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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**

### **RECOMMENDED A\$0.25 PER SHARE CASH OFFER FOR NORTON GOLD FIELDS LIMITED**

Reference is made to the Company's announcement dated 3 April 2012 in relation to the Company's indicative takeover proposal ("**Proposal**") for the ASX-listed Australian company Norton Gold Fields Limited ("**Norton**").

Further to the Proposal, the Company is pleased to announce that it has signed a definitive bid implementation deed (the "**Bid Implementation Deed**") on 31 May 2012 with Norton, setting out the terms on which the Company, through its wholly-owned subsidiary Jinyu (H.K.) International Mining Company Limited (the "**Offeror**"), will make a conditional off-market cash takeover offer for all of the issued shares in Norton not currently held by the Company and its subsidiaries. Such cash takeover offer will be for A\$0.25 (equivalent to approximately RMB1.535) (based on the medium exchange rate A\$1=RMB6.1413 disclosed by the Bank of China on 31 May 2012, same rate applies below) per ordinary share of Norton (the "**Offer**"). The Zijin Group currently holds approximately 16.98% of the Norton ordinary shares. In addition, as explained in further detail in this announcement, the Offeror will allow Norton shareholders to retain a special dividend of not more than A\$0.02 which Norton declares and pays, without any consequent reduction in the Offer price.

The Offer is subject to the conditions set out in the Bid Implementation Deed, which include: that the Zijin Group obtains a relevant interest in at least 50.1% of the Norton shares; that the Offeror obtains the relevant Australian regulatory authorities' approvals and all necessary Chinese regulatory approvals; that there is no material adverse change in relation to Norton; and that during the 6 month period from the date of this announcement the spot price for gold as quoted on COMEX (Commodity Exchange, Inc.) is not below A\$1,400 per ounce throughout any 72 hour period of gold trading.

## **BACKGROUND OF NORTON**

Based on publicly available information disclosed by Norton, Norton is a mid-tier, un-hedged gold producer and explorer with annual gold production of approximately 150,000 oz. (approximately 4.67 tonnes gold). Norton's major assets include the Paddington Project, the Mount Morgan (tailing utilization) project and the Many Peaks copper exploration project.

## Paddington Project

The Paddington Project is the core asset of Norton. Paddington mining and exploration tenement package covers an area of 693km<sup>2</sup> within the Kalgoorlie gold province in Western Australia and has a processing plant with 3.3 million tonnes/year capacity. It is 100% owned and operated by Norton and is centered around the Paddington Mill which is located 35km north-west of Kalgoorlie. In the 2012 financial year, Paddington's operative mines are the Navajo-Chief open-pit mine, the Blue Gum open-pit mine and the Homestead underground mine.

According to Norton and publicly available information disclosed by Norton that Norton has 5,961,000 oz gold resources (approximately 185.4 tonnes), in which, total measured and indicated gold resources is 3,265,000 oz (approximately 101.6 tonnes), of which approximately 1.003 million oz is classified as gold reserve (approximately 31.2 tonnes). (1 troy ounce = 31.1035g)

Further details of Paddington's Mineral Resources (including Ore Reserves) are set out in the table below.

### Paddington Resource Statement: Mineral Resource (includes Ore Reserve) (31 December 2011)

Project	Measured			Indicated			Inferred			Total Resource		
	Mt	g/t	oz	Mt	g/t	oz	Mt	g/t	oz	Mt	g/t	oz
Havana				4.29	1.69	233,000	0.26	1.73	14,000	4.55	1.69	247,000
Enterprise				10.3	2.27	749,000	5.10	1.75	287,000	15.4	2.10	1,037,000
Mulgarrie				1.05	3.22	109,000	0.44	2.72	39,000	1.49	3.07	147,000
Federal				3.74	1.92	231,000	2.99	2.10	202,000	6.73	2.00	433,000
Golden Flag				0.43	2.10	29,000	0.33	1.92	20,000	0.76	2.02	49,000
Mt Pleasant				2.81	2.42	219,000	8.47	2.95	803,000	11.3	2.82	1,021,000
Rose West				0.46	1.80	27,000	0.03	1.81	2,000	0.50	1.80	29,000
Natal							0.38	2.46	30,000	0.38	2.46	30,000
Janet Ivy				3.39	1.23	133,000	2.32	1.24	93,000	5.71	1.23	226,000
Jakarta				1.77	1.15	65,000	0.42	1.02	14,000	2.19	1.13	79,000
Green Gum				2.01	2.53	163,000	0.21	5.11	35,000	2.22	2.78	198,000
Blue Gum East				0.20	3.10	20,000	0.13	1.44	6,000	0.34	2.45	26,000
Homestead UG	0.07	22.6	49,000	0.11	15.6	55,000	0.09	12.6	38,000	0.27	16.5	142,000

<b>Golden Kilometre</b>				0.76	4.17	102,000	0.76	4.17	102,000
<b>Tuart UG</b>				0.74	6.00	142,000	0.74	6.00	142,000
<b>Lady Bountiful Extension</b>	2.82	1.72	156,000	1.43	1.73	79,000	4.25	1.72	235,000
<b>Fort William</b>	0.23	2.20	16,000	1.78	1.26	72,000	2.00	1.37	88,000
<b>Fort Scott</b>	0.32	2.08	21,000	0.13	1.26	5,000	0.45	1.84	27,000
<b>Navajo Chief</b>	15.8	1.01	511,000	3.17	1.08	110,000	18.9	1.02	621,000
<b>Navajo Chief Low Grade</b>	12.8	0.60	244,000	2.67	0.59	51,000	15.4	0.59	295,000
<b>Apache</b>				0.63	1.67	34,000	0.63	1.67	34,000
<b>Ben Hur (1,2,3)</b>	3.60	1.20	139,000	5.68	2.08	381,000	9.29	1.74	520,000
<b>Pitman South</b>				0.10	2.20	7,000	0.10	2.20	7,000
<b>Walsh &amp; Walsh North</b>				0.42	1.77	24,000	0.42	1.77	24,000
<b>Matts Dam</b>				0.34	1.47	16,000	0.34	1.47	16,000
<b>Porphyry</b>	1.66	1.09	58,000	0.68	1.25	27,000	2.34	1.14	85,000
<b>Liberty West</b>				0.54	1.94	34,000	0.54	1.94	34,000
<b>Stockpiles</b>	0.81	0.80	21,000	0.64	0.73	15,000	1.37	0.65	29,000
<b>Total Mineral Resources</b>	<b>0.88</b>	<b>2.49</b>	<b>70,000</b>	<b>68.3</b>	<b>1.45</b>	<b>3,195,000</b>	<b>41.6</b>	<b>2.01</b>	<b>2,696,000</b>
							<b>110.8</b>	<b>1.67</b>	<b>5,961,000</b>

*Apparent arithmetic inconsistencies are due to rounding*

#### **Paddington Resource Statement: Ore Reserve (31 December 2011)**

<b>Project</b>	<b>Proven</b>			<b>Probable</b>			<b>Total Reserve</b>		
	<b>Mt</b>	<b>g/t</b>	<b>oz</b>	<b>Mt</b>	<b>g/t</b>	<b>oz</b>	<b>Mt</b>	<b>g/t</b>	<b>oz</b>
<b>Enterprise</b>				5.55	2.52	450,000	5.55	2.52	450,000
<b>Janet Ivy</b>				1.58	1.09	55,000	1.58	1.09	55,000
<b>Green Gum</b>				0.58	2.52	47,000	0.58	2.52	47,000
<b>Blue Gum East</b>				0.20	2.92	19,000	0.20	2.92	19,000
<b>Homestead</b>	0.05	10.2	16,000	0.14	8.96	41,000	0.19	9.28	57,000
<b>Navajo Chief</b>				3.68	1.06	125,000	3.68	1.06	125,000
<b>Rose West</b>				0.24	1.97	15,000	0.24	1.97	15,000
<b>Golden Flag</b>				0.26	2.50	21,000	0.26	2.50	21,000
<b>Federal</b>				1.73	1.88	105,000	1.73	1.88	105,000
<b>Mulgarrie</b>				0.64	3.53	73,000	0.64	3.53	73,000
<b>Stockpiles</b>	0.81	0.80	21,000	0.64	0.73	15,000	1.45	0.77	36,000
<b>Total Reserve</b>	<b>0.86</b>	<b>1.33</b>	<b>37,000</b>	<b>15.3</b>	<b>1.97</b>	<b>966,000</b>	<b>16.1</b>	<b>1.94</b>	<b>1,003,000</b>

*Apparent arithmetic inconsistencies are due to rounding*

#### *Competent Persons:*

According to Norton and publicly available information disclosed by Norton that relates to Mineral Resources at the Paddington Project is based on information compiled by Peter Ruzicka and Andrew Bewsher. Publicly available information disclosed by Norton that relates to Ore Reserves at the Paddington Project is compiled by Ian Paynter and Cullum Winn.

Messrs. Winn, Paynter, Ruzicka and Bewsher qualify as Competent Persons as defined in the JORC Code. For full details in respect of the Competent Persons Statement, see the ASX release of Norton dated 14 May 2012 or visit the Norton website “[www.nortongoldfields.com.au](http://www.nortongoldfields.com.au)”.

### Other projects

Other than the Paddington Project, Norton has other exploration and other interests in Australia, including the Mount Morgan (tailing utilization) project located 38km south west of Rockhampton, Queensland, the Norton gold mine located in the Boyne Valley, 100km south west of Gladstone, Central Queensland, and the Many Peaks copper project located 25km south of the Norton gold mine, which is a joint venture initiative in which Norton holds a 70% interest.

### Financial information of Norton

The financial year of Norton commences on 1 July and ends on 30 June. Its financial statements for the period ended 30 June 2011 were prepared in accordance with Australian Accounting Standards. Some major financial data extracted from the audited financial statements 2011 of Norton in respect of the year ended 30 June 2011 are set out below:

A\$

	<b>2011</b>	<b>2010</b>
Revenue	211,685,000	177,416,000
Gross profit	28,488,000	21,380,000
Total comprehensive income (loss) for the year attributable to owners of parent entity	20,575,000	-25,404,000
Basic earnings (loss) per share	0.02	-0.063
Total assets	250,555,000	279,619,000
Net assets	112,868,000	77,906,000

Note:

information source: Annual Report 2011 of Norton

For details, please refer to the Annual Report 2011 of Norton, which is available at its website: [“www.nortongoldfields.com.au”](http://www.nortongoldfields.com.au).

Some major financial data extracted from the reviewed interim financial statements of Norton as at 31 December 2011 are set out below:

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Revenue	118,950,000
Gross profit	17,242,000
Total comprehensive income (loss) for half year attributable to owners of parent entity	9,502,000
Basic earnings (loss) per share	0.007
Total assets	265,078,000
Net assets	153,938,000

### Shareholding structure of Norton

Norton currently has on issue:

- (i) 849,580,265 ordinary shares;
- (ii) 12,000,000 options; and
- (iii) performance and other rights held by various Norton group employees to be issued a maximum of 4,290,000 ordinary shares if certain Norton share price thresholds are reached and a maximum of 4,000,000 options.

If all the options are exercised and the performance and other rights are vested or exercised, the total issued shares of Norton would reach 869,870,265 ordinary shares (of which the 4,290,000 ordinary shares which could be issued pursuant to the performance rights held by various Norton group employees will not form part of, and cannot be accepted into, the Offer).

As at 22 May 2012, the 10 largest registered shareholders of Norton were as set out below. The Zijin Group currently holds approximately 16.98% of the Norton shares (144,250,000 shares) through QDII and its wholly-owned subsidiary Luminous Gold Ltd.

Shareholder name	Number of shares held	%
HSBC Custody Nominees (Australia) Ltd	147,193,150	17.33
Citicorp Nominees Pty Ltd	137,561,651	16.19
Gold Max Asia Investments Limited	94,102,648	11.08
Luminous Gold Limited	66,250,000	7.80

National Nominees Limited	48,963,632	5.76
JP Morgan Nominees Australia Limited <Cash Income A/C>	41,103,587	4.84
Harry Hanyu Tu	30,600,000	3.60
Mr Meng Luo & Mrs Lan Liu <Luo & Liu Family A/C>	25,044,000	2.95
Micona Mining Pty Limited <Micona Trust>	15,700,000	1.85
Merrill Lynch (Australia) Nominees Pty Ltd	14,599,593	1.72

## **PRINCIPAL TERMS OF THE OFFER**

### **The Offeror and the target company**

1. The Offeror, Jinyu (H.K.) International Mining Company Limited (which is a wholly-owned subsidiary of the Company) incorporated in Hong Kong, principally engaged in investment holding; and
2. Norton, a company with its registered office in Brisbane, Queensland, Australia. Norton is listed in Australia on the ASX (stock code NGF), principally engaged in the business of production of gold and exploration of the West Australian gold fields near Kalgoorlie in Australia.

To the best knowledge of the Directors after making all reasonable enquiries, Norton and its ultimate beneficial substantial shareholders (other than the Company and its subsidiaries) are not connected persons (as defined in the Listing Rules) of the Company.

### **The Offer**

The Offeror will make a conditional cash off-market takeover bid under the Australian Corporations Act for all of the issued shares in Norton for A\$0.25 per share (equivalent to RMB1.535 per share) that the Zijin Group does not already own. The Offer price of A\$0.25 represents a premium of:

- (i) 35% to the closing price of A\$0.185 of Norton shares as quoted on the ASX on 29 March 2012 (being the last trading day before the indicative takeover proposal was announced on 3 April 2012);
- (ii) 39.2% to A\$0.1796, being the volume-weighted average price of Norton shares as quoted on the ASX for the 1 month to and including 29 March 2012; and

- (iii) 28.7% to A\$0.1942, being the volume-weighted average price of Norton shares as quoted on the ASX for the 3 months to and including 29 March 2012.

The Offer will be paid in cash from the Zijin Group's internal resources and existing banking finance.

In addition, as explained in more detail in the "Norton Special Dividend" section below, the Offeror will allow Norton shareholders to retain a special dividend of not more than A\$0.02 which Norton declares and pays, without any consequent reduction in the Offer price.

### **Consideration**

The Offer is based on the number of issued and outstanding share capital of Norton being 849,580,265 shares (plus any new shares that are issued prior to the end of the period of the Offer as a result of the exercise of any Norton options, in accordance with their terms, which are in existence as at the 'register date' set by the Company under section 633(2) of the Australian Corporations Act (being a maximum 865,580,265 ordinary shares)). Norton's issued share capital is comprised of ordinary shares only.

If the Offer is completed with 100% acceptance in respect of Norton (and assuming 16,000,000 shares have been issued as a result of the exercise of options), the amount that the Company shall be required to pay will be about A\$180.3 million (approximately RMB1.107billion) (excluded Norton's shares owned by the Zijin Group).

### **Bid Implementation Deed**

A formal and legally binding Bid Implementation Deed has been negotiated and entered into between the Company and Norton.

### **Recommended Offer**

Norton has announced that the Recommending Directors (being all of the directors of Norton as at the date of this announcement, other than Mr Xianhui Zeng who was appointed to the Norton board as the Zijin Group's representative and has abstained from voting in respect of the Offer) unanimously recommend that Norton shareholders accept the Offer in the absence of a superior proposal.

## **Bid Conditions**

The Offer is subject to a number of conditions, including but not limited to:

- (i) the Zijin Group obtaining a relevant interest in at least 50.1% of Norton's ordinary shares;
- (ii) all applicable approvals from the PRC government and relevant regulatory authorities having been obtained and remaining effective;
- (iii) relevant Australian regulatory authorities' approvals being obtained;
- (iv) no material adverse change in relation to Norton prior to the end of the Offer Period; and
- (v) before the date that is 6 months from the date of this announcement, the spot price for gold as quoted on COMEX (Commodity Exchange, Inc.) is not below A\$1,400 per ounce throughout any 72 hour period of gold trading.

The Zijin Group is entitled to waive any of the Offer conditions in accordance with the Australian Corporations Act. However, the Zijin Group has agreed with Norton in the Bid Implementation Deed that the Offeror will not waive the 50.1% condition described in paragraph (i) above in the first 2 weeks of the Offer Period unless the Zijin Group has obtained a relevant interest in at least 45% of the Norton shares.

## **Termination of Bid Implementation Deed**

Under the Bid Implementation Deed, either party is entitled to terminate the deed in the following circumstances:

- (i) the other party breaches the terms of the deed, where such breach is material in the context of the Offer, and such party in breach fails to remedy the breach after notice;
- (ii) the Offeror withdraws the Offer or the takeover bid lapses or does not proceed for any reason; or
- (iii) if all the Offer conditions have not been satisfied or waived within six months from the commencement of the Offer Period.



In addition, the Company has the right to terminate the Bid Implementation Deed if (i) any of the Recommending Directors does not recommend the Offer or recommends against, qualifies their support of, or withdraws their recommendation or approval of the Offer; or (ii) a competing proposal is announced during the exclusivity period under the Bid Implementation Deed and any Recommending Director recommends such competing proposal.

Further, Norton has the right to terminate the Bid Implementation Deed if a majority of the Recommending Directors recommend a superior proposal in accordance with the deed.

### **Exclusivity and break fee**

Pursuant to the Bid Implementation Deed, the exclusivity period begins on the date of the deed and ends on the earliest of (i) 6 months from the date of the deed, (ii) termination of the deed, or (iii) the end of the Offer Period.

Under the Bid Implementation Deed, Norton has agreed, during the specified exclusivity period, to cease and not enter into discussions and negotiations in respect of competing proposals from third parties unless they are superior proposals, not to solicit other offers from third parties and to grant the Company a right to better any competing proposals. In addition, Norton has agreed to pay a break fee to the Zijin Group equal to A\$2.15 million (plus any applicable GST) on the occurrence of any one of a number of specified events. These events in summary are (but not limited to):

- (i) any of the Recommending Directors does not recommend that shareholders accept the Offer or recommends against, qualifies their support or withdraws their recommendation or approval of the Offer;
- (ii) a competing proposal is announced or made during the exclusivity period and any of the Recommending Directors recommends that competing proposal;
- (iii) a competing proposal is announced or made during the exclusivity period and such competing proposal completes within 12 months from the date of the Bid Implementation Deed and as a result of which the third party obtains control of Norton or obtains more than a 50% shareholding in Norton;
- (iv) a general meeting of Norton is convened by the Norton board to approve the taking of any step that would prevent an Offer condition being satisfied, and any of the

Recommending Directors recommends that Norton shareholders vote in favour of that step;

- (v) an Offer condition is breached or not fulfilled and that breach or non-fulfillment is the result of any action or inaction of Norton or any of the Recommending Directors, and
- (vi) Norton is in material breach of the Bid Implementation Deed, and that material breach is not remedied within 3 business days of Norton receiving notice to remedy from the Company;

provided that a break fee will not be payable after the Offer has closed in circumstances where the Offer has become unconditional and the Zijin Group has acquired a relevant interest in at least 50.1% of the Norton shares.

#### **IMPACT OF THE TRANSACTION TO THE COMPANY**

Norton owns productive gold mines which produce almost 5 tonnes of gold per annum. It also holds large amounts of resources, the nature of which allows for efficient processing and high recovery rates, its equipment and technology are comparatively advanced and the management standard is comparatively higher. The acquisition will help to enhance the Company's expansion in overseas operation, increase its gold resource/reserve and its production capacity and the position in the gold industry. The project is located in Australia which is a mature mining market with a good investment environment. Certain Norton mine sites are located within a well-known Australian gold metallogenic belt with good exploration and acquisition prospects and upon successful acquisition and operation of the project, it will provide the Company with a good platform and foundation for further global expansion and will assist the Company in exploring and training international talent and enhance the Company's overseas operations ability. In summary, the acquisition is consistent with the Company's development strategy.

#### **Funding arrangement for this Offer and impact on the Company**

The amount payable for the acquisition of Norton under the Offer will be a maximum of about A\$180.3 million, equivalent to RMB1.107 billion. The Offer will be financed by the Company using its cash on hand and existing bank loan facilities which would not have a material effect on the financial position of the Company.

## **Risks associated with the transaction**

*The Offer is a conditional offer, and may fail as a result of, without limitation, the following risk factors*

- (i) Risks associated with obtaining PRC and non-PRC approvals: the completion of the Offer is dependent on the satisfaction of a number of conditions, including the condition of obtaining approvals from the PRC government and relevant regulatory authorities as well as the approval of the Australian supervisory authorities, which may cause uncertainties.
- (ii) Minimum acceptance: It is uncertain whether the 50.1% minimum relevant interest condition can be satisfied in accordance with the terms of the Offer. However, as explained above the Company can waive this condition.
- (iii) Risks of a superior proposal from the third parties: Although the Company has already entered into the Bid Implementation Deed with Norton, and the Offer has received the unanimous recommendation of the Recommending Directors, there may be third parties who may make a proposal or proposals to acquire the shares of Norton on terms superior to the Offer. If the Company chooses to compete with such third parties, this may increase the price that the Company may have to pay in respect of, and cause delay in, the completion of the Offer or result in the failure of the Offer.

### *Operation risks*

Many mine sites owned by Norton are scattered and as such operating costs are high. If such operating costs cannot be reduced effectively, it may lead to losses and a risk that the investment made by the Company may not be recovered.

Since the targeted acquisition assets are located in Australia, after the acquisition, the Company may encounter certain management and operation risks which arise from the difference between two countries in laws and regulations, finance and taxation, commercial practice, trade union system, corporate culture, etc.

### *Market risks*

There are market risks associated with movements of gold prices. High levels of volatility in the price of gold may have an impact on the profitability of the Paddington Project which may

in turn have an effect on the market trading price of Norton shares.

#### *Foreign exchange risks*

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

#### *Legal, policy risks*

The transaction relates to the laws and policies of both Australia and the PRC and is subject to the compliance of the parties with relevant laws and regulations relating to outbound and foreign enterprise acquisition. There are risks associated with the exercise of discretion by the relevant authorities as well as any legal and investigative actions or steps that the relevant authorities may take.

### **INDICATIVE TIMETABLE**

The Company expects that its “Bidder’s Statement” for the Offer will be despatched to Norton shareholders within 6 weeks from the date of this announcement, at which time the Offer will open for acceptance. Norton’s “Target’s Statement” in response to the Offer is expected to be despatched to Norton shareholders a short time thereafter. The Offer will initially remain open for a minimum period of 1 month. The Zijin Group has agreed with Norton in the Bid Implementation Deed that the aggregate Offer Period will not be longer than 6 months.

### **REASONS FOR AND BENEFITS OF THE PROPOSED TRANSACTION**

The Company is principally engaged in the mining, production, refining and sale of gold and other mineral resources in the PRC. As a result of the proposed transaction, the Company has an opportunity to invest in the Paddington project and other mineral interests of Norton in Australia, thereby giving the Company an opportunity to expand its gold mining interests in Australia. Therefore, the Directors consider that the proposed transaction is in the ordinary course of business and on normal commercial terms, and is fair and reasonable and in the interest of the Company and its shareholders as a whole.

### **NORTON SPECIAL DIVIDEND**

In addition, Norton shareholders will be entitled to retain an unfranked special dividend of not more than A\$0.02 per share (the “**Special Dividend**”) which Norton has announced that it proposes to declare and pay, with no reduction in the A\$0.25 per share Offer price, where such Special Dividend is and will :

- (i) be declared and announced once the Offer becomes unconditional and all of the loan notes under Norton’s existing secured debt facility have been redeemed (the latter to occur upon a ‘change of control’ of Norton, as explained further below); and
- (ii) be paid to shareholders not later than 3 weeks after the date on which the last of the events in (i) has occurred.

The Company has agreed that it will not register transfers of Norton shares accepted into the Offer until after the record date of such Special Dividend (and as such, persons registered as holders of Norton shares who accept the Offer prior to the Special Dividend record date will still be entitled to receive the Special Dividend), except where the Bid Implementation Deed has terminated and the Special Dividend has not already been declared and announced in accordance with the above.

## **DEBT FINANCING ARRANGEMENTS**

Norton has a senior secured note debt facility as announced to the ASX on 1 June 2011 (the “**Secured Note Facility**”). The Secured Note Facility contains a change of control provision that will be triggered in certain circumstances, including where: (i) any person obtains a relevant interest in more than 45% of the Norton shares, or (ii) a takeover bid made for Norton becomes unconditional, and either the bidder has a relevant interest in more than 45% of the Norton shares or the Norton board of directors unanimously recommends the bid (with or without conditions).

Upon the change of control provision being triggered, Norton must repay the entire outstanding loan amount under the Secured Note Facility and a redemption premium. As a guide, if such events were to occur today, Norton has estimated that an aggregate amount of approximately A\$50.8 million would need to be paid.

To assist Norton in repaying the Secured Note Facility upon a trigger of the change of control provision, the Offeror has agreed to provide Norton with an A\$38 million unsecured loan facility (the “**Unsecured Loan Facility**”). The Unsecured Loan Facility, together with Norton’s existing cash reserves, will enable Norton to repay the Secured Note Facility in full.

The Unsecured Note Facility has a 12 month term from initial drawdown and an interest rate of 11% per annum. In the event that the Offer is withdrawn or does not become unconditional (or if certain other specified events occur) the Unsecured Loan Facility will be repayable within six months from this event occurring (or in any event no later than by the end of the 12 month term).

## **GENERAL**

As each of the applicable percentage ratios as defined in Chapter 14 of the Listing Rules for the Transaction is less than 5%. The transaction is not a notifiable transaction as defined under Chapter 14.

Trading in the H shares of the Company on the Stock Exchange was suspended with effect from 9:00 a.m. on 31 May 2012 at the request of the Company pending the release of this announcement. Application has been made to the Stock Exchange for a resumption of trading in the H shares of the Company with effect from 9:00 a.m. on 1 June 2012.

This announcement is made under Listing Rule 13.09.

**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:

“A\$”	Australian dollars
“ASX”	the Australian Securities Exchange
“Australia”	the Commonwealth of Australia
"Australian Corporations Act"	the Australian Corporations Act 2001 (Cth)
"Bid Implementation	the bid implementation deed dated 31 May 2012 between the Company and Norton

Deed"	
"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
"GST"	has the meaning specified in the Australian A New Tax System (Goods and Services) Tax Act 1999 (Cth)
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"JORC Code"	the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2004 edition), published by the Joint Ore Reserve Committee of the Australian Institute of Mining and Metallurgy, for reporting of mineral resources and ore reserves which sets out the minimum standards, recommendations and guidelines for the public reporting of exploration results, mineral resources and ore reserves
"km"	kilometre
"km <sup>2</sup> "	kilometres square
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Mineral Resource"	has the meaning given to it in the JORC Code
"Offer Period"	means the period during which the Offer is open for acceptance
"Ore Reserve"	has the meaning given to it in the JORC Code
"oz."	ounce
"PRC"	the People's Republic of China, but for the purpose of this announcement, excludes Hong Kong, Macau SAR and Taiwan
"Probable Ore Reserve"	has the meaning given to it in the JORC Code
"Proven Ore Reserve"	has the meaning given to it in the JORC Code
"QDII"	qualified domestic institutional investors
"Recommending Directors"	all of the directors of Norton as at the date of this announcement, other than Mr Xianhui Zeng, who was appointed to the Norton board as the Zijin Group's

	representative
“RMB”	Renminbi, the lawful currency of the PRC
“Zijin Group”	the Company and its subsidiaries
“%”	per cent

As at the date of this announcement, the Board of Directors of the Company comprises Messrs. Chen Jinghe (Chairman), Luo Yingnan, Qiu Xiaohua, 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*

31 May 2012, Fujian, the PRC

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