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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 IN RELATION TO THE PROGRESS OF THE OVERSEAS BOND ISSUE

INTRODUCTION

Reference is made to the announcement of the Company dated 16 June 2011 in relation to the approval of the proposed offering of USD Bonds to institutional and professional investors outside of the United States pursuant to Regulation S under the U.S. Securities Act by the Issuer, a wholly owned overseas subsidiary of the Company (the "**Previous Announcement**"). Unless otherwise indicated, capitalised terms used in this announcement shall have the same meanings as defined in the Previous Announcement.

The Board is pleased to announce that the Issuer has proceeded with the offering of the USD Bonds. On 24 June 2011, the Company and the Issuer entered into a subscription agreement with BOCI Asia Limited as sole lead manager (the "**Sole Lead Manager**") and BNP Paribas, Hong Kong Branch as co-manager (together with the Sole Lead Manager, the "**Managers**") in relation to the offer and sale of the USD Bonds (the "**Subscription Agreement**"). Essence International Securities (HK) Limited has also been appointed as co-manager in relation to the issue of the USD Bonds. Subject to the completion of the Subscription Agreement on the closing date, which is expected to be on or about 30 June 2011 (the "**Closing Date**"), the Issuer will issue the USD Bonds with the aggregate principal amount of USD 280,000,000. The USD Bonds will be denominated in USD, will have a maturity of 5 years due in 2016, and will bear a fixed interest rate of 4.25 % per annum during its term with interest payable semi-annually in arrear. The issue price of the USD Bonds will be 99.276% of the principal amount of the USD Bonds.

The USD Bonds are not and will not be listed in any stock exchange.

THE SUBSCRIPTION AGREEMENT

Pursuant to the Subscription Agreement, upon the satisfaction of certain conditions, the Managers shall severally and not jointly subscribe and pay for, or procure subscribers to subscribe and pay for, the USD Bonds in accordance with applicable laws and selling restrictions and in transactions exempt from the registration requirements under the Securities Act. The USD Bonds will not be sold through a public offering in Hong Kong or the United States.

Conditions Precedent to the completion of the Subscription Agreement (the “Conditions Precedent”)

The obligations of the Managers to subscribe and pay for the USD Bonds are conditional upon:

- (a) the execution and delivery of the Trust Deed, the Agency Agreement and the Standby Letter of Credit by the respective parties on or before the Closing Date;
- (b) on the date of the Offering Circular and on the Closing Date, there having been delivered to the Managers letters, in form and substance satisfactory to the Managers, dated the date of the Offering Circular in the case of the first letter and dated the Closing Date in the case of the subsequent letters, and addressed to the Managers from Ernst & Young, auditors of the Company;
- (c) on the Closing Date, (i) each of the respective representations and warranties of the Issuer and the Company in the Subscription Agreement being true, accurate and correct at, and as if made on the Closing Date; (ii) each of the Issuer and the Company having performed all of its obligations under the Subscription Agreement to be performed on or before the Closing Date; and (iii) there having been delivered to the Managers a certificate dated as of the Closing Date, of a duly authorised officer of the Issuer and the Company to such effect;
- (d) on or before the Closing Date, there having been delivered to the Managers the following documents, in form and substance satisfactory to the Managers, dated the Closing Date, (i) legal opinions issued by various legal counsel advising PRC law, Hong Kong law, English law and French law aspects of the issue of the USD Bonds; and (ii) copies of such other resolutions, consents, authorities and documents relating to the issue of the USD Bonds, as the Managers may reasonably require;
- (e) up to and including the Closing Date, there shall not have occurred any change or any development or event likely to involve a prospective change, in the condition (financial or other), prospects, results of operations, business or general affairs of the Issuer, the Company or of the Group, which, in the opinion of the Managers, is material and adverse in the context of the offering of the USD Bonds; and
- (f) on or prior to the Closing Date, there shall have been delivered to the Managers copies of all consents, approvals, certificates or other documents required in relation to the issue of the USD Bonds and the performance of the Issuer’s obligations under the Subscription Agreement, the Trust Deed, the Agency Agreement and the USD Bonds (including the consents and approvals required from all lenders).

The Managers may, at their discretion and upon such terms as they think fit, waive compliance with the whole or any part of the above Conditions Precedent (other than (a) above).

Termination of the Subscription Agreement

The Sole Lead Manager on behalf of the Managers may, by notice to the Issuer and the Company, given at any time prior to payment of the net subscription moneys for the USD Bonds to the Issuer, terminate the Subscription Agreement in any of the following circumstances:

- (a) if there shall have come to the notice of the Managers any breach of, or any event rendering untrue or incorrect in any respect, any of the warranties and representations contained in the Subscription Agreement or any failure to perform any of the Issuer's or the Company's undertakings or agreements in the Subscription Agreement;
- (b) if any of the Conditions Precedent has not been satisfied or waived by the Managers on or prior to the Closing Date;
- (c) if there shall have been in the Sole Lead Manager's opinion, since the date of the Subscription Agreement, any change, or any development involving a prospective change, in national or international monetary, financial, political or economic conditions or currency exchange rates or foreign exchange controls such as would in its view be likely to prejudice materially the success of the offering and distribution of the USD Bonds or dealings in the USD Bonds in the secondary market;
- (d) if, in the opinion of the Sole Lead Manager, there shall have occurred any of the following events: (i) a suspension or a material limitation in trading in securities generally on certain stock exchanges; (ii) a suspension or a material limitation in trading in the securities on the Stock Exchange of Hong Kong Limited and/or any other stock exchange on which the Company's securities are traded; (iii) a general moratorium on commercial banking activities in the United States, Hong Kong, the PRC and/or the United Kingdom declared by the relevant authorities or a material disruption in commercial banking or securities settlement or clearance services in the United States, Hong Kong, the PRC or the United Kingdom; or (iv) a change or development involving a prospective change in taxation affecting the Issuer, the Company, the USD Bonds or the transfer thereof; or
- (e) if, in the opinion of the Sole Lead Manager, there shall have occurred any event or series of events (including the occurrence of any local, national or international outbreak or escalation of disaster, hostility, insurrection, armed conflict, act of terrorism, act of God or epidemic) as would in its view be likely to prejudice materially the success of the offering and distribution of the USD Bonds or dealings in the USD Bonds in the secondary market.

PROPOSED USE OF PROCEEDS

If the USD Bonds are issued, the Company intends to use the net proceeds as capital for acquiring copper concentrates overseas for the 200,000 tonnes copper smelter project of Zijin Copper Co., Ltd., a wholly owned subsidiary of the Company, and for other overseas activities of the Group.

GENERAL

As the conditions precedent to completion of the Subscription Agreement may or may not be satisfied and the Subscription Agreement may be terminated upon the occurrence of certain events, shareholders of the Company and prospective investors are advised to exercise caution when dealing in the securities of the Company.

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

27 June 2011 Fujian, PRC

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