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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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2012

The Board of Directors (the “Board”) of Zijin Mining Group Co., Ltd.* (the “Company”) is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively referred to the “Group”) for the year ended 31 December 2012. (China Accounting Standards for Business Enterprises (“CAS”) and the related laws and regulations were adopted for the preparation of the financial statements.)

Zijin Mining Group Co., Ltd.*
Consolidated Balance Sheet
As at 31 December 2012
RMB

<u>ASSETS</u>	<u>Note</u>	<u>2012</u>	<u>2011</u>
CURRENT ASSETS			
Cash and cash equivalents		7,473,400,807	6,180,009,655
Held-for-trading financial assets		670,943,265	264,029,003
Bills receivable		575,499,815	574,697,737
Trade receivables	11	841,494,264	489,112,425
Prepayments		957,976,115	1,691,517,698
Other receivables		1,524,884,888	987,302,617
Inventories		11,602,493,132	7,160,297,387
Other current assets		<u>687,006,618</u>	<u>584,909,276</u>
Total current assets		<u>24,333,698,904</u>	<u>17,931,875,798</u>
NON-CURRENT ASSETS			
Available-for-sale investments		576,013,498	938,012,473
Long-term equity investments		4,410,652,450	3,203,933,411
Investment properties		49,065,516	51,056,575
Fixed assets		15,595,461,755	10,145,321,562
Construction in progress		8,394,603,506	7,898,525,167
Construction materials		136,501,422	333,854,223
Intangible assets		8,535,917,880	7,138,194,099
Goodwill		496,758,705	338,979,724
Long-term deferred assets		800,104,702	769,907,533
Deferred tax assets		574,768,328	434,359,241
Other non-current assets		<u>3,450,874,375</u>	<u>3,136,179,526</u>
Total non-current assets		<u>43,020,722,137</u>	<u>34,388,323,534</u>
TOTAL ASSETS		<u>67,354,421,041</u>	<u>52,320,199,332</u>

Zijin Mining Group Co., Ltd.*
Consolidated Balance Sheet (continued)
As at 31 December 2012
RMB

<u>LIABILITIES AND OWNERS' EQUITY</u>	<u>Note</u>	<u>2012</u>	<u>2011</u>
CURRENT LIABILITIES			
Short-term borrowings		6,399,851,000	3,815,092,312
Held-for-trading financial liabilities		6,521,435,369	4,005,648,200
Bills payable		313,152,032	-
Trade payables	12	4,174,006,563	3,232,112,911
Advances from customers		937,554,916	1,012,751,443
Employee benefits payable		318,116,747	276,852,910
Taxes payable		1,692,027,264	1,709,391,219
Dividends payable		57,397,500	23,125,841
Other payables		2,029,208,186	2,073,223,413
Current portion of non-current liabilities		<u>535,867,957</u>	<u>216,444,590</u>
Total current liabilities		<u>22,978,617,534</u>	<u>16,364,642,839</u>
NON-CURRENT LIABILITIES			
Long-term borrowings		6,654,629,747	2,360,713,448
Bonds payable		2,987,766,076	2,987,514,948
Long-term payables		169,472,564	159,595,217
Provision		167,021,572	-
Deferred tax liabilities		447,085,685	226,385,417
Other non-current liabilities		<u>366,862,124</u>	<u>88,670,506</u>
Total non-current liabilities		<u>10,792,837,768</u>	<u>5,822,879,536</u>
TOTAL LIABILITIES		<u>33,771,455,302</u>	<u>22,187,522,375</u>
EQUITY			
Share capital		2,181,196,365	2,181,196,365
Capital reserve		7,770,714,175	7,689,487,793
Special reserve		98,196,798	33,491,518
Surplus reserve		1,319,401,104	1,319,401,104
Retained earnings	15	17,034,164,960	14,004,152,348
Exchange differences arising on translation financial statements dominated in foreign currencies		<u>(222,084,649)</u>	<u>(219,118,195)</u>
Equity attributable to owners of the parent		<u>28,181,588,753</u>	<u>25,008,610,933</u>
Non-controlling interests		<u>5,401,376,986</u>	<u>5,124,066,024</u>
TOTAL EQUITY		<u>33,582,965,739</u>	<u>30,132,676,957</u>
TOTAL LIABILITIES AND OWNERS' EQUITY		<u>67,354,421,041</u>	<u>52,320,199,332</u>

Zijin Mining Group Co., Ltd.*
Consolidated Income Statement
For the year ended 31 December 2012
RMB

	<u>Note</u>	<u>2012</u>	<u>2011</u>
Operating income	2	48,414,719,206	39,763,915,441
Less: Operating costs	2	36,374,864,074	27,536,543,588
Taxes and surcharges	3	541,098,426	382,045,241
Selling expenses		596,860,745	433,256,436
Administrative expenses		1,874,254,433	1,609,339,207
Financial expenses	4	803,965,178	496,400,784
Impairment losses on assets	5	270,720,072	202,878,294
Add: Gains/(losses) on changes in fair value	6	12,986,146	(57,130,642)
Investment income	7	639,884,580	561,775,828
<i>Including: Share of profits of associates and joint ventures</i>		<u>242,514,892</u>	<u>205,253,368</u>
Operating profit		8,605,827,004	9,608,097,077
Add: Non-operating income	8	220,898,413	134,572,479
Less: Non-operating expenses	9	270,666,100	466,367,867
<i>Including: Losses on disposal of non-current assets</i>		<u>42,731,004</u>	<u>41,842,806</u>
PROFIT BEFORE TAX		8,556,059,317	9,276,301,689
Less: Income tax expenses	1	<u>2,402,806,003</u>	<u>2,365,776,280</u>
NET PROFIT		<u>6,153,253,314</u>	<u>6,910,525,409</u>
Attributable to owners of the parent		<u>5,211,208,977</u>	<u>5,712,569,100</u>
Non-controlling interests		<u>942,044,337</u>	<u>1,197,956,309</u>
Earnings per share			
Basic earnings per share	14	<u>0.24</u>	<u>0.26</u>
OTHER COMPREHENSIVE INCOME	10	<u>146,597,757</u>	<u>(894,452,113)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>6,299,851,071</u>	<u>6,016,073,296</u>
Attributable to:			
Owners of the parent		<u>5,357,778,200</u>	<u>4,818,341,189</u>
Non-controlling interests		<u>942,072,871</u>	<u>1,197,732,107</u>

Zijin Mining Group Co., Ltd.*
Notes to Financial Statements
For the year ended 31 December 2012
RMB

1. TAXES

Major categories of taxes and tax rates

Value-added tax (“VAT”)	<p>Sales of final gold products and carrying-gold minerals are exempted from VAT. The VAT rate for sales of mining and processing of non-ferrous metals such as iron concentrates, gold concentrates, copper concentrates, zinc concentrates, copper cathodes, zinc bullion, and material sales and processing is 17%. VAT is levied at 17% on the invoiced value of sales and is payable by the purchaser. The taxpayer is required to remit the VAT it collects to the tax authority, but may deduct the VAT it has paid on eligible purchases.</p> <p>Pursuant to the Notice of the Ministry of Finance and the State Administration of Tax on the Implementation of the Pilot Policy in respect of Changing the Levy of Business Tax to Value-added Tax for Transportation and Certain Modern Service Industries in the 8 Provinces and Municipalities including Beijing (Cai Shui [2012] No.71), from 1 November 2012, VAT are levied at 11%, 6% and tax rates ranging from 3% to 5% on transportation service income, trademark royalty income and technical service income derived in Fujian Province, respectively.</p>
Business tax	<p>Business tax rate for rental income, hotel service revenue and trademark royalty income is 5%, and that for ground transportation service revenue and construction labor income is 3%. From 1 November 2012, the incomes of transportation service, trademark royalty and technical service derived in Fujian Province and originally subject to business tax are levied under VAT.</p>
City construction and maintenance tax	<p>Levied on actual payment of turnover tax at the rates ranging from 1% to 7%.</p>
Resource tax	<p>Tax rates for gold resource ranged from RMB2 to RMB8.5 (2011: RMB2 to RMB6) per tonne depending on the gold ore quantity; tax rates for copper resource ranged from RMB6 to RMB7 (2011: RMB6 to RMB7) per tonne depending on the copper ore quantity; tax rate for iron resource was RMB9.52 (2011: RMB7.14) per tonne according to the ore quantity; tax rate for zinc-lead resource was RMB20 (2011: RMB20) per tonne according to the ore quantity.</p>
Resource compensation fee	<p>The resource compensation fee is calculated according to a certain proportion of mineral sales revenue. The formula is: Mineral sales revenue x Resource compensation rate x Coefficient of mining recovery. Resource compensation rates range from 2% to 4%.</p>
Enterprise income tax	<p>Provision for the People’s Republic of China (“PRC”) income tax has been made at the rate of 25% based on the taxable profits except for certain companies in the Group which are further mentioned below. Provision for Hong Kong profits tax has been made at the rate of 16.5% on the assessable profits arising in Hong Kong for the year. Provision for Australian profits tax has been made at the rate of 30% on the assessable profits arising in Australia for the year.</p>

Zijin Mining Group Co., Ltd.*
Notes to Financial Statements (continued)
For the year ended 31 December 2012
RMB

1. TAXES (continued)

Tax incentives and approvals

Pursuant to the Notice of the State Council on the Implementation of the Transitional Preferential Policies in respect of Enterprise Income Tax (Guo Fa [2007] No.39), enterprises which enjoy preferential tax treatment under the original tax law, administrative rules and regulations and related effective legal documents (collectively as the “original preferential enterprise income tax policies”), shall transit the preferential tax treatment as follows: from 1 January 2008, new legally prescribed tax rates should be applied to enterprises covered from the original preferential enterprise income tax policies within five years. Enterprises which were granted a preferential tax rate of 15% under the original preferential policies shall pay enterprise income tax at a rate of 18% in 2008, 20% in 2009, 22% in 2010, 24% in 2011 and 25% in 2012, respectively. Zijin Mining Group (Xiamen) Investment Company Limited (“Xiamen Zijin”) and Xiamen Zijin Mining and Metallurgy Technology Company Limited were granted a tax concession at preferential tax rates of 24% for 2011 and at 25% starting from 1 January 2012.

Pursuant to the Notice in relation to Relevant Matters about Enterprise Income Tax on the Enterprises including Hunchun Zijin Mining Company Limited (Ji Guo Shui Suo Bian Han [2012] No.35) issued by the Jilin Provincial State Tax Bureau on 26 October 2012, Hunchun Zijin Mining Company Limited (“Hunchun Zijin”) enjoyed a tax concession of Large-scale Development of Western China at a preferential rate of 15% from 2011 to 2012.

	2012	2011
Current tax expenses		
—Mainland China	2,497,883,147	2,527,306,040
—Hong Kong	-	3,041
Deferred tax expenses	<u>(95,077,144)</u>	<u>(161,532,801)</u>
	<u>2,402,806,003</u>	<u>2,365,776,280</u>

Reconciliation of income tax expenses to profit before tax is as follows:

	2012	2011
Profit before tax	<u>8,556,059,317</u>	<u>9,276,301,689</u>
Income tax calculated at the applicable tax rate (Note 1)	2,139,014,829	2,319,075,422
Effect of different tax rates of certain subsidiaries	(84,222,712)	16,582,695
Underprovision in prior years	87,418,802	16,212,501
Income not subject to tax (Note 2)	(96,322,880)	(175,773,204)
Expenses not deductible for tax purposes (Note 3)	56,891,085	89,678,618
Previous tax losses utilised	(971,453)	(21,547,998)
Effect of unrecognized deductible temporary differences and deductible tax losses	<u>300,998,332</u>	<u>121,548,246</u>
Income tax expenses calculated at the Group's effective tax rate	<u>2,402,806,003</u>	<u>2,365,776,280</u>

Note 1: Provision for the PRC enterprise income tax expenses has been made at applicable tax rates based on the taxable profits. For the year 2012, there was no assessable profit arising in Hong Kong. (2011: Provision for Hong Kong profits tax has been made at the rate of 16.5% multiplied by the assessable profits arising in Hong Kong for the year). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the enterprise operates.

Note 2: Included share of profits of long-term equity investments under the equity method of RMB242,514,892 for the year 2012 (2011: RMB205,253,368).

Note 3: Included donations not deductible for tax purposes of RMB15,913,590 for the year 2012 (2011: RMB124,631,890).

Zijin Mining Group Co., Ltd.*
Notes to Financial Statements (continued)
For the year ended 31 December 2012
RMB

2. OPERATING INCOME AND OPERATING COSTS

Analyses of operating income and operating costs are as follows:

Operating income	2012	2011
Revenue from principal operations	47,732,636,436	39,436,936,985
Revenue from other operations	<u>682,082,770</u>	<u>326,978,456</u>
	<u>48,414,719,206</u>	<u>39,763,915,441</u>
Operating costs:	2012	2011
Cost of principal operations	35,966,404,643	27,354,836,165
Cost of other operations	<u>408,459,431</u>	<u>181,707,423</u>
	<u>36,374,864,074</u>	<u>27,536,543,588</u>

Analyses of revenue from principal operations and costs of principal operations by products are as follows:

	<u>2012</u>		<u>2011</u>	
	Revenue from principal operations	Costs of principal operations	Revenue from principal operations	Costs of principal operations
Gold bullion	7,036,036,225	1,870,486,058	6,806,507,465	1,588,156,839
Refinery, processed and trading gold	19,202,793,317	18,559,372,120	18,925,400,926	18,456,676,282
Copper cathodes	147,914,973	117,445,856	162,273,981	126,477,011
Refinery copper	5,087,480,380	4,967,106,830	131,641,897	118,263,970
Ore concentrates	8,380,971,824	3,410,003,010	7,896,935,662	2,275,612,787
Zinc bullion	1,996,915,340	1,896,540,579	2,705,759,901	2,583,060,332
Others	<u>5,880,524,377</u>	<u>5,145,450,190</u>	<u>2,808,417,153</u>	<u>2,206,588,944</u>
	<u>47,732,636,436</u>	<u>35,966,404,643</u>	<u>39,436,936,985</u>	<u>27,354,836,165</u>

Zijin Mining Group Co., Ltd.*
Notes to Financial Statements (continued)
For the year ended 31 December 2012
RMB

3. TAXES AND SURCHARGES

	2012	2011
Business tax	82,116,198	31,005,028
City construction and maintenance tax	42,639,112	37,281,879
Resource tax	323,181,140	243,867,856
Education surcharges	49,705,763	45,420,880
Others	43,456,213	24,469,598
	<u>541,098,426</u>	<u>382,045,241</u>

4. FINANCIAL EXPENSES

	2012	2011
Interest expenses:	943,245,114	630,091,716
<i>Including: Bank loans</i>	806,886,927	562,163,395
<i>Bonds payable</i>	136,358,187	67,928,321
Less: Interest income	149,763,930	131,403,188
Capitalised interest expenses	168,571,282	133,032,143
Exchange losses	64,697,959	45,707,150
Bank charges	84,982,647	78,997,018
Others	29,374,670	6,040,231
	<u>803,965,178</u>	<u>496,400,784</u>

Capitalised interest expenses are included in construction in progress. For the year ended 31 December 2012, no interest income arose from impaired financial assets (2011: Nil).

Interests on bank loans and bonds payable wholly repayable within five years amounted to RMB792,561,203 (2011: RMB606,060,415). Interests on bank loans not wholly repayable over five years amounted to RMB150,683,911 (2011: RMB24,031,301).

5. IMPAIRMENT LOSSES ON ASSETS

	2012	2011
Bad debt provision for trade and other receivables	7,224,745	751,859
Provision for decline in value of inventories	41,819,403	71,814,207
Impairment on available-for-sale investments	113,975,059	-
Impairment on fixed assets	34,885,865	1,587,596
Impairment on intangible assets	27,815,000	84,405,000
Impairment on goodwill	-	44,319,632
Impairment on other non-current assets	45,000,000	-
	<u>270,720,072</u>	<u>202,878,294</u>

Zijin Mining Group Co., Ltd.*
Notes to Financial Statements (continued)
For the year ended 31 December 2012
RMB

6. GAINS/(LOSSES) ON CHANGES IN FAIR VALUE

	2012	2011
Held-for-trading financial assets	122,697,578	(63,225,181)
<i>Including: unsettled provisional price arrangements</i>		
<i>- Ineffective portion of fair value hedges</i>	-	(1,525,070)
<i>- Non-effective hedging</i>	5,077,703	(9,712,056)
Held-for-trading financial liabilities (Note 1)	(109,711,432)	6,094,539
	12,986,146	(57,130,642)

Note 1: In year 2012, gains or losses on changes in fair value of held-for-trading financial liabilities include losses on changes in fair value arising from the gold leasing business of RMB178,555,092 (2011: gains of RMB198,809,739), and gains on changes in fair value of gold futures of RMB68,843,660 (2011: losses of RMB192,715,200).

7. INVESTMENT INCOME

	2012	2011
Income from long-term equity investments under the equity method	242,514,892	205,253,368
<i>Including: Share of profits of associates</i>	238,988,380	184,528,236
<i>Share of profits of jointly-controlled entities</i>	3,526,512	20,725,132
Income from long-term equity investments under the cost method	12,540,344	16,489,590
Gain on disposal of subsidiaries	10,580,835	14,756,231
Gain on disposal of other long-term equity investments	-	522,576
Gain/(losses) on disposal of held-for-trading financial assets (Note 1)	264,280,528	(8,195,150)
Gain on disposal of available-for-sale investments (Note 2)	65,055,893	276,852,870
Gain on combination of Norton Gold Fields Limited (Note 3)	41,190,727	-
Interest income on convertible bonds	-	31,504,500
Others	3,721,361	24,591,843
	639,884,580	561,775,828

In year 2012, investment incomes from investments on listed and unlisted companies are RMB144,405,542 and RMB495,479,038 respectively (2011: RMB306,112,383 and RMB255,663,445 respectively).

Note 1: In the year of 2012, the investment incomes resulting from disposal of held-for-trading financial assets include the gains of RMB226,121,606 on the settlement of future contracts (2011: losses of RMB30,363,154).

Note 2: In the year of 2012, investment incomes resulting from disposal of available-for-sale investments were generated from the gains on disposal of equity investments. In 2011, a gain on disposal of available-for-sale investment was generated from the disposal of debt portion of the convertible bonds issued by Glencore Finance.

Note 3: In the year of 2012, the Group transferred the relevant comprehensive income of holding equity investments in Norton Gold Fields Limited before the general offer into investment income.

Zijin Mining Group Co., Ltd.*
Notes to Financial Statements (continued)
For the year ended 31 December 2012
RMB

8. NON-OPERATING INCOME

	2012	2011
Gains on disposal of non-current assets	1,834,059	1,326,615
<i>Including: Gains on disposal of fixed assets</i>	1,834,059	992,615
<i>Gains on disposal of intangible assets</i>	-	334,000
Penalty income	3,991,306	3,147,793
Gains on stock take	-	362,521
Government grants	91,978,060	90,944,316
Others	123,094,988	38,791,234
	220,898,413	134,572,479

Analysis of government grants is as follows:

	2012	2011
Government grants related to assets:		
Technical innovation	1,000,000	883,333
Environmental protection	1,652,099	500,000
Exploration	1,200,000	3,090,000
Comprehensive utilization of mineral resource	3,350,000	-
Others	5,203,255	2,648,479
	12,405,354	7,121,812
Government grants related to income:		
Special government rewards (Note 1)	28,780,584	60,699,584
VAT subsidies (Note 2)	27,538,866	4,922,072
Tax refund	10,110,350	9,633,788
Others (Note 3)	13,142,906	8,567,060
	79,572,706	83,822,504
	91,978,060	90,944,316

Note 1: During the year 2012, the special governmental reward mainly include the receipt of environmental protection subsidy funds of RMB13,305,000 by some of the subsidiaries of the Group, the receipt of 2011 reward funds of resource economization and comprehensive utilization of RMB7,000,000 by Guizhou Zijin Mining Group Co., Ltd. from the Financial Bureau of Zhenfeng County, the receipt of reward to enterprises contribution government grants in aggregate of RMB4,642,984 by the Company and some of the subsidiaries of the Group, and the receipt of “maintain growth and stabilise production” project supporting fund of RMB3,200,000 by Zijin Mining Group Qinghai Co., Ltd. from the management committee in Ganheyuan district in Qinghai Province.

Note 2: During the year 2012, Qinghai West Copper Mining Co., Ltd., Longkou Jinfeng Co., Ltd. and Bayannaer Zijin Non-ferrous Metal Co., Ltd. received VAT subsidies in aggregate of RMB27,538,866.

Note 3: During the year 2012, the Company and Zijin Copper Co., Ltd. etc. received the electricity reward to expand production capacity of RMB7,937,325 from the Shanghang Finance Bureau.

Zijin Mining Group Co., Ltd.*
Notes to Financial Statements (continued)
For the year ended 31 December 2012
RMB

9. NON-OPERATING EXPENSES

	2012	2011
Donations	190,096,198	274,749,828
Losses on disposal of non-current assets	42,731,004	41,842,806
<i>Including: Losses on disposal of fixed assets</i>	<i>42,731,004</i>	<i>40,337,422</i>
Penalties	31,045,236	20,116,731
Losses arising in natural disasters	170,975	630,913
Losses on stock take	1,431,836	3,776,809
Others	5,190,851	125,250,780
	<u>270,666,100</u>	<u>466,367,867</u>

10. OTHER COMPREHENSIVE INCOME

	2012	2011
Losses arising in available-for-sale investments	(34,050,467)	(488,133,753)
Less: Income tax effects	(3,050,924)	(96,605,966)
Gains transferred from recognised other comprehensive income to consolidated income statement	(180,535,220)	404,889,353
	<u>149,535,677</u>	<u>(796,417,140)</u>
Exchange differences arising in translation of financial statements dominated in foreign currencies	(2,937,920)	(98,034,973)
	<u>146,597,757</u>	<u>(894,452,113)</u>

11. TRADE RECEIVABLES

Trade receivables are interest-free with a credit period of 1 month in general. The credit period for major customers may be extended up to 4 months.

An ageing analysis of the trade receivables is as follows:

	2012	2011
Within 1 year	810,228,920	475,470,028
Over 1 year but within 2 years	26,405,155	13,069,973
Over 2 years but within 3 years	11,514,683	421,188
Over 3 years	739,441	318,801
	<u>848,888,199</u>	<u>489,279,990</u>
Less: Bad debt provision	7,393,935	167,565
	<u>841,494,264</u>	<u>489,112,425</u>

The sales of gold bullion are settled on the transaction dates. The credit periods on the sales of other products such as copper cathodes, zinc bullion and ore concentrates range from 30 to 120 days. Each customer is granted a maximum credit limit. The Group maintains strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

Zijin Mining Group Co., Ltd.*
Notes to Financial Statements (continued)
For the year ended 31 December 2012
RMB

12. TRADE PAYABLES

An ageing analysis of the trade payables, based on the invoice dates, is as follows:

	2012	2011
Within 1 year	3,960,375,645	3,183,091,120
Over 1 year but within 2 years	168,230,455	32,755,004
Over 2 years but within 3 years	30,893,363	2,192,175
Over 3 years	<u>14,507,100</u>	<u>14,074,612</u>
	<u>4,174,006,563</u>	<u>3,232,112,911</u>

The trade payables are interest-free and are normally settled within 3 months.

13. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has nine reportable operating segments as follows:

- (1) the gold bullion segment engages in the production of gold bullion through the Group's integrated processes, i.e., mining, processing and refining;
- (2) the processed, refinery and trading gold segment engages in the production of gold bullion by processing gold concentrates produced by the Group or purchased from external suppliers and in the physical gold trading business;
- (3) the gold concentrates segment engages in the production of gold concentrates by processing gold ore produced by the Group;
- (4) the copper cathodes segment engages in the production of copper cathodes through the Group's integrated processes, i.e., mining, processing and refining;
- (5) the refinery copper segment engages in the production of copper cathodes by processing copper concentrates produced by the Group or purchased from external suppliers;
- (6) the copper concentrates segment engages in the production of copper concentrates by processing copper ore produced by the Group;
- (7) other concentrates segment comprises, principally, the production of zinc concentrates, tungsten concentrates, lead concentrates and iron concentrates;
- (8) the zinc bullion segment engages in the production of zinc bullion;
- (9) Segment of others comprises, principally, the production of vitriol, copperplate, silver and iron, etc.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's operating profit before tax except that interest income, finance costs, dividend income, fair value gains/(losses) from the Group's financial instruments as well as head office and corporate expenses being excluded from such measurement. This indicator is consistent with the Group's total operating profit.

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13. OPERATING SEGMENT INFORMATION (continued)

Segment assets exclude cash and cash equivalents, deferred tax assets, equity investments at fair value through profit or loss, derivative financial instruments, available-for-sale investments and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude held-for-trading financial liabilities, derivative financial investments, interest-bearing bank and other borrowings, loans from ultimate controlling entities, deferred tax liabilities, tax payable and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the prevailing market prices.

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13. OPERATING SEGMENT INFORMATION (continued)
2012

Items	Gold bullion	Processed, refinery and trading gold	Gold concentrates	Copper cathodes	Refinery copper	Copper concentrates	Other concentrates	Zinc bullion	Others	Eliminations	Consolidated
Segment revenue:											
Sales to external customers	7,036,036,225	19,202,793,317	2,515,596,431	147,914,973	5,087,480,380	3,598,952,990	2,266,422,403	1,996,915,340	6,562,607,147	-	48,414,719,206
Intersegment sales	275,777,554	492,007,715	1,014,129,192	98,197,176	267,501,394	630,847,010	222,652,986	-	1,709,832,354	(4,710,945,381)	-
Total	7,311,813,779	19,694,801,032	3,529,725,623	246,112,149	5,354,981,774	4,229,800,000	2,489,075,389	1,996,915,340	8,272,439,501	(4,710,945,381)	48,414,719,206
Segment profit/(loss) #	4,771,272,771	590,817,384	839,904,434	15,942,569	36,038,032	2,048,950,108	1,111,963,321	(15,676,540)	(61,728,514)	-	9,337,483,565
Interest and dividend income											162,304,274
Unallocated expenses											(54,697,373)
Finance costs											(889,031,149)
Segment profit before tax											8,556,059,317
Assets and liabilities											
Segment assets:	7,196,836,713	2,401,334,558	2,103,100,459	2,690,891,490	9,469,717,495	7,500,928,296	8,440,127,745	3,197,198,244	13,943,161,969		56,943,296,969
Unallocated assets											10,411,124,072
Total assets											67,354,421,041
Segment liabilities:	2,125,425,737	929,182,999	1,445,895,409	1,734,831,510	5,782,807,567	1,501,619,207	4,644,255,821	2,355,514,098	2,977,435,317		23,496,967,665
Unallocated liabilities											10,274,487,637
Total liabilities											33,771,455,302
Other segment information:											
Share of profits or losses of:											
Associates	-	-	(11,700,124)	(1,918,134)	-	8,200,222	171,121,234	-	73,285,182		238,988,380
Jointly-controlled entities	-	19,003,944	-	-	-	-	-	-	(15,477,432)		3,526,512
Impairment losses recognised in the income statement	3,263,368	13,218,156	-	-	29,685,864	2,639,574	-	2,265,501	235,377,672		286,450,135
Impairment losses reversed in the income statement	-	-	(15,707,861)	-	-	-	-	-	(22,202)		(15,730,063)
Unallocated non-cash income											12,986,146
Depreciation and amortisation	248,675,894	197,102,314	129,262,752	50,839,160	113,983,150	219,515,093	232,526,587	156,437,498	333,675,484		1,682,017,932
Investments in associates	-	-	42,142,585	395,307,828	-	499,494,258	360,039,953	-	1,300,727,436		2,597,712,060
Investments in jointly-controlled entities	-	166,036,636	-	-	-	-	-	-	1,339,409,190		1,505,445,826
Capital expenditure	1,756,060,728	785,445,340	230,261,231	1,612,173,891	1,282,788,301	988,428,669	1,204,264,007	494,519,041	2,724,152,344		11,078,093,552
Unallocated capital expenditure											16,006,535

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13. OPERATING SEGMENT INFORMATION (continued)
2011

Items	Gold bullion	Processed, refinery and trading gold	Gold concentrates	Copper cathodes	Refinery copper	Copper concentrates	Other concentrates	Zinc bullion	Others	Eliminations	Consolidated
Segment revenue:											
Sales to external customers	6,806,507,465	18,925,400,926	1,666,648,122	162,273,981	131,641,897	4,043,609,779	2,186,677,761	2,705,759,901	3,135,395,609	-	39,763,915,441
Intersegment sales	37,670,916	160,113,576	600,192,944	70,655,722	-	21,936,290	223,916,701	-	1,200,984,641	(2,315,470,790)	-
Total	6,844,178,381	19,085,514,502	2,266,841,066	232,929,703	131,641,897	4,065,546,069	2,410,594,462	2,705,759,901	4,336,380,250	(2,315,470,790)	39,763,915,441
Segment profit/(loss) #	4,838,666,710	433,180,962	851,500,837	17,774,516	13,186,456	2,574,373,237	1,037,191,714	(26,921,502)	219,522,894	-	9,958,475,824
Interest and dividend income											179,397,278
Unallocated expenses											(279,474,591)
Finance costs											(582,096,822)
Segment profit before tax											9,276,301,689
Assets and liabilities											
Segment assets:	6,286,740,331	1,996,095,386	1,830,144,829	2,117,598,895	5,894,408,804	5,856,340,218	5,575,764,205	3,144,894,281	11,801,802,011		44,503,788,960
Unallocated assets											7,816,410,372
Total assets											52,320,199,332
Segment liabilities:	1,001,053,452	922,432,455	873,107,272	1,537,401,299	3,680,552,982	755,868,465	2,107,694,693	2,270,203,969	2,117,224,671		15,265,539,258
Unallocated liabilities											6,921,983,117
Total liabilities											22,187,522,375
Other segment information:											
Share of profits or losses of:											
Associates	-	-	-	(20,438,389)	-	(34,381,511)	186,724,366	-	52,623,770		184,528,236
Jointly-controlled entities	-	20,725,132	-	-	-	-	-	-	-		20,725,132
Impairment losses recognised in the income statement	3,835,830	16,857,701	3,853,095	-	-	138,305	44,319,632	25,924,875	107,960,072		202,889,510
Impairment losses reversed in the income statement	-	-	-	-	-	(11,216)	-	-	-		(11,216)
Unallocated non-cash losses											(57,130,642)
Depreciation and amortisation	343,089,677	83,168,521	169,798,691	9,014,624	2,904,118	169,250,018	239,441,612	110,097,356	167,420,422		1,294,185,039
Investments in associates	-	-	-	397,225,963	-	491,294,035	315,225,355	-	1,309,871,152		2,513,616,505
Investments in jointly-controlled entities	-	240,822,342	-	-	-	-	-	-	145,000,000		385,822,342
Capital expenditure	2,964,485,405	639,673,570	596,946,933	1,269,283,138	1,358,211,167	873,525,955	1,112,943,585	231,853,689	892,854,698		9,939,778,140
Unallocated capital expenditure											59,651,276

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13. OPERATING SEGMENT INFORMATION (continued)

Segment profit/loss, which excluded intersegment transaction revenue/ cost, are operating profit/ loss from external customers.

Geographical information

Over 97% (2011: 99%) of the Group's revenue was derived from customers based in Mainland China, and over 78% (2011: 89%) of the Group's assets were located in Mainland China.

Information about a major customer

Revenue of approximately RMB23,456,655,918 (2011: RMB23,127,620,412) was derived from sales of the gold bullion segment and the processed, refinery and trading gold segment to the Shanghai Gold Exchange.

14. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the consolidated net profit for the current year attributable to ordinary owners of the parent by the weighted average number of ordinary shares outstanding. The number of newly issued ordinary shares is ascertained as from the date the consideration is due (generally the issue date of shares) according to the provisions in the issuing agreement.

There were no potential dilutive ordinary shares for the Company.

Basic earnings per share is calculated as follows:

	2012	2011
Earnings		
Consolidated net profit attributable to the owners of the parent	<u>5,211,208,977</u>	<u>5,712,569,100</u>
Shares		
Weighted average number of ordinary shares outstanding	<u>21,811,963,650</u>	<u>21,811,963,650</u>

15. RETAINED EARNINGS

	2012	2011
At 1 January	14,004,152,348	10,065,314,920
Net profit attributable to the owners of the parent	5,211,208,977	5,712,569,100
Less: Appropriation for the statutory reserve	-	319,600,762
Dividends distribution	<u>2,181,196,365</u>	<u>1,454,130,910</u>
At 31 December	<u>17,034,164,960</u>	<u>14,004,152,348</u>

On 28 May 2012, the 2011 annual general meeting of the Company approved the final cash dividend of RMB0.1 per ordinary share in aggregate of RMB2,181,196,365.

On 30 May 2011, the 2010 annual general meeting of the Company approved the final cash dividend of RMB0.1 per ordinary share in aggregate of RMB1,454,130,910.

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16. NET CURRENT ASSETS

	2012	2011
Current assets	24,333,698,904	17,931,875,798
Less: Current liabilities	<u>22,978,617,534</u>	<u>16,364,642,839</u>
Net current assets	<u><u>1,355,081,370</u></u>	<u><u>1,567,232,959</u></u>

17. TOTAL ASSETS LESS CURRENT LIABILITIES

	2012	2011
Total assets	67,354,421,041	52,320,199,332
Less: Current liabilities	<u>22,978,617,534</u>	<u>16,364,642,839</u>
Total assets less current liabilities	<u><u>44,375,803,507</u></u>	<u><u>35,955,556,493</u></u>

18. PROVISION FOR DEPRECIATION

	2012	2011
Fixed assets	1,319,998,832	919,057,144
Investment properties	<u>1,991,059</u>	<u>2,043,783</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Market Overview

In 2012, the global economy was in the process of a mild recovery. Under the impact of monetary easing policies and the improvement of the economic situation, the declining demand for risk-avoidance caused the fluctuations of the gold price at the high price range. In 2012, the opening price of London spot gold was US\$1,569.35/oz, the highest price was US\$1,795.98/oz and the lowest price was US\$1,527.82/oz. The year-end closing price was US\$1,675.25/oz, representing an increase of 7% over the previous year. The average gold price increased 6.39% over the previous year.

During the year, the fluctuated global economy was in a mild recovery, the commodity prices fluctuated from its high price at the beginning and the end of the year to its bottom in the midst of the year and the overall average price decreased over the previous year, in which Shanghai copper average price decreased 13.6%, London copper average price decreased 10%, Shanghai zinc average price decreased 11.3% and London zinc average price decreased 11.2%.

Position in the industry

According to the latest statistics of the Ministry of Industry and Information Technology of the PRC, the 2012 national gold production in the PRC amounted to 403.1 tonnes (in which 341.8 tonnes was mine-produced gold) representing an increase of 42.1 tonnes or 11.66% over the previous year. The PRC was the largest gold production country in the world for 6 consecutive years. In 2012, the Group produced 32.075 tonnes of mine-produced gold, representing approximately 9.38% of mine-produced gold in the PRC. The domestic gold industry realized RMB35 billion profit in total and the Group realized a total profit of RMB8.556 billion, representing 24.45% of the total profit realized in domestic gold industry.

According to the statistics of the National Bureau of Statistics of China, the 2012 national copper concentrates production in the PRC amounted to 1,625,740.09 tonnes (copper metal), representing an increase of 17.4% (2011: 1,384,948.86 tonnes) over the previous year. In 2012, the Group produced 104,603.03 tonnes mine-produced copper, representing 6.43% of national mine-produced copper.

Business Overview

During the reporting period, the Group realized turnover of RMB48.415 billion, representing an increase of 21.76% when compared with the same period last year (2011: RMB39.764 billion), and net profit attributable to owners of the parent of RMB5.211 billion, representing a decrease of 8.78% when compared with the same period last year (2011: RMB5.713 billion).

As at the end of 2012, the Group's total assets was RMB67.354 billion, representing an increase of 28.74% when compared with last year (2011: RMB52.320 billion), and net assets attributable to owners of the parent of RMB28.182 billion, representing an increase of 12.69% when compared with last year (2011: RMB25.009 billion).

GOLD MINE BUSINESS

During the reporting period, the Group produced a total of 90,328.16kg (2,904,116 ounces) of gold, representing an increase of 4.82% when compared with same period last year (2011: 86,170.80kg).

During the reporting period, the Group produced a total of 32,075.43kg (1,031,248 ounces) of mine-produced gold, representing an increase of 12.04% when compared with same period last year (2011: 28,628.37kg); in which 16,376.07kg (526,502 ounces) was produced from Zijinshan Gold Mine, 2,556.57kg (82,196 ounces) was produced from Hunchun Zijin, 2,332.70kg (74,998 ounces) was produced from Guizhou Shuiyindong Gold Mine, 1,541.58kg (49,563 ounces) was produced in 5 months from newly acquired Norton Gold Fields Ltd.; 1,511.51kg (48,596 ounces) was produced from ZGC and 7,757.00kg (249,393 ounces) of mine-produced gold was produced from other entities in the Group.

During the reporting period, the Group produced a total of 58,252.72kg (1,872,867 ounces) of refinery gold, representing an increase of 1.23% over the same period last year (2011: 57,542.43kg), of which Henan Luoyang Zijin Yinhui Gold Refinery Company Limited produced 31,418.38kg (1,010,124 ounces) of refinery gold, the Company's gold refinery plant produced 16,686.33kg (536,478 ounces), Fujian Jinshan Gold Refinery Plant produced 5,279.08kg (169,726 ounces) refinery gold, and other entities in the Group produced 4,868.93kg (156,540 ounces) refinery gold.

Sales income from the gold business of the Group represented about 59.39% (after elimination) of the total annual sales income, and the net profit of the gold business represented about 76.91% of the total net profit attributable to the owners of the parent.

(1 troy ounce = 31.1035g)

COPPER MINE BUSINESS

During the reporting period, the Group produced a total of 216,599.27 tonnes copper, representing an increase of 145.94% over the same period last year (2011: 88,070.71 tonnes), in which 104,603.03 tonnes copper was produced from mines (including 4,832.56 tonnes copper cathodes) representing an increase of 22.39% over the same period last year (2011: 85,468.61 tonnes); the Group produced 111,996.24 tonnes of copper from refinery plants.

In which, Ashele Copper Mine produced copper concentrate containing copper of 32,066.33 tonnes, representing a decrease of 1.92% over the same period last year (2011: 32,693.91 tonnes); Qinghai Deerni Copper Mine produced copper concentrate containing copper of 28,280.80 tonnes representing an increase of 0.49% over the same period last year (2011: 28,143.39 tonnes); Zijinshan Copper Mine produced 17,016.1tonnes copper (including 2,106.70 tonnes copper cathodes) representing an increase of 91.10% over the same period last year (2011: 8,904.1 tonnes), Hunchun Zijin produced copper concentrate containing copper of 9,637.58 tonnes representing an increase of 6.51% over the same period last year (2011: 9,048.91 tonnes), Duobaoshan Copper Mine produced 11,000.21 tonnes copper from mine (including 2,725.86 tonnes copper cathodes) representing an increase of 385.12% over the same period last year (2011: 2,267.54 tonnes). The Group produced 111,996.24 tonnes refinery copper, in which, 107,998.89 tonnes was produced in the newly built copper refinery plant of Zijin Copper.

Sales income from the copper mine business represented 18.25% (after elimination) of the annual total sales income, while it represented about 17.37% of the total net profit attributable to the owners of the parent.

LEAD AND ZINC MINE BUSINESS

During the reporting period, the Group produced zinc of 184,501.88 tonnes, representing a decrease of 17.15% over the same period last year (2011: 222,702.36 tonnes), in which Bayannaer Zijin Zinc Refinery produced 147,962.84 tonnes zinc bullion, representing a decrease of 21.14% over the same period last year (2011: 187,616.00 tonnes); the Group produced zinc concentrates containing zinc of 36,539.04 tonnes, representing an increase of 4.14% over the same period last year (2011: 35,086.36 tonnes), in which Wulatehouqi Zijin produced zinc concentrates containing zinc of 25,505.94 tonnes representing an increase of 30.61% over the same period last year (2011: 19,527.78 tonnes); Ashele Copper Mine produced zinc concentrates containing zinc of 8,531.82 tonnes and other entities in the Group produced concentrates containing 2,501.29 tonnes of zinc.

During the reporting period, the Group produced lead concentrates containing lead of 4,809.48 tonnes, representing an increase of 33.93% when compared with same period last year (2011: 3,590.99 tonnes).

Sales income from lead and zinc mine business represented about 4.38% (after elimination) of total annual sales income, while net profit from lead and zinc mine business represented about 0.46% of the total net profit attributable to the owners of the parent.

IRON MINE, SILVER AND OTHER BUSINESS

During the reporting period, the Group produced silver of 263,347.55kg representing an increase of 80.98% over the same period last year (2011: 145,509.46kg), of which 122,222.86kg of silver was produced from refinery as by-product representing an increase of 314.83% over the same period last year (2011: 29,463.47kg); 141,124.69kg of silver was produced from mines representing an increase of 21.61% over the same period last year (2011: 116,045.99kg).

In which, Wuping Zijin produced 52,009.41kg of silver, Ashele Copper Mine produced silver of 24,218.10kg from other associated metals, Shanxi Zijin produced silver of 20,065.08kg from other associated metals, Wulatehouqi Zijin produced silver of 13,798.88kg from other associated metals, Zijinshan Gold and Copper Mine produced silver of 10,501.19kg from other associated metals, other entities produced silver of 20,532.03kg from other associated metals, Zijin Copper Refinery produced 101,305.46kg of silver as by-product, Fujian Jinshan Gold Refinery Plant produced 19,852.75kg of silver as by-product, Luoning Zijin Refinery produced 1,064.65kg of silver as by-product.

During the reporting period, the Group produced iron concentrates of 2,316,900 tonnes, representing an increase of 18.39% over the same period last year (2011: 1,956,900 tonnes).

Sales income from iron mine, silver and other mineral products represented about 17.98% (after elimination) of total annual sales income, which represented about 5.26% of the total net profit attributable to the owners of the parent.

Geological exploration work and status of resources and reserve

During the reporting period, the Group invested RMB449 million in geological exploration in aggregate and the volume of the actual works completed includes the following: 388,500 metres drilling, 33,700 metres tunnel exploration, and 49,700 cubic metres trench exploration, which increased the resources/ reserves (unaudited) by exploration as follows: 60.45 tonnes of gold, 408,000 tonnes of copper, 2.0467 million tonnes of lead and zinc, 17,200 tonnes of molybdenum, 160,000 tonnes of tungsten, 126.4 tonnes of silver and 1,185,700 tonnes of iron ores.

As at the end of 2012, the Group owns 244 mining rights with a total area of 841.065 square kilometers and 250 exploration rights with a total area of 4,306.14 square kilometers.

The table below sets out the assessed resources / reserves of the Group's major mines at the end of 2012:

Summary of resources / reserves of the Group's major mines in 2012

Type of mine	Resources / reserves at the end of 2012	Resources / reserves at the end of 2011	Growth rate over same period last year (%)
Gold (t)	1,077.34	926.32	16.3%
Gold associated with other metals (t)	114.88	117.07	-1.9%
Sub-total of Gold (t)	1,192.22	1,043.39	14.3%
Copper (Mt)	11.7939	11.6129	1.6%
Silver (t)	1,510.00	1,548.6	-2.5%
Molybdenum (Mt)	0.4211	0.3523	19.5%
Zinc (Mt)	6.3470	5.3973	17.6%
Lead (Mt)	1.2842	1.0601	21.1%
Tungsten (Mt)	0.1697	0.1734	-2.1%
Tin (Mt)	0.1399	0.0993	40.9%
Iron (Mt)	208	214	-2.8%
Coal (Mt)	489	459.2	6.5%

Note: The resources reserves excluded resources of Shanghang Luoboling copper molybdenum mine (copper 1.6509 million tonnes, molybdenum 132,700 tonnes).

During the reporting period, the Company appointed Golder Associates Consulting Limited ("Golder") and SRK Consulting China Ltd. ("SRK"), to conduct mineral resources and ore reserves evaluation of the mines owned by the Company in accordance with the "NI 43-101" technical standards, and submitted the mineral resources report signed by the competent persons. As at the reporting date, the mineral resources and ore reserves evaluation of the Company's major mines in accordance with the "NI 43-101" technical standards has been completed and 21 resources verification reports and 7 reserves verification reports have been submitted so far.

(a) The comparison between the mineral resources amount recognized by “NI 43-101” technical standards and domestic standards of the 21 mines is as follows:

Serial No.	Name of Mine (Project)	Type of Mine	Unit	Resources identified by “NI 43-101” CPR standards			Resources/reserves identified by domestic standards			Comparison of resources between international standards and domestic standards	
				Measured+ Indicated	Inferred	Total	Measured+ Indicated	Inferred	Total	Change	Percentage change %
1 Golder	Fujian Zijinshan Gold and Copper Mine	Gold	Ore Volume (Mt)	224	25	249	33.66	155.22	188.88	60.12	31.30
			Grade (g/t)	0.42	0.4	0.42			0.41	0.01	
			Metal Volume (t)	93.48	10	103.48	16.14	60.92	77.06	26.42	34.29
		Copper	Ore Volume (Mt)	424	118	542	291.73	152.63	444.36	97.64	21.97
			Grade (%)	0.48	0.44	0.47			0.44	0.03	
			Metal Volume (10kt)	203.06	51.92	254.98	130.80	62.61	193.41	61.57	31.83
2 Golder	Jilin Hunchun Xiaoxinancha Gold and Copper Mine	Gold	Ore Volume (Mt)	136.38	29.62	165.99	43.86	49.37	93.23	72.76	78.05
			Grade (g/t)	0.44	0.44	0.44			0.49	-0.05	
			Metal Volume (t)	59.75	13.03	72.79	21.84	24.25	46.09	26.70	57.94
		Copper	Ore Volume (Mt)	136.38	29.62	165.99	43.86	49.37	93.23	72.77	78.05
			Grade (%)	0.17	0.16	0.17			0.19	-0.02	
			Metal Volume (10kt)	23.74	4.74	28.48	8.51	9.03	17.54	10.94	62.41
3 Golder	Xinjiang Ashele Copper Mine	Copper	Ore Volume (Mt)	25.33	11.21	36.54	13.48	14.41	27.89	8.65	31.00
			Grade (%)	2.07	2.04	2.06			2.18	-0.12	
			Metal Volume (10kt)	52.79	22.87	75.66	35.82	25.09	60.92	14.74	24.20
		Zinc	Ore Volume (Mt)	25.33	11.21	36.54	5.40	3.35	8.76	27.78	317.27
			Grade (%)	0.97	0.64	0.88			2.68	-1.80	
			Metal Volume (10kt)	24.66	7.73	32.39	14.77	8.70	23.47	8.92	38.01

		Sulfur	Ore Volume (Mt)	25.33	11.21	36.54					
			Grade (%)	24.08	34.18	27.18					
			Pure Sulfur Volume(10kt)	613.21	383.16	996.37					
4 SRK	Heilongjiang Duobaoshan Copper Mine	Copper	Ore Volume (Mt)	445.9	249.51	695.41	232.02	252.01	484.03	211.38	43.67
			Grade (%)	0.39	0.38	0.39			0.41	-0.02	
			Metal Volume (10kt)	172.5	94.81	267.31	101.05	99.59	200.64	66.67	33.23
		Molybdenum	Ore Volume (Mt)	445.9	249.51	695.41	232.02	252.01	484.50	210.91	43.53
			Grade (%)	0.012	0.019	0.015			0.014	0.00	
			Metal Volume (10kt)	5.35	4.74	10.09	3.40	3.54	6.94	3.15	45.29
5 SRK	Hebei Chongli Dongping Gold Mine	Gold	Ore Volume (Mt)	11.72	15.27	26.99	1.98	9.21	11.19	15.80	141.23
			Grade (g/t)	2.76	2.3	2.5			4.05	-1.55	
			Metal Volume (t)	32.35	35.04	67.39	7.77	37.49	45.26	22.13	32.84
6 Golder	Qinghai Deerni Copper Mine	Copper	Ore Volume (Mt)	23.37	6.85	30.22	17.99	10.19	28.18	2.04	7.22
			Grade (%)	1.2	1	1.15			1.16	-0.01	
			Metal Volume (10kt)	28.04	6.85	34.89	20.21	12.33	32.54	2.35	7.22
		Cobalt	Ore Volume (Mt)	23.37	6.85	30.22	0.00	27.37	27.37	2.85	10.40
			Grade (%)	0.08	0.06	0.07			0.07	0.00	
			Metal Volume (10kt)	1.87	0.41	2.28	0.00	1.81	1.81	0.47	26.25
		Zinc	Ore Volume (Mt)	23.37	6.85	30.22	3.29	2.21	5.50	24.72	449.58
			Grade (%)	0.39	0.3	0.37			1.08	-0.71	
			Metal Volume (10kt)	9.11	2.06	11.17	3.65	2.28	5.93	5.24	88.43

		Sulfur	Ore Volume (Mt)	23.37	6.85	30.22					
			Grade (%)	30.6	26.8	29.7					
			Pure Sulfur Volume (10kt)	715.12	183.58	898.7					
7 Golder	Gansu Dujiagou Gold Mine	Gold	Ore Volume (Mt)	22.9	12.2	35.3	6.07	28.95	35.02	0.28	0.81
			Grade (g/t)	1.43	1.29	1.38			1.57	-0.19	
			Metal Volume (t)	32.75	15.74	48.49	13.00	41.89	54.90	-6.41	-11.67
8 SRK	Inner Mongolia Aobao Gold Mine	Gold	Ore Volume (Mt)	33.45		33.45	12.54	0.90	13.45	20.00	148.76
			Grade (g/t)	0.71		0.71			0.92	-0.21	
			Metal Volume (t)	23.75		23.75	11.69	0.69	12.38	11.37	91.81
9 Golder	Fujian Luoboling Copper and Molybdenum Mine	Copper	Ore Volume (Mt)	379.3	107.9	487.2					
			Grade (%)	0.33	0.37	0.34					
			Metal Volume (10kt)	125.17	39.92	165.09					
		Molybdenum	Ore Volume (Mt)	379.3	107.9	487.2					
			Grade (%)	0.029	0.021	0.027					
			Metal Volume (10kt)	11	2.27	13.27					
10 Golder	Fujian Yueyang Silver and Multi-metals Mine	Gold	Ore Volume (Mt)	26.59	32.14	58.74	4.19	4.44	8.63	50.11	580.79
			Grade (g/t)	0.41	0.38	0.4			0.36	0.04	
			Metal Volume (t)	10.99	12.21	23.2	1.51	1.60	3.11	20.09	646.90
		Copper	Ore Volume (Mt)	26.59	32.14	58.74	4.19	4.44	8.63	50.11	580.79
			Grade (%)	0.17	0.19	0.18			0.23	-0.05	
			Metal Volume (10kt)	4.43	6.11	10.54	0.96	1.06	2.02	8.52	420.73
		Silver	Ore Volume (Mt)	26.59	32.14	58.74	4.19	4.44	8.63	50.11	580.79

			Grade (g/t)	52.3	40.5	45.84			73.12	-27.28	
			Metal Volume (t)	1390.62	1301.67	2692.29	300.15	330.71	630.86	2061.43	326.77
	Fujian Longjiangting Copper Mine	Copper	Ore Volume (Mt)	30.54	16.63	47.17	4.05	7.39	11.44	35.73	312.32
			Grade (%)	0.37	0.36	0.37			0.61	-0.24	
			Metal Volume (10kt)	11.3	5.99	17.29	2.68	4.27	6.95	10.34	148.75
		Gold	Ore Volume (Mt)	30.54	16.63	47.17	4.05	7.39	11.44	35.73	312.32
			Grade (g/t)	0.32	0.33	0.32			0.42	-0.10	
			Metal Volume (t)	9.77	5.49	15.26	1.72	3.08	4.79	10.47	218.52
		Silver	Ore Volume (Mt)	30.54	16.63	47.17	4.05	7.39	11.44	35.73	312.32
			Grade (g/t)	8.97	10.22	9.41			17.87	-8.46	
			Metal Volume (t)	273.94	169.96	443.9	72.43	132.02	204.45	239.45	117.12
11 Golder	Guizhou Taipingdong Gold Mine	Gold	Ore Volume (Mt)	16.6	0.6	17.3	7.35	5.31	12.66	4.64	36.60
			Grade (g/t)	2.5	2.82	2.52			2.96	-0.44	
			Metal Volume (t)	41.6	1.9	43.5	23.41	14.02	37.43	6.07	16.22
12 Golder	Guangdong Dongkeng Gold Mine	Gold	Ore Volume (Mt)	7.1	2.6	9.7	1.60	0.48	2.09	7.61	364.61
			Grade (g/t)	1.78	1.6	1.73			2.57	-0.84	
			Metal Volume (t)	12.64	4.16	16.80	4.18	1.18	5.36	11.44	213.31
13 SRK	Fujian Gutian Copper and Molybdenum Mine	Copper	Ore Volume (Mt)	48.4	145.71	194.11	41.62	43.90	85.52	108.59	126.99
			Grade (%)	0.18	0.14	0.15			0.18	-0.03	
			Metal Volume (10kt)	8.78	20.64	29.42	6.63	8.68	15.31	14.11	92.20
		Molybdenum	Ore Volume (Mt)	48.4	145.71	194.11	41.62	43.90	85.52	108.59	126.99
			Grade (%)	0.046	0.038	0.039			0.057	-0.02	
			Metal Volume (10kt)	2.2	5.46	7.66	2.44	2.41	4.85	2.81	57.88
14	Yunnan	Copper	Ore Volume (Mt)	47	69	116	13.96	35.67	49.63	66.37	133.74

Golder	Lannitang Copper Mine		Grade (%)	0.33	0.3	0.31			0.36	-0.05		
			Metal Volume (10kt)	15.51	20.7	36.21	5.09	13.02	18.11	18.10	99.95	
			Gold	Ore Volume (Mt)	47	69	116	0.00	49.63	49.63	66.37	133.74
				Grade (g/t)	0.14	0.19	0.17			0.27	-0.10	
				Metal Volume (t)	6.58	13.11	19.69	0.00	13.23	13.23	6.46	48.81
15 Golder	Henan Tangjiaping Molybdenum Mine	Molybdenum	Ore Volume (Mt)	53.5	300.87	354.37	290.31	80.21	370.52	-16.15	-4.36	
			Grade (%)	0.103	0.058	0.064			0.063	0.00		
			Metal Volume (10kt)	5.52	17.3	22.83	19.99	3.51	23.50	-0.67	-2.87	
16 Golder	Yunnan Langdou Copper Mine	Copper	Ore Volume (Mt)		3.97	3.97	1.28	2.76	4.04	-0.07	-1.70	
			Grade (%)		1.92	1.92			1.70	0.22		
			Metal Volume (10kt)		7.62	7.62	2.30	4.56	6.86	0.76	11.10	
17 Golder	Inner Mongolia Sanguikou Zinc and Lead Mine	Zinc	Ore Volume (Mt)	48.4	106	154.4	87.32	50.53	137.85	16.55	12.01	
			Grade (%)	1.89	1.8	1.83			1.92	-0.09		
			Metal Volume (10kt)	91.48	190.80	282.28	175.09	89.46	264.55	17.73	6.70	
		Lead	Ore Volume (Mt)	48.4	106	154.4	86.00	47.74	133.74	20.66	15.45	
			Grade (%)	0.42	0.4	0.41			0.45	-0.04		
			Metal Volume (10kt)	20.33	42.40	62.73	41.32	18.52	59.84	2.89	4.83	
18 Golder	Guangdong Yinyan Tin Mine	Tin	Ore Volume (Mt)	17.4	62.6	80	10.20	29.15	39.35	40.65	103.32	
			Grade (%)	0.29	0.28	0.28			0.35	0.07		
			Metal Volume (10kt)	5.05	17.42	22.47	4.04	9.92	13.96	8.51	60.92	

		Molybdenum	Ore Volume (Mt)	17.4	57.3	74.7	0.00	33.10	33.10	41.6	125.67
			Grade (%)	0.02	0.013	0.014			0.024	-0.01	
			Metal Volume (10kt)	0.35	0.74	1.09	0.00	0.80	0.80	0.29	35.74
19 SRK	Yunnan Nanwenhe Tungsten Mine	Tungsten	Ore Volume (Mt)	10.03	17.45	27.48	15.53	19.89	35.42	-7.94	-22.43
			Grade (%)	0.51	0.55	0.53			0.45	0.08	
			Metal Volume (10kt)	5.09	9.56	14.65	8.13	7.78	15.91	-1.26	-7.93
20 SRK	Xinjiang Fuyun Mengku Iron Mine (East, Middle Phase)	Iron	Ore Volume (Mt)	63.07	23.47	86.53	53.69	38.49	92.18	-5.65	-6.13
			Grade (%)	32.7	24.77	30.55					
			Metal Volume (10kt)								
21 Golder	Xinjiang Qitai Heishantou Coal Mine	Coal	Coal (Mt)	372.87	12.64	385.51	377.78	10.73	388.51	-3.00	-0.77

Signatories of “NI 43-101” technical standards mineral resources report:

Serial No.	Name of Mine (Project)	Report No.	Competent Persons	Company Name
1	Fujian Zijinshan Gold and Copper Mine	137641005-001-L-Rev0	Sia Khosrowshahi	Golder Associates Pty Ltd
2	Jilin Hunchun Xiaoxinancha Gold and Copper Mine	137641005-006-L-Rev0	Sia Khosrowshahi	Golder Associates Pty Ltd
3	Xinjiang Ashele Copper Mine	SCN301	Anshun Xu	SRK Consulting China Ltd.
4	Heilongjiang Duobaoshan Copper Mine	SCN309	Yiefei Jia	SRK Consulting China Ltd.
5	Hebei Chongli Dongping Gold Mine	SCN308	Yiefei Jia	SRK Consulting China Ltd.
6	Qinghai Deerni Copper Mine	137641005-010-L-Rev0	Alan Miller	Golder Associates Pty Ltd
7	Gansu Dujiagou Gold Mine	137641005-005-L-Rev0	Alan Miller	Golder Associates Pty Ltd

8	Inner Mongolia Aobao Gold Mine	SCN306	Yonglian Sun	SRK Consulting China Ltd.
9	Fujian Luoboling Copper and Molybdenum Mine	117641073-005-L-Rev0	Sia Khosrowshahi	Golder Associates Pty Ltd
10	Fujian Yueyang Silver and Multi-metals Mine / Fujian Longjiangting Copper Mine	137641005-004-L-Rev0	Sia Khosrowshahi	Golder Associates Pty Ltd
11	Guizhou Taipingdong Gold Mine	128511010-002-L-Rev0	Alan Miller	Golder Associates Pty Ltd
12	Guangdong Dongkeng Gold Mine	128511010-001-L-Rev0	Andrew Weeks	Golder Associates Pty Ltd
13	Fujian Gutian Copper and Molybdenum Mine	SCN312	Yuan Chen	SRK Consulting China Ltd.
14	Yunnan Lannitang Copper Mine	137641005-008-L-Rev0	Sia Khosrowshahi	Golder Associates Pty Ltd
15	Henan Tangjiaping Molybdenum Mine	128511010-005-L-Rev0	Peter Onley	Golder Associates Pty Ltd
16	Yunnan Langdou Copper Mine	128511010-003-L-Rev0	Sia Khosrowshahi	Golder Associates Pty Ltd
17	Inner Mongolia Sanguikou Zinc and Lead Mine	128511010-006-L-Rev0	Peter Onley	Golder Associates Pty Ltd
18	Guangdong Yinyan Tin Mine	137641009-001-L-RevA	Sia Khosrowshahi	Golder Associates Pty Ltd
19	Yunnan Nanwenhe Tungsten Mine	SCN313	Yuan Chen	SRK Consulting China Ltd.
20	Xinjiang Fuyun Mengku Iron Mine (East, Middle Phase)	SCN302	Anshun Xu	SRK Consulting China Ltd.
21	Xinjiang Qitai Heishantou Coal Mine	128511010-004-L-Rev0	Willem van der Schyff	Golder Associates Pty Ltd

(b) There are seven “NI 43-101” technical standards mineral reserves reports which have been completed, the reserves are as follows:

Serial No.	Name of Mine (Project)	Type of Mine	Unit	Resources identified by “NI 43-101” CPR standards					Reserves identified by “NI 43-101” CPR standards		
				Measured	Indicated	Measured+ Indicated	Inferred	Total	Proved	Probable	Total
1 Golder	Fujian Zijinshan Gold and Copper Mine	Gold	Ore Volume (Mt)	93	130	224	25	248	97	123	220
			Grade (g/t)	0.46	0.39	0.42	0.4	0.42	0.41	0.35	0.37
			Metal Volume (t)	42.78	50.7	93.48	10	103.48	39.77	43.05	82.82
		Copper	Ore Volume (Mt)	126	298	424	118	542	147	280	427
			Grade (%)	0.5	0.47	0.48	0.44	0.47	0.41	0.365	0.38
			Metal Volume (10kt)	63	140.06	203.06	51.92	254.98	60.47	102.2	162.67

2 Golder	Jilin Hunchun Xiaoxinancha Gold and Copper Mine	Gold	Ore Volume (Mt)	55.89	80.48	136.38	29.62	165.99	40	49	89
			Grade (g/t)	0.45	0.43	0.44	0.44	0.44	0.48	0.47	0.47
			Metal Volume (t)	25.15	34.61	59.75	13.03	72.79	19.2	23.03	42.23
		Copper	Ore Volume (Mt)	55.89	80.48	136.38	29.62	165.99	40	49	89
			Grade (%)	0.18	0.17	0.17	0.16	0.17	0.19	0.18	0.18
			Metal Volume (10kt)	10.06	13.68	23.74	4.74	28.48	7.6	8.82	16.42
3 SRK	Xinjiang Ashele Copper Mine	Copper	Ore Volume (Mt)	15.43	9.9	25.33	11.21	36.54	15.25	7.64	22.89
			Grade (%)	2.51	1.42	2.07	2.04	2.06	2.5	1.55	2.18
			Metal Volume (10kt)	38.73	14.06	52.79	22.87	75.66	38.13	11.84	49.97
		Zinc	Ore Volume (Mt)	15.43	9.9	25.33	11.21	36.54	15.25	7.64	22.89
			Grade (%)	1.22	0.59	0.97	0.64	0.88	1.22	0.78	1.07
			Metal Volume (10kt)	18.82	5.84	24.66	7.73	32.39	18.61	5.96	24.57
4 SRK	Heilongjiang Duobaoshan Copper Mine	Copper	Ore Volume (Mt)	152.62	293.28	445.9	249.51	695.41	143.8	254.43	398.24
			Grade (%)	0.4	0.38	0.39	0.38	0.39	0.38	0.37	0.37
			Metal Volume (10kt)	61.05	111.45	172.5	94.81	267.31	54.8	93.9	148.7
		Molybdenum	Ore Volume (Mt)	152.62	293.28	445.9	249.51	695.41	143.8	254.43	389.24
			Grade (%)	0.012	0.012	0.012	0.019	0.015	0.012	0.011	0.012
			Metal Volume (10kt)	1.83	3.52	5.35	4.74	10.09	1.7	2.9	4.6
5 SRK	Hebei Chongli Dongping Gold Mine	Gold	Ore Volume (Mt)		11.72	11.72	15.27	26.99		8.26	8.26
			Grade (g/t)		2.76	2.76	2.3	2.5		2.84	2.84
			Metal Volume (t)		32.35	32.35	35.04	67.39		23.44	23.44

6 SRK	Inner Mongolia Aobao Gold Mine	Gold	Ore Volume (Mt)		33.45	33.45		33.45		18.75	18.75
			Grade (g/t)		0.71	0.71		0.71		0.75	0.75
			Metal Volume (t)		23.75	23.75		23.75		14.06	14.06
7 SRK	Xinjiang Fuyun Mengku Iron Mine (East, Middle Phase)	Iron	Ore Volume (Mt)		63.06	63.07	23.47	86.53		57.18	57.18
			Grade (%)		32.7	32.7	24.77	30.55		31.16	31.16
			Metal Volume (10kt)								

Signatories of “NI 43-101” technical standards mineral reserves disclosure report:

Serial No.	Name of Mine (Project)	Report No.	Competent Persons	Company Name
1	Fujian Zijinshan Gold and Copper Mine	137641005-002-L-Rev0	Ross Bertinshaw	Golder Associates Pty Ltd
2	Jilin Hunchun Xiaoxinancha Gold and Copper Mine	137641005-007-L-Rev0	Ross Bertinshaw	Golder Associates Pty Ltd
3	Xinjiang Ashele Copper Mine	SCN301	Anshun Xu	SRK Consulting China Ltd.
4	Heilongjiang Duobaoshan Copper Mine	SCN309	Yiefei Jia	SRK Consulting China Ltd.
5	Hebei Chongli Dongping Gold Mine	SCN308	Yiefei Jia	SRK Consulting China Ltd.
6	Inner Mongolia Aobao Gold Mine	SCN306	Yonglian Sun	SRK Consulting China Ltd.
7	Xinjiang Mengku Iron Mine (East, Middle Phase)	SCN302	Anshun Xu	SRK Consulting China Ltd.

Highlight main responsibility for safety and environmental protection, significant improvement in safety and environmental protection

During the reporting period, a safety accident has been caused by a non-compliance operation in the trial production period of the 200,000 tonnes copper refinery which aroused a high attention from the Group. The Group took the lesson and strengthened the main responsibility for corporate safety and environmental protection, strengthened the job safety training to each post, reinforced the construction of safety and environmental protection facilities, established and improved soil and water conservation and the construction organizations and system for green mines, in which it achieved significant results for safety and environmental protection.

The safety facilities of Zijinshan joint development project and Zijin Copper Refinery project was successfully passed the examination. The construction of the subsequent rectification and comprehensive environmental management of Zijinshan gold and copper mine has been fully completed.

Steady progress of mergers, acquisitions and integration projects

During the reporting period, the Group successfully acquired Australian Norton Gold Fields Limited, increased 180 tonnes resources/reserves and built an overseas platform; sold the equity interest of a Canada-listed company, Inter-Citic timely, which gained investment income of approximately RMB112 million; effectively integrated the resource of Gansu Yate and Longshan Gold in the Longnan area which was expected to have gold resource exceeding 200 tonnes; successfully completed the acquisition of Guangxi Longsheng county Pannei gold mine, etc. and the transfer of Yunnan Funing County Zhenglong Company.

Steady progress of key projects construction

During the reporting period, the Group invested RMB4.319 billion in project construction. The following projects have been completed construction and commenced production: Zijin Copper's annual production of 200,000 tonnes copper refinery project, the second Zijinshan copper mine flotation process plant and copper hydrometallurgical plant, Heilongjiang Duobaoshan copper (molybdenum) daily process of 25,000 tonnes ore mining project, Inner Mongolia Jinzhong Bayanhaer gold mine project, Kuitun Tongguan refining 300,000 tonnes/year tailings comprehensive utilization of circular economy project, Luoning Zijin gold refinery project, Guizhou Zijin Zhenfeng refinery plant, innovation of Tarot oxide ore processing plant, etc. Kyrgyzstan Zuoan gold mine started construction comprehensively. The following key construction projects proceeded as planned and were expected to be completed and commenced production in 2013: Tuva zinc and multi-metals mine in Russia, Inner Mongolia Sanguikou daily process of 10,000 tonnes zinc mine project, etc.

Achieving new results for innovation of technology

During the reporting period, the Group actively promoted energy saving, the utilisation of circular economy, clean production, etc., which is the leader within the industry in respect of the utilization of resource integration. The Group achieved the staged construction target of Zijinshan demonstration base for comprehensive utilization of gold, copper and other non-ferrous metals resources, which obtained RMB200 million financial support from the central government. A number of major research projects such as Zijinshan copper mine green recycling bio-copper extraction technological study, establishment of pressured heat oxidation leaching continuous test system have kicked off.

The Group completed 23 patent applications (including 17 invention patents), of which 7 authorizations were obtained (including 4 invention patents). The Group organized and applied for 15 items for various kinds of scientific and technological achievements and won 8 awards from the China Gold Association, the provincial Department of Science and Technology and other units. The brand of "Zijin" (ZIJIN SHG) with high purity zinc bullion produced by Bayannaer Zijin was successfully registered on the London Metal Exchange.

Steadily improved the standard of fundamental management and information management

During the reporting period, the Group clearly defined the operation target, starting from establishing management process and objectives management planning, systematically strengthened the mining (stripping) plan of mines and the preparation of the Group's annual and three-year rolling production plan and improved the development of the internal economic responsibility system and its assessment. The Company's fundamental management standard has been improved comprehensively.

The Company implemented ERP project construction, completed the blueprint design and deployed the implementation of the seven modules, established a solid foundation for the implementation of informative, specified, standardized, meticulous management.

Actively and effectively fulfilled social responsibilities

During the reporting period, after the approval of Ministry of Civil Affairs, the "Zijin Mining Charity Foundation" with contribution of RMB200 million by the Group was officially established.

The Group won the “Most Caring Donated Corporation” title of the seventh China Charity Award and other recognitions such as the “Fujian Red Cross Silver Medal”, “Fujian Charity Award”, “Outstanding Group Helping the Disabled under the Eleventh 5-year Plan”, “Outstanding Chinese Enterprises of 2012 for Social Responsibility”, etc.

After two years’ litigation of Xinyi Zijin “9.21” case, it was finally resolved collectively by way of consultation and mediation in a package settlement.

The Group made donation of RMB190 million for the year.

During the reporting period, the Group’s total payroll and average income per staff increased by 19% and 10.1% respectively when compared with the same period last year. Some of the Group’s subsidiaries started construction projects to meet the staff’s basic housing needs.

Analysis of major businesses

Operating Results

During the reporting period, the Group recorded sales income of RMB48.415 billion in the year, representing an increase of 21.76% over the previous year (2011: RMB39.764 billion).

The table below sets out the sales by products for the two years ended 31 December 2011 and 2012:

Item	2012 (Jan – Dec)					2011 (Jan – Dec)				
	Unit price (excluded tax) RMB		Volume		Amount (RMB’000)	Unit price (excluded tax) RMB		Volume		Amount (RMB’000)
Mine-produced gold	326.95	/g	33,160	kg	10,841,540	317.48	/g	28,698	kg	9,111,020
Refinery, processed and trading gold	338.09	/g	58,254	kg	19,694,800	335.92	/g	56,815	kg	19,085,510
Mine-produced silver	4.07	/g	138,434	kg	562,760	4.82	/g	116,461	kg	561,100
Mine-produced copper	42,003	/t	106,561	t	4,475,910	49,466	/t	86,897	t	4,298,480
Refinery copper	48,437	/t	110,557	t	5,354,980	51,062	/t	2,578	t	131,640
Mine-produced zinc	7,782	/t	37,033	t	288,180	8,923	/t	35,632	t	317,950
Refinery zinc	12,965	/t	154,028	t	1,996,920	14,482	/t	186,841	t	2,705,760
Iron concentrates	614	/t	2.4014	Mt	1,475,020	693	/t	1.883	Mt	1,304,390
Others					8,435,560					4,563,540
Less: Internal sales					-4,710,950					-2,315,470
Total					48,414,720					39,763,920

Note:

1. During the reporting period, other sales income mainly includes: RMB689 million income from copper pipe, RMB650 million income from copper belts, RMB668 million income from tungsten products, RMB650 million from refinery and processing silver and RMB5.779 billion income from other products, intermediate services and other services.

The Group’s 2012 sales revenue increased sharply compared with last year because: (1) The sales volume of the Company’s refinery products increased significantly over the last year: the sales volume of refinery, processed and trading gold and refinery copper increased by 2.53% and 4,188.37% respectively over the last year: in which RMB2.820 billion (before elimination) increase of sales revenue was attributed to the changes of sales volume of mineral products while RMB9.977 billion (before elimination) increase of sales revenue was attributed to the changes of sales volume of refinery and processed products.

An Analysis of Cost and Gross Profit Margin

The Group is mainly engaged in mine development. The Group's cost of sales mainly includes mining, processing and refining costs, ore transportation cost, raw materials consumption, salaries and depreciation of fixed assets.

The table below sets out the details of the unit cost of sales and gross profit margin by products for the two years ended 31 December 2011 and 2012. (Note 1)

Item	Unit cost of sales (RMB)				Gross profit margin (%)		
	Year	2012 (Jan – Dec)	2011 (Jan – Dec)	Unit	Compared with same period last year %	2012 (Jan – Dec)	2011 (Jan – Dec)
Mine-produced gold (Note 2)		120.82	86.47	/g	39.72	63.05	72.76
Refinery, processed and trading gold		335.03	334.32	/g	0.21	0.90	0.48
Mine-produced silver		2.05	2.00	/g	2.78	49.48	58.53
Mine-produced copper		14,511	13,318	/t	8.96	65.45	73.08
Refinery copper (Note 3)		50,069	N/A	/t	N/A	-3.37	N/A
Mine-produced zinc		2,697	2,758	/t	-2.22	65.34	69.09
Refinery zinc		13,243	14,695	/t	-9.88	-2.15	-1.48
Iron concentrates		221	212	/t	4.24	63.99	69.37
Overall						24.87	30.75
Overall (refinery and processing enterprises excluded)						64.94	72.69

Note 1: The gross profit margin by products were analyzed based on the figures before offsetting internal sales, the overall gross profit margin was calculated after offsetting internal sales.

Note 2: If the effect of the 2012 acquired project, Norton Gold Fields Ltd. was eliminated, the Group's unit cost of sales of mine-produced gold would be RMB109/g representing an increase of 26% over the same period last year, the gross profit margin of mine-produced gold would be 66.7%, representing a decrease of 6.06 percentage points.

Note 3: The Company's 200,000 tonnes copper refinery was in trial run in 2012, the refinery copper in last year was the by-product from a zinc refinery project, so, its cost is not comparable.

The Group's overall gross profit margin is 24.87%, representing a decrease of 5.88 percentage points over the same period last year. It was mainly attributed to the increase in the sales income proportion from the low gross profit margin refinery, processing and trading sector; the overall gross profit margin (excluding processed and refined products) is 64.94%, representing a decrease of 7.75 percentage points over the same period last year. During the reporting period, the adverse impact of decrease in selling price and increase in costs resulted in the general decline of gross profit margin as compared to the same period last year.

The table below sets out the details of the direct cost structure for the two years ended 31 December 2011 and 2012.

Product	Cost structure	Amount for the current period (RMB)	Current amount to total cost %	Amount for the same period last year (RMB)	Amount for the same period last year to total cost %	Changes ratio for current amount over same period last year %
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Mine-produced gold	Raw materials	1,832,229,659	45.74%	1,064,276,507	42.89%	72.16%
	Salary	464,708,839	11.60%	286,917,607	11.56%	61.97%
	Depreciation	332,837,298	8.31%	174,711,135	7.04%	90.51%
	Energy consumption	271,666,374	6.78%	179,300,111	7.23%	51.51%
	Others	1,104,741,626	27.58%	776,308,453	31.28%	42.31%
Mine-produced silver	Raw materials	153,684,647	54.06%	129,652,957	55.72%	18.54%
	Salary	25,942,469	9.13%	25,312,351	10.88%	2.49%
	Depreciation	33,588,830	11.81%	25,072,472	10.77%	33.97%
	Energy consumption	19,127,498	6.73%	15,611,960	6.71%	22.52%
	Others	51,956,280	18.28%	37,052,042	15.92%	40.23%
Mine-produced copper	Raw materials	698,177,979	45.15%	493,949,801	42.68%	41.35%
	Salary	122,815,910	7.94%	103,186,925	8.92%	19.02%
	Depreciation	134,960,599	8.73%	118,924,637	10.28%	13.48%
	Energy consumption	204,970,612	13.26%	132,130,466	11.42%	55.13%
	Others	385,417,610	24.92%	309,115,363	26.71%	24.68%
Mine-produced zinc	Raw materials	50,316,781	50.37%	48,761,587	49.61%	3.19%
	Salary	8,931,797	8.94%	9,675,162	9.84%	-7.68%
	Depreciation	8,866,287	8.88%	10,704,683	10.89%	-17.17%
	Energy consumption	9,961,158	9.97%	9,219,857	9.38%	8.04%
	Others	21,814,886	21.84%	19,927,693	20.27%	9.47%
Iron concentrates	Raw materials	348,747,414	65.66%	289,468,764	72.45%	20.48%
	Salary	20,068,803	3.78%	14,454,414	3.62%	38.84%
	Depreciation	35,711,215	6.72%	25,401,496	6.36%	40.59%
	Energy consumption	42,393,619	7.98%	34,320,943	8.59%	23.52%
	Others	84,202,443	15.85%	35,902,020	8.99%	134.53%

- Note:1. The cost structure – raw materials include the cost of purchasing raw and auxiliary materials and outsourcing. The major energy consumption is electricity.
2. A large number of engineering works of the exploration of the corporate's mines were outsourced, in which the outsourcing cost was included in raw materials.

During the reporting period, the effect of the increase of processing low-grade ores, the increase of raw and auxiliary materials prices, the rise of labour costs, and the increased inputs in safety and environmental protection, led to the increase in costs. The unit selling costs of the main products like mine-produced gold, mine-produced copper, and iron concentrates increased by 39.72%, 8.96% and 4.24% respectively. Among the main products of the Group, only the prices of gold increased over the same period last year and the prices of other products dropped significantly. The unit selling prices of the main products like mine-produced silver, mine-produced copper, mine-produced zinc, and iron concentrates decreased by 15.56%, 15.09%, 12.79% and 11.40% respectively.

Information of major suppliers and customers

During the reporting period, the Group's total purchases from the five largest suppliers amounted to RMB4,921.48 million, representing 13.46% of the total purchases of the Group.

Details of the five largest suppliers are as follows

Supplier	Transaction amount in 2012 (RMB)	Transaction amount to total procurement amount (%)
Shanghai Gold Exchange	2,414,265,635.31	6.60%
Ma Husai	857,866,478.78	2.35%
Cao Jiasheng	845,797,887.83	2.31%
Jilong Mining	452,072,819.19	1.24%
Wancheng Commercial Dongshengmiao Co., Ltd.	351,480,078.13	0.96%

During the reporting period, the Group's total sales income from the five largest customers amounted to RMB27,965,020,000, representing 57.76% of the total income of the Group.

Details of the five largest customers are as follows

	Transaction amount in 2012 (RMB)	Percentage ratio to operating income (%)
Shanghai Gold Exchange	23,456,655,918	48.45
Jinchuan Group Co., Ltd.	1,842,104,333	3.80
Fujian Shanghang Taiyang Copper Co., Ltd.	1,273,887,849	2.63
Xinjiang Bayi Steel Group Co., Ltd.	726,358,808	1.50
Jinlong Copper Co., Ltd.	666,015,966	1.38
Total	27,965,022,874	57.76

Management Discussion and Analysis

SELLING EXPENSES

During the reporting period, the Group's selling expenses have increased by 37.76% over last year to RMB596,860,000 in 2012 (2011: RMB433,260,000). The increase in selling expenses was mainly due to the increase in sales volume and the unit cost for transportation, rendering an increase in transportation cost by RMB87,150,000 in Qinghai West and RMB52,990,000 in Xinjiang Jinbao respectively over the same period last year. In addition, the selling and distribution of products after the commencement of the production in Zijin Copper's refinery plant and Xiamen Gold Marketing Company's expansion in gold selling business also contributed to the increase in selling expenses.

ADMINISTRATIVE EXPENSES

During the reporting period, the Group's administrative expenses in 2012 amounted to RMB1,874,250,000 which represented an increase of 16.46% over last year (2011: RMB1,609,340,000). It was mainly due to: the increase in commodity price under inflation, the transition from construction phase to commencement of production of Zijin Copper, Qinghai Company, Duobaoshan copper mines, etc., the Group increased RMB136,250,000 in administrative labour cost (including salaries, staff welfare, social insurances and housing contributions, etc.), representing an increase of 27.37% over the same period last year; In addition, the Group recorded an increase in depreciation expenses of RMB46,300,000 for fixed assets, such as the office buildings, motor vehicles, etc., the increase in consultancy fee of RMB39,580,000, the increase in exploration expenses of RMB24,120,000.

FINANCIAL EXPENSES

During the reporting period, the Group's total financial expenses was RMB803,970,000, representing an increase of 61.96% over the same period last year (2011: RMB496,400,000). The increase of financial expenses was mainly due to the commencement of production of 2 refinery projects, and the increase in acquisition projects causing the increase in demand of capital, the gold leasing and the bank loans. In addition, the issue of US dollar bonds last year also increased the interest expenses over the same period last year.

ASSETS IMPAIRMENT LOSSES

During the reporting period, the Group's assets impairment losses were RMB270,720,000 (2011: RMB202,880,000), in which, RMB27,810,000 was provided for intangible assets impairment loss; RMB41,820,000 was provided for loss in stock valuation; RMB34,890,000 was provided for fixed assets impairment loss; RMB113,980,000 was provided for impairment loss in available-for-sale investments; RMB45,000,000 was provided for impairment loss in other non-current assets, and RMB7,220,000 was provided for bad debt provision.

GAIN/LOSS ON CHANGES IN FAIR VALUE

During the reporting period, the Group's gain on changes in fair value was RMB12,990,000 representing an increase of RMB70,120,000 over last year (2011: loss of RMB57,130,000). It was mainly due to an increase in unrealised gain in shares investment of the Group in 2012.

DERIVATIVE FINANCIAL INSTRUMENTS

The settled portion:

During the reporting period, the Group's profit in relation to futures business was RMB226,120,000 (2011: loss of RMB30,360,000), in which the headquarters made a profit of RMB23,610,000, Zijin Copper made a profit of RMB102,710,000, Luoyang Zijin Yinhui made a profit of RMB86,030,000 and other subsidiaries made a profit of RMB13,770,000.

The unsettled position:

As at 31 December 2012, the Group's gold future contracts position was 834kg, copper future contract position was 29,890 tonnes, and silver future contract position was 12,525kg. The total recognized but unrealized loss was RMB28,820,000 in total (2011: gain of RMB10,580,000).

The net gain on changes in fair value (in comparison with spot price) in unsettled gold leasing and gold future position entered for hedging risk of price fluctuation was RMB50,910,000 (2011: net gain of RMB6,090,000).

WORKING CAPITAL AND SOURCES OF FUND

As at 31 December 2012, the Group's cash and cash equivalents was RMB6,315,000,000, representing an increase of RMB1,398,000,000 or 28.43% over the same period last year.

In the reporting period, net cash inflow generated from the Group's operating activities was RMB5,408,000,000, representing a decrease of RMB982,000,000 over the same period last year, in which, the cash inflow generated from operating activities was RMB52,739,000,000, representing an increase of RMB9,884,000,000 over the same period last year; cash outflow used in operating activities was RMB47,332,000,000, representing an increase of RMB10,868,000,000 over the same period last year. The main reason for the decrease in net cash inflow generated from the Group's operating activities was due to the increase in production costs and resources tax resulted from processing of low cut-off grade ores and the decrease of selling prices in copper and silver, etc. over the same period last year.

In the reporting period, net cash outflow used in the Group's investing activities was RMB9,936,000,000, representing an increase of RMB2,232,000,000, in which, the main investing expenditure included (1) cash payment of RMB7,996,000,000 for the Group's purchase and construction of fixed assets, intangible assets and other long-term assets; (2) cash payment of RMB2,228,000,000 for the Group's external investment; (3) cash payment of RMB1,009,000,000 for other investing activities.

In the reporting period, net cash inflow generated from the Group's financing activities was RMB5,935,000,000, representing an increase of RMB3,402,000,000 over the same period last year. It was mainly due to the increase in loan financing.

As at 31 December 2012, the Group's total borrowings amounted to RMB13,558,000,000 (31 December 2011: RMB6,349,000,000). Among which, the amount repayable within one year was approximately RMB6,904,000,000, the amount repayable within two to five years was approximately RMB3,318,000,000, the amount repayable within more than five years was approximately RMB3,336,000,000. The interest rates of all bank borrowings range from 1.16% to 7.87% (2011: range from 2.9% to 7.61%).

The Group's daily capital requirements and capital expenditures for maintenance nature can be financed from its internal cash flow. The Group also has loan facilities with no usage restriction of approximately RMB64 billion provided by the major banks.

RESEARCH AND DEVELOPMENT EXPENDITURE

Currency: RMB

Expensed research and development expenditure for the year	88,482,452
Capitalized research and development expenditure for the year	25,475,738
Total research and development expenditure	113,958,190
Percentage of total research and development expenditure to net assets (%)	0.3393
Percentage of total research and development expenditure to revenue (%)	0.2354

OPERATION ANALYSIS BY INDUSTRY, PRODUCTS OR REGION

Currency: RMB'000

By product	Sales income	Operation cost	Gross profit margin (%)	Change of sales income compared with last year (%)	Change of operation cost compared with last year (%)	Change of gross profit margin compared with last year (percentage points)
Mine-produced gold	10,841,540	4,006,180	63.05	18.99	61.44	-9.71
Refinery, processed and trading gold	19,694,800	19,516,910	0.90	3.19	2.75	0.42
Mine-produced silver	562,760	284,300	49.48	0.30	22.17	-9.05
Mine-produced	4,475,910	1,546,340	65.45	4.13	33.62	-7.63

copper						
Refinery copper	5,354,980	5,535,470	-3.37	3,967.84	4,407.08	N/A
Mine-produced zinc	288,180	99,890	65.34	-9.36	1.63	-3.76
Refinery zinc	1,996,920	2,039,770	-2.15	-26.20	-25.71	-0.67
Iron concentrates	1,475,020	531,120	63.99	13.08	32.93	-5.38
Others	8,435,560	7,190,600	14.76	84.85	104.69	-8.26
Offsetting internal sales	-4,710,950	-4,375,720				
Total	48,414,720	36,374,860	24.87	21.76	32.10	-5.88

Note: The analysis by product is based on the figures before elimination of internal sales.

Regional information of the main business

Business of the Company is mainly concentrated in the mainland, and the transactions of gold products, the Group's main product, were conducted and settled through the Shanghai Gold Exchange, information about the ultimate customers is unknown. Therefore, geographical segment information was not disclosed.

During the reporting period, the analysis of the changes in income statement of the Company:

Unit RMB

Items	2012	2011	% Change	Reasons for the change
Operating revenue	48,414,719,206	39,763,915,441	21.76	Mainly due to the increase in revenue from the subsidiaries which commenced production in the year, in which the revenue from the refinery plants contributed a relatively large portion
Operating cost	36,374,864,074	27,536,543,588	32.10	Mainly due to the increase in operating cost from the subsidiaries which commenced production in the year, in which the operating cost from the refinery plants contributed a relatively large portion
Selling expenses	596,860,745	433,256,436	37.76	Mainly due to the increase in sales volume of copper and iron by the Group
Administrative expenses	1,874,254,433	1,609,339,207	16.46	Mainly due to the increase in enterprises turning from infrastructure phase into production phase, and the newly-acquired enterprises by the Group
Financial expenses	803,965,178	496,400,784	61.96	Mainly due to the expansion of scale of financing by the Group for the year
Research and development expenditure	113,958,190	97,680,601	16.66	
Taxes and surcharges	541,098,426	382,045,241	41.63	Mainly due to the increase in product sales
Asset impairment losses	270,720,072	202,878,294	33.44	Mainly due to the provision of impairment loss in long-term held shares
Gains/(losses) on changes in fair value	12,986,146	(57,130,642)	(122.73)	Mainly due to the changes in fair value of derivative instruments for the year
Non-operating income	220,898,413	134,572,479	64.15	Mainly due to the reversal of over-provision of compensation expenses in previous years

Non-operating expenses	270,666,100	466,367,867	(41.96)	Mainly due to the decrease in the Group's donations and loss on disposal of non-current assets
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Analysis of the Core Competitive Strength

Resources are the basis for the survival and development of mining companies. Through years of exploration investment and acquisitions, the Group has become one of the top enterprises in the country controlling the largest amount of gold and non-ferrous metal resources. The Company has a number of geological and metallurgical professional experts and scholars who provide resource analysis and form an efficient resource evaluation system which accommodates the Company's decisive decision-making mechanism that being the advantage in controlling resources.

The Group has high-level research and development platforms such as the state's key laboratory of integrated use of low-grade refractory gold resources, state-level enterprise technical centre, academicians and experts workstations, postdoctoral workstations, Fujian non-ferrous metal mineral resources development engineering technology research centre, etc. In the aspects of research and application in the technical areas such as mineral resources exploration, open pit steep slope mining technology, heap leach processing and refinery technology, bio-copper extraction technology, chalcopyrite acidic heat pressing / atmospheric pre-oxidation, refractory gold mine heat pressing / atmospheric pressure chemical catalytic oxidation pretreatment, solid waste resourcing etc., the Group has won wide recognition in the industry with such achievements.

Up to the end of 2012, the Group has independently completed more than 560 different technological projects, obtained more than 150 proprietary technologies with over 100 intellectual property rights formed among the technological research results, taking up including 11 national projects such as the national science and technology support program, project 863, project 973, innovation capacity-building etc., and more than 20 provincial science and technology projects, gained 39 scientific and technological awards from provincial ministerial level and above (including: 16 first class awards). The Group has applied for 148 national patents (102 invention patents), in which 67 patents (including 27 invention patents) were approved.

Gearing Ratio

Gearing ratio is defined the ratio of consolidated total liabilities to consolidated total equity. As at 31 December 2012, the Group's consolidated total liabilities was RMB33,771,455,302 (it was RMB22,187,522,375 as at 31 December 2011), and the Group's consolidated total equity was RMB33,582,965,739 (it was RMB30,132,676,957 as at 31 December 2011). As at 31 December 2012, the Group's gearing ratio was 1.006 (it was 0.736 as at 31 December 2011).

3. Use of proceeds

(1) Overall use of proceeds

RMB'000

Year	Type of financing	Total proceeds	Proceeds used in this reporting period	Accumulated use of proceeds	Total unused proceeds	Usage and placement of unused proceeds
2008	Initial Public Offering	9,806,960.20	415,697.60	9,984,294.40	0	
Total	/	9,806,960.20	415,697.60	9,984,294.40	0	/

The Company's initial public offering raised net proceeds of A Shares of RMB9,806,960,200 in April 2008 in the PRC. As at 31 December 2012, all the proceeds had been used up and the accumulated use of proceeds was RMB9,984,294,400 (interest included).

(2) Use of proceeds for different projects

RMB'000

Project Name	Project amended	Proposed investment	Investment for the year	Actual investment	On schedule	Progress	Expected gains	Gains generated	Expected gains achieved	Explanation of projects did not meet the expected progress and gains	Reasons for amendments and procedure for change of use of proceeds
1.Zijinshan Gold and Copper Mine joint open pit mining project	No	1,522,526.8		1,524,113.2	Yes	Construction basically completed		2012: Production of gold of 16,376.07kg; mine-produced copper cathodes of 2,106.70 tonnes; copper concentrates containing copper of 14,909.40 tonnes, realized net profit of RMB2,755,122,200 (included the production capacity before technological innovation)	Yes		
2.Hunchun Zijin Shuguang Gold and Copper Mine technological innovation and expansion project	No	461,500	4,435.2	461,815.6	Yes	Construction completed and commenced production		2012: Production of gold of 2,556.57kg; copper of 9,637.58 tonnes; realized net profit of RMB688,027,900 (included the production capacity before technological innovation)	Yes		
3.200 tonnes daily refractory gold processing and refining project	No	198,094		198,094	Yes	Construction completed and commenced production		2012: Production of processed gold of 5,279.08kg; silver of 19,852.75kg; realized net profit of RMB17,506,700	Yes		
4.Mining resources exploration project	Yes	17,067.6		17,067.6	Yes						
5.Acquisition of the exploration right in Zhongliao Copper Mine Wuziqilong Jintonghu section project	No	196,800		196,800	Yes	Acquisition completed					
6.Increase	No	603,000		603,000	Yes	Acquisition					

capital injection in Zijin Tongguan for the acquisition of equity interest in Monterrico Metals plc project						completed					
7.Acquisition and development of the ZGC Gold Mine in Tajikistan	Yes	763,629.7		763,706.9	Yes	Acquisition completed, under development and construction		2012: Production of gold of 1,511.51kg, realized net profit of RMB203,057,500.			
8.Acquisition of 70% interest in Zijin Longxing (Tuva Lead Zinc Mine)	No	271,600		271,600	Yes	Acquisition completed					
9.Comprehensive Utilisation of Circular Economy for the Qinghai Deerni Tailings Project	Yes	342,105.1	100,340	355,767.90	Yes	Project construction basically completed, entering into pilot production		2012: Production of iron calcine of 163,000 tonnes, sulfuric acid of 290,300 tonnes, realized net loss of RMB50,905,400.			
10.200,000 tonnes/year copper refinery project of Zijin Copper Co., Ltd.	Yes	807,835.40	310,922.40	824,329.20	Yes	Project construction basically completed, entering into pilot production		2012: Production of refinery and processed copper of 108,000 tonnes, sulfuric acid of 515,600 tonnes, realized net loss of RMB206,675,600			
11.Supplemental working capital	Yes	4,768,000		4,768,000	Yes						
Total	/	9,952,158.6	415,697.60	9,984,294.40	/	/	/	/	/	/	/

Note 1: The results of projects no. 4, 5, 6 and 8 cannot be assessed individually in short-term, in which projects no. 5, 6 and 8 are acquisitions of mineral rights. Upon the completion of the acquisition, the Company will have an increase in resources reserves and strengthen its core competencies, which will be beneficial to the Company's development in the long-run. Projects no. 9 and 10 are in trial production, in which debug and adjustment for the production process are required. Since the projects did not meet the production target, the costs increased and hence led to a loss.

Note 2: For the details of the use of proceeds, please refer to the specific report.

(3) Status of change of use of proceeds

Currency: RMB'000

Total proceeds for the new projects			1,149,940.5							
Name of new project	Corresponding original project	Proposed investment	Investment for the year	Actual investment	On Schedule	Income projection	Gains	Progress	Expected gains achieved	Explanation of projects did not meet the expected progress and gains
Comprehensive Utilisation of Circular Economy for the Qinghai Deerni Tailings Project	Mining resources exploration project	342,105.1	100,340.00	355,767.90	Yes		2012: Production of iron calcine of 163,000 tonnes, sulfuric acid of 290,300 tonnes, realized net loss of RMB50,905,400.	Project construction basically completed, entering into pilot production		In trial production which debug and adjustment for the production process are required. Since the projects did not meet its production capacity, the cost was high and hence led to a loss.
200,000 tonnes/year Copper Refinery Project of Zijin Copper Co., Ltd.	Acquisition & development of the ZGC Gold Mine in Tajikistan and supplemental working capital	807,835.4	310,922.40	824,329.2	Yes		2012: Production of refinery and processed copper of 108,000 tonnes, sulfuric acid of 515,600 tonnes, realized net loss of RMB206,675,600	Project construction basically completed, entering into pilot production		In trial production which debug and adjustment for the production process are required. Since the projects did not meet its production capacity, the cost was high and hence led to a loss.
Total	/	1,149,940.5	411,262.40	1,180,097.1	/	/	/	/	/	/

The investment period and cycle for the mining resources exploration project is relatively long, that the risk associated with the investment in exploration is high, and that it is difficult to accurately estimate the investment returns. Thus, according to the approval of the first 2010 extraordinary general meeting, the proposed investment sum of RMB342,105,100 (including interest) not yet applied towards the mineral resources exploration project will be re-directed and invested in the Comprehensive Utilization of Circular Economy for the Qinghai Deerni Tailings Project. This change has been announced in accordance with the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") (for details please refer to the circular dated 3 November 2010).

Due to the difficulty in the overseas logistic and other reasons, the development projects of ZGC Gold Mine in Tajikistan have been delayed. To improve the efficiency of use of proceeds, according to the proceeds management of the Company and the approval of 2010 annual general meeting, the unused proceeds of RMB552,527,200 (including interest) and the unused proceeds of RMB255,308,200 from supplemental working capital (including interest) will be injected in the 200,000 tonnes/year Copper Refinery Project of Zijin Copper Co., Ltd. (for details please refer to the notice of 2010 annual general meeting dated 13 April 2011).

4. Analysis of major subsidiaries and associates

Operations status and result analysis of the Company's major holding subsidiaries

RMB'000

Company name	Major products	Registered capital	Total assets	Net assets	Net profit
Xinjiang Ashele Copper Company Limited	Copper concentrates	250,000	2,003,770	1,580,430	649,020
Qinghai West Copper Mining Company Limited	Copper concentrates	120,000	1,617,800	1,041,410	541,780
Hunchun Zijin Mining Company Limited	Copper and gold concentrates	200,000	2,185,860	2,046,820	688,030
Xinjiang Jinbao Mining Company Limited	Iron concentrates	50,000	955,760	694,110	418,550
Hebei Chongli Zijin Mining Company Limited	Gold	237,500	923,430	693,730	351,430
Guizhou Zijin Mining Company Limited	Gold	200,000	1,653,200	764,170	310,210
Luoning Huatai Mining Development Company Limited	Gold	20,000	632,970	350,350	139,770
Wulatehouqi Zijin Mining Company Limited	Zinc concentrates	150,000	1,332,530	502,400	182,950
Malipo Zijin Tungsten Company Limited	Tungsten products	1,000,000	2,187,540	1,374,300	154,380
Yuanyang County Huaxi Gold Company Limited	Gold	150,000	462,670	268,340	45,430
Shanxi Zijin Mining Company Limited	Gold	159,100	303,250	248,620	108,570
Bayannaoer Zijin Non-ferrous Metals Company Limited	Zinc bullion	375,000	3,409,610	987,630	(81,170)
JV Zeravshan LLC	Gold	184,720	1,651,830	282,820	203,060
Zijin Copper Company Limited	Copper cathode	1,818,300	10,043,630	1,616,660	(206,680)
Heilongjiang Duobaoshan Copper Company Limited	Copper concentrates	800,000	2,679,360	884,990	41,270

Operations status and result of subsidiaries or associates affecting the Company's net profit for over 10%

RMB'000

Company name	Total assets	Net assets	Income from main businesses	Profit from main businesses	Net profit
Xinjiang Ashele Copper Company Limited	2,003,770	1,580,430	1,753,840	1,118,610	649,020
Qinghai West Copper Mining Company Limited	1,617,800	1,041,410	1,440,240	731,170	541,780
Hunchun Zijin Mining Company	2,185,860	2,046,820	1,175,070	751,000	688,030

Limited					
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5. Use of non-proceeds

Currency: RMB billion

Project name	Amount	Progress	Investment for the year	Actual investment	Gains
Russia Tuva zinc and multi-metals mine	2.692	Expected to complete the construction and put into production by the end of 2013	0.722	2.165	Planned to produce about 90,000 tonnes of zinc a year
Gansu Yate Li county gold mine project	0.77	Expected to complete the construction of the main building of 6,000 tonnes/day floatation process plant; completed 150,000 cubic metres for the building of tailing dam; completed renovation for warehouses and office buildings, etc.	0.202	0.232	Planned to produce about 5 tonnes of gold a year
Kyrgyzstan Zuoan gold mine project	1.12		0.216	0.216	Planned to produce about 3.7 tonnes of gold
Phase 1 of Heilongjiang Duobaoshan Copper project	2.66128	Put into production in May 2012	0.674	2.395	Upon meeting production capacity for phase 1, production of about 25,000 tonnes of copper cathodes a year
Technological innovation of ZGC Gold Mine in Tajikistan	1.298		0.559	0.559	Upon completion of technological innovation, increased production of about 3.5 tonnes of gold a year
Wulatehouqi Zijin Sanguikou Lead Zinc Mine	0.91	Put into production by the end of 2013	0.384	0.79	Planned to produce about 70,000 tonnes of zinc a year
Total	9.45128	/	2.757	6.357	/

PROSPECTS

The Board's discussion and analysis for the Company's future development

(1) Competition pattern and development trend on the industry

In 2013, the world's economic situation is still complex and changeable, and expected to be recovered mildly. Gold price will remain at a high and volatile position under the effects of the loose monetary policy, geopolitical factors, etc., but the risk of price drop still exists. The metal commodity price may remain at a wide fluctuating pattern under the effects of oversupply and stimulative policy, but if the core price shifted downward that it would be difficult for metal commodity to have a bull market again. Competition in the industry will be increasingly stiffer and the difficulty in business operations will continue to intensify.

Looking at the industry, the corporate restructuring intensified, resources and benefits further concentrated to superior corporates and large-scale corporates. In the context of the economic downturn, there may be a re-shuffle for the industry.

Looking at the internal situation, after the hardships and tests of the "7.3" and "9.21" incidents in 2010, the Company had a new understanding and an improved awareness on scientific development, awareness of environmental safety, awareness on social responsibility and awareness on fundamental management standardization, etc. The Company's integrated strength and ability is still at the leading position within the metal mining industry in China. In general, there are more opportunities than challenges for the Company.

(2) The Company's development strategy

With the principle of upholding the mining as the main business, gold-priority, mining of basic metals simultaneously, the Company conditionally selected the extended business and related business for development. Being the leader in domestic gold industry and domestic mining industry, the Company will strive to rank among the top in the international miners and being a high-tech and efficient international mining group in 2020.

(3) Business objectives

The production volume of major products in 2013: mine-produced gold of approximately 33 tonnes, mine-produced copper of approximately 115,000 tonnes, mine-produced silver of approximately 125 tonnes, mine-produced zinc of approximately 80,000 tonnes, iron concentrates (containing iron calcine) of approximately 2.2 million tonnes; refinery

and processed gold of approximately 47 tonnes, refinery silver of approximately 151 tonnes, refinery copper of approximately 200,000 tonnes and refinery zinc bullion of approximately 150,000 tonnes.

Please note that the above plan was made on the basis of the current economic condition, market situation and the existing conditions of the Company. The Board may amend the production plan from time to time in accordance with the relevant circumstances.

(4) Specific business strategy for 2013

Study in-depth and follow the spirit of the Eighteenth National People's Congress of the Communist Party to promote innovation, work practically, speed up promoting new round of ventures, and deepen the establishment of fundamental management and informational management. The Company focuses on technological innovation and maintaining growth by saving cost and increasing efficiency to comprehensively enhance the quality and effectiveness of the corporate's growth, and ensures that there will be new growth in the corporate's scale and effectiveness in 2013.

Vigorously promote the construction of ecological civilization, constantly enhance the standard of safety and environmental protection

Environmental protection, soil and water conservation and construction of ecological civilization have to be organically combined to improve the consciousness and initiative of ecological civilization. The Company will work hard to achieve the harmonization of economic benefits, ecological benefits, resources benefits and social benefits. The Company will pay attention to the safety and environmental protection work continuously, especially for Zijinshan gold and copper mine; strengthen environmental impact assessment of mine development, carry out study comprehensively for the geology of the mines and environmental geochemistry, and promote green mines construction vigorously.

Implement a series of effective measures, ensure the mission for production operation completed

The Company developed cost management evaluation system, fully implemented the economic responsibility system which used cost control and budget management as main contents to offset the cost rising factor at maximum. The Company prepared the 3-year and 5-year production operation rolling plans, and prepared the mining (stripping) plan, strengthened the management of the dynamic resources reserves; further enhanced the utilization standard and management standard of resources integration, maintained a stable, balanced and sustainable production operation. The Company highly concerned about the mining geological work and the collection and analysis of the geology information, strengthened marketing research and judgment and product sales management to avoid market price fluctuation risk effectively.

Intensified major project acquisitions and exploration of resources

The Company will enhance the quality of preparation work for project acquisition, intensify investment for acquisition, strive for breakthroughs and accomplishments on acquisition of large-scale mining project, and substantially increase the Group's effective resources reserves and production scale.

The Company will strengthen geological study for key areas and key projects, confirmed investment in geological exploration and strive for significant progress on prospecting and increasing reserves.

The Company will strengthen the building of exploration team and construction of digital geology, concern about engineering, hydrogeology and environmental geology work.

Focus on key construction projects

Projects including Russia Tuva lead zinc and multi-metals mine (phase 1), Wulatehouqi Sanguikou lead zinc mine 3,300,000 tonnes / year mining and process project, Gansu Yate 6,000 tonnes / day floatation process project, Guizhou Xinhengji Huilong gold mine, etc. had to be carefully organized to ensure their completion and production in second half of the year. The construction of Shaanxi Jinfeng Mining Xiaohe gold mine aimed to be completed by the end of the year.

The Company will focus the efforts on the projects which provides important support and guarantee for future growth, complete the comprehensive development planning for Zijinshan copper mine as soon as possible, start preparation work for expansion project, expanded steadily the production capacity of Zijinshan copper mine, focus on the renovation and construction work for ZGC Jilao gold mine and Taror gold copper mine, promote the construction of Kyrgyzstan Zuoan gold mine project, accelerate the project construction of Guizhou Changtian gold mine and Taipingdong gold mine, and the renovation construction of Hunchun gold copper mine, Ashele copper mine and Australian Norton Gold Fields Limited, promote the preparation work for the construction of Duobaoshan copper mine technological renovation phase 2, Shangri-la Lannitang copper gold mine, Liancheng Zijin copper molybdenum mine and Wuping Longjiangting copper mine, etc.

Tightly embrace the corporate itself to strengthen the study and use of technology

Using the state's key laboratory and demonstration base construction as the lead, focus on producing

application-oriented research, the Company focused on developing and breaking through key technologies which are supporting the development strategy, urgently needed for production, common or directive in nature. The Company will strive to achieve breakthroughs of international standards on researches of copper biological metallurgy, gold and other metal pressure and hydro-metallurgical to refine gold and industrial application; strengthen communication and exchanges between research units and production units; strengthen the technology and facilities research for a flow-shortened, efficient, low-cost way to treat industrial wastewater; actively organize application for scientific and technology projects, strengthened the management of scientific and technology achievements, and use the advanced technology to enhance the corporate's effectiveness.

Strengthen the establishment of the corporate's information system, comprehensively enhance the management standard of the corporate

The Company will fully promote the establishment of the ERP project, strengthened the management and control of the Group, realized optimization of main business procedure; further promote the establishment of "Three standards as one", information standardization, management standardization and business procedure standardization through effective management of financial, logistics, resources, production, construction, improve standardization construction of corporate operation, safety and environmental protection, equipment, information system, etc. and the application standard of integration, to establish an integrated, centralized and efficient management platform.

Further broaden the horizons, raise the status and focus on talent work

The Company gradually will build up a scientific recruitment and appraisal system, stick to the "high pay for elites" principle to improve the recruitment level and improve the overall quality of the requirements for new employees, increase the proportion of the introduction of non-local talents to intensify talent introduction.

The Company will adopt a mechanism adhere to market competition focused on the cultivation of internal talents, put efforts on continuing education and training, improve talent evaluation and reward mechanism, retain the outstanding ones while knocking out the inferior ones to enhance the flow of talents.

(5) Future capital need, usage plan and sources of fund

In accordance with the Company's preliminary plan, it is expected that the Company might invest approximately RMB5 billion in project construction and technology innovation, approximately RMB440 million in geological exploration, approximately RMB4 – 8 billion (rough estimation with uncertainty) in external capital investment such as mining rights investment and equity investment in 2013. All the capital expenditure mentioned above will be financed by the Group's internal resources, bank loans and other feasible financing methods.

(6) Possible risks

The Company's main source of income was from metal products like gold, copper, zinc, iron, etc. If price of gold, copper, zinc, iron, etc. fluctuate seriously in the future, the Company's operation results will become unstable. Especially when the price of gold dropped, greater pressure will be imposed on the Company's operation results.

The Group invested a lot of resources in environmental protection and safety, established a more sound and well-equipped safety, environmental protection production management, prevention and supervision system, especially after the "7.3" incident, the work for environmental protection and safety work significantly enhanced. However, the mining is a relative high risk business and the possibility to have accident exists. There is a long but crucial way to go for the work of corporate safety and environmental protection work.

(7) Status of special purpose vehicle under the Company's control

To issue US dollar bonds overseas, the Company set up a wholly-owned subsidiary Zijin International Finance Company Limited ("Zijin International Finance") in April 2011 as the issuer, offered US\$480,000,000 in aggregate principal amount of 4.25 per cent credit enhanced bonds due 2016 to institutional and professional investors outside of the United States pursuant to Regulation S under the U.S. Securities Act in June and July 2011. The bonds are backed by a standby letter of credit issued by Bank of China, Paris Branch. The issue of the bonds is mainly used for purchase of copper concentrates and other overseas operations.

Major litigation and arbitration

Summary and type of event	Index for details
On 21 September 2010, the collapse of Yinyan Tin Mine Gaoqiling tailing pool dam of Xinyi Zijin Mining Company Limited ("Xinyi Zijin") was affected by the extreme weather brought by typhoon "Fanapi", and the collapse of the main dam of Shihuadi hydropower plant in Qianpai Town, Xinyi City, resulting in casualties and property damage downstream. The local government and the affected people sued several defendants	For details please refer to the Company's announcements on HKEx website (www.hkexnews.hk): dated 9 March 2012 and 13 September 2012.

<p>including Xinyi Zijin in Xinyi City People’s Court.</p> <p>On 7 March 2012, under the auspices of the Xinyi City People’s Court, Xinyi Zijin reached the mediation agreement with the plaintiffs in relation to 15 claims for damages resulting from the collapse of buildings in Shuanghe Village located in the downstream of Shihuadi hydropower plant. The total compensation payable by Xinyi Zijin to the plaintiffs is RMB4,745,738.71 (including the advance payment of RMB1,200,000) and the litigation costs borne by Xinyi Zijin is RMB75,792. The General Charity Federation of Shanghang County of Fujian Province donated RMB4,745,739 to Qianpai Town, Xinyi City to assist the families of the casualties in 15 claims.</p> <p>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. Except for the property damage claims of 9 hydropower plants, including Shihuadi, and a 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. 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). Xinyi Zijin reserved the right to seek recovery from those defendants.</p> <p>The 9 hydropower plants including Shihuadi and a water treatment plant made a claim of RMB52,284,733 to Xinyi Zijin for the property damage, the relevant litigation was in progress.</p>	
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Currency: RMB’000

During the reporting period:									
Plaintiff(s)	Defendants	Jointly and severally liable parties	Type of proceedings (arbitration)	Basic information of proceeding (arbitration)	Amount involved in proceedings (arbitration)	Whether expected liabilities and amount are formed for the proceedings (arbitration)	Progress of proceedings (arbitration)	Hearing results and impacts of proceeding (arbitration)	Execution progress of verdict (arbitration)
Zijin Mining Group Company Limited	Zhongxing Henghe Investment Group Company Limited	Nil	Civil	On 28 April 2010, the plaintiff entered into a Share Transfer Framework Agreement with the defendant. Since the defendant failed to refund the deposit on time, the plaintiff filed the claims.	45,000		Case is still in progress		
Hubei Province Hefeng County Zijin Mining Company Limited	Hefeng County Hongfeng Mining Company Limited	Nil	Civil	On 5 August 2011, the plaintiff entered into a Mining and Exploration Rights Transfer Agreement with the defendant. Since the defendant breached the contract, the plaintiff filed the claims.	20,000		Pre-payment of RMB4 million from the plaintiff is returned, plaintiff requested the continuation of performance of the contract. Case is still in progress.		

External equity investment

1) According to the cooperation agreement entered into among the Company's subsidiary, Fuyun Jinshan Mining Company Limited ("Fuyun Jinshan"), Xinjiang Jinbao Mining Company Limited ("Xinjiang Jinbao") and Turpan Yurun Iron and Steel Industry Trading Company Limited ("Yurun Iron") on 9 January 2012, the parties jointly invested to establish Xinjiang Aleitai Jinhao Iron Company Limited ("Jinhao Iron"), in the respective shareholding ratios of 51%, 10% and 39%. The initial registered capital of the new company was RMB10 million, which will be subsequently increased to RMB500 million, in which Fuyun Jinshan will invest RMB187.10 million as contribution in kind, RMB18.90 million as land use right, and RMB49 million in cash; Xinjiang Jinbao will invest RMB50 million in cash; Yurun Iron will invest RMB195 million in cash. As at 31 December 2012, the registered capital of Jinhao Iron has increased to RMB500 million. Jinhao Iron is principally engaged in the production and sales of iron, and the purchase, processing and sales of iron ore and iron concentrate powder.

2) On 20 December 2012, Heilongjiang Zijin Longxing Mining Company Limited ("Heilongjiang Longxing") increased its registered capital from RMB450 million to RMB550 million. Zijin Mining Group Northeast Asia Company Limited ("Northeast Asia Zijin"), a wholly owned subsidiary of the Company, increased its investment of RMB70 million in proportion to its 70% shareholding in Heilongjiang Longxing. Heilongjiang Longxing, through its controlling subsidiaries, is engaged in the development of Russia Tuva zinc and multi-metals mine.

3) According to a resolution passed in an investment committee meeting of the Company on 15 February 2012, Luoning Zijin Gold Refinery Company Limited ("Luoning Zijin") increased its registered capital from RMB100 million to RMB180 million. Luoning Huatai Mining Development Company Limited, a subsidiary of the Company, invested RMB80 million in proportion to its 100% shareholding in Luoning Zijin. Luoning Zijin is principally engaged in gold refinery business.

4) On 21 November 2012, Zijin Mining Group South West Company Limited ("South-west Company"), a wholly owned subsidiary of the Company, and Xiamen Minxing Investment Company Limited invested to establish Yunnan Zixing Mining Investment Company Limited ("Yunnan Zixing"). The registered capital of Yunnan Zixing was RMB50 million in which South-west Company invested RMB25.50 million and held 51% equity interest in Yunnan Zixing. Yunnan Zixing is principally engaged in external investment and the management of the investment projects.

5) The Company entered into the "Bid Implementation Deed" with Norton Gold Fields Limited ("Norton") on 31 May 2012. Through the Company's wholly owned subsidiary, Jinyu (H.K.) International Mining Company Limited ("Jinyu"), the Company issued a conditional off-market cash offer takeover bid of A\$0.25 (equivalent to approximately RMB1.535) per share to all the shareholders of Norton. As at the date of close of offer, the Company acquired approximately 89.15% equity interest in Norton (including 16.98% interest in Norton which was already held by the Company before the offer). The transaction amount of this takeover offer was an equivalent of approximately RMB1,031,039,268. Norton is mainly engaged in gold exploration and mining operations in Australia and its main asset is Paddington gold mine project.

6) On 1 April 2012, the Company and natural persons Liu Zhendong and Pan Jianyun entered into an agreement, in which the registered capital of Guangxi Longsheng County Dexin Mining Company Limited ("Dexin Mining") was increased from RMB31.5 million to RMB105 million. The Company invested RMB53.55 million in cash, representing 51% interest after the increase of capital of Dexin Mining. Funing County Zhenglong Gold Mining Exploration Company Limited ("Funing Zhenglong"), a subsidiary of the Company, invested RMB19.95 million in cash, representing 19% interest after the increase of capital of Dexin Mining. On 20 August 2012, Funing Zhenglong and South-west Company, the subsidiary of the Company, entered into an equity transfer agreement in which Funing Zhenglong transferred 19% equity interest in Dexin Mining held by it to South-west Company at a consideration of RMB20,386,573. The Company and South-west Company together hold 70% interest in Dexin Mining. According to the evaluation report issued by Shaanxi Qinde Mining Rights Asset Appraisal Company Limited, using the discounted cash flow method and the method of exploration cost-effectiveness, the assessed value of the mining rights of Pannei gold mine and the exploration rights of Dadi gold mine was RMB80.6255 million. Dexin Mining is principally engaged in the development of Pannei gold mine in Guangxi.

7) On 28 December 2012, Fujian Zijin Investment Company Limited ("Zijin Investment"), a wholly owned subsidiary of the Company, and Fujian Longxiang Electricity Group Company Limited ("Longxiang Group") entered into an equity transfer agreement in which Zijin Investment acquired 45% equity interest in Fujian Shanghang Jinshan Hydro Power Company Limited ("Shanghang Jinshan Hydro Power") held by Longxiang Group at a consideration of RMB189.80 million. After the completion of the acquisition, the Company will hold 100% equity interest in Shanghang Jinshan Hydro Power. On the date of this announcement, the transfer was not completed. According to the evaluation report issued by Xiamen City University Assets Appraisal Co., Ltd. using the income approach, the assessed value of the entire equity interests of Shanghang Jinshan Hydro Power was RMB482,881,642.94.

8) On 20 September 2012, Zijin Mining Group North West Company Limited (“North-west Company”), a wholly owned subsidiary of the Company, and Sinotech Minerals Exploration Co., Ltd. (“Sinotech”) entered into an equity transfer agreement in which North-west Company acquired 20% equity interest in Wuqia County Jinwang Mining Development Company Limited (“Wuqia Jinwang”) held by Sinotech at a consideration of RMB80 million. After the completion of the acquisition, North-west Company held 100% equity interest in Wuqia Jinwang. According to the evaluation report issued by Xinjiang Jinchengxin Asset Appraisal Firm using the asset-based approach, the assessed value of the Wuqia Jinwang’s net asset was RMB401,268,100. Wuqia Jinwang is principally engaged in the exploration and development of the Wulagen lead zinc mine in Wuqia, Xinjiang.

9) On 31 January 2012, Shaanxi Ankang Zijin Mining Co., Ltd. (“Ankang Zijin”), the Company’s wholly owned subsidiary, and a natural person, Lin Jingrong, entered into an equity transfer agreement in which Ankang Zijin acquired 70% equity interest in Ankang Jinfeng Mining Company Limited (“Ankang Jinfeng”) held by Lin Jingrong at a consideration of RMB122.50 million. According to the evaluation report issued by Shaanxi Qinde Mining Rights Asset Appraisal Company Limited, using the discounted cash flow method for mining rights and evaluation of exploration right value by unit area method for exploration rights, the assessed value of rights of Shaanxi province Xunyang county Xiaohe gold mine district (including mining and exploration rights value) was RMB203,574,700. Ankang Jinfeng is principally engaged in the exploration of gold mines in Shaanxi Ankang.

10) On 10 January 2012, the Company and Gansu Jinhui Wine Group Company Limited (“Gansu Jinhui Wine”) entered into an equity transfer agreement in which the Company acquired 15% equity interest in Gansu Yate Mining Company Limited (“Gansu Yate”) held by Gansu Jinhui Wine at a consideration of RMB99 million. After the completion of the acquisition, the Company held 75% equity interest in Gansu Yate. According to the evaluation report issued by Shaanxi Qinde Mining Rights Asset Appraisal Company Limited, using the discounted cash flow method, the assessed value of mining rights for Dujiagou Gold Mine was RMB657,474,800 on the assessment day.

Disposal of assets

Currency: RMB

Transaction parties	Asset disposed	Disposal date	Disposal price	Net profit of asset disposed contributed to listed company from the beginning of the year to the disposal date	Gains or losses arising on disposal	Connected transaction (If yes, explain pricing principles)	Pricing principle for asset disposal	Completion of transfer of rights of property	Completion of transfer of creditor's rights and liabilities	Proportion of net profit generated by asset disposal contributed to listed company to their total profit (%)	Connected relationship
Shandong Zhaojin Group Zhaoyuan Gold Refinery Company Limited	20% of the shares in Shandong Guoda	19 March 2012	131,842,178.08			No	Valuation	Yes	Yes		
Wenshan Longxing Mining Co., Ltd.	51% of the shares in Funing Zhenglong	29 August 2012	29,875,696.32			No	Valuation	Yes	Yes		

Pursuant to the “share transfer agreement of Shandong Guoda Gold Company Limited” entered into between China Gold Development Group (H.K.) Limited (“China Gold Development Company”), the Company’s subsidiary, and Shandong Zhaojin Group Zhaoyuan Gold Refinery Company Limited (“Zhaojin Group”), China Gold Development Company transferred 20% equity interest (equivalent to 34,686,000 shares) in Shandong Guoda Gold Company Limited (“Shandong Guoda”) to Zhaojin Group at a consideration of RMB131,842,178.08. After the transfer, China Gold Development Company held 30.05% equity interest (equivalent to 52,114,000 shares) in Shandong Guoda. According to the asset valuation report issued by Zhaoyuan Hongyuan Asset Appraisal Firm, using the replacement cost method and current market price method, the assessed value of Shandong Guoda’s net asset was RMB659,612,000 on 30 September 2011, the assessment day.

Pursuant to the “share transfer agreement of Funing Zhenglong Gold Mining Exploration Company Limited” entered into between Zijin Mining Group South West Company Limited (“South-west Company”), the Company’s subsidiary, and Wenshan Longxing Mining Co., Ltd. (“Wenshan Longxing”) dated 29 August 2012 and the supplemental agreement signed on 19 September 2012, Wenshan Longxing acquired 51% equity interest in Funing County Zhenglong held by Zijin South-west Company at a consideration of RMB29,875,696.32. After the acquisition, South-west Company did not hold any equity interest in Funing Zhenglong. According to the asset valuation report issued by Guangxi Jiachengda Asset Appraisal Company Limited, the market price of Funing Zhenglong’s fixed assets was RMB20,097,446.85 on the assessment day; according to the evaluation report issued by Yunnan Luyuanheng Mining Rights Assessment Company Limited, the assessed value of the mining rights of Funing Zhenglong Zhesang gold mine was RMB38,975,200.

Deregistration of company

The Company's subsidiary, Hunan Jinfeng Mining Company Limited was incorporated by the Company in 2007. It was mainly engaged in the development of vanadium ore. Hunan Jinfeng Mining Company Limited was deregistered on 8 March 2012.

Material connected transaction

Transactions	Index for details
Fujian Shanghang Ting River Hydropower Co., Ltd. ("Ting River Hydropower") is a subsidiary of Minxi Xinghang State-owned Assets Investment Co., Ltd., the Company's substantial shareholder. Ting River Hydropower is also an associate of Zijin Mining Group Finance Co., Ltd. ("Zijin Finance"). Zijin Finance provides financial services to Ting River Hydropower. As at the end of the reporting period, Zijin Finance has provided loans in the amount of RMB39.15 million to Ting River Hydropower.	For details please refer to the Company's announcement on HKEx news website (www.hkexnews.hk) of the Hong Kong Stock Exchange: dated 2 March 2011.
The Company's subsidiary, Xinjiang Ashele Copper Co., Ltd. ("Xinjiang Ashele"), sold copper concentrates to China Non-ferrous Metals Import and Export Xinjiang Company, the wholly owned subsidiary of Xinjiang Non-ferrous Metals Industry (Group) Company Limited, a substantial shareholder of Xinjiang Ashele. It is Xinjiang Ashele's ordinary business is selling copper concentrates and the contract is entered into under normal commercial terms, which reflects the principle of fairness and reasonableness. As at the end of the reporting period, Xinjiang Ashele sold copper concentrates amount to RMB62.27 million to China Non-ferrous Metals Import and Export Xinjiang Company.	For details please refer to the Company's announcements on HKEx news website (www.hkexnews.hk) of the Hong Kong Stock Exchange: dated 23 March 2012.

Profit Distribution Proposal or the Plan For Converting Capital Reserve to Bonus Shares

(1) Formulation, execution or adjustment of profit distribution policy

The profit distribution policy in the Company's articles of association: I. Reasonable returns to our investors is an important factor when the Company distributes its profit; II. The Company provides cash dividend or bonus share; III. Accumulated cash dividends for the latest three years are not less than 60% of average annual realized distributable profit of last three years. The Company has strictly executed the profit distribution policy.

According to the essence of the Notice in Relation to Further Implementing Cash Dividend Distribution of Listed Companies (Zheng Jian Fa [2012] No.37) of China Securities Regulatory Commission and the Notice in Relation to Further Implementing Cash Dividend Distribution (Min Zheng Jian Gongsizi [2012] No.28) of China Securities Regulatory Commission Fujian Bureau, in order to improve the decision making of the Company's profit distribution and supervisory mechanism, while overseeing the Company's production management and sustainable development and maintaining a reasonable return to investors of the Company, with reference to the terms related to profit distribution policy in the Company's articles of association, the board of the Company formulated profit distribution and return plan for the next three years (2012-2014) and will make amendments to the Company's articles of association accordingly to clearly define the principle, format, cash dividend conditions of the Company's profit distribution policy, and the procedures for forming profit distribution policy, procedures for amending profit distribution policy, etc. Unless there is a special circumstance, the Company's cumulative distribution of cash profits for the latest 3 years shall not be less than 60% of the average annual distributable profits realized for the last 3 years. In principle, the Company's annual distribution of cash dividends shall not be less than 15% of the realized distributable profits for the year (excluding the accumulated undistributed profits of last year). The relevant changes will be submitted to the shareholders meeting for consideration and approval.

The “Proposal to raise the proportion of cash dividend for profit distribution of the Company for the year ended 31 December 2011” submitted by a shareholder was considered and approved at the Company’s 2011 annual general meeting, based on the total number of shares of 21,811,963,650 as at 31 December 2011, to distribute cash dividend RMB0.10 (including tax) per share to all shareholders. The Company distributed the cash dividends of RMB2,181,196,365 in total. The remaining undistributed profit will be carried forward to the next financial year. The above profit distribution proposal was implemented on 12 July 2012.

As audited by Ernst & Young Hua Ming (LLP), the Group’s net profit for the year ended 31 December 2012 prepared in accordance with CAS was RMB5,211,208,977. The Board of the Company proposed to pay the qualified shareholders of the Company the final dividends for the year ended 31 December 2012 of RMB1 per 10 shares (tax included) on the basis of 21,811,963,650 total issued shares as at 31 December 2012. The remaining balance of undistributed reserve will be reserved as undistributed reserve for further distribution in future. No bonus issue and conversion of capital will be included in this distribution proposal. The proposal of the above-mentioned distribution will be tabled to 2012 annual general meeting for approval.

(2) The Company’s profit distribution proposal or plans, conversion of capital reserve into share capital proposal or plan for the latest three years (including year 2012):

Currency: RMB

Year of profit distribution	Bonus share for every 10 shares (share)	Dividend for every 10 shares (RMB) (Tax included)	Conversion to share capital for every 10 shares (share)	Amount of cash dividend (Tax included)	Net profit attributable to shareholders of listed company on consolidated financial statement for the dividend distribution year	Net profit attributable to shareholders of listed company accounted for in the consolidated financial statements(%)
2012		1		2,181,196,365	5,211,208,977	41.86
2011		1		2,181,196,365	5,712,569,100	38.18
2010		1	5	1,454,130,910	4,827,916,726	30.12

Annual General Meeting

Session of meeting	Convening date	Resolutions for the meeting	Poll results of the resolutions	Date of publishing poll results of the resolutions
The first extraordinary general meeting in 2012	22 March 2012	The proposal of providing internal guarantee and external loan financing to Ding Jin Limited, the proposal of providing internal guarantee and external loan financing to Thrive Build Investments Limited, and the proposal of providing internal guarantee and external loan financing to the Company’s overseas subsidiaries	All the tabled resolutions have been passed at the first extraordinary general meeting in 2012	22 March 2012
2011 annual general meeting	28 May 2012	The proposal of a general mandate for issuing bonds, Report of the Board of Directors of the Company for 2011, Report of the Independent Directors of the Company for 2011, Report of Supervisory Committee of the Company for 2011, the Company’s financial report for the year ended 31 December 2011, the Company’s 2011 annual report and its summary report, the Board’ proposal of a dividend of RMB0.8 (including tax) in cash per 10 shares of the Company for the year ended 31 December 2011, the remunerations of the Executive Directors and Chairman of Supervisory Committee of the Company for the year ended 31 December 2011, election of Mr. Qiu Xiaohua (邱曉華) as a director of the fourth Board of Directors of the Company, reappointment of Ernst & Young Hua Ming (LLP) as the Company’s auditor for the year ended 31 December 2012 and the authorization to the Board of Directors to determine	Except the resolution that the Board’s proposal of a dividend of RMB0.8 (including tax) in cash per 10 shares of the Company for the year ended 31 December 2011 was objected, all other resolutions were passed at the 2011 annual general meeting	28 May 2012

		the remuneration, the proposal of amendment of the articles of association of the Company, and a proposal to raise dividend to RMB1.0 (including tax) in cash per 10 shares of the Company for the year ended 31 December 2011		
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Purchase, Redemption or Sale of Listed Securities of the Company

Neither the Company nor any of its subsidiaries purchased, redeemed, sold or wrote off any of the Company's listed securities up to 31 December 2012.

Corporate Governance

As required by A.1.8 of Appendix 14 Corporate Governance Code and Corporate Governance Report of the Listing Rules, an issuer should arrange appropriate insurance cover in respect of potential legal action against its directors. The Board of Directors currently considers that the Company and the Board of Directors have adopted sufficient measures to prevent directors from committing errors and minimise the risk in claims against the Directors. Therefore, the Company has not made any relevant insurance arrangement at this stage. However, the Board of Directors will review this policy of insurance from time to time and may arrange insurance cover later. As required by F.1.3 of Appendix 14 Corporate Governance Code and Corporate Governance Report of the Listing Rules, an issuer's company secretary should report to the board chairman and/or the chief executive. The Board of Directors considers that the company secretary in Hong Kong should report to the secretary of Board of Directors to meet the management needs of the Group and it enables a unified management of all listing related matters in Hong Kong and mainland. As required by A.6.7 of Appendix 14 Corporate Governance Code and Corporate Governance Report of the Listing Rules, independent non-executive director Wang Xiaojun had a business trip and could not attend the Company's annual general meeting on 28 May 2012.

Save as disclosed above, for the year ended 31 December 2012, the Board confirmed that the Group has adopted and complied with the provisions of the Corporate Governance Code and Corporate Governance Report and has followed most of its recommended best practices with no deviation (for details, please refer to the Group's 2011 Annual Report).

Independent Non-executive Directors

In compliance with rules 3.10(1) and 3.10(2) of the Listing Rules, which states the Company should appoint a sufficient number of independent non-executive directors and that at least one of them must have appropriate professional qualifications or accounting related financial management expertise. The Company appointed four independent non-executive directors and one of them possesses accounting and related financial management expertise. Details of the independent non-executive directors have been provided in the Group's 2012 annual report.

Securities Transactions by Directors of the Company

During the reporting period, the Company adopted the required standards set out in the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") in Appendix 10 of the Listing Rules. Having made reasonable inquiries to all directors, the Group confirmed that all directors complied with the Model Code for the 12 months ended 31 December 2012.

Shareholdings of Directors and Supervisors in the Company

As at 31 December 2012, Mr. Chen Jinghe, the Chairman of the Board of the Company held 132,000,000 shares, Mr. Luo Yingnan, President, held 7,500,000 shares, Mr. Lan Fusheng, Vice Chairman, held 7,500,000 shares, and Mr. Zou Laichang, Standing Vice President, held 1,500,000 shares in the Company.

Appointment and Resignation of Director, Supervisor, and Senior Management

The Board of Directors of the Company received a resignation letter from Mr. Liu Xiaochu (劉曉初) ("Mr. Liu") on 28 March 2012. Mr. Liu resigned as the Company's executive director, vice-chairman, and authorized representative under the requirement of The Stock Exchange of Hong Kong Limited with effect from 28 March 2012 due to his personal health issue.

Mr. Liu confirmed that he has no disagreement with the Board and there are no matters that need to be brought to the attention of the shareholders of the Company in relation to his resignation.

Mr. Qiu Xiaohua (邱曉華) was recommended as a director candidate at the Fourteenth meeting of the fourth Board of Directors and it has been proposed to be appointed at the 2011 annual general meeting. The 2011 annual general meeting reviewed and approved the resolution of "Election of Mr. Qiu Xiaohua as a director of the fourth Board of

Directors of the Company”. Mr. Qiu Xiaohua has been appointed as the Company’s Director with effect from 28 May 2012 till the end of the term of the fourth Board of Directors.

The Punishment and Rectification to the Company, Directors, Supervisors, Senior Managers, Shareholders and Substantial Shareholders

The Company received the “Decision of Administrative Punishment” ([2012]No.10) issued by the China Securities Regulatory Commission on 9 May 2012, for the Company’s failure to timely disclose the 7.3 waste water leakage incident of Zijinshan copper hydrometallurgical plant, in which the Company violated Article 67 of the Securities Law, and constituted an offense described in Article 193 of the Securities Law. According to Article 193 of the Securities Law, the China Securities Regulatory Commission decided to issue:

1. a warning and order Zijin Mining to correct and impose a fine of RMB300,000;
2. a warning to Chen Jinghe and impose a fine of RMB100,000;
3. a warning to Luo Yingnan and Zou Laichang and impose each a fine of RMB50,000;
4. a warning to Liu Xiaochu, Lan Fusheng and Huang Xiaodong.

All the above fines had been settled.

Audit Committee

The audit committee has reviewed the Group’s unaudited financial report for the 12 months ended 31 December 2012 and further discussed the auditing, internal control and financial reporting matters. The audit committee considers that the Group’s financial report for the 12 months ended 31 December 2012 was in compliance with the applicable accounting standards and relevant laws and regulations and had made sufficient disclosure.

Appointment and Dismissal of Auditors

According to the approval in the 2010 annual general meeting, the Company decided not to re-appoint international auditors — Ernst & Young since 2011. According to the approval in the 2011 annual general meeting, the Company reappointed Ernst & Young Hua Ming (LLP) to audit the Company’s financial statements in 2012 according to the China Auditing Standards.

Change of appointment of auditors:	No
	Currently appointed
Auditors in the mainland	Ernst & Young Hua Ming (LLP)
Remuneration for auditors this year	RMB8,176,630
Appointment term	Renew once a year

This announcement is written in both Chinese and English. In the case of any discrepancies, the Chinese version shall prevail over its English version.

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

Fujian, PRC 27 March 2013

* *The Company’s English name is for identification purpose only*