issues concerning the Determination of Voluntary Surrender, Meritorious Performance and Other Sentencing Factors in Handling Duty-related Criminal Cases, and Article 359 of Interpretation of the Supreme People's Court concerning Some Issues on the Implementation of the Criminal Procedure law of the People's Republic of China, the Court hereby ordered as follows :-

Zijinshan Gold and Copper Mine of Zijin Mining Group Co., Ltd.\*, the defendant, committed a substantial environmental pollution offence and has been sentenced to pay a fine in the sum of RMB30 million. The Court allowed an deduction of the administrative fine ordered by the Fujian Environmental Protection Bureau. After deduction of the administrative fine in the sum of RMB9,563,130 which has already been paid, the defendant shall pay a balance of RMB20,436,870 within 15 days from the effective day of this order.

The other five individual defendants have been sentenced to imprisonments for 3 to 4 years and 6 months with fines.

If the defendant does not agree with the sentence, the defendant can file an appeal via the Court or with the Longyan City Middle People's Court directly within 10 days from the second day after the receipt of this sentence. If the appeal is filed by way of written submission, the original notice of appeal and a copy of it should be submitted.”

**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*

31 January 2011 Fujian, PRC

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