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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) Maoxinfaminchuzi nos.2542 to 2551, no.2553, nos.2585 to 2884 (311 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 Xinyi City Qianpai Town Qingyuan water supply plant and 310 villagers against 7 defendants including the Company, Xinyi Zijin, and Xinyi Baoyuan in relation to the claim of compensation for loss of property. A summary of the writs of the relevant civil proceedings is as follows:

On 21 September 2010, the collapse of Xinyi Zijin’s Gaoqiling tailing pool dam at Qianpai Town led to damages to the plaintiffs’ property. According to the relevant provisions of the Company Law, General Rules of Civil Law, Property Rights Law, Tort Law, and on the basis of acknowledgement by relevant department of the relevant liability in relation to the collapse of the dam, the plaintiffs requested the People’s Court, in relation to the loss of property resulting from the collapse of the dam, to order the defendants to jointly make a compensation of a total amount of RMB21,778,545.25 to the plaintiffs and bear all costs of the proceedings.

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 as and when 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. Since the property damages and casualty in the incident were caused by the collapse of the tailing pool dam and the main dam of the Shihuadi power plant respectively, Xinyi Zijin will request the People’s Court to appoint qualified institutes to further investigate into and clarify the quality of the main dam of the Shihuadi power plant and the causes of the collapse of the main dam of the Shihuadi power plant causing property damages in the area downstream, so as to identify liabilities.

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

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*

4 July 2011 Fujian, the PRC

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