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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**

The wholly-owned subsidiaries of Zijin Mining Group Co., Ltd.\* (the “**Company**”), Xinyi Zijin Mining Company Limited\* (“**Xinyi Zijin**”) and Xinyi Baoyuan Mining Company Limited\* (“**Xinyi Baoyuan**”) have received the civil ruling documents of (2011) Xinfaminchuzi nos. 51, 55, 56 and 61 and (2011) Xinfaminchuzi nos. 44, 45, 48, 49, 50, 52, 53, 54, 57, 58, 59, 60 and 62 issued by the Guangdong Province Xinyi City People’s Court (the “**People’s Court**”) on 17 September 2011. In the hearing of the proceedings commenced by a total of 17 plaintiffs, including Liu Shanggui and Li Qifu, against Xinyi Zijin, Xinyi Baoyuan and other defendants, the plaintiffs applied for an application of advanced compensation execution, in response to which the People’s Court allowed the said application on the basis that the productivity and livelihood of the plaintiffs were severely affected by the casualty of the relatives of the plaintiffs and the damages to properties caused by the collapse of Xinyi Zijin’s tailing dam in the “9.21” incident and ruled accordingly that the application of advanced compensation execution made by the plaintiffs were in accordance with the law. In accordance with Articles 97 and 98 of the Civil Law of the People’s Republic of China (the “**PRC**”), the People’s Court ruled that Xinyi Zijin and Xinyi Baoyuan should compensate the families of the 19 casualties in total of RMB1.52 million in advance (involving 4 deaths in Datong Village, and 15 deaths in Shuanghe Village in the downstream of Shihuadi hydropower station).

Xinyi Zijin has no objection to compensate the 4 deaths in Datong Village in advance. However, Xinyi Zijin is of the view that, in consideration of the circumstances of no legal ruling in the clarification and allocation of liabilities and that also the rights and liabilities of the relevant parties involved are unclear, the People’s Court’s order for advanced compensation execution is not compliant with the relevant requirements in the Civil Law of the PRC for the compensation of 15 deaths in Shuanghe Village in the downstream of Shihuadi hydropower station. However, on the basis of humanism and the benefit of the victims, Xinyi Zijin decided to pay in advance as ordered by the People’s Court in relation to the said 15 deaths. Xinyi Zijin, however, reserves the rights to claim other parties found to be liable in relation to the advanced compensation made when the allocation of liabilities is clear.

Guangdong Province Government and Party Committee “9.21” Dam Collapse Investigation and Management Leading Team’s report clearly stated that “In the same time, the owners of Shihuadi hydropower dam have not constructed the main dam in accordance with the design, and have lowered the reservoir’s capacity without authorization, started power generation without having gone through works completion inspection, and that no inspection had been carried out by the department in-charge after having gone through the process of rectification of tacit safety problems

and etc.”

Xinyi Zijin considers that the collapse of Shihuadi hydro power station dam was the direct cause and has inescapable liabilities to the property damage and casualties in Shuanghe Village in the downstream of the Shihuadi hydro power station. In order to ascertain the liability, Xinyi Zijin have, since November of 2010, applied to the People’s Court many times to appoint institutes with professional qualification to carry out examination of the quality and the causes of collapse of Shihuadi hydropower dam and clarify the reasons and causes of casualties and property damage of Shihuadi hydro power station downstream. In March 2011, the People’s Court joined Xinyi City Shihuadi hydropower station and its 13 partners as additional defendants in various proceedings in relation to the “9.21” incident. On 27 May 2011, the People’s Court issued notice to all the related parties to discuss the appointment of professional institutes to examine the construction of Shihuadi hydropower dam on 1 June 2011 at the People’s Court, but no agreement has been reached. The People’s Court informed all the related parties by phone to have a drawing to decide the selection of the professional institutes on 20 June 2011. On that day, however, the People’s Court declared to postpone the drawing.

Xinyi Zijin will insist to apply for further verification of the quality of the main dam and the causes of the collapse of the main dam of the Shihuadi hydropower station 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*

19 September 2011 Fujian, the PRC

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