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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 Civil Cases of Guangdong Xinyi 9.21 Incident**

On 21 September 2010, under the impact of the extreme weather of Typhoon "Fanapi", Yinyan Tin Mine Gaoqiling tailing pool dam owned by Xinyi Zijin Mining Co., Ltd. ("Xinyi Zijin") was flooded and collapsed, resulting in loss of properties and casualties. The local government and the victims sued Xinyi Zijin and other defendants in the People's Court of Xinyi City. The Company has kept the market informed of the progress of the lawsuits by issuing announcements.

On 27 December 2011, the People's Court of Xinyi City commenced the hearing of 5 lawsuits (2011 Xinfaminchuzi No. 43, 51, 55, 56, 61) in relation to the responsibility of building collapse in Datong Village at the direct downstream of Xinyi Zijin's Yinyan Tin Mine Gaoqiling tailing pool. In view of the fact that the considerable period of time involved in the legal proceedings has prevented the victims from getting compensation shortly and was unfavourable to the stability and harmony of the society, Xinyi Zijin proposed a request of mediation to the People's Court of Xinyi City.

On 30 December 2011, under the auspices of the People's Court of Xinyi City, Xinyi Zijin reached a mediation settlement agreement with the plaintiffs for the above-mentioned five lawsuits. Xinyi Zijin made a compensation of RMB3,183,061.97 in total (including the advance payment of RMB320,000) to the plaintiffs and bore the legal costs of RMB25,415.

The Company also noticed that some overseas and local media have reported about the court proceedings, plaintiff's accusations and defendant's pleads, including some allegations, such as "false investment and withdrawal of registered capital of Xinyin Zijin by the Company" and "inability of Xinyi Zijin to separate its assets from the properties of its shareholders" in relation to the issue of "disregard of corporate personality". The Company and Xinyi Zijin consider that these allegations are not correct. The Company and Xinyi Zijin would make defenses in the coming proceedings according to laws and the facts. Meanwhile, in order to identify the facts, to clarify the liabilities and to protect the interest of the Company's investors, the Company and Xinyi Zijin will again request a judicial investigation and examination for the quality of the dam of Shihuadi hydropower plant and the cause for the collapse of the dam in the coming legal proceedings.

The Company and Xinyi Zijin are taking positive attitudes in the compensation of the victims. In order to solve the problem after the 9.21 Incident quickly and reliably, the Company and Xinyi Zijin have accumulatively donated RMB51.5 million to the victims. At the same time, the Company has continuously contacted the various levels of relevant governmental authorities through different channels in Guangdong Province and requested the local government to lead the mediation in order

to speed up settlements with the victims and the resumption of the lives and order of the disaster area.

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*

30 December 2011 Fujian, the PRC

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