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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**”), and its wholly-owned subsidiaries, Xinyi Zijin Mining Company Limited\* (“**Xinyi Zijin**”) and Xinyi Baoyuan Mining Company Limited\* (“**Xinyi Baoyuan**”) have recently received notices of response to proceedings [(2011) Xinfaminchuzi nos.1234 to 2083 (850 notices in total)] issued by the Guangdong Province Xinyi City People’s Court (the “**People’s Court**”), notifying the Company, Xinyi Zijin, and Xinyi Baoyuan that the People’s Court has determined that it will hear the proceedings commenced by 850 villagers of Datong Village and Shuanghe Villiage in Qianpai Town against the Company, Xinyi Zijin, Xinyi Baoyuan, and other 4 defendants (the “**Defendants**”) in relation to the claim of compensation for loss of property, a summary of the writ of the relevant civil proceedings is as follows:

On 21 September 2010, following the collapse of the tailing pool dam at Gaoqiling, Qianpai Town, Xinyi City, Guangdong, waves of water and rocks rushed downstream, wiping off houses, furniture, electronic appliances and other domestic utilities of the plaintiffs. According to the relevant provisions of the Company Law, General Rules of Civil Law, Property Rights Law, Tort Law, and on the basis of confirmation of the relevant liability for causing the collapse of the dam given by the relevant department, in relation to the loss of property resulting from the collapse of the dam, an order was sought to be granted by the People’s Court against the Defendants to pay to the plaintiffs a total amount of RMB75,052,806.10 being the compensation for loss of property and that costs of the proceedings be borne by the Defendants.

The Company considers that the Company should not be held liable merely for the fact that it is a shareholder of Xinyi Zijin. The Company will defend the legal proceedings as the proceedings progress, and will defend against further allegations to be made by the plaintiffs in order to protect its legal right under the law.

Xinyi Zijin and Xinyi Baoyuan will appoint lawyers to defend the legal proceedings in accordance with the law.

In addition, in relation to the personal injury proceedings commenced by the villagers of Shuanghe Village and Datong Village in Qianpai Town against the Company, Xinyi Zijin, and Xinyi Baoyuan as disclosed in the Company’s announcement dated 30 December 2010, the Company has recently received 20 notices of “Notice of Joining the Proceedings” ((2011) Xinfaminchuzi nos. 43-62) issued by the People’s Court, among which the People’s Court allowed the application of the plaintiffs and ordered to join 4 companies which were in charge of design, construction, supervision,

and examination and appraisal of the tailing dam as additional defendants. Fifteen “Notice of Joining the Proceedings” ((2011) Xinfaminchuzi nos. 44-50, 52-54, 57-60, and 62) (in relation to 17 casualties in Shuanghe Villiage located in the downstream of Xinyi City Shihuadi power plant) relate to the People’s Court allowing the application made by Xinyi Zijin and Xinyi Baoyuan and ordered to join 13 partners of Xinyi City Shihuadi power plant as additional defendants.

The incident on 21 September 2010 caused 22 deaths in the area of Qianpai River involving 5 deaths in Datong Village located in a tributary of Qianpai River and downstream of Gaoqiling tailing pool, and 17 deaths in Shuanghe Village in the downstream of Shihuadi power plant. Shihuadi power plant located in the mainstream of Qianpai River and about 5km downstream from Gaoqiling tailing pool. On the basis of the geographic location of Shihuadi power plant, Xinyi Zijin believes that the collapse of Shihuadi power plant dam was the direct cause of deaths and loss of property in Shuanghe Village and other villages downstream.

Xinyi Zijin and Xinyi Baoyuan will make further relevant application to the People’s Court to join Xinyi City Shihuadi power plant and its partners as additional defendants in various proceedings in relation to the incident on 21 September 2010.

The Company will provide further disclosure in relation to progress of the legal proceedings in due course.

**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*

14 March 2011 Fujian, the PRC

*\*The English names are for identification purpose only*