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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 the status of Guangdong Xinyi “9.21” incident under mediation

On 21 September 2010, due to the impact of the extreme weather brought by typhoon “Fanapi”, Yinyan Tin Mine Gaoqing tailing pool dam of Xinyi Zijin Mining Company Limited (“Xinyi Zijin”) was flooded and collapsed and the main dam of Shihuadi hydropower plant in Qianpai Town, Xinyi City collapsed, resulting in casualties and property damage downstream. The local government and the affected people sued several defendants including Xinyi Zijin in Xinyi City People’s Court. The Company has been continuously publishing announcements to disclose the progress of the relevant legal proceedings.

On 12 September 2012, under the auspices of the Xinyi City People’s Court, Xinyi City People’s Government and Xinyi City Qianpai Town People’s Government, on behalf of the affected villagers and the relevant units in the “9.21” incident, reached an agreement with Xinyi Zijin regarding the package settlement of the damage claims of the “9.21” incident, the main content of the agreement is as follows:

1. Scope of compensation

Except for the property damage claims of 9 hydropower plants, including Shihuadi, and 1 water plant listed in the agreement, all the property damage related to the “9.21” incident within the Xinyi City area (including both personal and public property loss) was mediated and resolved as a package according to the amount agreed.

2. Amount of compensation and payment

The compensation amounted to RMB245,000,000 (including the compensation funds, litigation costs and other expenses for all the items within the scope of compensation).

In order to protect the interests of the affected people in a timely manner and to maintain social harmony and stability, Xinyi Zijin agreed to make advanced payment

of the compensation. Xinyi Zijin will make advance payment of part of the compensation on behalf of the other defendants, and has reserved the right to seek recovery from those defendants.

Xinyi Zijin will make a one-off payment of the agreed compensation amount into the bank account specified by Xinyi City People's Court before 20 September 2012.

3. Other matters

The local governments will have a centralized arrangement in the distribution of compensation to the affected victims and units.

As per the agreement, for filed cases, the local governments will be responsible for co-ordinating the withdrawal of the lawsuits by the plaintiffs; for other unfiled claims, the local governments will also be responsible for coordinating and resolving them.

The Company and Xinyi Zijin consider that Xinyi Zijin's package settlement for the loss claims in respect of the "9.21" incident by way of mediation does not mean that Xinyi Zijin has waived its right to request a judicial technical investigation into the cause of the collapse of the main dam at Shihuadi hydropower plant and its right to claim from the other defendants who should be liable.

Under the auspices of the Xinyi City People's Court, the government, on behalf of the affected victims and units, reached a package settlement solution with the enterprise, which is a suitable solution for the interests of the affected victims as it maintains social stability, fulfills social responsibility and safeguards the legitimate rights and interests of investors.

This announcement is made on a voluntary basis.

Investors and shareholders are advised by the board of directors of the Company 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, 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

13 September 2012, Fujian, PRC

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