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Zijin Mining Group Co., Ltd.*

紫金礦業集團股份有限公司

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock code: 2899)

Announcement

Proposed Acquisition of 51% Shareholding in La Compagnie Minière de Musonoie Global SAS

1. Overview of the Transaction

Zijin Mining Group Co., Ltd.* (the "Company"), Jin Cheng Mining Limited, a wholly-owned subsidiary of the Company ("Jin Cheng Mining"), and Zhejiang Huayou Cobalt Co., Ltd. ("Zhejiang Huayou") jointly signed a share acquisition agreement (the "Agreement") on 3 November 2014. The Company has designated Jin Cheng Mining as the buyer to acquire (a) 51% equity interest in the Target Company held by Zhejiang Huayou, (b) US\$4,000,000 of the shareholder's loans provided to the Target Company by Zhejiang Huayou and (c) US\$3,187,500 of project initial fee that has been paid by Zhejiang Huayou (the "Transaction"). The aggregate consideration of the acquisition will be US\$77,916,700 (approximately equivalent to RMB479,187,705 based on the exchange rate of US\$1 to RMB6.15 on 3 November 2014, the same hereafter).

The Target Company was established in the Democratic Republic of the Congo (the "DR Congo"). Its major asset is the Kolwezi copper mine project in the DR Congo, which is still under the stage of feasibility study and design and has not yet been put into commercial production.

On 3 November 2014, the Company convened an extraordinary board meeting by way of voting via telecommunication to consider the proposal in relation to investment in the Kolwezi copper mine project in the DR Congo. All the 11 directors of the Company participated in the voting and unanimously agreed on the proposal.

This announcement is made on a voluntary basis as all the relevant percentage ratios involved in the Transaction are less than 5% of any percentage ratios under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

The completion of the Transaction is subject to the relevant clauses and conditions set out in this announcement.

2. Parties to the Transaction

(1) The Seller

1. Name: Zhejiang Huayou Cobalt Co., Ltd.
2. Nature of the company: a joint stock company with limited liability
3. Registration address: No.18, Wuzhen Road East, Tongxiang Economic Development Zone Phase 2, Zhejiang Province
4. Legal Representative: Chen Xuehua
5. Registered capital: RMB444,190,000
6. Principal business: mining, processing and refinery of non-ferrous metals such as copper and cobalt, and deep processing and sales of new cobalt materials and products
7. As at the end of 2013, the total assets of Zhejiang Huayou was RMB5,931,040,000, equity attributable to owners of the parent was RMB2,061,050,000; the operating income for the year 2013 was RMB3,585,270,000, net profit attributable to owners of the parent was RMB122,670,000 (all the aforementioned financial data was unaudited).
8. Shareholders: Zhejiang Huayou has 15 shareholders. All of them are corporate shareholders, in which, Great Mountain Enterprise Pte. Ltd. is the largest shareholder and holds 34.9026% equity interest in Zhejiang Huayou. Tongxiang City Huayou Investment Co., Ltd.* is the second largest shareholder and holds 24.5129% equity interest in Zhejiang Huayou.

(2) The Buyer

Jin Cheng Mining Limited, a limited company registered in the British Virgin Islands, is a wholly-owned subsidiary of the Company and mainly engaged in equity investment.

3. Information of the Target Company

1. Name: La Compagnie Minière de Musonoie Global SAS (the “Target Company” or the “Project”)
2. Nature of the company: a simplified joint stock company with limited liability
3. Registration address: CDM Building, Quartier Joli Site, Commune Annexe, Lubumbashi, the DR Congo
4. Registered capital: US\$9,000,000
5. Principal business: possession of mining rights of copper and cobalt mines in the DR Congo, the mines are currently under the stage of preparation for development
6. Shareholding structure: 72% of the equity interest in the Target Company is held by Zhejiang Huayou while the remaining 28% are non-dilutable shares held by La Générale des Carrières et des Mines, Société par Actions à Responsabilité Limitée (“Gécamines”, a state-owned company incorporated by the laws of the DR Congo).

Jin Cheng Mining, Zhejiang Huayou and Gécamines will hold 51%, 21% and 28% respectively of the equity interest in the Target Company after completion of the Transaction.

7. Key financial data of the Target Company as at 31 December 2013 and 30 June 2014 (unaudited):

	30 June 2014 / Jan - Jun 2014	31 December 2013 / Financial year 2013
Total assets (US\$'000)	22,694.15	23,344.49
Net assets (US\$'000)	8,643.07	9,182.17
Operating income (US\$'000)	-	-
Net profit (US\$'000)	-539.09	-763.41

8. Mining permits owned by the Target Company

Code of the mining permit	Serial no. of the mining right	Name of the mining area	Area covered by the mining right (hectare)	Types of minerals	Location	Valid period
CAMI/CE/6102/10	PE12092	Kolwezi, NYOKA	84.955	Copper, cobalt, nickel, gold	Kolwezi, MUTSHAT SHA	22 September 2010 to 3 April 2024
CAMI/CE/6101/10	PE12093		254.865	Copper, cobalt	Kolwezi, MUTSHAT SHA	22 September 2010 to 3 April 2024

9. Volume of resources possessed by the Target Company

1. Below is the reserve volume of resources has been reviewed by China Mining Association Reserve Evaluation Centre in Beijing* (北京中礦聯諮詢中心):

Table on the reserve volume of resources at the Kolwezi copper mine

Grade	Volume of ore (tonne)	Cu (%)	Metal volume of Cu (tonne)
Volume of indicated intrinsically economic resources (332)	16,726,161	4.39	734,266
Volume of inferred intrinsically economic resources (333)	25,868,992	4.64	1,199,705
Total	42,595,153	4.54	1,933,971

Note: The assessment results were based on 30 June 2010

2. Below is the estimation on volume of resources of the Kolwezi copper mine project according to the feasibility study report prepared by China ENFI Engineering Corporation* (中國恩菲工程技術有限公司) in April 2014:

Table on the volume of resources at the Kolwezi copper mine

Grade	Volume of ore (kilotonne)	Cu (%)	Metal volume of Cu (tonne)
Indicated	23,248	4.21	977,685
Inferred	15,893	3.53	560,680
Total	39,141	3.93	1,538,365

10. Overview of the Project

The Kolwezi copper mine is located in the suburban region in southwestern Kolwezi City, Katanga Province of the DR Congo, with an altitude of 1,375-1,520m above the sea level, a tropical savanna climate and annual rainfall of 1,200mm. The water resource surrounding the mining area is relatively sufficient. The copper mine is located at the Zambia-DR Congo copper (cobalt) metallogenic belt which passes through part of Zambia to the southern part of the DR Congo and is the third largest copper mine belt in the world. The grade of the copper deposit of the Project is medium to high, with a medium to large scale and a relatively shallow depth.

11. External political environment, communities, exploitation and construction conditions of the Project

Despite being one of the underdeveloped countries in the world, for the past ten years, the political situation of the DR Congo has been relatively stable with consistent policies. In particular, Katanga Province, where the Project is situated at, has not experienced wars for almost 30 years with good social order. Katanga Province also has a long history in the development of mining industry with no apparent community problems.

The transportation of Kolwezi copper mine is relatively convenient. There are flights, railways and highways connecting to the provincial capital, Lubumbashi. The transportation network between the DR Congo and its neighboring countries and regions is relatively well-developed. The DR Congo-Zambia railway can directly reach Port of Durban in South Africa or Port of Dar es Salaam in Tanzania. However, the distance of external transportation is long and the cost of transportation is high.

With the development of the mining industry and increasing foreign investment in the DR Congo, the infrastructure including roads and electricity supply is expected to be improved continuously.

12. Development plan

The Kolwezi copper mine is suitable for open-pit mining. After the completion of the Transaction, the Company will further improve the preliminary development plan of the Target Company regarding its feasibility and design works, and develop the Project based on the progress of improvement on the development plan, project financing, etc. in a timely manner.

13. The Company has organized technical expert teams to carry out due diligence on the Kolwezi copper

mine project several times. Meanwhile, the Company hired external law firms and certified public accountants to carry out adequate due diligence and examinations on the Project. As at the signing date of the Agreement, there is no substantial asset of the Target Company which has been legally frozen or pledged or charged to a third party or involved in other encumbrance on its rights.

4. Principal terms of the Agreement

(1) Parties to the Transaction

1. Zhejiang Huayou Cobalt Co., Ltd. (the “Seller”);
2. Jin Cheng Mining Limited (the “Buyer”);
3. Zijin Mining Group Company Limited.

(2) The transfer target and the consideration

The consideration of the Target Company is US\$77,916,700 in total and consists of three parts:

1. 51% equity interest in the Target Company with a consideration of US\$70,729,200;
2. Partial shareholder’s loans of US\$4,000,000; and
3. Partial initial fee of US\$3,187,500 (initial fee is the fee for the entering into of the co-operation agreement by the Target Company which ascertained the mining area, which has already been paid by the Seller to Gécamines).

(3) Payment

The consideration will be paid in four batches:

1. Within five working days after the signing date of the Agreement, the Buyer will pay US\$10,000,000 to the Seller’s designated bank account as deposit (the “Deposit”). Upon completion, the Deposit will form part of the consideration;
2. On the completion date, the Buyer will pay US\$50,000,000 to the Seller’s designated bank account;
3. Within five working days after completion of the changes in registrations related to the equity transfer, the Buyer will pay US\$8,958,350 to the Seller’s designated bank account; and
4. The Buyer will pay the remaining balance of US\$8,958,350 to the Seller’s designated bank account within five working days after the completion of the transfer.

(4) Completion conditions

1. Approval from the Government of the People’s Republic of China (the “PRC”) is obtained;
2. Gécamines waives the pre-emption rights in writing;
3. The Target Company does not object the Seller to transfer partial shareholder’s loans to be sold to the Buyer in writing;
4. The Target Company has obtained the document(s) from Société nationale d’électricité of the DR Congo regarding its intention to provide electricity to the area covered by the Project’s mining rights;
5. The contents of the Seller’s declarations and warranties in the Agreement being true and accurate on the

completion date in every material aspects; and

6. From the signing date of the Agreement to the completion date, the equity intended to be sold by the Seller, partial shareholder's loans intended to be sold by the Seller, the Target Company, the Target Company's business and the Target Company's assets do not suffer from material adverse effects.

The abovementioned item 1 is the obligation of the Buyer while items 2 to 6 are the obligations of the Seller.

(5) Remedies

If the Buyer fails to obtain the approval from the PRC Government before the last completion date, the Agreement will be terminated. The Deposit paid by the Buyer will not be returned. If the Seller cannot fulfill the abovementioned items 2-6 of the completion conditions as stated in point (4) before the last completion date, the Seller will return the Deposit in double.

(6) Latest completion date

The 45th day from the signing date of the Agreement, or if one party notifies the other 5 days in advance in writing that the 90th day from the signing date of the Agreement or another later date which is agreed by both parties will be the latest completion date.

(7) Termination of the Agreement

At any time after the last completion date, if any one of the above completion conditions cannot be fulfilled or is not declared as exempt, either the Buyer or Seller should notify the other in writing, or through a clear written agreement by both the Buyer and Seller.

(8) Arrangement of the management

Both the Buyer and the Seller should make the best effort to ensure that the Buyer can obtain the majority representation in the board of directors and the board of management of the Target Company. The chairman, general manager and the account-in-charge of the Target Company should be the representatives assigned by the Buyer.

5. The consideration of the Transaction

The consideration of the Transaction was arrived at arm's length negotiations between the parties thereto based on Zhejiang Huayou's investment in the Target Company and the future operation prospect of the Target Company's copper mine project.

6. Effects of the Transaction to the Company

1. The Transaction is in line with the Company's development strategies and can promote the Company's process of internationalization

The Kolwezi copper mine project is situated at Katanga Province, southern part of the DR Congo, which is on the world-famous African copper-cobalt metallogenic belt. The area is abundant with copper-cobalt

mineral resources, the scale of the copper mine project to be acquired is suitable, the exploitation condition of the Project is relatively good, and the risks are controllable. The Project will not only increase the Company's reserve of resources effectively, but will also provide raw materials to Zijin Copper's 200,000-tonne refinery project after being put into production. The acquisition will also provide the Company with more opportunities to participate in the exploitation of mineral resources in Africa, which can promote the Company's process of internationalization and improve the Company's profitability and sustainability.

2. Sources of fund for the acquisition and the impacts on the Company

The consideration for acquiring the Target Company is US\$77,916,700 (approximately equivalent to RMB479,187,705). The major sources of fund for the acquisition are the Company's self-owned funds and bank borrowings. As at 30 June 2014, the Company's debt ratio was 55.59%. The Company owns sufficient cash. If the acquisition is successful, the increase in bank borrowings will not substantially affect the Company's financial position.

The Company will take a leading role in the Project's exploitation and construction, fully exert its own technological and cost advantages, and strive for early production of the Project.

7. Risks of the Transaction

1. The Transaction is a conditional acquisition, which includes but is not limited to the following risks that may result in failure of the acquisition

Completion of the Transaction is still subject to the satisfaction of the completion conditions as stated in the Agreement and uncertainties exist.

2. Mine development and operating risks

The Kolwezi copper mine project is located at Katanga Province of the DR Congo, Africa, where condition of the infrastructure (electricity supply, logistics, etc.) is the major risk of the Project's operation.

The Kolwezi copper mine project is still in the pre-development stage. There are still uncertainties concerning the achievement to the actual development. If the Project cannot be put into production within the expected time, or there are other situations which affect the development, the overall performance and profitability of the Target Company will be affected.

After the completion of the Transaction, the Company will hold 51% shareholding in the Target Company. There are uncertainties concerning the achievement of effective co-ordination with other shareholders in realization of the development and operation of the Project.

3. Market risk

Market risk is mainly reflected in the future trend of copper price. If copper price fluctuates substantially

in the future, it will bring relatively high uncertainty to the profitability of the Project.

4. Foreign currency risks

The Transaction is settled in US Dollar. The continuous fluctuations in the exchange rate will bring foreign currency risks to this equity investment to a certain extent.

5. Legal and policy risks

The production and operation of the Target Company is based in the DR Congo. It is required to follow the effective current laws, regulations and policies of the DR Congo. If the relevant laws, regulations and policies change in the future, there may be adverse effects to the Target Company's operation in the DR Congo.

The political and economic environment of the DR Congo have been improving in recent years. After taking part in the Project, the Company will closely monitor the latest development in the DR Congo. The Company will also strengthen communications with the government and shareholders, employ local legal and financial advisers to avoid the operational risks and ensure that the Target Company's operation will be in compliance with regulations, and strive to maintain a friendly relationship with the local communities.

The Company will strive to avoid the abovementioned risks through daily management and timely control.

This announcement is made by the Company on a voluntary basis.

Investors and shareholders are advised by the Board to exercise caution when dealing in the shares of the Company.

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

Fujian, the PRC, 3 November 2014

**The English names are for identification purpose only*