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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)**

## **Continuing Connected Transaction**

The Board of the Company announced that Xinjiang Ashele, a subsidiary of the Company, as the seller, has entered into a Sales of Copper Concentrates Agreement dated 6 February 2015 with Xinjiang Wuxin Copper, as the buyer, for a term from 1 January 2015 to 31 December 2015.

The Company is one of the substantial shareholders of Xinjiang Ashele, currently holding 51% equity interest in Xinjiang Ashele. Xinjiang Non-ferrous Metal Industry (Group) Company Limited and its subsidiary China Non-ferrous Metal Import and Export Xinjiang Corp. together hold 34% equity interest in Xinjiang Ashele. Xinjiang Wuxin Copper is a subsidiary of Xinjiang Non-ferrous Metal Industry (Group) Company Limited and Xinjiang Non-ferrous Metal Industry (Group) Company Limited indirectly holds 66% equity interest in Xinjiang Wuxin Copper. Xinjiang Wuxin Copper is an associate of Xinjiang Non-ferrous Metal Industry (Group) Company Limited and a connected person to the Company (as defined in the Listing Rules). Therefore, under Chapter 14A of the Listing Rules, the transactions under the Sales of Copper Concentrates Agreement constitute a continuing connected transaction of the Company.

The Continuing Connected Transaction, which is continuous in nature, was entered into in the ordinary course of business of the Company. As one or more of the applicable percentage ratios (as set out in the Listing Rules, except the profit ratio) in relation to the transaction is, on an annual basis, more than 1% but less than 5%, the transaction constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules with exemption on the approval from Independent Shareholders and is subject to annual review, reporting and announcement requirements under Chapter 14A of the Listing Rules.

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## **PRINCIPAL TERMS OF AGREEMENT**

### **SALES OF COPPER CONCENTRATES AGREEMENT**

Date: 6 February 2015

Parties: Seller:

Xinjiang Ashele is a subsidiary of the Company, a company incorporated in the PRC with limited liability, and is mainly engaged in the development of Ashele copper mine in Xinjiang Province.

Buyer:

Xinjiang Wuxin Copper. The controlling shareholder of Xinjiang Wuxin Copper is Xinjiang Non-ferrous Metal Industry (Group) Company Limited. Xinjiang Wuxin Copper is mainly engaged in:

General business scope: Refining, processing, sales, import and export services of common non-ferrous metals, technology import and agent of import and export; import and export of machinery and equipment, instruments, meters and their spare parts and the raw and auxiliary materials required for production in the factory; development of technology and consultation, technology service; warehousing; leasing of houses; import and export of various kinds of goods and technology to neighbouring countries through small trades on the border (except goods and technology which import and export are restricted by the State); import and export of five types of waste and used materials including scrap steel, scrap copper, scrap aluminium, waste paper and waste plastic which are approved by the State and allowed to be operated under border trade.

Product of sales: Copper Concentrates

Pricing: 1. The settlement price of copper concentrates containing copper shall be determined according to the monthly arithmetic average settlement price of standard copper cathodes under spot contract in Shanghai Futures Exchange for each trading day in the month when deliveries are made from the mining area (as determined by the date of delivery of the goods; the 1st day to the last day of each month) as a benchmark price multiplied by a relevant price coefficient.

2. The settlement price of copper concentrates containing gold shall be determined according to the monthly arithmetic weighted average settlement price of AU99.95 gold in Shanghai Gold Exchange in the month when deliveries are made from the mining area (the 1st day to the last day of each month) as a benchmark price multiplied by a corresponding coefficient.
3. The settlement price of copper concentrates containing silver shall be determined according to the monthly arithmetic average settlement price of No.3 Guobiao silver in Shanghai Huatong Market in the month when deliveries are made from the mining area (the 1st day to the last day of each month) as a benchmark price multiplied by a corresponding coefficient.
4. Price will be reduced in accordance with the provisions of the Sales of Copper Concentrates Agreement if impurities which do not comply with the provisions of the Sales of Copper Concentrates Agreement are found in the concentrates.

Term: From 1 January 2015 to 31 December 2015

- Payment Term:
1. Full payment should be made by the buyer in advance according to the forecast grade, quantity and forecast price for the month as informed by the seller;
  2. The principle of delivery of goods and payment by both parties: until the buyer makes the full payment, no copper concentrates shall be delivered by the seller; the total price of goods shall be settled on time on a monthly basis;
  3. The seller settles the accounts by the testing batches of copper, gold, silver and impurities each month (as determined by the date of delivery; on the last day of each month); after both parties confirmed the testing results, the seller settles the accounts on the 15th of each month and faxes the settlement voucher to the buyer within two days. After confirmation by the buyer, the seller issues value-added tax invoice.

The terms of the Sales of Copper Concentrates Agreement were arrived at after an arm's length negotiation between Xinjiang Ashele and Xinjiang Wuxin Copper.

## **ANNUAL CAP**

The Company proposes that the maximum amounts (“Annual Cap”) of the Sales of Copper Concentrates Agreement for the year ended 31 December 2015 to be RMB650 million.

The Annual Cap of the Sales of Copper Concentrates Agreement for the year ended 31 December 2015 was determined with reference to the production plan of Xinjiang Ashele and the planned requirement of Xinjiang Wuxin Copper. It is estimated that Xinjiang Ashele will sell copper concentrates containing not more than 14,400 tonnes of copper metal to Xinjiang Wuxin Copper in 2015. The breakdown of the transaction value is as follows:

		Year 2012 (Actual) RMB	Year 2012 (Annual Cap) (forecast) RMB	Year 2013 (Actual) RMB	Year 2013 (Annual Cap) (forecast) RMB	Year 2014 (Actual) RMB	Year 2014 (Annual Cap) (forecast) RMB	Year 2015 (Annual Cap) (forecast) RMB
1.	Sales of copper concentrates to China Non-ferrous Metal Import and Export Xinjiang Corp. (Note)	62,270,000 (1,199.147 tonnes of copper concentrates containing copper)	400,000,000	Nil	750,000,000	N/A	N/A	N/A
2.	Sales of copper concentrates to Xinjiang Wuxin Copper (Note)	N/A	N/A	N/A	N/A	265,699,157 (Unaudited)	700,000,000	650,000,000

Note: The controlling shareholder of China Non-ferrous Metal Import and Export Xinjiang Corp. and Xinjiang Wuxin Copper is Xinjiang Non-ferrous Metal Industry (Group) Company Limited.

#### **CONNECTION BETWEEN THE PARTIES IN THE TRANSACTION**

The Company is one of the substantial shareholders of Xinjiang Ashele, currently holding 51% equity interest in Xinjiang Ashele. Xinjiang Non-ferrous Metal Industry (Group) Company Limited and its subsidiary China Non-ferrous Metal Import and Export Xinjiang Corp. together hold 34% equity interest in Xinjiang Ashele. Xinjiang Wuxin Copper is a subsidiary of Xinjiang Non-ferrous Metal Industry (Group) Company Limited and Xinjiang Non-ferrous Metal Industry (Group) Company Limited indirectly holds 66% equity interest in Xinjiang Wuxin Copper. Xinjiang Wuxin Copper is an associate of Xinjiang Non-ferrous Metal Industry (Group) Company Limited and a connected person to the Company (as defined in the Listing Rules). Therefore, under Chapter 14A of the Listing Rules, the transactions under the Sales of Copper Concentrates Agreement constitute a continuing connected transaction of the Company.

## **REASONS FOR THE PROPOSED TRANSACTION**

The Company is principally engaged in the mining, production, refining and sales of gold and other mineral resources in the PRC. The sales of copper concentrates from Xinjiang Ashele to Xinjiang Wuxin Copper can broaden sales channels in Xinjiang. Therefore, the Directors including the independent non-executive Directors consider that the terms of the Sales of Copper Concentrates Agreement are in ordinary course of business and on normal commercial terms and fair and reasonable and in the interest of the Company and its Shareholders as a whole.

## **MATERIAL INTEREST**

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, no Director has a material interest in the transaction and is required to abstain from voting at the Board meeting approving the transaction.

## **GENERAL**

The Continuing Connected Transaction, which is continuous in nature, was entered into in the ordinary course of business of the Company. As one or more of the applicable percentage ratios (as set out in the Listing Rules, except the profit ratio) in relation to the transaction is, on an annual basis, more than 1% but less than 5%, the transaction constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules with exemption on the approval from Independent Shareholders and is subject to annual review, reporting and announcement requirements under Chapter 14A of the Listing Rules.

## **DEFINITIONS**

In this announcement, unless otherwise indicated in the context, the following expressions have the meanings set out below:

“Board”	the board of Directors of the Company
“Company”	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 PRC
“Continuing Connected Transaction”	the connected transaction contemplated under the Sales of Copper Concentrates Agreement which was entered into between the Company’s subsidiary, Xinjiang Ashele and Xinjiang Wuxin Copper on a continuing basis
“Director(s)”	the director(s) of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	any Shareholder of the Company that is not required to abstain from voting at a general meeting to approve a connected transaction
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, for the purpose of this announcement, excludes Hong Kong, Macau SAR and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Sales of Copper Concentrates Agreement”	the agreement entered into between the Company’s subsidiary, Xinjiang Ashele and Xinjiang Wuxin Copper on 6 February 2015 in relation to, inter alia, the sales of copper concentrates from the Company’s subsidiary, Xinjiang Ashele to Xinjiang Wuxin Copper
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Xinjiang Ashele”	Xinjiang Ashele Copper Company Limited, a company incorporated in the PRC with limited liability, the Company currently holds 51% of its equity interest, it is a subsidiary of the Company
“Xinjiang Wuxin Copper”	Xinjiang Wuxin Copper Company Limited, a company incorporated in the PRC, the controlling shareholder of Xinjiang Wuxin Copper is Xinjiang Non-ferrous Metal Industry (Group) Company Limited
“%”	per cent

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*

6 February 2015, Fujian, PRC

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