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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)

**CONNECTED TRANSACTION
FURTHER ANNOUNCEMENT IN RELATION TO ACQUISITION OF 46.5% EQUITY
INTEREST IN JINYI COPPER**

Reference is made to the announcement of Zijin Mining Group Co., Ltd.* (the "Company") on 25 May 2011 in relation to the connected transaction of acquisition of a 46.5% equity interest in Jinyi Copper (the "Announcement"). Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

Listing Rules compliance

As disclosed in the Announcement, the consideration of the acquisition was determined on the basis of the valuation of Jinyi Copper under income approach carried out by Xiamen City University Assets Appraisal Co., Ltd. (廈門市大學資產評估有限公司) ("University Assets Appraisal"), an independent professional valuer, with the benchmark date of 31 December 2010 (the "Valuation"). According to the Valuation, the value of Jinyi Copper's total equity as at 31 December 2010 was RMB200,390,000. University Assets Appraisal adopted the income approach using cash flow modeling in the Valuation, which involves the calculation of discounted cash flow and constitutes a profit forecast for the purpose of Rule 14.61 of the Listing Rules (the "Profit Forecast"). This announcement is made in compliance with Rules 14.60A and 14.62 of the Listing Rules.

Pursuant to Rule 14.62(1) of the Listing Rules, the principal assumptions upon which the valuation report (the "Valuation Report") issued by University Assets Appraisal in respect of the acquisition was based are set out below:

Assessment assumptions

(1) The prerequisite and assumption for the establishment of this assessment are the continuing operation assumption and the open market assumption. In other words, the price of assets being assessed is set based on the prevailing price under continuing operation and open market.

(2) Anticipation assumptions

According to the relevant provisions of "Guidance on Valuation of Business (Trial)", the unit being assessed should provide the future operating conditions and profits forecast of its business. The valuer will base on the following assumptions, conduct analysis and make judgment on the data of the future operating conditions and profits forecast provided by the unit being assessed, and make adjustments if

necessary.

1. The conclusion of the assessment is reached on the basis of the assessment principle, assessment data, assessment premises, assessment method and assessment procedures mentioned in the Valuation Report.
2. The conclusion of the assessment only applies to the proposed economic transaction which will be carried out by the entruster and property owners. The conclusion of the assessment will generally become invalid when it is applied to other economic transactions.
3. The conclusion of the assessment reflects the assessed object's current market value set in accordance with the principle of open market under the purpose of the assessment.
4. The assessment does not take into account the changes in macroeconomic policy of the country and the effects of natural force and force majeure to the value of assets, and also does not consider the additional price impact of particular transaction to its assessed value. In the event that there is a change in the aforementioned conditions and the continuing operation principle adopted in the course of the assessment, the conclusion of the assessment will generally become invalid.
5. No major changes in the social and economic environment for the principal place and regions of business of the company.
6. Relevant interest rates, tax rates, and exchange rates fluctuate within the normal range.
7. The prerequisite and assumption making the conclusion of the assessment valid:
 - a) The estimated revenue and the discount rate can be achieved;
 - b) Assuming that the management of the corporation is responsible, the management risk, capital risk, market risk and personnel risk are under control or can be effectively resolved;
 - c) Assuming that the following situations will not happen to the corporation during their operating period: the brink of collapse, loss of accounting books and records, invalidation of business license, revocation of production permit and destruction of assets, etc.
8. The assessment assumes that the corporation is running according to the expected sales and production. It did not and cannot take into account any impact and restrictions which may be brought by mortgage, pledge, guarantee and other matters to the conclusion of the assessment.
9. The relevant information of the assessment is made by reference to the relevant information of the forecast for the corporation's future development provided by the entruster.
10. The conclusion of the assessment is issued by University Assets Appraisal, in which it will be affected by the occupational level and capability of its assessors.

Ernst & Young, the reporting accountants of the Company, has checked the arithmetical accuracy of the calculations of the discounted cash flows forecast, which does not involve the adoption of accounting policies, underlying the Valuation. The Directors confirm that the Valuation, which constitutes a profit forecast under Rule 14.61 of the Listing Rules, has been made after due and careful enquiry. A letter

from the Board and a letter from Ernst & Young have been submitted to the Stock Exchange, and are included in Appendix I and II to this announcement pursuant to Rule 14.62 of the Listing Rules.

Experts and consents

The followings are the qualifications of the experts who have given opinions or advice contained in this announcement:

<u>Name</u>	<u>Qualification</u>
University Assets Appraisal	Certified Public Valuer
Ernst & Young	Certified Public Accountants

As at the date of this announcement, neither University Assets Appraisal nor Ernst & Young has any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

The Valuation Report issued by University Assets Appraisal was dated 16 March 2011.

Each of University Assets Appraisal and Ernst & Young has given and has not withdrawn its written consent to the publication of this announcement with inclusion of its letter or opinion and all references to its name in the form and context in which it is included.

Investors and shareholders are advised to exercise caution when dealing in the shares 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

21 July 2011, Fujian, PRC

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

APPENDIX I LETTER FROM THE BOARD

21 July 2011

The Listing Division
The Stock Exchange of Hong Kong Limited
12th Floor, One International Finance Centre
1 Harbour View Street
Central, Hong Kong

Dear Sirs,

Connected Transaction – Acquisition of 46.5% Equity Interest of Fujian Jinyi Copper Products Co., Ltd. (“Jinyi Copper”)

We refer to the valuation report dated 16 March 2011 (the “Valuation Report”) prepared by Xiamen City University Assets Appraisal Co., Ltd. (廈門市大學資產評估有限公司) (“University Assets Appraisal”) in relation to the valuation of the total equity of Jinyi Copper as at 31 December 2010 under income approach (the “Valuation”). According to the Valuation, the value of Jinyi Copper’s total equity as at 31 December 2010 was RMB200,390,000. The Valuation, prepared based on income approach method, involves the calculation of discounted cash flow and constitutes a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

We have discussed with University Assets Appraisal about different aspects including the bases and assumptions upon which the Valuation has been prepared, and reviewed the Valuation for which University Assets Appraisal is responsible. We have also considered the letter dated 21 July 2011 from our reporting accountant, Ernst & Young, regarding whether the discounted cash flow forecast underlying the Valuation, so far as arithmetical accuracy of the calculations are concerned, has been properly compiled.

On the basis of the foregoing, we are of the opinion that the Valuation prepared by University Assets Appraisal has been made after due and careful enquiry.

Yours faithfully,
For and on behalf of the board of directors of
Zijin Mining Group Co., Ltd.*
Chen Jinghe
Chairman

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APPENDIX II LETTER FROM ERNST & YOUNG

21 July 2011

The Directors

Zijin Mining Group Co., Ltd.
1 Zijin Road,
Shanghang County,
Fujian, China

Dear Sirs,

We have performed the work described below, in respect of the arithmetical accuracy of the calculations of the discounted cash flow forecast (hereinafter referred to as the “Underlying Forecast”) underlying the valuation dated 16 March 2011 prepared by Xiamen City University Assets Appraisal Co., Ltd. (“廈門市大學資產評估有限公司”) in respect of Fujian Jinyi Copper Products Co., Ltd. (“福建金藝銅業有限公司”) (“Jinyi Copper”) as at 31 December 2010. The Underlying Forecast is regarded by The Stock Exchange of Hong Kong Limited as a profit forecast under paragraph 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

RESPECTIVE RESPONSIBILITIES OF DIRECTORS OF THE COMPANY AND REPORTING ACCOUNTANTS

It is the responsibility solely of the directors (the “Directors”) of Zijin Mining Group Co., Ltd. (the “Company”) to prepare the Underlying Forecast. The Underlying Forecast has been prepared using a set of assumptions (the “Assumptions”), the completeness, reasonableness and validity of which are the sole responsibility of the Directors.

It is our responsibility to draw a conclusion, based on our work on the arithmetical accuracy of the calculations of the Underlying Forecast and to present our conclusion solely to you, as a body, for the purpose of reporting under paragraph 14.62(2) of the Listing Rules and for no other purpose. We are not reporting on the appropriateness and validity of the bases and Assumptions on which the Underlying Forecast are based and our work does not constitute any valuation of Jinyi Copper. The Underlying Forecast does not involve the adoption of accounting policies. The Assumptions used in the preparation of the Underlying Forecast include hypothetical assumptions about future events and management actions that may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Underlying Forecast and the variation may be material. We have not reviewed, considered or conducted any work on the completeness, reasonableness and the validity of the Assumptions and thus express no opinion whatsoever thereon. Our work is more limited than that for a reasonable assurance engagement, and therefore less assurance is obtained than in a reasonable assurance engagement. We also accept no responsibility to any other person in respect of, arising out of, or in connection with our work.

BASIS OF CONCLUSION

We conducted our work in accordance with Hong Kong Standards on Assurance Engagements 3000 “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued by the Hong Kong Institute of Certified Public Accountants. Our work consisted primarily of checking the arithmetical accuracy of the calculations, of the Underlying Forecast prepared based on the Assumptions made by the Directors. Our work has been undertaken solely to assist the Directors in evaluating whether the Underlying Forecast, so far as the arithmetical accuracy of the calculations is concerned, has been properly compiled in accordance with the Assumptions made by the Directors. Our work does not constitute any valuation of Jinyi Copper as at 31 December 2010.

CONCLUSION

Based on our work described above, nothing has come to our attention that causes us to believe that the Underlying Forecast, so far as the arithmetical accuracy of the calculations of the Underlying Forecast is concerned, has not been properly compiled on the basis of the Assumptions made by the Directors.

Yours faithfully,

Ernst & Young
Certified Public Accountants
Hong Kong