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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
PROPOSED ACQUISITION OF TALDY-BULAK LEVOBEREJNY FIELD
(ZUOAN GOLD MINE) IN KYRGYZ REPUBLIC**

The Board is pleased to announce that the Company's wholly owned subsidiary Superb Pacific entered into the Agreement with Summer Gold on 15 August 2011 in relation to the proposed acquisition of 60% equity interest in Alтынкен and the Loan. The total consideration is US\$66,000,000 (equivalent to approximately RMB422,136,000).

As each of the applicable percentage ratios as defined in Chapter 14 of the Listing Rules, for the Transaction is less than 5%, this announcement is made on a voluntary basis.

Investors and shareholders are advised by the Board to exercise caution when dealing in the shares of the Company.

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The principal terms of the Agreement are as follows:-

PRINCIPAL TERMS OF THE AGREEMENT

Date: 15 August 2011

Parties:

1. Superb Pacific, a company incorporated in the British Virgin Islands with limited liability and a wholly owned subsidiary of the Company, principally engaged in investment holding; and
2. Summer Gold, a limited liability partnership organized under the laws of the

Republic of Kazakhstan, principally engaged in the operation in mining investment business in central Asia.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, neither Summer Gold nor any of its respective ultimate beneficial substantial owners is a connected person (as defined in the Listing Rules) of the Company.

Agreement

Superb Pacific agreed to acquire an aggregate of 60% equity interest in Alтынken and the Loan.

Conditions Precedent

The completion of the Agreement is conditional on satisfaction of, among other things, the following:

1. all necessary valid approvals from the Government of the Kyrgyz Republic and its authorized bodies;
2. all necessary valid approvals from the PRC Government and its regulatory authorities;
3. another shareholder of Alтынken, Kyrgyzaltyn should waive the pre-emption right in respect of the sale of 60% equity interest in Alтынken and the Loan owned by Summer Gold;
4. Alтынken should waive the pre-emption right in respect of the sale of 60% equity interest in Alтынken and the Loan owned by Summer Gold;
5. Kyrgyzaltyn and Summer Gold should pass a resolution to confirm that: (i) Kyrgyzaltyn agrees to the sale by Summer Gold of the 60% equity interest in Alтынken and the Loan to Superb Pacific, and (ii) Kyrgyzaltyn agrees that the current versions of the joint venture agreements shall remain unchanged and that after completion of the Transaction it shall meet with Superb Pacific and vote for a resolution to approve the charter and foundation agreement and re-registration of Alтынken;
6. the Company is reasonably satisfied with the due diligence results and that no material adverse change on Alтынken (as more particularly described in the Agreement) has happened since the date of the Agreement; and
7. Kyrgyzaltyn should sign a Novation Agreement that Kyrgyzaltyn agrees all of the Summer Gold's rights and obligations under the Joint Venture Agreements are novated to Superb Pacific.

Consideration:

The total consideration for the acquisition of 60% equity interest in Alтынken and the Loan is US\$66,000,000 (equivalent to approximately RMB422,136,000). Superb Pacific will paid US\$3,300,000 (equivalent to approximately RMB21,106,800) in cash within 5 business days after the signing of the Agreement. Superb Pacific will pay the remaining US\$62,700,000 (equivalent to approximately RMB401,029,200) in cash on the date on which the completion of the Transaction takes place. If the

Agreement is terminated due to any non-fulfillment of the conditions precedent, Summer Gold will refund the first payment, being the US\$3,300,000 as aforementioned, to Superb Pacific within 5 business days from the date of such termination in accordance with the terms and conditions of the Agreement.

The consideration of the Agreement was arrived at after arm's length negotiations between the parties thereto and on normal commercial terms.

The Group intends to pay the consideration in cash out of its internal resources and/or banking finance.

General information of Alтынken

Alтынken is a limited liability company registered and existing under the laws of the Kyrgyz Republic and formed in 2006. As at the date of the Agreement, the Alтынken's charter capital is 10,000 Kyrgyz Soms, 6,000 of which is legally and beneficially owned by the Summer Gold and represents 60% of the participation interest in the Alтынken. Kyrgyzaltyn invested 4,000 Kyrgyz Soms and holds 40% interest of Alтынken. Alтынken holds relevant licenses for the mining and production of Taldy-Bulak Levoberejny field (Zuoan Gold Mine), located in the Chui oblast of the Kyrgyz Republic and other related licenses. It locates 120 km east of the capital Bishkek, 1,600-1,700 metres above the sea level, the nearest railway station is 25 km in distance, and the traffic is convenient.

On 4 April 2011, the Natural Resources Department of Kyrgyzstan granted a new mining license agreement in relation to Taldy-Bulak Levoberejny field to Alтынken with the expiry date on 5 January 2026.

Gold ore was firstly found in Taldy-Bulak Levoberejny field in 1963, most of the exploration works had been completed in the period from 1963 to 1997 and an economic and technical report had been compiled based on the former USSR standards. According to the newly granted license agreement, as the national resources table of Kyrgyz Republic stated that Taldy-Bulak Levoberejny field contains (C1+C2) grades: 8,906,100 tonnes gold ore, the average grade is 7.23g/t, and gold metal is 64,420.5kg, among which, C1 grade (initial mining reserve) 4,949,754 tonnes gold ore, the average grade is 7.02g/t, and gold metal volume is 34,754.6kg.

Alтынken's unaudited financial data for years 2009 and 2010:

	Unit: Soms	
	2010	2009
Total Assets	847,786,234	829,944,118

Total Liabilities	1,445,574,164	1,320,060,776
Net Liabilities	-597,787,930	-490,116,658
Total Profit	7,912	842,524
Net Loss	- 148,528,587	-252,456,813

Note: 100 Soms = approximately RMB14.5015

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Company is principally engaged in the mining, production, refining and sale of gold and other mineral resources in the PRC. Taldy-Bulak Levoberejny field gold mine is one of the major investment targets of the Company. The mine has detailed historic exploration works. It has good resources volume and its grade is high. Its condition for development is good. As a result of the Transaction, the Company will have an opportunity to increase its gold reserve. It will enhance the competitiveness and sustainable development capacity of the Company. The amount payable under the Transaction would not have a material effect on the financial position of the Company.

Therefore, the Directors consider that the Transaction and the terms of the Transaction are in the ordinary course of business and on normal commercial terms, and are fair and reasonable and in the interest of the Company and its shareholders as a whole.

THE INVESTMENT RISKS

Approval risk

The completion of this Transaction is upon the fulfillment of all the conditions precedent which includes the valid approvals from the PRC government and its authorized bodies, and Kyrgyzstan government and its authorized bodies. There is no guarantee in obtaining all these approvals.

Mine development and operation risk

This is the first time of the Company to participate in a mining operation in Kyrgyzstan. The Company may have operational problems in culture, politics, laws, and logistic etc.

After the completion of the Agreement, the Company will hold 60% equity interest in Altynken. The uncertainty exists in the methods of development and operation for the mine and the effectiveness of co-operation with existing shareholder.

Foreign exchange risk

The consideration of the Transaction will be paid in US dollars. There are therefore associated foreign exchange risks as a result of the volatility of foreign exchange rates.

Please note that the above risk factors are not exhaustive and that it is possible that there are other risk factors and uncertainties that the Company is unaware of.

GENERAL

As each of the applicable percentage ratios as defined in Chapter 14 of the Listing Rules for the Transaction is less than 5%, this announcement is made on a voluntary basis.

Investors and shareholders are advised by the Board to exercise caution when dealing in the shares of the Company.

DEFINITIONS

In this announcement, unless otherwise indicated in the context, the following expressions have the meaning set out below:

“Agreement”	a sale and purchase agreement executed by Superb Pacific and Summer Gold dated 15 August 2011 in relation to the Transaction
“Altynken”	Altynken Limited Liability Company, a limited liability company registered and existing under the laws of the Kyrgyz Republic
“Board”	the board of Directors
“Company”	Zijin Mining Group Co., Ltd.*, a joint stock

	limited company incorporated in the People’s Republic of China with limited liability
“Director(s)”	the director(s) of the Company
“Joint Venture Agreements”	the joint activity agreement dated 10 March 2006 between Summer Gold and Kyrgyzaltyn, as amended by the agreement No.120 dated 1 April 2011, and the foundation agreement dated 18 October 2006 between Summer Gold and Kyrgyzaltyn, which set out the terms for the establishment and operation of Altynken
“Kyrgyzaltyn”	Kyrgyzaltyn Open Joint Stock Company, a state-owned company registered and existing under the laws of the Kyrgyz Republic
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the total indebtedness owed by Altynken to Summer Gold under a loan agreement dated 18 April 2011 and as amended on 20 June 2011 as of the completion date
“Novation Agreement”	the novation agreement to be entered into at Completion between Summer Gold, Superb Pacific and Kyrgyzaltyn, pursuant to which all of Summer Gold’s rights and obligations under the Joint Venture Agreements are novated to the Superb Pacific substantially in the form of Schedule 8 in the Agreement
“PRC”	The People’s Republic of China, but for the purpose of this announcement, excludes Hong Kong, Macau SAR and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC

“Summer Gold”	Summer Gold Limited Liability Partnership, a limited liability partnership organized and existing under the laws of the Republic of Kazakhstan
“Superb Pacific”	Superb Pacific Limited, a company incorporated in the British Virgin Islands with limited liability, a wholly-owned subsidiary of the Company
“Transaction”	acquisition of 60% equity interest in Altynken and the Loan by the Group in accordance with the terms of the Agreement
“US Dollars” or “US\$”	United States dollar(s), the lawful currency of the United States of America.
“%”	per cent

For the purpose of this announcement, unless otherwise specified, amounts denominated in US\$ have been translated for the purpose of illustration only into Renminbi at the exchange rate of US\$1.00 = RMB6.396.

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

16 August 2011, Fujian, PRC

**The English name of the Company is for identification purpose only*