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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)**

## **Overseas Regulatory Announcement**

This announcement was published on the website of Shanghai Stock Exchange of the People's Republic of China, the China Securities Journal, the Shanghai Securities News, the Securities Daily and the Securities Times by Zijin Mining Group Co., Ltd.\* (the "Company").

The 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), Wang Jianhua, Qiu Xiaohua, Lan Fusheng, Zou Laichang, and Lin Hongfu as executive directors, Mister. Li Jian as non-executive director, and Messrs. Lu Shihua, Ding Shida, Jiang Yuzhi, and Sit Hoi Wah, Kenneth as independent non-executive directors.

By Order of the Board of Directors  
**Zijin Mining Group Co., Ltd.\***  
**Chen Jinghe**  
*Chairman*

29 April 2014, Fujian, the PRC

\* The Company's English name is for identification purposes only

**Stock code: 601899 Stock name: Zijin Mining Code: Lin 2014-029**

**Zijin Mining Group Co., Ltd.\*  
Announcement in relation to Hedging**

**The board of directors and all directors of the Company guarantee that there is no false record, misleading statement or material omission in this announcement, and they will bear several and joint responsibility for the truthfulness, accuracy and completeness of the contents.**

On 29 April 2014, a “Proposal to Increase the Amount of Hedging for 2014” was considered and passed in the fourth meeting of the fifth Board of Directors of Zijin Mining Group Co., Ltd.\* (the “Company”). The details are as follows:

**1. Overview of the hedging business**

In order to effectively reduce the impacts of the market price fluctuation of metals such as gold, copper, etc. on the production and operation of the Company, fully make use of the hedging function of the futures market, lower and avoid the risks brought by price fluctuation, assure the relative stableness of the operating results, the Company conditionally increased the amount of hedging of the Company’s main products based on the maximum total hedging position originally authorized by the Board, which is not exceeding 25% of the Company’s annual planned production volume of mining products under equity method, i.e. in 2014, the maximum authorized amount of hedging’s opening position of the Company’s main products within the scope of hedging transactions (gold, silver, copper and zinc) can reach but not exceed 50% of the annual planned production volume of the Company’s mining products under equity method. The total deposits used for hedging cannot exceed RMB1 billion and the stop-loss point is 15% - 20%.

The Company’s hedging decision-making team is authorized to make decisions and execute the specific operation of hedging in accordance with the market situation.

Shareholders’ approval is not required for this proposal.

**2. Analysis of hedging risks**

The Company’s product hedging business does not aim at speculation but to reduce and avoid the adverse effects brought by price fluctuation to the Company. However, certain risks as follows still exist:

1. Price fluctuation risk: the futures market is affected by a number of factors, especially if there are unexpected events, the price fluctuation may be substantial, which may cause loss on future transactions;
2. Liquidity risk: If the Company does not make supplementary deposits in time, it may incur loss from compulsory settlement of positions;
3. Policy risk: If there are significant changes in policies including laws, regulations, etc., there may be risks brought by market fluctuation or incapability of trading.

### **3. Measures to control risks**

1. The Company will strictly follow the provisions of “Future Hedging Management Policy of Zijin Mining Group Co., Ltd.\*” to carry out the futures hedging transactions;
2. The Company will strictly control the size of the funds for hedging, plan and use the deposits reasonably and set the stop-loss point;
3. The Company will closely trace the market changes and pay attention to the price trends, timely adjust the hedging plan, and take into account the situation of spot sales to make the greatest efforts for lowering the transaction risks.

### **4. Opinions from independent directors**

Based on the opinions provided by relevant functional departments of the Company and the statements from the management, taking into account the knowledge and judgement of the independent directors, the independent directors considered that: the relevant approval procedures of the Company’s use of futures market to launch the hedging business comply with the provisions of the relevant national laws, regulations and the article of associations of the Company. Under the premise to assure the normal production and operation, the Company’s launch of hedging business can effectively avoid the risks from price fluctuation of the main products, lock in the Company’s profit and control the operating risks. No situation impairing the interests of the Company and all shareholders is found. At the same time, the Company has established the “Future Hedging Management Policy”, through strengthening internal control and implementing risk prevention measures, the specific rules and procedures for the Company’s hedging business have been set up. Therefore, the independent directors agreed to the Company’s launch of the hedging business.

### **5. Appendix of documents for reference**

1. Resolution of the fourth meeting of the fifth Board of Directors of the Company;
2. Independent opinions from the Company’s independent directors in relation to the Company’s launch of hedging business.

Zijin Mining Group Co., Ltd.\*

The Board of Directors

30 April 2014

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