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If you have sold or transferred all your shares in Zijin Mining Group Co., Ltd.*, you should at once pass this circular to the purchaser, the transferee, the bank, the stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

This circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of Zijin Mining Group Co., Ltd.*

ZiJin

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)

PROPOSED NON-PUBLIC ISSUANCE OF A SHARES

A letter from the Board is set out on pages 4 to 16 of this circular.

Notices convening the EGM and the H Shareholders' Class Meeting to be held at the conference room at 10/F., Airport Hotel of Zijin Mining Group (Xiamen) Investment Co., Ltd., 128 Xiangyun 3rd Road, Huli District, Xiamen City, Fujian Province, the PRC on Tuesday, 18 August 2015 at 9 a.m. and 11:30 a.m., respectively, were issued on 4 July 2015 respectively. The revised notices convening the EGM and the H Shareholders' Class Meeting are set out on pages 69 to 72 and pages 73 to 76 of this circular respectively.

Reply slips and proxy forms for use at the said meetings were issued on 4 July 2015 respectively. Revised proxy forms for the EGM and the H Shareholders' Class Meeting are enclosed herewith. Shareholders who intend to attend the respective meetings shall complete and return the reply slip(s) in accordance with the instructions printed thereon before Tuesday, 28 July 2015.

Shareholders who intend to appoint a proxy to attend the meetings are requested to complete the revised proxy form(s) in accordance with the instructions printed thereon. The revised proxy form(s) shall be lodged with the registrar of H Shares of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 24 hours before the time appointed for the holding of the relevant meeting or any adjournment thereof (as the case may be). Completion and return of the revised proxy form(s) will not prevent you from attending and voting in person at the meeting(s) or any adjournment thereof should you so wish.

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

3 August 2015

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In this circular, the following expressions have the following meanings unless the context requires otherwise:

"A Share(s)"	the domestic share(s) issued by the Company to domestic investors with a nominal value of RMB0.10 each, which are listed on the Shanghai Stock Exchange;
"A Shareholder(s)"	holders of A Share(s);
"A Shareholders' Class Meeting"	the second A Shareholders' class meeting in 2015 to be held at the conference room at 10/F., Airport Hotel of Zijin Mining Group (Xiamen) Investment Co., Ltd., 128 Xiangyun 3rd Road, Huli District, Xiamen City, Fujian Province, the PRC on Tuesday, 18 August 2015 at 11 a.m.;
"Articles of Association"	the articles of association of the Company, as amended, modified or otherwise supplemented from time to time;
"Associate(s)"	has the meaning ascribed thereto under the Hong Kong Listing Rules;
"BNL"	Barrick (Niugini) Limited, a company incorporated in Papua New Guinea. BNL holds 95% interest in the Porgera Joint Venture (non-registered) in Papua New Guinea;
"Board"	the board of Directors of the Company;
"Class Meetings"	the A Shareholders' Class Meeting and the H Shareholders' Class Meeting;
"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 with limited liability;
"Connected Person(s)"	has the meaning ascribed thereto under the Hong Kong Listing Rules;
"Controlling Shareholder"	has the meaning ascribed thereto under the Hong Kong Listing Rules;
"CSRC"	China Securities Regulatory Commission;
"Director(s)"	the director(s) of the Company;
"DR Congo"	The Democratic Republic of the Congo;

"EGM"	the first extraordinary general meeting in 2015 to be held at the conference room at 10/F., Airport Hotel of Zijin Mining Group (Xiamen) Investment Co., Ltd., 128 Xiangyun 3rd Road, Huli District, Xiamen City, Fujian Province, the PRC on Tuesday, 18 August 2015 at 9:00 a.m.;
"Gold Mountains"	Gold Mountains (H.K.) International Mining Co., Ltd., a limited company incorporated in Hong Kong, is a wholly-owned subsidiary of the Company;
"Group"	the Company and its subsidiaries;
"H Share(s)"	the overseas-listed foreign invested share(s) in the Company's share capital, with a nominal value of RMB0.10 each, which are listed on the Hong Kong Stock Exchange;
"H Shareholder(s)"	holders of H Share(s);
"H Shareholders' Class Meeting"	the second H Shareholders' class meeting in 2015 to be held at the conference room at 10/F., Airport Hotel of Zijin Mining Group (Xiamen) Investment Co., Ltd., 128 Xiangyun 3rd Road, Huli District, Xiamen City, Fujian Province, the PRC on Tuesday, 18 August 2015 at 11:30 a.m.;
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong;
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC;
"Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange;
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"KHL"	Kamoa Holding Limited, a company incorporated in Barbados. KHL holds 95% interest in the Kamoa copper mine in the DR Congo;
"Latest Practicable Date"	27 July 2015, being the latest practicable date prior to the issuance of this circular for ascertaining certain information contained herein;
"Minxi Investment"	Minxi Xinghang State-owned Assets Investment Company Limited, a state-owned limited company incorporated in the PRC. It is the Controlling Shareholder of the Company currently holding 26.29% equity interest in the Company;

"Non-public Issuance"	the proposal of the Company to target not more than ten specific investors to issue and allot not more than 2,469,135,802 A Shares, after adjustment of dividend distribution for the year 2014 (nominal value of RMB0.10 each) which are intended to be listed on the Shanghai Stock Exchange;
"Papua New Guinea"	The Independent State of Papua New Guinea;
"PRC"	The People's Republic of China but for the purpose of this circular, excludes Hong Kong, Macau SAR and Taiwan;
"RMB"	Renminbi, the lawful currency of the PRC;
"Shanghai Stock Exchange"	Shanghai Stock Exchange of the PRC;
"Share(s)"	ordinary share(s) of RMB0.10 each in the share capital of the Company including A Share(s) and H Share(s);
"Shareholder(s)"	the shareholder(s) of the Company including A Shareholder(s) and H Shareholder(s);
"%"	per cent.

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)

Executive Directors:
Chen Jinghe *(Chairman)*
Wang Jianhua *(President)*
Qiu Xiaohua
Lan Fusheng
Zou Laichang
Fang Qixue
Lin Hongfu

Non-executive Director:
Li Jian

Independent non-executive Directors:
Lu Shihua
Ding Shida
Qiu Guanzhou
Sit Hoi Wah, Kenneth

Registered Office and Principal Place of Business:
No.1 Zijin Road
Shanghang County
Fujian Province
The PRC

Place of Business in Hong Kong:
Unit 7503A, Level 75
International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

3 August 2015

To the Shareholders

Dear Sir/Madam,

PROPOSED NON-PUBLIC ISSUANCE OF A SHARES

1. INTRODUCTION

The purpose of this circular is to provide you with information in relation to the proposed Non-public Issuance of A Shares, which is one of the special resolutions to be proposed at the EGM and one of the special resolutions to be proposed at the A Shareholders' Class Meeting and the H Shareholders' Class Meeting.

2. PROPOSED NON-PUBLIC ISSUANCE OF A SHARES

The Board proposes that the Company applies to the CSRC to non-publicly issue not more than 2,469,135,802 A Shares, after adjustment of dividend distribution for the year 2014 (nominal value of RMB0.10 each) to not more than ten specific investors (independent third parties not connected with the Company and its Connected Persons), which would raise gross proceeds of not more than RMB10 billion. The proposed Non-public Issuance of A Shares is still subject to the approvals by the Shareholders at the EGM, the Class Meetings and the approval of the CSRC.

Structure of the Non-public Issuance of A Shares

Class and nominal value of the shares to be issued	The shares to be issued in the Non-public Issuance are Renminbi-denominated domestic ordinary shares (A Shares) with a nominal value of RMB0.10 each.
Methods and time of issuance	The entirety of the A Shares in the Non-public Issuance will be issued to specific investors within 6 months in due course upon receiving the approval by the CSRC by way of Non-public Issuance.
Issuing objects and methods of subscription	The Non-public Issuance is proposed to target not more than ten specific investors, including securities investment fund management companies, securities firms, insurance institutional investors, trust investment companies, finance companies, qualified offshore institutional investors, and other legal entities, natural persons or other legitimate investors in compliance with the stipulations of laws and regulations. The Company's Controlling Shareholder, the actual controller and their Associates will not participate in the subscription of shares in the Non-public Issuance. Subject to the Board being granted the authorisation at shareholders' general meetings of the Company for obtaining the approval documents issued by the CSRC, issuing objects will be determined by price-oriented and time-oriented principles with reference to their subscription and quotation amount. All the issuing objects will subscribe the shares in the Non-public Issuance at the same price in cash.

Subscription price and pricing principles	The base day for pricing of the Non-public Issuance is the announcement date of the resolution of the ninth meeting of the fifth Board. The subscription price shall not be less than 90% of the average trading price of the Company's A Shares in the 20 trading days preceding the base day for pricing (i.e. not less than RMB4.13 per share). The final subscription price will be determined based on the provisions of relevant rules and regulations, price inquiry results, authorisation of the shareholders' general meetings and negotiation with the sponsor (the lead underwriter) upon obtaining the approval documents issued by the CSRC on the Non-public Issuance. The minimum subscription price will be adjusted accordingly if any ex-rights or ex-dividends event such as distribution of dividends or bonus shares, conversion of capital reserve into share capital, etc. occurs during the period from the base day for pricing to the date of the issuance. As the implementation of the profit distribution proposal of the Company for the year 2014 has been completed, pursuant to the proposal on the Non-public Issuance, the minimum subscription price is adjusted to RMB4.05 per share.
Number of shares to be issued	The maximum number of A Shares to be issued in the Non-public Issuance will be 2,421,307,506 shares (2,421,307,506 shares inclusive). Subject to the maximum number of shares as mentioned above, the Board proposes the shareholders' general meetings to grant to the Board such authority as necessary for determining the final number of shares to be issued based on actual situation and negotiations with the sponsor (the lead underwriter). The total number of shares to be issued will be adjusted correspondingly if any ex-rights or ex-dividends event such as distribution of dividends or bonus shares, conversion of capital reserve into share capital, etc. occurs during the period from the base day for pricing to the date of the issuance. As the implementation of the profit distribution proposal of the Company for the year 2014 has been completed, pursuant to the proposal on the Non-public Issuance, the maximum number of shares to be issued is adjusted to 2,469,135,802 shares (2,469,135,802 shares inclusive).
Lock-up period	The lock-up period for the shares subscribed by issuing objects of the Non-public Issuance is 12 months from the date of the completion of the Non-public issuance. Such shares shall be dealt with according to the relevant rules of the CSRC and the Shanghai Stock Exchange after the expiry of the lock-up period.

Use of proceeds raised

The total amount of proceeds to be raised in the Non-public Issuance will not exceed RMB10 billion (issuance expenses inclusive) and are proposed to be used in the following projects:

No.	**Name of project**	**Total investment (RMB'000)**	**Amount of proceeds intended to be used in the project (RMB'000)**
1	Construction of the Kolwezi copper mine project in the DR Congo	3,529,337.6	3,222,566.8
2	Acquisition of 49.5% equity interest and 49.5% shareholders' loan in the purchasing project of the Kamoa copper mine in the DR Congo	2,517,320.0	2,517,320.0
3	Acquisition of 50% equity interest and 50% shareholders' loan in the purchasing project of the Porgera gold mine in Papua New Guinea	1,820,780.0	1,820,780.0
4	Construction of the Zijinshan gold and copper mine flotation processing plant project	444,214.1	444,214.1
5	Supplementing working capital	1,995,119.1	1,995,119.1
	Total	**10,306,770.8**	**10,000,000.0**

	If the proceeds raised in the Non-public Issuance are less than the amount required for projects investment, the Company will seek the required portion through other means of financing. The Company will invest in the projects with other means of financing according to the actual development progress of the projects before the proceeds raised in the Non-public Issuance are in place, and the proceeds raised in the Non-public Issuance will be used to substitute the Company's funding after they are received into account. Within the scope of the aforementioned projects to be invested by the proceeds raised (the "Projects to be Invested by the Proceeds Raised"), the Board may make appropriate adjustments to their investment amounts corresponding to the actual needs of the projects and in compliance with procedures as stipulated by relevant rules and regulations.
Proposal for arrangement of the accumulated distributable profits before the Non-public Issuance of A Shares	The current and new Shareholders after the completion of the Non-public Issuance will rank pari passu to the entitlement of the accumulated distributable profits before the Non-public Issuance.
Listing place of the shares	An application will be filed for listing the shares of the Non-public Issuance on the Shanghai Stock Exchange for trading.
Validity period of the resolution	The resolution in relation to the Non-public Issuance will be valid within 12 months from the date of considering and approving the resolution at the shareholders' general meetings of the Company.

Implications under the Hong Kong Listing Rules

None of the Directors has a material interest in the proposed Non-public Issuance or is required to abstain from voting on the Board resolutions for considering and approving the proposed Non-public Issuance pursuant to the Hong Kong Listing Rules and/or the Articles of Association.

The Non-public Issuance does not constitute a connected transaction.

Ancillary matters relating to the proposed Non-public Issuance of A Shares

Issuing objects and their relations with the Company

The Non-public Issuance is proposed to target not more than ten specific investors, including securities investment fund management companies, securities firms, insurance institutional investors, trust investment companies, finance companies, qualified offshore institutional investors, and other legal entities, natural persons or other legitimate investors in compliance with the stipulations of laws and regulations.

Determination of the actual subscription price

The minimum subscription price of the A Shares in the Non-public Issuance is RMB4.05 per A Share (after adjustment of dividend distribution for the year 2014). The actual subscription price will be determined by the Board after the necessary approvals for the Non-public Issuance from the CSRC have been obtained and in accordance with the authorisation granted by the Shareholders and the provisions of the relevant laws, administrative laws and regulations, other regulatory documents and the market conditions, taking into account the price offered by the subscribers and based on the price-oriented and time-oriented principles and in consultation with the underwriters.

Comparison between the minimum subscription price and the closing prices on the Latest Practicable Date

The closing price of the A Shares and the H Shares on the Latest Practicable Date was RMB3.95 and HK$2.14 per share respectively. The minimum subscription price of the A Shares in the Non-public Issuance, RMB4.05 per A Share (after adjustment of dividend distribution for the year 2014) represents a premium of approximately 2.53% to the closing price of RMB3.95 per A Share as quoted on the Shanghai Stock Exchange, and a premium of approximately 139.64% to the closing price of HK$2.14 per H Share (approximately equivalent to RMB1.69, based on the RMB middle exchange rate of that date, being HK$1 to RMB0.78926 as announced by The People's Bank of China) as quoted on the Hong Kong Stock Exchange on the Latest Practicable Date respectively.

Subscribers of the Non-public Issuance of A Shares

The Company will make further disclosures in the event: (a) any of the subscribers become a substantial shareholder (as defined in the Hong Kong Listing Rules) of the Company upon completion of the Non-public Issuance of A Shares; and (b) if the number of subscribers for the Non-public Issuance of A Shares is less than 6, whereupon the names of such subscribers shall be disclosed. The Company will ensure that upon completion of the Non-public Issuance of A Shares, the total number of the A Shares and the H Shares held by the public (as defined in the Hong Kong Listing Rules) will not be less than 25% of the Company's total number of issued Shares as enlarged by the A Shares to be issued in the Non-public Issuance of A Shares.

Reasons for adoption of the Non-public Issuance of A Shares

As the pace of the development and expansion of the principal business accelerated, the capital needs of the Company have also increased. The Company has considered other fund raising methods such as obtaining debt financing and conducting rights issue or public offering. However, the Company is of the view that:

(i) obtaining debt financing will further increase the gearing ratio of the Company and incur interest expenses; and

(ii) conducting rights issue or public offering will incur underwriting commission fees and take longer time to complete compared with non-public issuance.

In comparison, through the Non-public Issuance of A Shares, the process of fund raising can be accelerated. The Company can also significantly optimise its capital structure, lower the debt ratio, enhance the financial stability, and significantly improve the capital strength and overall competitiveness which help further strengthen the Company's ability to seize business opportunities and brace for market risks, continually improve its sustainability for development, and maximise the Shareholders' interests.

Whether the Non-public Issuance leads to changes in the right of control of the Company

The total number of shares to be issued in the Non-public Issuance will not exceed 2,469,135,802 shares (after adjustment of dividend distribution for the year 2014). As at the Latest Practicable Date, the Controlling Shareholder of the Company, Minxi Investment holds 5,671,353,180 Shares, representing approximately 26.29% of the total Shares in issue. Based on the maximum number of shares to be issued in the Non-public Issuance, Minxi Investment, the Controlling Shareholder of the Company, will hold approximately 23.59% of the Shares after completion of the Non-public Issuance, and is still the Controlling Shareholder of the Company. Therefore, the Non-public Issuance will not lead to a change in the right of control of the Company and is in line with the provision as stipulated in Article 38(4) of the "Administrative Measures for the Issuance of Securities by Listed Companies".

Procedures of approval for the Non-public Issuance

Matters related to the Non-public Issuance of A Shares have been considered and approved by the ninth meeting of the fifth Board convened on 26 May 2015 and the tenth meeting of the fifth Board convened on 3 July 2015. According to the provisions of relevant laws and regulations, the Non-public Issuance is still subject to the approvals at shareholders' general meetings of the Company and the CSRC.

Use of proceeds to be raised in the Non-public Issuance

(i) *Construction of the Kolwezi copper mine project in the DR Congo*

Construction of the Kolwezi copper mine project in the DR Congo is located in the west of Kolwezi city, Katanga Province, the DR Congo. It covers a mining area of 3.37 square kilometers, with copper reserves volume of approximately 1.54 million tonnes. After completion, the project can process 1.65 million tonnes of crude copper ores per year, producing 7,212 tonnes of sulphuric copper concentrates (containing 60% copper), 43,616 tonnes of blister copper (containing 90% copper) by pyrometallurgy and 8,203 tonnes of copper cathode by hydrometallurgy per year.

The expected construction period and payback period (after tax, including the construction period) of the construction of the Kolwezi copper mine project in the DR Congo is 2.5 years and 7.11 years respectively. Details of this project are set out in the section headed "3. Construction of the Kolwezi copper mine project in the DR Congo" in the feasibility report in appendix 3 to the circular.

(ii) *Acquisition of the Kamoa copper mine project in the DR Congo*

The Kamoa copper mine is a newly discovered world-class, large-scale stratiform copper deposit. It is located within the Central African Copperbelt. As at 31 March 2015, the volume of resources reserve of the Kamoa copper mine were: ore volume of 874.72 million tonnes and copper metal of 22.471 million tonnes, with an average grade of 2.57%. According to the feasibility report, the maximum processing capacity will reach 11 million tonnes of ores, 300,000 tonnes of blister copper and 550,000 tonnes of sulphuric acid by-product annually. Details of this project are set out in the section headed "4. Acquisition of the Kamoa copper mine project in the DR Congo" in the feasibility report in appendix 3 to the circular.

(iii) *Acquisition of the Porgera gold mine project in Papua New Guinea*

The Porgera gold mine is a world-class epithermal gold mine. As at 31 December 2014, the retained resource reserve of the Porgera gold mine was: 70.92 million tonnes of ore volume, 330.13 tonnes of Au metal volume with an average grade of 4.65 grammes/tonne. After 25 years of operation, the annual mining capacity of the Porgera gold mine has reached 5.4 million tonnes of crude ore. The processing plant of the Porgera gold mine can process 6 million tonnes of crude ore per year. Details of this project are set out in the section headed "5. Acquisition of the Porgera gold mine project in Papua New Guinea" in the feasibility report in appendix 3 to the circular.

(iv) *Construction of the Zijinshan gold and copper mine flotation processing plant project*

In this project, a copper mine flotation processing plant will be constructed. After completion of the project, the plant can process 25,000 tonnes of crude copper ores per day. The final product will be copper concentrate by flotation selection (gold and silver will be collectively recovered from copper concentrate) and sulphur concentrate by flotation selection. The annual production will reach 154,300 tonnes of copper concentrate and 330,700 tonnes of sulphur concentrate respectively when its designated capacity is reached.

The expected construction period and payback period (after tax, including the construction period) of Zijinshan gold and copper mine flotation processing plant project is 2 years and 6.31 years respectively. Details of this project are set out in the section headed "6. Construction of the Zijinshan gold and copper mine flotation processing plant project" in the feasibility report in appendix 3 to the circular.

(v) *Supplementing working capital*

In 2013 and 2014, the Company realised operating income of RMB49,771,511,900 and RMB58,760,533,900 respectively, the annual growth rate was 18.06%. The Company predicted that its operating income in the next three years (excluding the operating income attributable to the Projects to be Invested by the Proceeds Raised) will grow continuously and steadily, requiring more working capital to be invested. Financing is necessary for filling up the gap of working capital brought by the increase in operating income.

After careful study, the Company has drawn up the plan for growth in production capacity for the next 3 years (excluding the new production capacity attributable to the Projects to be Invested by the Proceeds Raised) and therein the additional working capital needed in 2015, 2016 and 2017. Details of the estimation and the assumptions are set out in the section headed “7. Supplementing working capital” in the feasibility report in appendix 3 to the circular.

Reasons for and the benefits of the Non-public Issuance of A Shares

The Directors believe that the proposed Non-public Issuance of A Shares, if materialised, will enable the Company to increase its high-quality resource reserve, adapt to the needs of development and ensure stability in long-term operation, meet capital needs, improve the financial structure, fully enhance the Company’s profitability and help it become a “high-tech, efficient, large-scale international mining group”. The Directors also believe that the proposed Non-public Issuance of A Shares will enable the Company to significantly increase its resource reserve, enhance operating income and profitability, realise sustainable development and offer protection to the fundamental interests of all investors. All of these are of high practicality.

Relevant risks of the Non-public Issuance of A Shares

The Non-public Issuance of A Shares is subject to certain relevant risks, including but not limited to risk of price fluctuation in bulk commodities, risk of being unable to obtain approval for the Projects to be Invested by the Proceeds Raised in the Non-public Issuance, risk of implementing the Projects to be Invested by the Proceeds Raised in the Non-public Issuance, risk of economic benefits of the Projects to be Invested by the Proceeds Raised in the Non-public Issuance, risk of dilution in return on net assets after the completion of issuance of shares, production safety risk, risks associated with environmental protection, risk of share price fluctuation, risk of implementing overseas projects and approval risk, etc. When evaluating the Non-public Issuance of A Shares of the Company, investors should take the aforementioned risk factors into due consideration.

Effects of the proposed Non-public Issuance of A Shares on the shareholding structure of the Company

Assuming that a total of 2,469,135,802 A Shares (after adjustment of dividend distribution for the year 2014) (nominal value of RMB0.10 each) will be issued under the Non-public Issuance of A Shares and the Company will not issue and allot any Shares prior to the proposed Non-public Issuance of A Shares, the shareholding structure as at the Latest Practicable Date and the expected shareholding structure immediately after the completion of the Non-public Issuance of A Shares of the Company are set out and summarised as follows:

	As at the Latest Practicable Date			Immediately after the completion of the proposed Non-public Issuance of A Shares		
	Number of Shares	Approximate percentage of the total issued A Share capital	Approximate percentage of the total issued Share capital of the Company	Number of Shares	Approximate percentage of the total issued A Share capital	Approximate percentage of the total issued Share capital of the Company
Issuing objects	—	—	—	2,469,135,802	13.51%	10.27%
Other A Shareholders	10,023,233,520	63.40%	46.45%	10,023,233,520	54.83%	41.66%
H Shareholders	5,769,010,000	—	26.74%	5,769,010,000	—	24.00%
Total number of floating Shares held by public Shareholders	15,792,243,520	63.40%	73.19%	18,261,379,322	68.34%	75.93%
Minxi Investment	5,671,353,180	35.89%	26.29%	5,671,353,180	31.04%	23.59%
Directors						
Chen Jinghe	100,000,000	0.63%	0.46%	100,000,000	0.55%	0.42%
Lan Fusheng	7,500,000	0.05%	0.03%	7,500,000	0.04%	0.03%
Zou Laichang	1,130,000	0.01%	0.01%	1,130,000	0.01%	0.01%
Lin Hongfu	562,500	0.01%	0.01%	562,500	0.01%	0.01%
Supervisor						
Liu Wenhong	24,450	0.01%	0.01%	24,450	0.01%	0.01%
	21,572,813,650	100%	100%	24,041,949,452	100%	100%

In June 2015, the Company repurchased an aggregate of 29,570,000 H Shares, representing approximately 0.1371% of the total Shares in issue of the Company. As formalities relating to the cancellation of the aforesaid repurchased Shares have not yet been completed pending completion of the change of business registration with relevant PRC authorities, all the percentage ratios were calculated on the basis of the number of Shares before the repurchase.

Equity fund raising activities in the past 12 months

The Company has not conducted any equity fund raising activities in the past 12 months before the Latest Practicable Date.

Profit distribution plan of the Company for the next three years

Since the "Profit Distribution and Return Plan for the Next Three Years (Year 2012-2014)" formulated in August 2012 is only applicable to year 2012-2014, in accordance with the "Notice in relation to Further Implementing Cash Dividend Distribution of Listed Companies" (Zheng Jian Fa [2012] No.37) and "Regulatory Guidelines for Listed Companies No.3 — Cash Dividends of Listed Companies" (Zheng Jian Fa [2013] No.43) issued by the CSRC, other relevant laws, regulations and regulatory documents and provisions of the Articles of Association, the Company formulated a "Profit Distribution and Return Plan for the Next Three Years (Year 2015-2017)". Please refer to appendix 1 enclosed in the circular for further details.

No need to produce a report on the use of proceeds previously raised

Since the proceeds previously raised by the Company had been received into account for more than five accounting years, according to the relevant provisions of "Requirement for the Report on the Use of Proceeds Previously Raised" issued by the CSRC (CSRC Faxingzi [2007] No.500), the Board is not required to produce a report on the use of proceeds previously raised.

Authorisation to the Board to handle all the matters relating to the Non-public Issuance of A Shares

In order to ensure that the matters relating to the Non-public Issuance of A Shares can be carried out smoothly, it is proposed that the shareholders' general meetings grant to the Board the authorisation to handle all matters relating to the Non-public Issuance of A Shares, including but not limited to:

1. Draw up and implement specific plan for the Non-public Issuance of A Shares in accordance with the provisions of relevant laws, regulations, rules, regulatory documents and the resolutions of the shareholders' general meetings, including but not limited to the time of issuance, number of shares to be issued, subscription price, selection and determination of the issuing objects, specific methods of subscription, proportion of subscription and other issuance related matters;

   Authorise the Board to directly adjust the respective minimum subscription price and maximum number of shares to be issued based on the changes in market condition in accordance with the provisions of relevant laws, regulations, rules and regulatory documents;

2. Carry out works related to the Projects to be Invested by the Proceeds Raised in the Non-public Issuance of A Shares such as filing, approval for environmental impact assessment, etc. and to negotiate, sign, approve and execute various types of contracts involved in the implementation process of the Projects to be Invested by the Proceeds Raised on behalf of the Company;

3. Appoint relevant intermediary institutions to participate in the Non-public Issuance of A Shares including sponsors (the lead underwriter), audit firms, law firms, etc., and enter into agreements and documents such as sponsorship and underwriting agreements relating to the Non-public Issuance of A Shares with such intermediary institutions;

4. Carry out filings relating to the Non-public Issuance of A Shares including but not limited to engaging the Company to prepare the reporting materials of the Non-public Issuance of A Shares together with the intermediary institutions, handle formalities of approval, registration, filing, verification and consent with related government authorities, regulatory authorities, stock exchanges and securities registration and clearing organisations, and approve, sign, execute, amend and complete all the documents necessary to the Non-public Issuance of A Shares;

5. Make appropriate adjustments to the specific arrangements of the Projects to be Invested by the Proceeds Raised based on the actual requirements of these projects within the scope of the resolutions of the shareholders' general meetings;

6. Negotiate, draft, sign, amend, supplement, submit and execute agreements and other necessary documents with the parties related to the Non-public Issuance of A Shares (including but not limited to the subscribers of the Non-public Issuance of A Shares);

7. Handle the amendment of the Articles of Association and respective change of business registration based on the results of the Non-public Issuance of A Shares;

8. Handle matters related to the registration, custody, lock-up of sales of shares and listing of the shares on the stock exchange of the Non-public Issuance of A Shares after the completion of the Non-public Issuance of A Shares;

9. Modify the specific issuance proposal for the Non-public Issuance of A Shares within the scope permitted by the laws, regulations, rules, regulatory documents, the Articles of Association and the resolutions of the shareholders' general meetings based on the implementation of the proposal for the Non-public Issuance of A Shares, market conditions, policy adjustments and opinions of the regulatory authorities;

10. Set up a specific account for the proceeds raised in the Non-public Issuance of A Shares; and

11. Handle all other matters related to the Non-public Issuance of A Shares.

The above authorisation is valid within 12 months from the date of considering and approving the resolution at the shareholders' general meetings of the Company.

Responsibility statement

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with Hong Kong Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

3. THE EXTRAORDINARY GENERAL MEETING AND THE CLASS MEETINGS

An EGM will be convened and held for the purpose of, inter alia, considering and approving, by the Shareholders, the Non-public Issuance of A Shares.

The A Shareholders' Class Meeting will be convened and held for the purpose of, inter alia, considering and approving, by the A Shareholders, the Non-public Issuance of A Shares. The H Shareholders' Class Meeting will be convened and held for the purpose of, inter alia, considering and approving, by the H Shareholders, the Non-public Issuance of A Shares. Votes for all resolution(s) at the EGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting shall be taken by way of poll.

Shareholders who intend to appoint a proxy to attend the meetings are requested to complete the revised proxy form(s) in accordance with the instructions printed thereon. The revised proxy form(s) shall be lodged with the registrar of H Shares of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 24 hours before the time appointed for the holding of the relevant meeting or any adjournment thereof (as the case may be). Completion and return of the revised proxy form(s) will not prevent you from attending and voting in person at the meeting(s) or any adjournment thereof should you so wish.

4. RECOMMENDATION

The Directors consider that the proposed Non-public Issuance of A Shares mentioned above is in the best interests of the Company and its Shareholders as a whole, and recommend that all Shareholders, A Shareholders and H Shareholders should vote in favour of the relevant resolutions to be proposed at the EGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting.

By order of the Board
Zijin Mining Group Co., Ltd.*
Chen Jinghe
Chairman

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

Should there be any discrepancy, the Chinese text of this circular shall prevail over its English text.

Zijin Mining Group Co., Ltd.*

Profit Distribution and Return Plan for the Next Three Years (Year 2015-2017)

In accordance with the "Notice in relation to Further Implementing Cash Dividend Distribution of Listed Companies" (Zheng Jian Fa [2012] No.37) and "Regulatory Guidelines No.3 for Listed Companies — Distribution of Cash Dividends of Listed Companies" (Zheng Jian Fa [2013] No.43) issued by the China Securities Regulatory Commission, requirements of other relevant laws, regulations and regulatory documents, and provisions of the articles of association of the Company (the "Articles of Association"), in order to improve the decision making and supervisory mechanism of profit distribution of Zijin Mining Group Co., Ltd.* ("the Company"), while taking into consideration of the Company's production and operation, sustainable development and maintaining a reasonable return to investors of the Company, the Company formulated a "Profit Distribution and Return Plan for the Next Three Years (Year 2015-2017)" (the "Profit Distribution and Return Plan").

1. Factors to be considered in the formulation of the Profit Distribution and Return Plan

The Company shall establish a sustainable, stable and scientific return mechanism for investors by paying attention to the long-term and sustainable development of the Company, while giving full consideration to the actual operating conditions of the Company, shareholders' willingness, social capital cost and external financing environment, etc.

2. Principles of the formulation of the Profit Distribution and Return Plan

The Company should regard the reasonable returns of the investors as an important matter in the distribution of profit, while taking into account the sustainable development of the Company, and maintaining the continuity and stability of the profit distribution policy which shall comply with the provisions of relevant laws and regulations, and fulfill the profit distribution conditions under the provisions of the Articles of Association. The Company's distribution of profits shall not exceed the scope of the cumulative distributable profits, and shall not damage the Company's sustainable operating capacity. The Company is actively promoting the distribution of dividends in cash.

3. Details of Profit Distribution and Return Plan of the Company for the Next Three Years

(1) Form and interval of profit distribution

The Company may distribute dividends in cash, bonus shares or other means as allowed by laws and regulations. Among the above means of profit distribution, the Company takes distribution of dividends in cash as the preferential means. Subject to the premise of fulfilling the profit distribution conditions under the provisions of the Articles of Association, the Company should at least carry out profit distribution once a year. The board of directors of the Company can propose to distribute interim cash dividend according to the operating condition and capital requirements of the Company.

(2) Conditions of profit distribution in cash

1. In accordance with the Company Law of the People's Republic of China and the relevant laws and regulations and the provisions of the Articles of Association, when the distributable profit of the Company which includes the current year's net realised profit after taking into account of losses, full provisions of statutory reserve fund and discretionary reserve is positive, and the audit body has issued a standard and unqualified audit report for the Company's annual financial report (interim distribution of cash dividend can be unaudited), the Company shall make a cash distribution plan except in special circumstances (such as material investment plans or material cash expenditures, etc.).

2. When the Company meets the above conditions of cash dividends distribution but does not distribute cash dividends for special reasons, the board of directors should give specific reasons for not distributing cash dividends and the use of undistributed profits, and after the independent directors have provided their comments, it shall be tabled to the shareholders' general meeting for consideration.

(3) Policy and proportion of profit distribution in cash

1. The board of directors of the Company should comprehensively take into account of factors including the characteristics of the industry of the Company, the Company's development stage, its own business model, profitability, and any substantial capital expenditure arrangements, etc., to identify the Company's situation into the following circumstances and propose a differentiated cash dividend distribution policy according to the procedures as stated in the Articles of Association:

   (1) If the Company's development is in maturity stage without substantial capital expenditure arrangement, when distributing the dividend, the proportion of cash dividend of the dividend distribution should not be less than 80%;

   (2) If the Company's development is in maturity stage with substantial capital expenditure arrangements, when distributing the dividend, the proportion of cash dividend of the dividend distribution should not be less than 40%;

   (3) If the Company's development is in growth stage with substantial capital expenditure arrangements, when distributing the dividend, the proportion of cash dividend of the dividend distribution should not be less than 20%;

   If the development stage of the Company cannot be easily identified but there are substantial capital expenditure arrangements, it can be processed in accordance with the preceding paragraph.

2. On satisfaction of the aforementioned conditions to distribute dividends in cash, the Company's cumulative distribution of cash dividends for the last 3 years shall not be less than 60% of the average annual distributable profits realised for the last 3 years. That is: (the accumulated cash dividends in last 3 consecutive years ≥ [the accumulation of annual distributable profit realised in the last 3 consecutive years]/3 x 60%).

3. In principle, the Company's annual distribution of cash dividends shall not be less than 15% of the realised distributable profits for the year (excluding the accumulated undistributed profits of last year).

(4) Conditions for bonus issue

Apart from the aforementioned distribution of dividends in cash, the board of directors of the Company may consider adopting methods such as bonus issue and conversion of capital reserves into issued capital for distribution. The Company should consider the scale of the existing share capital when issuing bonus shares, and focus on simultaneous growth in share capital and operating performance.

(5) Formulation procedure of profit distribution policy

1. According to the provisions of the Articles of Association, the board of directors may, after fully considering a variety of factors such as the Company's profitability, cash flow condition, repeat production and investment needs of the Company together with the requests of shareholders (especially minority shareholders), and the opinions of independent directors and supervisors, propose the annual or interim profit distribution proposal for the board of directors' consideration. The profit distribution proposal shall be approved by more than half of the board of directors at the board meeting.

2. The profit distribution proposal shall be approved by more than half of the voting rights held by the shareholders attending the general meeting. If the general meeting considers the proposal of distributing dividends by bonus issue or conversion of capital reserves into issued capital for distribution, the proposal shall be approved by more than two-thirds of the voting rights held by the shareholders attending the general meeting.

3. When formulating the cash dividend distribution proposal, the board of directors of the Company should actively communicate and exchange views with shareholders, especially minority shareholders through a variety of channels (including but not limited to telephone, fax and mail communication, etc.), to fully listen to their views and requests, and provide timely responses to minority shareholders' concerns. Independent directors shall deliver independent opinion on the dividend distribution proposal.

(6) Supervision and execution of the profit distribution policy

1. The Company's shareholders, independent directors and supervisory committee should supervise the execution progress and decision-making procedures of the Company's profit distribution policy executed by its board of directors and management.

2. During the implementation of the profit distribution policy, if there is any misappropriation of the Company's capital by any shareholder of the Company, the Company shall withdraw the cash dividends allocated to such shareholder in order to repay the amount of misappropriated capital.

4. Amendment of the Profit Distribution and Return Plan

(1) After the Profit Distribution and Return Plan being considered and approved by the shareholders of the Company at its general meeting, if there are material changes in the external environment or the Company's own operating conditions, on the basis of having fully listened to the opinions of shareholders of the Company (especially minority shareholders of the Company), independent directors and supervisors of the Company, the board of directors may make adjustments to the Profit Distribution and Return Plan and execute accordingly after it has been considered and approved by the shareholders of the Company at its general meeting.

(2) The proposal for amendment of the Profit Distribution and Return Plan shall be approved by more than two-thirds of the board of directors of the Company at the board meeting, independent directors should provide independent opinions on it. The proposal for amending the Profit Distribution and Return Plan shall be approved by more than two-thirds of the voting rights held by shareholders of the Company attending the shareholders' general meeting.

(3) In principle, the board of directors of the Company formulates a new profit distribution and return plan once every three years. If there are no material changes in the external environment or the Company's own operating conditions, the board of directors of the Company may execute dividend distribution with reference to the latest profit distribution and return plan which was considered and approved by the shareholders of the Company at its general meeting, instead of formulating a new profit distribution and return plan.

5. Mechanism for the Profit Distribution and Return Plan to take effect

This Profit Distribution and Return Plan shall be interpreted by the board of directors of the Company and take effect after being considered and approved by the shareholders of the Company at the general meeting.

Zijin Mining Group Co., Ltd.*
Board of Directors

27 May 2015

Should there be any discrepancy, the Chinese text of this appendix shall prevail over its English text.

Zijin Mining Group Co., Ltd.*

Resolution in relation to the Satisfaction of the Conditions for the Non-public Issuance of A Shares of the Company

Dear shareholders:

Pursuant to the relevant requirements of laws, regulations and regulatory documents such as the Company Law of the People's Republic of China (the "Company Law"), the Securities Law of the People's Republic of China (the "Securities Law"), Administrative Measures for the Non-public Issuance of Securities by Listed Companies (the "Administrative Measures") and the Specific Rules for Implementation of the Non-public Issuance of Shares by Listed Companies (the "Specific Rules for Implementation"), Zijin Mining Group Co., Ltd.* (the "Company") has conducted a careful self-inspection with reference to the relevant qualifications and conditions required for non-public issuance of shares of listed companies, and concluded that the conditions for a non-public issuance of Renminbi-denominated ordinary shares (A Shares) of the Company are satisfied. Details are as follows:

1. The non-public issuance of Renminbi-denominated ordinary shares (A Shares) of the Company (the "Non-public Issuance") is to target not more than ten specific investors, including securities investment fund management companies, securities firms, insurance institutional investors, trust investment companies, finance companies, qualified offshore institutional investors and other legal entities, natural persons or other legitimate investors in compliance with the stipulations of laws and regulations. The Company's controlling shareholder, actual controller and associates under their control will not participate in the subscription of shares in the Non-public Issuance. Such arrangement is in compliance with the stipulations of Article 37 of the Administrative Measures and Article 8 of the Specific Rules for Implementation.

2. The base day for pricing of the Non-public Issuance is the announcement date of the resolution of the ninth meeting of the fifth board of directors of the Company. The subscription price shall not be less than 90% of the average trading price of the Company's A Shares 20 trading days preceding the base day for pricing. Such arrangement is in compliance with the stipulations of Article 38(1) of the Administrative Measures and Article 7 of the Specific Rules for Implementation.

3. The lock-up period for the shares to be subscribed by the issuing objects in the Non-public Issuance is 12 months from the date of the completion of the Non-public Issuance. Such shares shall be dealt with according to the requirements of the China Securities Regulatory Commission and the Shanghai Stock Exchange after the expiry of the lock-up period. Such arrangement is in compliance with the stipulations of Article 38(2) of the Administrative Measures and Article 10 of the Specific Rules for Implementation.

4. The use of the proceeds raised in the Non-public Issuance is in compliance with the stipulations of Article 10 and Article 38(3) of the Administrative Measures.

5. The Non-public Issuance will not lead to changes in the right of control of the Company. The stipulations of Article 38(4) of the Administrative Measures are not applicable to the Non-public Issuance.

6. None of the following circumstances which prohibit a non-public issuance of shares occurs in the Company. The Company is in compliance with the stipulations of Article 39 of the Administrative Measures:

   (1) Application documents of the Non-public Issuance containing false record, misleading statement or material omission;

   (2) The interests of the Company being severely damaged by its controlling shareholder or its actual controller and the matter has not yet been resolved;

   (3) The Company and its subsidiaries providing guarantees to external parties in violation of rules and such guarantees have not yet been released;

   (4) Current directors or senior management being imposed administrative penalties in the last 36 months by the China Securities Regulatory Commission, or being imposed public censure by the stock exchange in the last 12 months;

   (5) Investigations of suspected offense being initiated by the judiciary or investigations of suspected violation of laws or regulations being initiated by the China Securities Regulatory Commission against the Company, the Company's current directors or senior management;

   (6) Audit report with qualified, adverse or disclaimer opinion being issued by Certified Public Accountants on the financial statements for the most recent year and the most recent period;

   (7) Other circumstances which severely damage the legitimate interests of investors and public interests of the society.

7. The shares to be issued in the Non-public Issuance are Renminbi-denominated ordinary shares (A Shares). Each share is to be issued under the same conditions and subscription price. Issuing objects have to pay the same price for each of the shares they subscribe. Such arrangement is in compliance with the stipulations of Article 126 of the Company Law.

8. The Company did not change the use of proceeds raised in previous public issuance of shares without permission. It is in compliance with the stipulations of Article 15 of the Securities Law.

The aforesaid resolution has been considered and approved at the ninth meeting of the fifth board of directors of the Company and is now submitted to the shareholders' general meeting for consideration.

Zijin Mining Group Co., Ltd.*
Board of Directors

Should there be any discrepancy, the Chinese text of this appendix should prevail over its English text.

Feasibility Report on the Use of Proceeds Raised in the Non-public Issuance of A Shares in 2015 (revised version)

July 2015

DEFINITIONS

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

Definitions of commonly used and technical terms

Issuer, Zijin Mining, Company, the Company	Zijin Mining Group Co., Ltd.* (紫金礦業集團股份有限公司)
Non-public Issuance	The act of a non-public issuance of not more than 2,421,307,506 Renminbi-denominated ordinary A shares of Zijin Mining Group Co., Ltd.* (Note: the maximum number of shares to be issued is adjusted to 2,469,135,802 shares based on the profit distribution proposal of the Company for the year 2014)
Report	Feasibility Report on the Use of Proceeds Raised in the Non-public Issuance of A Shares in 2015 of Zijin Mining Group Co., Ltd.*
Project(s) to be Invested by the Proceeds Raised	The project(s) to be invested by the proceeds raised in the Non-public Issuance of shares
National Development and Reform Commission	National Development and Reform Commission of the People's Republic of China
Ministry of Commerce	Ministry of Commerce of the People's Republic of China
DR Congo	The Democratic Republic of the Congo
Papua New Guinea	The Independent State of Papua New Guinea
South Africa	The Republic of South Africa
Australia	The Commonwealth of Australia
Tajikistan	The Republic of Tajikistan
Kyrgyzstan	The Kyrgyz Republic
Russia	The Russian Federation
Norton Gold Fields of Australia	Norton Gold Fields Ltd. in Australia, a subsidiary of the Company
Longnan Zijin	Gansu Longnan Zijin Mining Co., Ltd., a subsidiary of the Company
Tajikistan ZGC	Tajikistan ZGC, a subsidiary of the Company

Kyrgyzstan Zuoan	Taldybulak — Zuoan gold mine of Altynken Limited Liability Company in the Kyrgyz Republic
Xinjiang Ashele	Xinjiang Ashele Copper Co., Ltd., a subsidiary of the Company
Qinghai West	Qinghai West Copper Mining Co., Ltd., a subsidiary of the Company
Heilongjiang Duobaoshan	Heilongjiang Duobaoshan Copper Co., Ltd., a subsidiary of the Company
Inner Mongolia Wulatehouqi Zijin	Inner Mongolia Wulatehouqi Zijin Mining Company Limited, a subsidiary of the Company
Xinjiang Wuqia Jinwang	Xinjiang Wuqia County Jinwang Mining Development Company Limited, a subsidiary of the Company
Russian Tuva Zinc and Multi-metals Mine	Kyzyl-Tash Turk lead, zinc, copper and multi-metals mine in the Tuva Republic, Russia
Xinjiang Jinbao	Xinjiang Jinbao Mining Company Limited, a subsidiary of the Company
Jin Cheng Mining	Jin Cheng Mining Limited, a subsidiary of the Company incorporated in the British Virgin Islands
Musonoie	La Compagnie Minière de Musonoie Global SAS of the DR Congo
Gold Mountains	Gold Mountains (H.K.) International Mining Co., Ltd. a wholly-owned subsidiary of the Company incorporated in Hong Kong
Gécamines	La Générale des Carrières et des Mines, Société par Actions à Responsabilité Limitée
Huayou Cobalt	Zhejiang Huayou Cobalt Co., Ltd.
Ivanhoe	Ivanhoe Mines Ltd. of Canada
Ivanhoe Mines US LLC, Ivanhoe US	Ivanhoe Mines US LLC, a wholly-owned subsidiary of Ivanhoe incorporated in the US mainly engaged in investment, is the seller in the acquisition of the Kamoa copper mine project in the DR Congo
Crystal River Global Limited, Crystal River	Crystal River Global Limited, a company registered in the British Virgin Islands, is mainly engaged in investment and a party to the acquisition of the Kamoa copper mine project in the DR Congo

Kamoa Holding Limited, KHL	Kamoa Holding Limited, a Barbados company with its 100% equity interest held by Ivanhoe US, is the target company in the acquisition of the Kamoa copper mine project in the DR Congo
Kamoa Copper SA	Kamoa Copper SA, a DR Congo company with its 95% equity interest held by KHL, owns the Kamoa copper mine in the DR Congo
Ivanhoe Mines Energy DRC SARL, Ivanhoe Mines Energy	Ivanhoe Mines Energy DRC SARL. Its 100% equity interest is held by KHL
Barrick	Barrick Gold Corporation of Canada
Barrick (PD) Australia Limited, Barrick Australia	Barrick (PD) Australia Limited, a subsidiary of Barrick, is the seller in the acquisition of the Porgera gold mine project in Papua New Guinea
Barrick (Niugini) Limited, BNL	Barrick (Niugini) Limited, the target company in the acquisition of the Porgera gold mine project in Papua New Guinea
Porgera Joint Venture, PJV	Porgera Joint Venture, which owns the Porgera gold mine in Papua New Guinea
Grade 333 or Above	Grade 333 represents the inferred intrinsic economic resources; above grade 333 represents the economic significance having surpassed the inferred intrinsic economic resources, the stage of feasibility study having surpassed the stage of probable study, and geological assurance having surpassed the inferred resources volume
Cutoff Grade	A parameter used in the mining industry and a key indicator for calculating reserve volume of mines. It is the lowest grade adopted for separating ores from those that are not, i.e. the lowest grade of the usable parts in unit sample ore for determining the orebody. Cutoff grade is determined based on scale of the deposit, condition of mining and processing technology (washability), ore grades, contents of associated elements, etc.

Unless otherwise indicated, all the figures in the Report are rounded off to 2 decimal places. The rounding off may result in the total amount of figures being different from the last digits of the summation amount.

Exchange rate is based on US$1 to RMB6.11 on 26 May 2015.

1. Background and objectives of the Non-public Issuance

(1) Background of the Non-public Issuance of shares

Zijin Mining Group Co., Ltd.* (the "Issuer", "Zijin Mining", "Company" or "the Company") is a large-scale mining group focusing on exploration and development of mining resources including gold and basic metals with high technology and efficiency. After over 20 years of sustainable, rapid and leaping development, the Company owns large-scale assets, achieves high profit level and ranks in an advanced position in terms of various indicators and competitiveness among the metal mining industry in China. It has developed an embryonic form of an international mining company. The Company is one of the largest producers of mine-produced gold, the second largest producer of mine-produced copper and mine-produced zinc and an important producer of tungsten and iron, and is a mining enterprise having the most metal mineral resources under control in China. The subsidiaries of the Company spread over 22 provinces and regions in China with mining projects operating in 6 foreign countries. The Company has become the most profitable listed gold company in China for 10 consecutive years. The rankings published by the Forbes Magazine in 2015 shows that the Company ranks the 1,069th in the list of "Global 2000 Leading Companies", the 12th among the global non-ferrous metals corporations and the 3rd among the global gold corporations. With advanced internal systems and policies, dedicated management with high level of professionalism, the Company is in a leading position in the industry in the aspects of geological exploration, hydrometallurgy, integrated utilisation of low-grade refractory resources and large-scale engineering development, etc. The Chairman, Chen Jinghe is the director of the State Key Laboratory for comprehensive utilisation of low-grade refractory gold resources. He is also the discoverer and a major leader of exploration and development of the Company's flagship mine, the Zijinshan gold and copper mine. He is the founder and primary leader of the Company.

The Company was successfully listed on the Hong Kong stock market in 2003 as the first H share company in the gold-mining industry in China; it also listed on A share market in 2008, and was regarded as an exemplary enterprise for reformation and innovation by being the first company to issue shares with nominal value of RMB0.1 in the A share market.

The good fundamentals of the Company have earned recognition across the capital market. Top-tier international institutional investors including The Bank of New York Mellon Corporation, BlackRock, Inc., Morgan Stanley, Fidelity Fund, etc. all have holdings in the shares of the Company.

I. Business of the Company

As at the end of 2014, the Company's total assets and net assets attributable to owners of the parent amounted to RMB75.16 billion and RMB28.059 billion respectively, representing an increase of 12.35% and 1.62% over the beginning of 2014 respectively (beginning of 2014: RMB66.898 billion and RMB27.612 billion respectively). The Company's operating income in 2014 amounted to RMB58.761 billion, among which the sales income from gold, copper, lead and zinc represented 61.43%, 23.02% and 5.47% of the operating income (after internal sales elimination) respectively, the gross profit of which represented 37.18%, 31.79% and 8.07% of the operating gross profit respectively.

In 2014, the production volume of the Company's major products had a substantial increase compared with last year:

The Company produced 158.92 tonnes of gold, in which 33.73 tonnes were mine-produced gold, representing approximately 9.16% of total production volume of mine-produced gold in China; copper production reached 373,600 tonnes, in which 138,500 tonnes were mine-produced copper, representing approximately 7.19% of the total production volume of mine-produced copper in China; zinc production reached 300,500 tonnes, in which 96,300 tonnes were mine-produced zinc.

In the aspect of gold production, the Zijinshan gold and copper mine has the largest reserve volume in a single gold mine, the largest scale in mining and processing, the largest production volume, the lowest cost of processing unit ore and the highest efficiency in China. In 2014, the gold production volume of the mine amounted to 10.32 tonnes; the gold production volume of Norton Gold Fields in Australia amounted to 5.55 tonnes; the gold production volume of Longnan Zijin amounted to 2.53 tonnes; the gold production volume of Tajikistan ZGC was 2.12 tonnes. The above gold-producing corporations have become new profit drivers of the Company.

In the aspect of copper production, the Zijinshan gold and copper mine produced copper of 38,300 tonnes, representing an increase of 24.94% over the same period last year; Xinjiang Ashele, Heilongjiang Duobaoshan and Qinghai West produced 33,000 tonnes, 26,800 tonnes and 26,100 tonnes of copper respectively.

In the aspect of zinc production, Xinjiang Wuqia Jinwang produced 40,600 tonnes of zinc; Inner Mongolia Wulatehouqi Zijin produced 40,200 tonnes of zinc. Following the commencement of production of Russian Tuva Zinc and Multi-metals Mine and the increase in production capacity of Xinjiang Wuqia Jinwang and Inner Mongolia Wulatehouqi Zijin, the production volume of mine-produced zinc of the Company is expected to exceed 200,000 tonnes in 2015. Zinc has become an emerging and important sector of the Company. Benefited from the depletion of production capacity in global zinc mines and the increase in price, zinc sector will become a new profit driver of the Company.

In 2014 and the first quarter of 2015, the Company realised sales income of RMB58.761 billion and RMB15.896 billion respectively, generating net profit attributable to owners of the parent of RMB2.345 billion and RMB415 million respectively. The Company successfully achieved growth against adverse environment and has ranked among the top of the world's major gold corporations.

II. Development strategy of the Company

In February 2014, the board of directors of the Company (the "Board") studied and formulated the goals for a new round of development, proposed the main tasks for implementing strategies and a number of issues to be solved emphatically and formed the <Resolution in relation to Zijin Mining Group Co., Limited's Development Strategy>. Adhering to the mindset of Zijin being "founding business from direst situations with innovations", the Company will unswervingly insist on gold and copper mining as the main business, continue to strengthen measures on cost reduction and efficiency enhancement, carry out a new round of development characterised with "internationalisation, project upsizing and asset securitisation", achieve integration of mining, finance and trade, strive to achieve the strategic goal of "entering into the top rank of international mining industry", become "an extra-large scale international mining group with high technology and efficiency" and an influential corporation in the global gold and basic metal industries; help boost Chinese and global economies with high-quality mineral resources.

III. Major competitive advantages of the Company

The following major competitive advantages have been established gradually during the development process of the Company:

(1) Advantage in systems

The Company's shareholding structure belongs to mixed-ownership structure, a scientific ownership structure which realises the separation of ownership and management. A scientific management system has been established.

(2) Advantage in strategy

The Board regards mining as the main business of the Company with distinct and clear strategy. Prospective operating decisions are thereby formed.

(3) Advantage in teamwork

The Company's management team possesses high level of competence and professionalism while general staff are full of team spirit and are dedicated.

(4) Advantage in costs

The Company has established a full set of cost controlling system through management and technological innovation. Its production cost is far below other peers of the same industry in China, with prominent comparative advantage in the world.

(5) Advantage in resources

The Company insists on regarding mineral resources as the most precious assets. Through self-exploration, merger, acquisition and restructuring, the Company has obtained a large volume of valuable mineral resources with relatively lower costs. As at the end of 2014, the Company had a total of 236 mining rights covering a total area of 794.87 square kilometers, and 274 exploration rights covering a total area of 3,873.36 square kilometers both within and outside the PRC. The verified reserve volume in major mines were: gold of 1,341.50 tonnes, copper of 15,433,000 tonnes, silver of 1,507.20 tonnes, molybdenum of 722,000 tonnes, zinc of 9.167 million tonnes, lead of 1.704 million tonnes, tungsten of 125,000 tonnes, tin of 139,900 tonnes, iron of 229 million tonnes and coal of 489 million tonnes (grade 333 or above). The Company has already become a corporation which controls most metal mineral resources in the PRC.

(6) Advantage in technological innovation

The Company emphasises the importance of science and technology. Innovation in science and technology has become the core competitiveness to support the Company's development. The Company owns high-level research and development platforms, and scientific research and design units including State Key Laboratory, national-level enterprise technology center, workstation for post-doctors, mining and metallurgy research institution, technology companies, testing companies and engineering designing companies, etc., and possesses a series of self-developed intellectual properties and scientific research results which are highly adaptive and applicable to its own mines with high efficiency. The Company attains a leading position in the industry in the aspects of geological exploration, research capacity and the level of industrial application in the fields of utilisation of low-grade resources and hydrometallurgy.

(7) Advantage in capital and fund

The overall strength of the Company grows steadily. Having maintained a solid cooperative relationship with major banks, the Company is granted a large credit amount of borrowing. It has a good financial structure with strong financing capacity.

(8) Advantage in overseas operation

The Company has taken an early step to implement the national "going-out" strategy. After years of practice, the Company has accumulated much valuable experience in the aspects of overseas capital operation, operation and management. A sound and rigorous set of operating procedures has been formed. A professional team with global vision for overseas operation has been nurtured. The progress of internationalisation has been accelerated with good operating results.

In the process of internationalisation, the Company not only focuses on external recruitment of high-calibre talents with global vision, but also on sending internal staff overseas and nurturing local staff. As at the end of 2014, the number of core technical and management staff assigned overseas has already exceeded 200, while the total number of staff working in overseas project companies has exceeded 4,000.

Since completing the acquisition of Norton Gold Fields of Australia in 2012, the Company has successfully reduced its cash cost of gold from A$1,239/ounce in 2012 to A$888/ounce in 2014 (representing a decrease of almost 30%) through various ways such as lowering financing cost, carrying out scientific and technological innovation, reducing outsourcing, etc. to release the potentials of the mine.

IV. Prioritise environmental protection and safety to support sustainable development

The Company adheres to the concepts of "life ranks first, environmental protection is in high priority" and "protecting the green mountains and clear water while developing precious mines", regards safety and environmental protection as the lifeline for the corporation's survival and development, continues to enlarge the investment in environmental protection and safety, improves the management standard of environmental protection and safety, comprehensively promotes the construction of green mines and civilised ecology, thus it has a leading position in terms of the standard of comprehensive utilisation of resources and indicators of energy consumption in the industry. As at the end of the first quarter of 2015, the Company's accumulated investment in environmental protection has reached RMB2.485 billion.

The Zijinshan gold and copper mine and the Xinjiang Ashele copper mine both belong to "exemplary spots for the national industrial tourism"; the Zijinshan gold and copper mine has been chosen as the first batch of "national mining parks", the results of its plantation and ecological rehabilitation techniques have received remarkable comments from experts in the industry as "setting an example that leads the ecological rehabilitation of mines across the country with the overall project results reaching top international standards". Currently, there are 9 enterprises of the Company being included as the national green mines pilot units of the Ministry of National Land and Resources of the PRC, and there are 11 enterprises of the Company having successfully achieved "zero discharge" of industrial waste water.

V. Strive to become an outstanding corporate citizen and provide good return to shareholders

Proceeds amounted to HK$1.2 billion and RMB9.8 billion have been raised in the Company's H share and A share listings respectively. Dividends amounted to RMB15.318 billion (including the 2014 dividends to be distributed) in aggregate have been distributed to shareholders, which exceed the total amount of proceeds raised and generated a good return to shareholders. The Company proactively fulfills social responsibility, having made cumulative donations for over RMB2 billion. The Company was awarded the title of "top ten charity corporations" for 2013 and the "China charity award", the highest national honor for charity, for three times.

VI. Take an early step to prepare for "One Belt One Road" to share the benefits of the policy

In March 2015, the government announced the "One Belt One Road" strategy, which is to strengthen the cooperation for exploration and development of traditional energy and resources such as metal mineral products. Fujian Province is positioned as "a core area of the 21st-Century Maritime Silk Road". The "One Belt One Road" strategy brings unprecedented opportunities to the development of mining industry in China. The countries along the "One Belt One Road" own abundant mineral resources, have strong consumer demand and active investment and trading activities. They secure an important share and position in the global mining industry.

Located in the core area of the Maritime Silk Road, the Company has large room for development by combining its advantages in talents, technology and capital accumulated throughout the years with the abundant mineral resources within the region and the broad markets of the countries alongside the route.

In the overseas region of the "One Belt One Road", Tajikistan ZGC gold mine owned by the Company has already become the most important gold producer in Tajikistan; Russian Tuva Zinc and Multi-metals Mine and Kyrgyzstan Zuoan gold mine will commence production in 2015. In the "One Belt One Road" plan, the northwestern region in China is an important gateway to the countries in Central Asia, South Asia and West Asia, a logistic hub for commerce and trade and a base for various industries to develop. The Company owns 5 major mines in this area including Xinjiang Ashele, Qinghai West, Longnan Zijin, Xinjiang Wuqia Jinwang and Xinjiang Jinbao. In 2014, profit generated from enterprises located in the northwestern region represented more than 40% of the overall profits of the Company.

Taking advantage of preparing for "One Belt One Road" in advance, the Company will be benefited from the relevant policies. A brilliant outlook is expected for the Company.

VII. Build an e-commerce platform to exhibit an integration effect

Relying on the advantages of metal resources and sales network, the Company has strengthened financial innovation by exploring for beneficial integration among mining, internet and finance. The Company has created an open, integrated, one-stop service e-commerce servicing platform combining "internet, production chain of non-ferrous metals and big data". The platform provides 4 functional modules including information, exchange and clearing, storage and logistics and financial services, etc. A logistics and storage system for metals covering the entire country will be developed gradually to achieve a full connection among capital, information and logistics, which will form a complete chain of metal industry, improve efficiency in trade and logistics and exhibit the Company's unique advantages in industry, location, policy and industry integration, fulfilling the needs of development in the Company's business.

VIII. Internationalisation is the essential path for the Company's new round of business development

As a large manufacturing country, it is a must for China to participate in global resource allocation and development. As a leading mining corporation in the country, internationalisation is the essential path for Zijin Mining's new round of development and the achievement of sustainable development.

IX. Risks and challenges

(1) Slow recovery in global economy, metal prices remain fluctuated in low ranges

Due to the slow recovery in global economy, especially when the Chinese economy is undergoing a transition period with low consumer consumption, metal prices fluctuate in low ranges, bringing severe challenges and enormous pressure to the mining industry. The Company is inevitably affected by it.

(2) Lack of resource reserve to support sustainable development of the Company

Even though the Company owns relatively large amount of resource reserve, it is still insufficient to support the sustainable development in the long run.

(3) Constrains of a lack of funds

As continuous expansion of operating scale couples with continuous increase in investment and large profit distribution of the Company, accumulated profits and debt financing have become the main sources of fund for the Company. A large amount of capital is needed for the Company's continuous development.

(2) The objectives and significance of the Non-public Issuance

I. Increasing the Company's high-quality resource reserve

Currently, bulk commodities are in sluggish stage. International mining corporations are accelerating the selling of their assets, bringing down the valuation of mineral resources. It is a favourable timing for China to accelerate merger and acquisition of overseas resources. The Company will grasp the opportunity to achieve material breakthroughs in the acquisition of large-scale and high-quality resources.

All the overseas mines proposed to be acquired or constructed by the Company this time are large in scale. The Kamoa copper mine in the DR Congo is even a newly-discovered world-class, large-scale stratiform copper deposit. The volume of copper resources reserve is 22.471 million tonnes (the largest copper mine in the world, the Chuquicamata copper mine in Chile has 69.35 million tonnes of resources reserve while the second largest copper mine in the world, El Teniente copper mine in Chile has 67.76 million tonnes of resources reserve). It is the largest overseas copper mine that Chinese corporations have ever acquired so far. The Porgera gold mine in Papua New Guinea has volume of gold resource reserves of 330.13 tonnes, ranking No.36 in the world's operational gold mines and No.65 in the world's 580 gold mines which have statistical record (source of data: Global Gold Mine and Deposit Rankings 2013 issued by Natural Resource Holdings). The Kolwezi copper mine in the DR Congo has copper resources reserve of 1.54 million tonnes. It is classified as a large-scale copper mine.

In addition, the average grade of the Kamoa copper mine in the DR Congo is 2.57%. The average grade of the Kolwezi copper mine is nearly 4%, while that of the copper mines in China is only 0.87%. The average grade of the Porgera gold mine in Papua New Guinea is 4.65 grammes/tonne, while the gold mines of South Africa, the traditional top gold producer, have an average grade of 4 grammes/tonne. Therefore, the overseas mines proposed to be acquired or constructed this time are rare premium resources in the world.

Through the acquisitions this time, the Company will be able to significantly increase its mineral resource reserve volume: estimated by the proportion of shareholding, its total resource reserve volume of gold will increase from 1,341.50 tonnes as at 31 December 2014 to 1,506.57 tonnes (representing an increase of 12.30%), the total resource reserve volume of copper will increase from 15,433,000 tonnes to 26,000,000 tonnes (representing an increase of by 68.47%). These will help lay a solid foundation for the long-term sustainable development of the Company.

II. Adapting to the needs of development and ensuring stability in long-term operation

The Zijinshan gold and copper mine is gradually shifting from gold-oriented to copper-oriented in its mining operation. In order to increase the overall utilisation rate of mineral resources, the Company is in need of building a new flotation processing plant for its copper mine to fulfill the needs of copper production and ensure stability in the long-term operation of the Zijinshan gold and copper mine.

III. Meeting capital needs and improving the financial structure

As production capacity gradually unleashes from previous input on its construction, the Company expects to see continuous growth in operating income for the next 3 years (excluding the operating income attributable to the Projects to be Invested by the Proceeds Raised). More working capital would have to be invested, and a shortage in working capital would hence emerge. Based on existing production capacity and plans on production capacity for the next 3 years (excluding the production capacity attributable to the Projects to be Invested by the Proceeds Raised), the Company expects that a total of RMB2,371,261,500 of working capital would have to be supplemented for the next 3 years. The Company intends to make use of RMB1,995,119,100 of the proceeds raised in the Non-public Issuance for supplementing working capital, the balance would be funded by banking facilities.

If the Non-public Issuance is successful, the Company's debt ratio (at consolidated financial statements level) will decrease from 55.31% as at 31 March 2015 to 48.81%, hence the financial structure could be further optimised.

IV. Fully enhancing the Company's profitability

According to the feasibility study reports, the Kolwezi copper mine is expected to realise average sales income of US$319.091 million and average net profit after tax of US$78.139 million per year when it reaches its designated production capacity; the Porgera gold mine is expected to realise average operating income of RMB4,457.47 million and average net profit after tax of RMB739.16 million per year; the Zijinshan gold and copper mine flotation processing plant is expected to realise average sales income of RMB396.6579 million and average net profit after tax of RMB68.7983 million per year when it reaches its designated production capacity. The Kamoa copper mine has not yet entered into the development stage. However, according to its feasibility study report, the project is expected to contribute a good return when its designated production capacity is reached. In summary, the Projects to be Invested by the Proceeds Raised will consistently contribute to the profit of the Company.

In the practical operation of the overseas projects, the Company will continue to exhibit the mindset of Zijin being "founding business from direst situations with innovations", make good use of its competitive advantages in technological innovation, cost control and management team to further improve the production techniques and process, control production and operation costs and put efforts to achieve or even beat the economic benefits estimated by the feasibility reports on the projects.

After the completion and commencement of production of the Projects to be Invested by the Proceeds Raised, the Company's overall production capacity and production volume will significantly increase. As major countries including China adopt quantitative easing policy and other measures one after another to stabilise their economies, it is expected that the metal prices will stabilise and bounce back, increasing the Company's profitability and returns to shareholders continuously.

V. Moving towards a "high-tech, efficient, large-scale international mining group"

The Projects to be Invested by the Proceeds Raised are mainly overseas projects involving both mature operational mines and undeveloped world-class deposits. Not only focusing on the immediate, but medium and long-term economic benefits are also taken into consideration. The Non-public Issuance will certainly increase the resources reserve and improve operating results and profitability of the Company, enabling it to maintain leading performance among international peers.

In conclusion, the Non-public Issuance is a crucial step for the Company to achieve the strategic goal of "entering into the top rank of international mining industry" and become "an extra-large scale international mining group with high technology and efficiency".

2. Basic information of the Non-public Issuance

The total amount of proceeds to be raised in the Non-public Issuance will not exceed RMB10 billion (issuance expenses inclusive) and is proposed to be used in the following projects:

Unit: RMB'000

No.	Name of project	Total investment	Amount of proceeds intended to be used in the project
1	Construction of the Kolwezi copper mine project in the DR Congo	3,529,337.6	3,222,566.8
2	Acquisition of 49.5% equity interest and 49.5% of the shareholders' loan in the purchasing project of the Kamoa copper mine in the DR Congo	2,517,320.0	2,517,320.0
3	Acquisition of 50% equity interest and 50% of the shareholders' loan in the purchasing project of the Porgera gold mine in Papua New Guinea	1,820,780.0	1,820,780.0
4	Construction of the Zijinshan gold and copper mine flotation processing plant project	444,214.1	444,214.1
5	Supplementing working capital	1,995,119.1	1,995,119.1
	Total	**10,306,770.8**	**10,000,000.0**

If the proceeds raised in the Non-public Issuance are less than the amount required for projects investment, the Company will seek the required portion through other means of financing. The Company will invest in the projects with other means of financing according to the actual development progress of the projects before the proceeds raised in the Non-public Issuance are in place, and the proceeds raised in the Non-public Issuance will be used to substitute the Company's funding after they are received into account.

Within the scope of the aforementioned Projects to be Invested by the Proceeds Raised, the Board may make appropriate adjustments to their investment amounts corresponding to the actual needs of the projects and in compliance with procedures as stipulated by relevant rules and regulations.

3. Construction of the Kolwezi copper mine project in the DR Congo

(1) Basic information of the project

Construction of the Kolwezi copper mine project in the DR Congo is located in the west of Kolwezi city, Katanga Province, the DR Congo. It covers a mining area of 3.37 square kilometers, with copper reserves volume of approximately 1.54 million tonnes. The Kolwezi copper mine is owned by the Company's subsidiary, Musonoie. The Company holds 51% equity interest in Musonoie through its wholly-owned subsidiary, Jin Cheng Mining, Huayou Cobalt holds 21% equity interest in Musonoie, while Gécamines holds 28% non-dilutable equity interest in Musonoie. For details of acquisition of the equity interest in Musonoie by the Company through Jin Cheng Mining, please refer to the "Lin 2014-066" announcement and other relevant disclosures of the Company on the Shanghai Stock Exchange.

According to the feasibility study report approved by Gécamines, full open-pit mining will be adopted in the Kolwezi copper mine. "Semi-autogenous grinding + comminution by ball mill→sulphide-oxide floatation processing + magnetic processing" technique will be adopted for mineral selection. Both pyrometallurgy and hydrometallurgy techniques will be used in the refining process. After completion, the project can process 1.65 million tonnes of crude copper ores per year, producing 7,212 tonnes of sulphuric copper concentrates (containing 60% copper), 43,616 tonnes of blister copper (containing 90% copper) by pyrometallurgy and 8,203 tonnes of copper cathode by hydrometallurgy per year. The total investment on the project will be US$577,633,000, approximately equivalent to RMB3,529,337,600 based on the exchange rate of US$1 to RMB6.11.

According to the shareholders' resolutions of Musonoie, the funds to be provided by each of the shareholders are as follows:

1. Jin Cheng Mining or its affiliated companies shall:

   (1) Provide a US$122,825,000 interest-free loan to Musonoie until commercial production commences;

   (2) Provide a US$404,600,000 interest-bearing loan to Musonoie until commercial production commences;

   (3) Huayou Cobalt shall provide full guarantee or counter guarantee to the abovementioned interest-bearing loan from Jin Cheng Mining or its affiliated companies proportionate to the 210 shares it holds. The amount of the guarantee or counter guarantee shall be confined to the proportion of shareholdings in Musonoie held by Huayou Cobalt (excluded Gécamines' interest in Musonoie).

2. Huayou Cobalt shall provide a US$50,575,000 interest-free shareholders' loan to Musonoie until commercial production commences.

3. 30% of each shareholders' loan is interest-free and the remaining 70% will be recognised as interest-bearing loans in the books. The interest incurred from the interest-bearing loans until the date commercial production commences will be settled based on LIBOR+100 to 350 basis points. The exceeding interest rate shall be determined at arm's length negotiation between shareholders beforehand.

As such, the Company will be responsible for US$527,425,000 of the fund needed in the development of the Kolwezi copper mine project (approximately equivalent to RMB3,222,566,800 based on the exchange rate of US$1 to RMB6.11), and it will be included as a Project to be Invested by the Proceeds Raised.

(2) Background and feasibility of the project

1. Background of the project

In 2014, global production volume of copper was 21.55 million tonnes, and consumption volume was 21.25 million tonnes. The demand and supply basically remained balanced. The production and consumption volume in China were 6.82 million tonnes and 8.72 million tonnes respectively. China has become the largest copper consumer in the world. Since there is a huge gap between the supply and demand of copper resources in China, it has to rely on import. In 2014, China imported 3.58 million tonnes of copper concentrates, representing 41.06% of its total consumption. It is expected that import volume will continue to grow.

The copper and cobalt metallogenic belt of the DR Congo is famous all over the world. The DR Congo has approximately 75 million tonnes of measured copper reserve and is one of the countries with the largest copper reserve in the world. Its Mining Code encourages foreign enterprises to establish companies in the DR Congo to engage in development of mineral resources. It has also set up a series of preferential policies.

Geological survey of the Kolwezi copper mine began in 1921, and Belgian mining companies carried out mining activities subsequently. In 2011, Huayou Cobalt began to conduct regional geological surveys and further exploration on the Kolwezi copper mine, and prepared a verification report on the volume of reserve which has been reviewed by authoritative institutions in China. Based on the verification report on the volume of reserve, the Kolwezi copper mine is a large-scale, resource-rich mine with high grade and abundant resources. Its mineral deposits are shallow and the the orebodies are thick with low degree of mining difficulties. The prospect of reserve is also very good.

After years of operation in the DR Congo, Huayou Cobalt has established good social resources with its familiarity with local politics, humanities, customs and operating environment of mines. The principal business of Huayou Cobalt is mining and refining of cobalt, while the main product of the Kolwezi copper mine is copper.

Under such background, the Company has decided to form a mutually beneficial cooperation with Huayou Cobalt to jointly develop the Kolwezi copper mine. In 2014, the Company acquires the control of Musonoie through its subsidiary, Jin Cheng Mining, and proposes to begin the development and construction of the mine by the proceeds raised in the Non-public Issuance.

2. Background and feasibility of the project

According to the verification report on the volume of resources reserve, the Kolwezi copper mine has approximately 1.54 million tonnes of copper resources reserve. Pursuant to China's classification standard on mineral resources, copper mines with more than 0.5 million tonnes of resources reserve is classified as large-scale mineral deposits. Besides, the grade of copper in the Kolwezi copper mine is close to 4%. Therefore, the mine is a large-scale deposit with huge value for development. Moreover, as prices of crude oil and bulk commodities currently fluctuate at a low range, cost of mine construction is likely to be reduced significantly.

According to the feasibility study report, when the designated production capacity is reached, the Kolwezi copper mine is expected to realise average sales income of US$319.091 million and average net profit after tax of US$78.139 million per year. The internal rate of return will reach 17.43%. The project has relatively good economic benefits. Its successful development will create synergy with the future development of the Kamoa copper mine. The project is of good practicality.

(3) The investment environment of the project

The DR Congo is a developing country with relatively slow social and economic development. However, in the last ten years, the political situation of the DR Congo has been relatively stable. Its policies are consistent. The DR Congo has a relatively good relations with China and a stable society. Katanga Province's economic condition is the best in the DR Congo. No war has occurred there in the last 30 years and the social order is good.

Mining production in the DR Congo is mainly led by foreign companies. Currently, there are at least 25 international mining companies carrying out mining development and production in the DR Congo. In recent years, Chinese corporations have been investing in the DR Congo actively, most of which are large-scale state-owned corporations. The most representative one is La Sino-Congolaise Des Mines S.A. which is jointly established by China Railway Construction Corporation Limited and Sinohydro Corporation. Besides, the state-owned corporations including China Minmentals Corporation, China North Industries Corporation and Jinchuan Group have entered the DR Congo through various ways. Huayou Cobalt is one of the first Chinese enterprises entering into the DR Congo for mining investment. It has abundant experience in project operation in the DR Congo.

In the aspect of transportation, although the local land transportation system are relatively underdeveloped, under the aid of the PRC government and the Chinese corporations in the recent years, the transportation conditions have been largely improved. With the development of mining industry and further increase in foreign investment, the infrastructure including roads of the DR Congo will continue to be improved, and hence the production, construction and operation costs will be further reduced.

(4) Investment scale of the project

The estimated total investment amount of the project is US$577,633,000, approximately equivalent to RMB3,529,337,600 based on the exchange rate of US$1 to RMB6.11. The Company will be responsible for US$527,425,000 of the investment, approximately equivalent to RMB3,222,566,800 based on the exchange rate of US$1 to RMB6.11.

(5) Plan for products and production scale

Plan for products and production scale of the project are as follows:

No.	Name of the product	Annual production capacity (tonnes)
1	Sulphuric copper concentrate	7,212
2	Blister copper	43,616
3	Copper cathode	8,203

(6) Entity in charge of project execution

The entity in charge of project execution is the Company's subsidiary, Musonoie. The Company proposes to enlarge the capital of or provide loans to Jin Cheng Mining, its wholly-owned subsidiary, by the proceeds raised in the Non-public Issuance. Jin Cheng Mining will then provide the funds to Musonoie by way of loans.

(7) Project location

The project is situated in the southwestern suburb of Kolwezi city, Katanga Province, the DR Congo. Its mining permits cover a mining area of 3.37 square kilometers which neighbours with the Kamoa copper mine. Currently, the construction site of the project is not covered by the mining permits but belongs to Gécamines. Therefore, it is necessary to lease the surface land use right from Gécamines. As at the date of the Report, a consent of approval letter has been issued by Gécamines for leasing the aforementioned surface land use right to Musonoie.

(8) Implementation progress of the project

The construction period of the project is expected to be 2.5 years.

(9) Analysis on the economic benefits of the project

According to the feasibility study report, when the designated production capacity is reached, the project is expected to realise average sales income of US$319.091 million and average net profit after tax of US$78.139 million per year. The internal rate of return will be 17.43%. The payback period of the project will be 7.11 years (after tax, including the construction period). The project has relatively good economic benefit and risk resistance.

(10) Status of approval and environmental protection of the project

As at the date of the Report, the feasibility study report on the project has been completed and approval from the La Générale des Carrières et des Mines, Société par Actions à Responsabilité Limitée (i.e. Gécamines) has been obtained. Mining permits No.12092 and No.12093 and the approval documents from the Ministry of Environment of the DR Congo have also been obtained.

The project belongs to an overseas investment and is still subject to the approvals of the Ministry of Commerce, State Administration of Foreign Exchange and the National Development and Reform Commission of the PRC.

4. Acquisition of the Kamoa copper mine project in the DR Congo

(1) Basic information of the project

Ivanhoe is a mine exploration and development company incorporated in Canada. Its shares are listed on the Toronto Stock Exchange. Its major assets are located in Africa. Its strategic goal is to become a global company focusing on the development and exploration of diversified types of resources. Ivanhoe currently owns some large-size deposits including the Kamoa copper mine in the DR Congo and the Platreef platinum group mine in South Africa, etc. By disposal of partial interests in the Kamoa copper mine, Ivanhoe will be able to introduce a strategic partner with strong economic and technological strengths, to help solve the funding needs and technological challenges the copper mine has for subsequent development, and push forward early production of the mine.

Ivanhoe US is a wholly-owned subsidiary of Ivanhoe. Crystal River is a company incorporated in the British Virgin Islands.

(2) Major terms of the share acquisition agreement

On 26 May 2015, the Company and Gold Mountains (as the purchaser) officially entered into a share acquisition agreement with Ivanhoe, Ivanhoe US (as the vendor) and Crystal River. Major terms of the agreement are as follows:

1. Gold Mountains as the purchaser to pay US$412 million to acquire (1) 49.5% equity interest in the target company held by Ivanhoe US with the consideration of US$243 million; (2) 49.5% of the shareholder's loans provided to the target company by Ivanhoe and its affiliates as at the date of the transaction with the consideration of US$169 million.

2. The consideration may be adjusted subject to the determination on the amount of the shareholder's loans as agreed by the purchaser and the vendor in accordance with International Financial Reporting Standards as of the business day immediately prior to the closing date.

3. The closing date of the transaction will be 31 July 2015 or such earlier or later date as the vendor and the purchaser may determine in writing in accordance with the terms of the agreement.

4. Payment terms

(1) The consideration of acquisition will be paid by the purchaser by wire to the bank account designated by the vendor;

(2) US$206 million will be transferred to the vendor at the completion; and

(3) The remaining consideration of US$206 million will be paid in 5 equal installments (i.e., US$41.2 million per installment) for every 3.5 months.

24.75% shareholding of KHL to be held by Gold Mountains will be pledged to Ivanhoe US as the security for the outstanding amount of US$206 million pursuant to a securities pledge agreement entered into by Gold Mountains, Ivanhoe US and KHL. The number of shares pledged will be reduced in proportion to the amount of consideration settled.

5. Conditions precedent of the transaction

The conditions precedent of the transaction include but are not limited to:

(i) The purchaser obtains all necessary approvals, consents and authorisations from the Ministry of Commerce, the National Development and Reform Commission and the State Administration of Foreign Exchange of the PRC;

(ii) There being no injunction or other interim or appealable order issued by any court of competent jurisdiction or any governmental authority restraining or enjoining or otherwise prohibiting on an interim basis the transaction in effect;

(iii) There is no material adverse change.

6. Project financing

The purchaser and the vendor agree to contribute not more than 35% of the development costs of the project proportionate to their respective interests.

The Company and Gold Mountains undertook that they will use their best efforts to arrange or procure to Kamoa copper project all financing for phase 1 development with restricted claiming right to the project owner, which shall be for no less than 65% of the phase 1 development cost of the project (excluding sustaining capital expenditure and working capital). Ivanhoe also has a right to arrange the necessary finance for the Kamoa copper project phase 1 development.

7. Offtake right of products

Conditional upon the provision of the project financing by the Company, the Company shall have the preferential right to negotiate an offtake agreement on concentrates products at any time within the 7-year anniversary of the date the project achieves commercial production. All parties agree that the offtake agreement could be deemed as a condition for the satisfaction of the project financing, thereby they agree to include the offtake agreement in the process of negotiation for the project financing. The quantity of products to be acquired is confined to the total quantity of products attributable to KHL proportionate to its interest in the project. The period of the offtake agreement is for at least the term of the project financing plus an option for a further five years. If the board of directors of KHL enters into negotiation with other third parties for an offtake agreement, the Company is entitled to entering into an offtake agreement under the same terms.

8. Option to acquire additional 1% interest of KHL

When the purchaser has arranged the project financing for phase 1 development and the purchaser issues an option exercise notice, Crystal River must transfer 1% equity interest of the target company held by it to the purchaser. The consideration will be evaluated by a third party.

If Crystal River breaches the agreement and does not transfer the 1% shares to the purchaser, or other situations stipulated in the agreement occur, the purchaser and the vendor will each have the right to purchase 0.5% equity interest of the target company. At the same time, the vendor must bear Crystal River's obligations in the option regarding the project financing provided by the purchaser, and sell 0.5% equity interest in KHL to the purchaser when all the conditions for exercise of option are satisfied.

9. Board of directors and project committee of KHL

(1) The board of directors of KHL shall consist of 5 directors. The purchaser and the vendor can nominate 2 directors respectively. Crystal River can nominate the fifth director until any one of the shareholders of the target company acquires the 1% shares held by Crystal River. After that, the party who purchases the 1% shares can nominate the fifth director.

(2) A project committee will be established by KHL to negotiate and implement a development plan for the project. The project committee shall consist of 5 members. The purchaser and the vendor can appoint 2 members respectively. Crystal River can nominate the fifth member or another member negotiated by the purchaser and the vendor. If the purchaser has purchased the additional 1% equity interest, it can nominate the fifth member.

10. Transfer and sale of shares

(i) If any shareholder wants to transfer its shares of the target company to any person, the selling shareholder must first offer such shares to each of the other shareholders specifying the quantity and consideration per sale share. Each of the other shareholders may accept the offer within twenty business days from the date of receiving the notice of the offer. If the offer is deemed to not have been accepted by any of the shareholders, then during the one year period following the expiry of the offer period, the selling shareholder is entitled to transfer the sale shares to any third party, at the consideration as stated in the offer (or at a higher consideration).

If the selling shareholder intends to sell its shares at a consideration less than that contained in the offer notice, it must follow the aforementioned procedure to first offer such shares to each of the other shareholders.

(ii) Crystal River is neither entitled to sell its shares to any third party nor to exercise the pre-emptive right to acquire shares.

(iii) A shareholder transferring its shares to its affiliates is exempted from the above restriction. Other than in connection with the project financing, no shareholder shall pledge any of its shares to any person unless such pledgee has agreed in writing with the other shareholders in advance to comply with provision of the agreement when the pledgee enforces the pledge.

11. Standstill

For a period of ten years from the date of the agreement, the Company or its respective affiliates will not, without the prior written consent of Ivanhoe, acquire any equity interest of Ivanhoe.

(3) Pricing of the transaction

The price of the transaction is determined based on the due diligence and financial analysis made on the target company by the Company and the external professional teams appointed by the Company, with reference to the Kamoa copper mine's volume of resources, valuation of the project, comparable figures in the market, and combining the Company's evaluation on the prospect of the target assets, impacts on the Company's future operation and strategy, etc., and is on normal commercial terms and arrived at after an arm's length negotiation. The consideration of the transaction is US$412 million, approximately equivalent to RMB2.51732 billion based on the exchange rate of US$1 to RMB6.11.

On 2 July 2015, the Assets Valuation Report for the Proposed Acquisition of 49.5% Shareholding in Kamoa Holding Limited Project by Gold Mountains (H.K.) International Mining Co., Ltd. (Zhonglianpingbaozi [2015] No.736) was issued by China United Assets Appraisal Group Co., Ltd. The base day of the assets valuation is 31 March 2015 (based on the exchange rate of US$1 to RMB6.1422). Under the income approach, equity attributable to owners of the parent of KHL as at the base day of assets valuation was RMB3,851,817,900 (approximately equivalent to US$627,107,200).

(4) Previous transaction entered into between the Company and Ivanhoe

Sharp Hero Developments Limited ("Sharp Hero"), a wholly-owned subsidiary of the Company, entered into a share subscription agreement with Ivanhoe on 23 March 2015. Sharp Hero agreed to subscribe 76,817,020 Class A common shares of Ivanhoe with cash consideration of Canadian Dollar ("CAD") 1.36 per share. The total consideration was CAD104,471,147. The Company currently holds 9.9% of the ordinary common shares in issue of Ivanhoe. For details related to the Company's acquisition of the 9.9% equity interest in Ivanhoe through Sharp Hero, please refer to "Lin 2015-016" announcement and relevant disclosures of the Company.

(5) Basic information and feasibility of the project

The Kamoa copper mine is a newly discovered world-class, large-scale stratiform copper deposit. It is located within the Central African Copperbelt. According to the Letter of Assessment Opinions on Reserve Volume of Mineral Resources in relation to the Verification Report on the Reserve Volume of Resources of the Kamoa Copper Mine in Katanga Province, the DR Congo (Zhongkuangzipingzi 2015 [No. 67]) issued by China Mining Association Reserve Evaluation Centre in Beijing on 12 June 2015, the verification results were: "As at 31 March 2015, the volume of resources reserve of the Kamoa copper mine (the main orebody No.1 and its surrounding orebodies No.1-1, 1-2, 1-3 and 1-4, altogether 5 copper orebodies) were: ore volume of 874.72 million tonnes and copper metal of 22.471 million tonnes, with an average grade of 2.57%. In which: (331) Ore volume and its metal volume were 128.79 million tonnes and 3.28 million tonnes respectively, with an average grade of 2.55%; (332) Ore volume and its metal volume were 423.01 million tonnes and 11.8 million tonnes respectively, with an average grade of 2.79%; (333) Ore volume and its metal volume were 322.9272 million tonnes and 7.3883 million tonnes respectively, with an average grade of 2.29%. (331) + (332) Ore volume and its copper metal volume were 551.794 million tonnes and 15.0826 million tonnes respectively, with an average grade of 2.73%, equivalent to 67.12% of the total volume." The mine has immense value for acquisition and development.

According to the Feasibility Study Report on the Kamoa Copper Mine in the DR Congo prepared by Xiamen Zijin Construction Design Company Limited in May 2015, the new construction projects of mining, processing and refining and the mine development will be carried out in two phases: The first phase is to conduct underground mining on the shallow part of the high-grade copper mine in a small scale. Multi-step room-and-pillar method will combine with drift cut-and-fill stopping approach in mining. The processing technique will be flotation processing (3 crushing steps + 2 grinding steps + roughing, scavenging and fine selection). Annual processing capacity of ores will be 3 million tonnes with a construction period of 3 years; The second phase is to expand the scale of mining, processing and refining. The newly constructed 8 million tonnes/year flotation processing plant and direct blister furnace (DBF) technique will be adopted to refine blister copper, reaching the processing capacity of 11 million tonnes of ores, 300,000 tonnes of blister copper and 550,000 tonnes of sulphuric acid by-product annually. The expansion of construction will begin in the 5th year. After 3 years of construction, production capacity will be reached in the 9th year. The project is expected to contribute lucrative return after the designated production capacity is reached.

Besides, the Kamoa copper mine is approximately 20 kilometers away from the Kolwezi copper mine, which has already been acquired by the Company. These 2 mines can jointly create enormous synergy.

In summary, the project is of good practicality.

(6) Shareholding structure of the project

Ivanhoe holds 100% interest in KHL through its subsidiary, Ivanhoe US, and KHL holds 95% equity interest in Kamoa Copper SA. The remaining 5% interest in Kamoa Copper SA is a non-dilutive interest transferred to the government of the DR Congo in September 2012 for no consideration pursuant to the Mining Code of the DR Congo. Additional 15% equity interest in Kamoa Copper SA may also be required to be sold to the government of the DR Congo on suitable commercial terms. Kamoa Copper SA is the actual owner of the Kamoa copper mine. In addition, KHL also holds 100% interest in Ivanhoe Mines Energy, the latter will provide funds to Société Nationale d'Electricité of the DR Congo for the restoration of 3 power plants. The electricity generated will be supplied to the Kamoa copper mine in priority.

Pursuant to the agreement, 1% of the equity interest in KHL and 1% of the shareholders' loans will be transferred from Ivanhoe US to Crystal River.

After the completion of the transaction, Gold Mountains and Ivanhoe US will each hold 49.5% equity interest in KHL, and the remaining 1% equity interest will be held by Crystal River.

(7) Audit status

Before the acquisition, in order to fulfill the requirements of the transaction, Ivanhoe US had made a series of adjustments to the organisational structure of KHL.

On 30 June 2015, Ernst & Young Hua Ming (LLP) issued the "Special Audit Report for Pro-forma Financial Report of KHL" (Ernst & Young Hua Ming (2015) Zhuanzi No. 60468092_H03). The major financial data of KHL for the most recent quarter and year (at consolidation level) are as follows:

Unit: RMB'000

Items	31 March 2015	31 December 2014
Total assets	135,290.1	93,212
Total liabilities	2,107,199.3	2,055,792.8
Owners' equity	-1,971,909.2	-1,962,580.8

Items	January — March 2015	Year 2014
Operating income	—	—
Operating profits	-2,080.3	-321,457.2
Total profits	-1,887.4	-321,463.1
Net profits	-1,887.4	-321,463.1
Profits attributable to owners of the parent	-1,926.1	-306,223

Note: Since KHL has not yet entered the development phase, no sales income was generated from mineral products.

As at 31 March 2015, both the registered capital and paid-in capital of KHL were US$14,000.

(8) Assessment status

China United Assets Appraisal Group Co., Ltd. assessed the value of all the shareholders' equity of KHL according to relevant laws, regulations, standards and principles for assets valuation, and issued the "Assets Valuation Report for the Proposed Acquisition of the Shareholding of Kamoa Holding Limited Project by Gold Mountains (H.K.) International Mining Co., Ltd." (Zhonglianpingbaozi [2015] No. 736).

China United Assets Appraisal Group Co., Ltd. adopted income approach and market approach to assess the value of all the shareholders' equity of KHL.

In the resources mining industry to which KHL belongs, under the premise of reasonable determination of important elements including resource reserves, servicing period, resource price, cost structure, investment scale, etc., assessment result generated from income approach reflects a more objective value and accurate outcome over the market approach. Therefore, China United Assets Appraisal Group Co., Ltd. determined the value of all shareholders' equity with reference to the assessment result under income approach for the proposed acquisition of 49.5% shareholding in KHL project by Gold Mountains. As such, the assessment value of equity attributable to owners of the parent of KHL as at 31 March 2015, the assessment base day, was US$627,107,200.

Pursuant to the middle exchange rate issued by the People's Bank of China on 31 March 2015, the assessment base day, based on the exchange rate of US$1 to RMB6.1422, the assessment value of equity attributable to owners of the parent of KHL was RMB3,851,817,900 as at the assessment base day.

(9) Entity in charge of project execution

The entity in charge of project execution is Gold Mountains, a subsidiary of the Company. The Company proposes to enlarge the capital of or provide loans to Gold Mountains for carrying out the acquisition by the proceeds raised in the Non-public Issuance.

(10) Geographical location and transportation

The Kamoa copper mine zone is located in Katanga Province, southern DR Congo and is an extra-large strata copper deposit. It is situated at the west of Central African copper metallogenic belt, which is about 25 kilometers away from the west of Kolwezi city centre and 270 kilometers away from the west of Lubumbashi, the provincial capital of Katanga Province. It is adjacent to the Kolwezi copper mine. The geographical location is shown in the map below:

(11) The investment environment of the project

For details of the investment environment of the Kamoa copper mine project, please refer to the relevant disclosures in "3. Construction of the Kolwezi copper mine project in the DR Congo" of the Report.

(12) Status of the project's mining rights and land use permits

1. Status of the mining rights

The Kamoa copper mine possesses the mining areas covered by the 3 mining permits numbered PE12873, PE13025 and PE13026, which have been obtained. The mining area spans a total of 397.4 square kilometers. Details are as follows:

Mining permit no.	Authorisation date	Expiry date	Authorised minerals and metals	Number of square (quadrilateral) cadastres	Area (square kilometers)
PE12873	20 August 2012	19 August 2042	Silver, bismuth, cadmium, cobalt, copper, iron, germanium, nickel, gold, palladium, platinum, lead, rhenium, sulphur and zinc.	62	52.7
PE13025	20 August 2012	19 August 2042	Silver, bismuth, cadmium, cobalt, copper, iron, germanium, nickel, gold, palladium, platinum, lead, rhenium, sulphur and zinc.	204	173.2
PE13026	20 August 2012	19 August 2042	Silver, bismuth, cadmium, cobalt, copper, iron, germanium, nickel, gold, palladium, platinum, lead, rhenium, sulphur and zinc.	202	171.5

2. Status of the land use rights

As at the date of the Report, since the Kamoa copper mine has not yet entered the formal construction and production phase, negotiation on the surface land use rights of its mining area is still in progress. From the prior experience of developing the Kolwezi copper mine, there shall be no major problem for obtaining the legitimate surface land use right before formal production commences.

(13) Production and operation status of the project

As at the date of the Report, the Kamoa copper mine has not yet entered the formal construction and production phase.

(14) Analysis on economic benefits of the project

According to the feasibility report, the project possesses favourable economic benefits and strong risk resistance.

(15) The status of the project's environmental impact assessment

As at the date of the Report, the Kamoa copper mine has not yet entered the formal production phase. Environmental impact assessment approval will be applied from the government of the DR Congo after the project enters the production and construction period. The Kamoa copper mine has already obtained all the supporting documents related to the 3 authorised mining permits it owns for its environmental protection obligations.

(16) Status of registration for the project

The project belongs to an overseas investment and is subject to the approvals of the Ministry of Commerce, the State Administration of Foreign Exchange and the National Development and Reform Commission of the PRC, etc..

5. Acquisition of the Porgera gold mine project in Papua New Guinea

(1) Background information of the project

Barrick, one of the largest gold producers in the world, is listed on the stock exchanges of Toronto and New York. Since 2013, due to the need of strategic adjustment, Barrick retains its key assets in the Americas and disposes the non-core assets, thus it sold a portion of interest in the Porgera gold mine.

The Porgera gold mine in Papua New Guinea is situated at the Porgera valley area in Enga Province, western Papua New Guinea. Barrick indirectly holds 95% interest in the Porgera gold mine. From the completion of construction and commencement of production in 1990 to the end of 2014, accumulated gold production has reached 18.81 million ounces (585 tonnes) in the Porgera gold mine. It still possesses a production capacity of 400,000 ounces of gold per year with the ability to continuously produce for more than 10 years.

BNL is a limited liability company incorporated in Papua New Guinea with registered address in Port Moresby, Papua New Guinea. 100% of its equity interest is held by Barrick Australia. BNL mainly holds 95% equity interest in the PJV (non-registered) in Papua New Guinea.

After the transaction is completed, Barrick Australia and Gold Mountains will each hold 50% equity interest in BNL.

(2) Major contents of the share acquisition agreement

On 26 May 2015, the Company and Gold Mountains officially entered into a share acquisition agreement with Barrick and Barrick Australia. Major terms of the agreement are as follows:

1. Overview of the transaction

The Company has designated Gold Mountains as the buyer to pay US$298 million to Barrick Australia, the seller, for acquisition of:

(1) 50% equity interest in BNL as at the completion of the transaction, being 1,549,776,780 shares in total of BNL as at the time the agreement was signed, with consideration of US$100 million; and

(2) 50% of the shareholders' loans once lent from Barrick and its affiliates to BNL which is free and clear of encumbrances with consideration of US$198 million. The seller will take different ways including but not limited to conversion of debt into shares, offsetting, debt exemption, etc. to ensure that the loans between BNL and the seller and its affiliates will be reduced to US$396 million prior to the completion of the transaction. All parties to the agreement confirmed that due to the implementation of the above debt restructuring matters, the number of shares of BNL may be adjusted at the time the transaction is completed.

The aforementioned total amount of the consideration of the transaction may be adjusted subject to the determination on the change of the amount of the BNL's working capital as at the completion date in accordance with International Financial Reporting Standards as agreed by the seller and the buyer.

2. Completion date of the transaction

The completion date of the transaction will be 31 August 2015 or other date as agreed by the seller and buyer.

3. Payment

By the time the transaction is completed, the buyer shall transfer the consideration to the bank account specified in advance by the seller.

4. Conditions precedent of the transaction

The conditions precedent of the transaction include but not limited to:

(1) The buyer obtains all necessary approvals, consents and authorisations from the Ministry of Commerce, the National Development and Reform Commission and the State Administration of Foreign Exchange or relevant authorised departments of the PRC;

(2) The seller or the buyer, if applicable, obtains all necessary approvals, consents and authorisations issued by the governmental authorities of Papua New Guinea; and

(3) There being no injunction or other interim or appealable order issued by any court of competent jurisdiction or any governmental authority restraining or enjoining or otherwise prohibiting on an interim basis the transaction in effect.

5. Corporate matters and management of BNL

Major terms of the corporate matters and management of BNL as stipulated in the shareholders' agreement are as follows:

(1) The board of directors of BNL shall consist of 6 directors. Gold Mountains and Barrick Australia shall each be entitled to nominate 3 of them;

(2) Pursuant to the shareholders' agreement, so long as both parties hold a proportionate interest of at least 45%, one of Gold Mountains and Barrick Australia shall be entitled to nominate one managing director who is responsible for the production, operation and management of BNL, and at such time the other party shall be entitled to nominate the chairman of the board of directors and one deputy managing director;

(3) For ensuring the stability of the production and operation, the parties agreed that the first managing director will be the current general manager nominated by Barrick Australia, Gold Mountains will nominate the first chairman of the board of directors and the first deputy managing director. The appointment of the chairman of the board of directors, managing director and deputy managing director should be approved by the board of directors.

6. Funding obligations

BNL shall fund all of its expenditures, fees and liabilities from its own cash on hand and other assets to the extent practicable. Unless otherwise determined by the board of directors of BNL, to the extent the capital needs not covered by available free cash flow generated from the Porgera gold mine, each shareholder should supplement the capital needs under each approved program and budget according to their shareholding.

(3) Pricing of the transaction

The price of the transaction is determined based on the due diligence and financial analysis made on the target company by the Company and the external professional organisations appointed by the Company, with reference to the Porgera gold mine's volume of resources, valuation of the project, comparable figures in the market, and combining the Company's evaluation on the prospect of the target assets, impacts on the Company's future operation and strategy, etc., and is on normal commercial terms and arrived at after an arm's length negotiation. The total consideration of the transaction is US$298 million, equivalent to RMB1.82078 billion based on the exchange rate of US$1 to RMB6.11.

On 2 July 2015, China United Assets Appraisal Group Co., Ltd. issued the "Assets Valuation Report for the Proposed Acquisition of 50% Shareholding of Barrick (Niugini) Limited Project by Gold Mountains (H.K.) International Mining Co., Ltd." (Zhonglianpingbaozi [2015] No. 737). Such assessment was made using 31 March 2015 as the assessment base day with middle exchange rate of US$1 to RMB6.1422. Under the income approach, the assessment value of equity attributable to owners of the parent of BNL was -RMB441,360,000 (equivalent to -US$71,857,000) as at the assessment base day.

Since debt restructuring as specified in the transaction has not yet completed, the value of equity attributable to owners of the parent of BNL as at 31 March 2015 was negative. According to the financial statements and audit report of BNL, as at 31 March 2015, BNL's receivables from related parties amounted to US$259,543,000 (equivalent to RMB1,594,165,000, exchange rate hereinafter referred to as US$1 to RMB6.1422), payables to related parties amounted to US$53,115,000 (equivalent to RMB326,243,000), loans from related parties amounted to US$986,296,000 (equivalent to RMB6,058,027,000), the net amount payable from BNL to Barrick and its affiliates amounted to US$779,868,000 (equivalent to RMB4,790,105,000) in total. As agreed in the acquisition agreement, the net amount of the above loans will be reduced to US$396,000,000 prior to the transaction. According to the memorandum of debt restructuring of the target company, conversion of debt into shares will be applied to the remaining amount of approximately US$383,868,000 (equivalent to RMB2,357,794,000).

Therefore, if taking debt restructuring into consideration in this transaction, then the value and assessment value of equity attributable to owners of the parent of BNL shall be increased by US$383,868,000 (equivalent to RMB2,357,794,000), i.e. the value and assessment value of equity attributable to owners of the parent of BNL shall be adjusted to US$30,192,000 and US$312,011,000 (equivalent to RMB1,916,434,000) respectively as at the completion date of the transaction (after completion of debt restructuring).

On 2 July 2015, Barrick issued a memorandum which set out the matters related to the debt restructuring:

1. Upon completion of the transaction, the carrying amount of the net assets of BNL will be increased from -US$133 million as at 31 March 2015 to approximately US$251 million due to the debt restructuring between the target company and Barrick and its affiliates (note: the carrying amount of net assets here refers to the net assets on the financial statements as prepared in accordance with International Financial Reporting Standards);

2. All the actions related to the debt restructuring will be completed no later than 31 August 2015;

3. Partial debts will be converted into ordinary shares of BNL with nominal value of PGK1 (lawful currency of Papua New Guinea) per share; based on the exchange rate of US$ to PGK and US$ to A$ on the day before the debt conversion;

4. The final amount of debt restructuring may be adjusted subject to the operating status of BNL, changes in exchange rates, etc. within the period from 31 March 2015 to the completion date of the transaction.

(4) Basic information and feasibility of the project

1. Basic information of the project

The Porgera gold mine is a world-class epithermal gold mine. It ranks the 36th among the operational gold mines in the world, and it ranks the 65th out of the 580 gold mines in record in the world. According to the Letter of Assessment Opinions on Reserve Volume of Mineral Resources regarding the "Verification Report on the Reserve Volume of Resources of the Porgera Gold Mine in Enga Province, Papua New Guinea" (Zhongkuangzipingzi [2015] No. 68) issued by China CMA Consultancy Center on 12 June 2015, the assessment result was: "as at 31 December 2014, the retained resource reserve of the Porgera gold mine was: 70.92 million tonnes of ore volume, 330.13 tonnes of Au metal volume with an average grade of 4.65 grammes/tonne".

2. Feasibility of the project

In 2014, global production of gold reached 2,728.62 tonnes and the volume of consumption was 2,893.81 tonnes. The production volume of China was 451.80 tonnes and its consumption volume was 718.15 tonnes. China has consecutively ranked 1st in the world's gold production and consumption volume for 8 years and 2 years respectively. With various countries continue to adopt very accommodative monetary policies, some countries or regions are even strengthening their quantitative easing, and central banks in some countries include gold into their reserves or increase their gold reserves, gold price will gradually bottom out from fluctuations.

The Porgera gold mine has retained large volume of resources, is well-equipped with production facilities and mature technologies and has large production volume of gold. It can partially offset the decline in production volume of mine-produced gold in the Zijinshan gold and copper mine. Besides, the Porgera gold mine has been operating steadily for a long period of time. Its deep parts have good prospect of increase in reserves. The potential to integrate with the surroundings is huge. The project is of good practicality.

(5) Shareholding structure of the project

The Porgera gold mine operates through the PJV. Barrick Australia holds 100% equity interest in BNL. 95% equity interest in the PJV is held by BNL, and the remaining 5% is held by Mineral Resources Enga Limited.

(6) Audit status

Before the acquisition, in order to fulfill the requirements of the transaction, Barrick had made a series of adjustments to the organisational structure of BNL.

On 30 June 2015, PricewaterhouseCoopers Zhong Tian LLP has issued the "Pro-forma Financial Reports and Audit Report for the 3 months ended 31 March 2015 and Year 2014 of the Proposed Acquisition of Interest in Barrick (Niugini) Limited and its certain subsidiaries by Zijin Mining Group Co., Ltd." (PricewaterhouseCoopers Zhong Tian Teshenzi [2015] No. 1518). The major financial data of BNL for the most recent quarter and year (at consolidation level) are as follows:

Unit: RMB'000

Items	31 March 2015	31 December 2014
Total assets	5,831,475	5,635,268
Total liabilities	8,003,826	7,970,830
Owners' equity	-2,172,351	-2,335,562

Items	January — March 2015	Year 2014
Operating income	867,821	3,948,401
Operating profits	161,795	138,223
Total profits	158,523	140,724
Net profits	158,523	131,362
Profits attributable to owners of the parent	158,523	131,362

As at 31 March 2015, the share capital of BNL was PGK1,550,000,000 (the lawful currency of Papua New Guinea).

(7) Assessment status

China United Assets Appraisal Group Co., Ltd. assessed the value of all the shareholders' equity of BNL according to relevant laws, regulations, standards and principles for assets valuation, and issued the "Assets Valuation Report of the Proposed Acquisition of 50% Shareholding of Barrick (Niugini) Limited Project by Gold Mountains (H.K.) International Mining Co., Ltd." (Zhonglianpingbaozi [2015] No. 737).

China United Assets Appraisal Group Co., Ltd. adopted income approach and market approach to assess the value of all the shareholders' equity of BNL.

In the resources mining industry to which BNL belongs, under the premise of reasonable determination of resource reserves, servicing period, product price, cost structure, investment scale, etc., assessment result generated from income approach reflects a more objective and accurate value of it over the market approach. Therefore, China United Assets Appraisal Group Co., Ltd. determined the value of all shareholders' equity with reference to the assessment result of income approach for the proposed acquisition of 50% shareholding of BNL project by Gold Mountains. As such, the assessment value of equity attributable to owners of the parent of BNL as at 31 March 2015, the assessment base day, was -US$71,857,000.

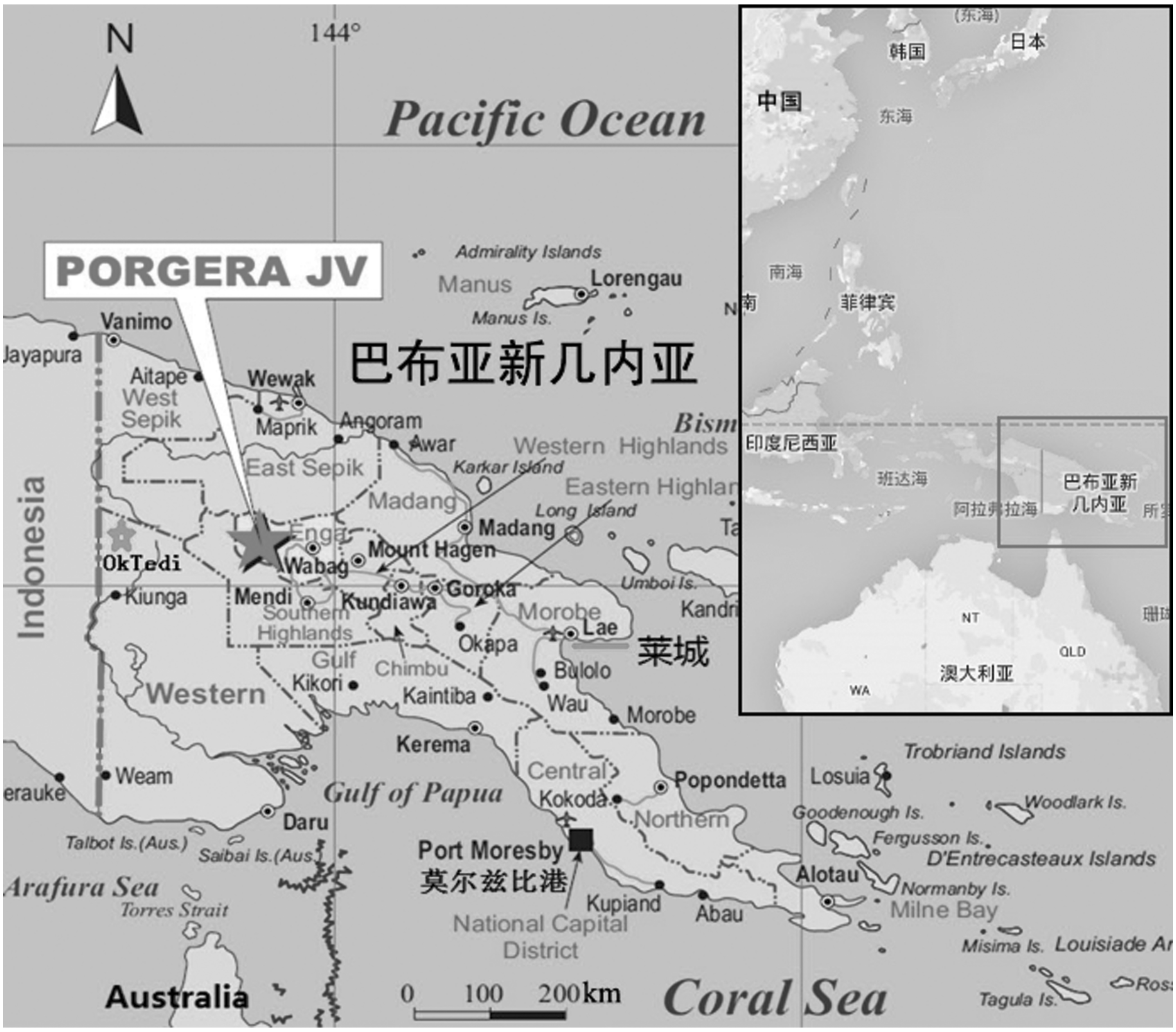
Pursuant to the middle rate of exchange issued by the People's Bank of China on 31 March 2015, the assessment base day, based on the exchange rate of US$1 to RMB6.1422, the assessment value of equity attributable to owners of the parent of BNL was -RMB441,360,000 as at the assessment base day.

(8) Entity in charge of project execution

The entity in charge of project execution is Gold Mountains, the subsidiary of the Company. The Company proposes to enlarge the capital of or provide loans to Gold Mountains for carrying out the acquisition by the proceeds raised in the Non-public Issuance.

(9) Geographical location and transportation

The Porgera gold mine is 130 kilometers away from the west of Mount Hagen, a western city of Papua New Guinea, and 600 kilometers away from the northwest of the capital, Port Moresby. Its geographical location is shown in the map below:



(10) Investment environment of the project

1. Geographical location of Papua New Guinea

Papua New Guinea is 160 kilometers away from northern Australia and is situated in the southern tropical region. It comprises of the eastern Island of New Guinea and approximately 600 offshore islands. Its land area covers 465,000 square kilometers and is the second largest country after Australia in the southern Pacific region.

2. Mining as the major economic pillar of Papua New Guinea

The economy of Papua New Guinea is relatively underdeveloped. Its economic activities mainly include agriculture, forestry, fishery, metal mining and exploration and development of oil and natural gas. However, Papua New Guinea has very abundant mineral resources of gold. In 2014, the country produced 61.43 tonnes of gold, ranking the 12th in the world, and the output value of gold accounted for more than 20% of its GDP.

3. Good investment environment

The political environment of Papua New Guinea is relatively stable with a relatively well-established legal system. The Papua New Guinean government encourages foreign investors to invest in the natural resources of Papua New Guinea, and it has maintained a good relation with China ever since both countries established formal diplomatic relations in 1976. Currently, there is a gradual rising trend in the investment in Papua New Guinea from China.

(11) Status of the project's mining rights and land use approval

The PJV has a special mining lease (mining permit number: SML1), which covers an area of 2,227 hectares and was granted in 1989. It is effective till 2019 and can be applied to extend for 20 more years according to the current regulations in force in Papua New Guinea.

The PJV also possesses several land leases for mining purpose (number: LMP72, LMP77, etc.), mining easements (ML101, etc.) and special mining easements (ME1, ME2, etc.) for use in tailing dumps, staff campsites and commuter plane runways, etc.

(12) Status of production and operation of the project

1. Mining status

After 25 years of operation, the annual mining capacity of the Porgera gold mine has reached 5.4 million tonnes of crude ore (including 4 million tonnes from open-pit mining and 1.4 million tonnes from underground mining).

Traditional trucks and excavators are used for open-pit mining. The existing open-pit contour surface runs the length of approximately 1,600 meters and width of approximately 1,000 meters. The largest south-north vertical depth of the open-pit mine is 590 meters and the current height from the bottom of the mine is 2,130 meters. The planned final contour surface of the open-pit mine will run the length of 2,000 meters, width of 1,600 meters and depth of 550 meters, and the designated height from the bottom of the mine will be 2,030 meters.

Underground mining adopts a sub-level, backward open stopping mining method, using tailings and mullocks to refill the goaves. Each mining area in the middle of the mining process follows a bottom-up mining sequence, which has a higher resource recovery rate. The underground mining transportation system makes use of the inclined roadway development system. There are good underground ventilation, drainage, support and production monitoring systems.

2. Status of processing

The processing plant of the Porgera gold mine can process 6 million tonnes of crude ore per year. Techniques used in processing include crushing, grinding + reprocessing, flotation processing, hot-pressure oxidation, cyanidation carbon-in-pulp leaching, desorption of gold-bearing carbon and electrodeposition. 2 inductance furnaces are used for gold refining, casting gold bullions which contain 80% of gold. Conventional techniques are used in floatation processing of ore. Hot-pressure oxidation is used for flotation selection of concentrates, which is a very mature technique and is commonly used in the projects operated by mining companies in western countries. The current hot-pressure oxidation facilities of the Porgera gold mine can process 288 tonnes of gold concentrates daily with 100% automatic operation. The recovery rate of the whole process of processing and metallurgy of the mine is 85%-88%.

3. Status of major indicators on production and cost

Since the Porgera gold mine completed its construction and started production in 1990, the accumulated gold production has reached 18.81 million ounces (i.e. 585 tonnes) up to 2014. The major indicators on production and cost from 2012 to 2014 are as follows:

Items	Unit	Year 2014	Year 2013	Year 2012
Volume of mining and stripping	’000 tonnes	15,719	18,628	21,935
Volume of ore processed	’000 tonnes	5,584	5,354	4,963
Feed grade	grammes/tonne	3.10	3.22	3.17
Volume of gold production	’000 ounces	493	482	436
Volume of gold sold	’000 ounces	507	465	426
Cost of sale	US$ million	545	524	484
Cash cost	US$/ounce	915	965	968
All-in sustaining costs	US$/ounce	996	1,361	1,452

Source of data: 2014 annual report of Barrick

(13) Analysis on the benefits of the project

According to the "Feasibility Report on the Porgera Gold Mine Project in Papua New Guinea" prepared by Xiamen Zijin Construction Design Company Limited in June 2015, it is expected that the Porgera gold mine can generate average operating income of RMB4,457,470,000 and average profit after tax of RMB739,160,000 per year under consistent investment. The project possesses good economic benefits and strong risk resistance.

(14) Status of the project's environmental impact assessment

The relevant environmental impact assessment permits for production and operation in the Porgera gold mine have been obtained. Details are as follows:

Number	Number of environmental impact assessment permit	Content	Effective period
1	WI-L3 (91)	Issues related to extraction of surface water	Until December 2053
2	WDL3 (121)	Compliance issue of waste disposal	Until December 2038
3	WE-L2A(254)	Issues related to extraction of surface water	Until April 2037

(15) Status of registration of the project

On 29 June 2015, the Fujian Bureau of National Development and Reform Commission issued the "Project Filing Notice" (Minfagaiwaijingbei [2015] No. 8), which approved the acquisition of 50% equity interest in BNL project by the Company.

The project belongs to an overseas investment and is still subject to the approvals of the Ministry of Commerce and the State Administration of Foreign Exchange of the PRC.

6. Construction of the Zijinshan gold and copper mine flotation processing plant project

(1) Basic information of the project

In this project, a copper mine flotation processing plant will be constructed. The ores to be processed are the copper ores from open-pit mining, which are transported to the processing plant after primary crushing. "Semi-autogenous grinding + hard stone crushing + comminution by ball mill" technique will be adopted for comminution, the "step-separation first by copper flotation selection, 2 roughing selections, 3 scavenging selections and 1 fine selection to obtain copper concentrate" technique will be adopted for selection, and the 2-step "concentration + filtering" technique will be adopted for dehydration. After completion of the project, the plant can process 25,000 tonnes of crude copper ores per day. The final product will be copper concentrate by flotation selection (gold and silver will be collectively recovered from copper concentrate) and sulphur concentrate by flotation selection. The annual production will reach 154,300 tonnes of copper concentrate and 330,700 tonnes of sulphur concentrate respectively when its designated capacity is reached.

(2) Background and the feasibility of the project

1. Background of the project

The Zijinshan gold and copper mine is a typical porphyry-type ore deposit with gold at the top and copper at the bottom, while both the gold deposit and copper deposit are mega-size porphyry-type deposits. Large-scale development for copper mine in the lower layer is ready. There are valuable metals such as gold and silver which are associated with the copper mine in the gold-copper transition zone between the gold mine and copper mine, but they cannot be recovered through hydrometallurgical process.

The Zijinshan gold and copper mine is originally equipped with a hydrometallurgical plant for use in copper mine, which can process 20,000 tonnes of ores per day. There are also 2 flotation processing plants for copper mine, which can process 8,000 tonnes and 10,000 tonnes of ores per day respectively. As it is time for large-scale mining of copper mine, there is an urgent need of increasing the processing capacity of the copper mine.

Therefore, in order to adapt to the need of large-scale copper mining at the Zijinshan gold and copper mine, at the same time tackling the problem of recovering valuable elements such as associated gold and silver in the gold-copper transition zone and increasing the efficiency of overall resources utilisation, the Company intends to construct a new flotation processing plant for copper mine with production scale of 25,000 tonnes per day. Besides, the flotation processing technique to be adopted by the newly constructed flotation processing plant for copper mine is more environmental friendly than the original hydrometallurgical technique. It helps raise the overall level of environmental protection for the mine.

(2) Feasibility of the project and market prospect

The Zijinshan gold and copper mine has gathered experienced talents, technology, management and capital and has formed a set of auxiliary facilities for common use, which create good conditions for large-scale development and construction of copper mine. There is a strong foundation for the construction of flotation processing plant for the copper mine.

According to the feasibility study report, the Zijinshan gold and copper mine flotation processing plant will realise average sales income of RMB396,657,900 and average profit after tax of RMB68,798,300 per year respectively after designated production capacity is reached. The internal rate of return will be 19.52%, containing good economic benefits.

In summary, the construction of the Zijinshan gold and copper mine flotation processing plant project has a relatively high practicality in terms of both production requirement and economic benefits.

(3) Investment scale of the project

The total amount of investment in the project is RMB444,214,100, which includes construction investment of RMB415,022,000 and supplementing working capital of RMB29,192,100.

(4) Plan for products and production scale

Based on the production experience of the existing processing plants of the Zijinshan gold and copper mine, the final products of the project are copper concentrates produced by flotation processing (gold and silver to be collectively recovered in the form of copper concentrate containing gold and silver content) and sulphur concentrate produced by flotation processing. Details of the production scale are as follows:

No.	Name of product	Annual production capacity
1	Copper concentrates	154,300 tonnes/year (in which 30,900 tonnes are in copper metal form)
2	Sulphur concentrates	330,700 tonnes/year

(5) Entity in charge of project execution

The entity in charge of project execution is the subsidiary of the Company, the Zijinshan gold and copper mine.

(6) Project location

As at the date of the Report, formalities related to the land use of the selected site is still in process.

(7) Implementation progress of the project

The construction period of the project is 2 years.

(8) Analysis on the economic benefits of the project

According to the feasibility study report, the project will realise average sales income of RMB396,657,900 and average net profit after tax of RMB68.7983 million per year when the designated production capacity is reached. The internal rate of return will be 19.52%. The payback period of the project will be 6.31 years (after tax, including the construction period). The project generates good economic benefits with strong risk resistance.

(9) Status of registration and environmental protection of the project

As at the date of the Report, the feasibility study report of the project has been completed and the project approval documents from Shanghang County Development and Reform Committee and Fujian Development and Reform Committee have been obtained.

As at the date of the Report, the project has obtained the "Approval of report on the environmental impact of the Zijinshan gold and copper mine 25,000 tonnes/day copper flotation processing plant of Zijin Mining Group Co., Ltd. from the Longyan City Environmental Protection Bureau" (Long Huan Ping [2015] No.025) issued by the Longyan City Environmental Protection Bureau on 10 June 2015.

7. Supplementing working capital

(1) Basic information of the project

Project name: Supplementing working capital

Total investment on the project: RMB1,995,119,100

Entity in charge of the project: Zijin Mining

(2) Necessity and feasibility of the project

In 2013 and 2014, the Company realised operating income of RMB49,771,511,900 and RMB58,760,533,900 respectively, the annual growth rate was 18.06%. The Company predicted that its operating income of the next three years (excluding the operating income attributable to the Projects to be Invested by the Proceeds Raised) will grow continuously and steadily, requiring more working capital to be invested. Financing is necessary for filling the gap of working capital brought by the increase in operating income.

After careful study, the Company has drawn up the plan for growth in production capacity for the next 3 years (excluding the new production capacity attributable to the Projects to be Invested by the Proceeds Raised) and therein the additional working capital needed in 2015, 2016 and 2017.

The basic assumptions of the estimation are: the main business, business model and turnovers of various assets and liabilities of the Company remain stable in the long-term, there will be no substantial change in the future, various operating assets, liabilities and sales income remain in a relatively stable proportion, thereby the Company can estimate the change in the relevant current assets and current liabilities brought by the growth of income in the future based on the percentage-of-sales method, and then estimate the gap of working capital. In order to reflect the corresponding relationship between the need of working capital and operating income more precisely, only operating assets and liabilities were included in the estimation, i.e. the impacts from held-for-trading financial assets/liabilities, other receivables and other payables, etc. were excluded.

1. Estimation on operating income

Taking into consideration the Company's current production capacity and based on the production capacity, production volume planned for the future and prediction of international bulk commodity prices in the next 3 years, the Company has conducted an estimation on the operating income for 2015 to 2017. Brief explanation on the estimation is as follow:

(1) Unit price

Use the average unit prices of each of the Company's product from January to March 2015 for 2015, and take into consideration the prediction on the price trend of metals in the next few years. The unit prices of each product in 2016 and 2017 are based on an increase of 5% and 10% over the unit prices in 2015 respectively.

(2) Change in the production volume for major products

The production volume planned for the next 3 years is based on the actual production capacity of the existing mines. The increase in production volume is reasonable and achievable.

(3) Operating income

Based on the actual situation that production volume means to sales volume, operating income = unit price of each product × sales volume, the Company estimated that the operating income from 2015 to 2017 (excluding the operating income attributable to the Projects to be Invested by the Proceeds Raised) will be RMB65,602,889,500, RMB72,608,731,400 and RMB80,407,563,600 respectively, and the growth rate will be 11.64%, 10.68% and 10.74% respectively.

2. Estimation on the need of working capital in the future

Based on percentage-of-sales method, the working capital needed to be supplemented by the Company in the next 3 years is estimated as follows:

Unit: RMB'000

Items	Year 2014/ 31 December 2014	Proportion	Year 2015/ 31 December 2015 (E)	Year 2016/ 31 December 2016 (E)	Year 2017/ 31 December 2017 (E)
Operating income	**58,760,533.9**		**65,602,889.5**	**72,608,731.4**	**80,407,563.6**
Bills receivable	538,484.7	0.92%	603,546.6	668,000.3	739,749.6
Trade receivables	1,228,075.5	2.09%	1,371,100.4	1,517,522.5	1,680,518.1
Prepayments	649,968.1	1.11%	728,192.1	805,956.9	892,524.0
Inventories	10,353,917.5	17.62%	11,559,229.1	12,793,658.5	14,167,812.7
Total operating current assets	**12,770,445.8**	**21.74%**	**14,262,068.2**	**15,785,138.2**	**17,480,604.3**
Bills payable	282,976.1	0.48%	314,893.9	348,521.9	385,956.3
Trade payables	4,011,412.5	6.83%	4,480,677.4	4,959,176.4	5,491,836.6
Advances from customers	1,005,215.4	1.71%	1,121,809.4	1,241,609.3	1,374,969.3
Employee benefits payable	389,444.0	0.66%	432,979.1	479,217.6	530,689.9
Taxes payable	656,071.9	1.12%	734,752.4	813,217.8	900,564.7
Total operating current liabilities	**6,345,119.9**	**10.80%**	**7,085,112.1**	**7,841,743.0**	**8,684,016.9**
Amount of occupied working capital (Total operating current assets - total operating current liabilities)	**6,425,325.9**	**10.94%**	**7,176,956.1**	**7,943,395.2**	**8,796,587.5**
Newly required working capital for the year			**751,630.2**	**766,439.1**	**853,192.2**

Based on the above estimation, the newly required working capital of the Company for the next 3 years totals RMB2,371,261,500. As at 31 December 2014, the Company's total liabilities was RMB41,490,665,300 and the total assets was RMB75,159,587,600. The debt ratio was 55.20%. If the Company fills the funding gap all by debt financing, the debt ratio will increase to 56.57% and will increase the Company's financial risks. If the Company fills the funding gap above by equity financing, the debt ratio will decrease to 53.52%, easing the pressure of debt repayment to some extent.

In summary of the above factors, the Company proposes to use RMB1,995,119,100 of the proceeds raised in the Non-public Insurance to supplement working capital, and the remaining RMB376,142,400 will be solved by bank financing in order to support the stable growth of the main business while keeping a healthy financial structure.

8. Impacts of the Non-public Issuance on the Company's operation, management and financial status

(1) Impacts of the Non-public Issuance on the Company's operation and management

The main business of the Company is exploration and development of mineral resources. All of the proceeds raised in the Non-public Issuance will be invested in the main business. After completion of the implementation of the Projects to be Invested by the Proceeds Raised, the Company's reserves of resources will be further increased, and the production capacity and profitability of the Company's main business will be further enhanced, enabling the Company to effectively strengthen its risk resistance and sustainability.

(2) Impacts of the Non-public Issuance on the Company's financial status

The Non-public Issuance can help expand the Company's reserves of resources, assets scale and business scale, and optimize its financial structure. As the Projects to be Invested by the Proceeds Raised are gradually being constructed and implemented, the Company's sales income will increase steadily. After the Kolwezi copper mine in the DR Congo reached the designated production capacity, the average sales income and the average net profit after tax is expected to increase by US$319,091,000 and US$78.139 million per year respectively. The Porgera gold mine is expected to increase average sales income and average net profit after tax by RMB4,457,470,000 and RMB739,160,000 per year respectively. After reaching designated production capacity, the Zijinshan gold and copper mine flotation processing plant is expected to increase average sales income and average net profit after tax by RMB396,657,900 and RMB68,798,300 per year respectively. According to the feasibility report of the Kamoa copper mine, the project can generate impressive returns upon reaching production capacity.

In addition, it is probable that the Company may increase its shareholdings in the 2 overseas projects which it proposes to acquire this time. After their results are consolidated into the financial statements, the operating income and profitability of the Company will be further improved.

9. Conclusion of the feasibility analysis

In conclusion, the Non-public Issuance marks a crucial step for the Board of the Company to "develop gold and copper together", realise the strategic goal of "entering into the top rank of international mining industry", and become "an extra-large scale international mining group with high technology and efficiency", which will enable the Company to significantly increase its resources reserve, enhance operating income and profitability, realise sustainable development and offer protection to the fundamental interests of all investors. All of these are of high practicality.

The Board of Directors of
Zijin Mining Group Co., Ltd.*

3 July 2015

Should there be any discrepancy, the Chinese text of this appendix shall prevail over its English text.

Resolution in relation to Absorption and Merger of Shanghang Jinshan Mining Co., Ltd., a Wholly-owned Subsidiary of the Company

Dear shareholders,

Description of the procedure for proposing an additional resolution

Zijin Mining Group Co., Ltd.* (the "Company") issued a notice on 4 July 2015 regarding the convention of shareholders' general meetings. Minxi Xinghang State-owned Assets Investment Company Limited, a shareholder solely or jointly holding 26.3% of the Company's shares, proposed an additional resolution on 28 July 2015 and submitted it in writing to the convener of the shareholders' general meeting. The convener of the shareholders' general meeting hereby makes an announcement pursuant to the relevant provisions of the "Rules Governing the Shareholders' General Meeting of Listed Companies".

In order to realise the joint and integrated development between the Zijinshan copper mine, which is held by the Company, and its neighboring Luoboling copper mine, which is held by Shanghang Jinshan Mining Co., Ltd., a wholly-owned subsidiary of the Company, optimise corporate management structure and improve operating efficiency, the Company proposes to absorb and merge Shanghang Jinshan Mining Co., Ltd. ("Jinshan Mining"). After completing the absorption and merger, the legal person status of Jinshan Mining will be cancelled. The entirety of its assets, liabilities, equity and business will be taken over by the Company. Details are as follow:

1. Basic information of the merging party

Company name: Zijin Mining Group Co., Ltd.*
Type of company: Joint stock limited company (listed)
Registered address: 1 Zijin Road, Shanghang County, Fujian Province, the PRC
Legal representative: Chen Jinghe
Registered capital: RMB2,157,281,365

Scope of business: exploration of minerals, mining and processing of gold ores; gold refinery; mining and processing of copper ores; copper refinery; integration service on information and technology systems; consultation service on information and technology; sales of jewellery and ornaments, crafts and art products, mineral products, machinery and equipment, chemical products (excluding dangerous chemical products and precursor chemical products of poisons), hydropower generation; investment in mining industry, hotel industry and construction industry; foreign trade; land transportation of general goods; land transportation of hazardous goods. Open pit mining of copper and gold ores; research and development of mining engineering technology, mining machinery and equipment specifically for use in metallurgy; manufacture of mining machinery and equipment specifically for use in metallurgy (only for branches). (Items which require approvals under the law shall be subject to the approval from relevant departments before the commencement of business).

As at 31 March 2015, total assets of the Company amounted to RMB75,156,250,000, total liabilities amounted to RMB41,568,910,000, net assets amounted to RMB28,421,760,000, debt ratio was 55.31%, realised sales income amounted to RMB15,895,830,000 and net profits amounted to RMB414,980,000 (the above financial data are unaudited).

2. Basic information of the merged party

Company name:	Shanghang Jinshan Mining Co., Ltd. ("Jinshan Mining")
Type of company:	Limited liability company (invested by a sole legal person)
Registered address:	Room 1303, 13/F., Zijin Headquarters Building, 1 Zijin Road, Lincheng Town, Shanghang County, Fujian Province, the PRC
Legal representative:	Zhang Jinzhang
Registered capital:	RMB100,000,000

Scope of business: Sales of mineral products, mining machinery and equipment (excluding design of licensed operating projects) (Items which require approvals under the law shall be subject to the approval from relevant departments before the commencement of business).

As at 31 March 2015, total assets of Jinshan Mining amounted to RMB119,610,000, total liabilities amounted to RMB14,810,000, net assets amounted to RMB104,800,000 and debt ratio was 12.4%. For the period from January to March 2015, the realised sales income and net profits were both zero (the above financial data are unaudited).

3. Method and scope of the absorption and merger and relevant arrangements

1. After absorbing and merging Jinshan Mining, the Company will maintain its operation. The independent legal person status of Jinshan Mining will be cancelled. The merger does not involve changes in share capital and shareholders of the Company; the registered capital of the Company and Jinshan Mining before the absorption and merger was RMB2,157,281,365 and RMB100 million respectively, the registered capital of the Company after the absorption and merger will be RMB2,157,281,365;

2. Upon completion of the merger, the Company will entitle to or be liable for all of Jinshan Mining's assets, liabilities and equity. All of Jinshan Mining's business and employees will be taken over or absorbed by the Company. Liabilities and debts of both parties to the merger will be borne by the Company after the merger;

3. Both parties to the merger will enter into an absorption and merger agreement;

4. Both parties to the merger will prepare balance sheets and lists of assets and carry out the procedures to notify creditors and make announcements;

5. Both parties to the merger will complete the matters related to assets transfer together and deal with the formalities regarding change of ownership and change of business registration;

6. Both parties to the merger will perform other procedures as stipulated in laws and regulations or regulatory requirements.

4. Impacts of absorbing and merging a subsidiary on the Company

The absorption and merger help optimise management structure and improve operating efficiency of the Company. Since Jinshan Mining is a wholly-owned subsidiary of the Company, its financial statements have already been included in the scope of the consolidated financial statements of the Company. Therefore, the absorption and merger will not affect the profit or loss of the Company for the current period and will not impair the interests of the shareholders, especially those of the minority shareholders.

5. Authorisation in relation to handling the relevant matters of the absorption and merger

Pursuant to relevant provisions of the articles of association, it is proposed that the shareholders' general meeting to authorise the board of directors to handle all matters related to the absorption and merger. The authorisation to the board of directors includes but is not limited to handle relevant assets and employees transfer, change of business registration, etc. The authorisation is valid until the completion of all relevant matters of the absorption and merger.

The above resolution has been considered and approved by the extraordinary meeting of the fifth board of directors and is hereby tabled to the shareholders' general meeting for consideration.

Shareholder: Minxi Xinghang State-owned Assets Investment Company Limited

Should there be any discrepancy, the Chinese text of this appendix shall prevail over its English text.

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)

Revised Notice of the First Extraordinary General Meeting in 2015

NOTICE IS HEREBY GIVEN THAT the first extraordinary general meeting in 2015 (the **"EGM"**) of Zijin Mining Group Co., Ltd.* (the **"Company"**) will be held at 9:00 a.m. on 18 August 2015, Tuesday, at the conference room at 10/F., Airport Hotel of Zijin Mining Group (Xiamen) Investment Co., Ltd., 128 Xiangyun 3rd Road, Huli District, Xiamen City, Fujian Province, the People's Republic of China (the **"PRC"**) to consider, approve and authorise the following matters:

RESOLUTIONS

1. Special Resolution: "To consider and approve the formulation of "The Profit Distribution and Return Plan for the Next Three Years (Year 2015-2017)"";

2. Ordinary Resolution: "To consider and approve the satisfaction of the conditions for the Non-public Issuance of A Shares of the Company";

3. Special Resolution: "To consider and approve the Proposal on the Non-public Issuance of A Shares of the Company" (the following resolutions to be voted item by item);

   3.01 Class and nominal value of the shares to be issued;

   3.02 Methods and time of issuance;

   3.03 Issuing objects and methods of subscription;

   3.04 Subscription price and pricing principles;

   3.05 Number of shares to be issued;

3.06 Lock-up period;

3.07 Use of proceeds raised;

3.08 Proposal for arrangement of the accumulated distributable profits before the Non-public Issuance of A Shares;

3.09 Listing place of the shares;

3.10 Validity period of the resolution;

4. Special Resolution: "To consider and approve the Plan for the Non-public Issuance of A Shares of the Company (revised version)";

5. Ordinary Resolution: "To consider and approve the Feasibility Report on the Use of Proceeds Raised in the Non-public Issuance of A Shares (revised version)";

6. Ordinary Resolution: "To consider and approve not to produce a report on the use of proceeds previously raised";

7. Special Resolution: "To consider and approve the dilutive impact of the Non-public Issuance of A Shares on immediate returns and the adoption of recovery measures";

8. Special Resolution: "To consider and approve the authorisation to the Board to handle all the matters relating to the Non-public Issuance of A Shares (revised)"; and

9. Special Resolution: "To consider and approve the absorption and merger of Shanghang Jinshan Mining Co., Ltd., a wholly-owned subsidiary of the Company".

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

Fujian, the PRC, 3 August 2015

Notes:

(A) **The Company's register of H Shares members will be closed from 18 July 2015 (Saturday) to 18 August 2015 (Tuesday) (both days inclusive), during which period no transfer of H Shares will be registered. Holders of H Shares whose names appear on the H Share register of members on 18 August 2015 (Tuesday, being the record date) will be entitled to attend and vote at the EGM of the Company to be convened on 18 August 2015 (Tuesday) at the conference room at 10/F., Airport Hotel of Zijin Mining Group (Xiamen) Investment Co., Ltd., 128 Xiangyun 3rd Road, Huli District, Xiamen City, Fujian Province, the PRC. In order to be qualified for attending and voting at the EGM, all transfers of shares must be lodged with the Registrar of H Shares of the Company no later than 4:30 p.m. on 17 July 2015 (Friday).**

The address of the Hong Kong Registrar of H Shares is:

Computershare Hong Kong Investor Services Limited
Shops 1712-1716,
17th Floor, Hopewell Centre,
183 Queen's Road East,
Wanchai,
Hong Kong

(B) Holders of H Shares who intend to attend the EGM must complete and return the reply slip in writing to the Secretariat of the Board of Directors twenty days before the EGM, that is 28 July 2015 (Tuesday).

Details of the office of the Secretariat of the Board of Directors are as follows:

20/F., Block B, Haifu Centre,
599 Sishui Road, Huli District,
Xiamen City, Fujian Province,
People's Republic of China
Tel: (86) 592-2933653
Fax: (86) 592-2933580

(C) Holders of H Shares who have the right to attend and vote at the EGM are entitled to appoint one or more proxies (whether or not a member) to attend and vote on his behalf. For those shareholders who appoint more than one proxy, such proxies can only exercise their voting rights by way of polls.

(D) The instrument appointing a proxy must be in writing and signed by the appointer or his attorney duly authorised in writing. In the event that such instrument is signed by an attorney of the appointer, an authorisation that authorises such signatory shall be notarised.

(E) To be valid, the form of proxy (and if the form of proxy is signed by a person under a power of attorney or other authority on behalf of the appointer, then together with such power of attorney or other authority) must be deposited at the Company's Registrar of H Shares of the Company - Computershare Hong Kong Investor Services Limited no later than 24 hours before the specified time for the holding of the EGM. The address is: 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

(F) If a proxy is appointed to attend the EGM on behalf of a shareholder, the proxy must indicate its identification and the authorisation instrument with the date of issue and duly signed by the proxy and its legal representative, and in the case of legal representative of legal person shareholders, such legal representative must indicate its own identification and effective document to identify its identity as legal representative. If a legal person shareholder appoints a company's representative other than its legal representative to attend the EGM, such representative must indicate its own identification and the authorisation instrument bearing the company chop of the legal person shareholder and duly authorised by its legal representative.

(G) The EGM is expected to last for a half day, and shareholders attending the EGM will be responsible for their own travelling and accommodation expenses.

EXPECTED TIMETABLE

	Year 2015 (Note)
Latest time for lodging transfer of Shares	17 July (Friday) 4:30 p.m.
Book closure period (both days inclusive)	18 July (Saturday) to 18 August (Tuesday)
Record date	18 August (Tuesday)
EGM	18 August (Tuesday)
Announcement on results of the EGM	18 August (Tuesday)
Register of members re-opens	19 August (Wednesday)

Note: All times refer to Hong Kong local times.

As at the date of this notice, the Board of Directors of the Company comprises Messrs. Chen Jinghe (Chairman), Wang Jianhua, Qiu Xiaohua, Lan Fusheng, Zou Laichang, Fang Qixue and Lin Hongfu as executive directors, Mr. Li Jian as non-executive director, and Messrs. Lu Shihua, Ding Shida, Qiu Guanzhou, and Sit Hoi Wah, Kenneth as independent non-executive directors.

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

Should there be any discrepancy, the Chinese text of this notice shall prevail over its English text.

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)

Revised Notice of the Second H Shareholders' Class Meeting in 2015

NOTICE IS HEREBY GIVEN THAT the Second H Shareholders' Class Meeting in 2015 (the **"Second H Shareholders' Class Meeting"**) of Zijin Mining Group Co., Ltd.* (the **"Company"**) will be held at 11:30 a.m. on 18 August 2015, Tuesday, at the conference room at 10/F., Airport Hotel of Zijin Mining Group (Xiamen) Investment Co., Ltd., 128 Xiangyun 3rd Road, Huli District, Xiamen City, Fujian Province, the People's Republic of China (the **"PRC"**) to consider, approve and authorise the following matters:

SPECIAL RESOLUTIONS

1. To consider and approve the Proposal on the Non-public Issuance of A Shares of the Company (the following resolutions to be voted item by item);

   1.01 Class and nominal value of the shares to be issued;

   1.02 Methods and time of issuance;

   1.03 Issuing objects and methods of subscription;

   1.04 Subscription price and pricing principles;

   1.05 Number of shares to be issued;

   1.06 Lock-up period;

   1.07 Use of proceeds raised;

1.08 Proposal for arrangement of the accumulated distributable profits before the Non-public Issuance of A Shares;

1.09 Listing place of the shares;

1.10 Validity period of the resolution;

2. to consider and approve the Plan for the Non-public Issuance of A Shares of the Company (revised version); and

3. to consider and approve the authorisation to the Board to handle all the matters relating to the Non-public Issuance of A Shares (revised).

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

Fujian, the PRC, 3 August 2015

Notes:

(A) **The Company's register of H Shares members will be closed from 18 July 2015 (Saturday) to 18 August 2015 (Tuesday) (both days inclusive), during which period no transfer of H Shares will be registered. Holders of H Shares whose names appear on the H Share register of members on 18 August 2015 (Tuesday, being the record date) will be entitled to attend and vote at the Second H Shareholders' Class Meeting of the Company to be convened on 18 August 2015 (Tuesday) at the conference room at 10/F., Airport Hotel of Zijin Mining Group (Xiamen) Investment Co., Ltd., 128 Xiangyun 3rd Road, Huli District, Xiamen City, Fujian Province, the PRC. In order to be qualified for attending and voting at the Second H Shareholders' Class Meeting, all transfers of shares must be lodged with the Registrar of H Shares of the Company no later than 4:30 p.m. on 17 July 2015 (Friday).**

The address of the Hong Kong Registrar of H Shares is:

Computershare Hong Kong Investor Services Limited
Shops 1712-1716,
17th Floor, Hopewell Centre,
183 Queen's Road East,
Wanchai,
Hong Kong

(B) Holders of H Shares who intend to attend the Second H Shareholders' Class Meeting must complete and return the reply slip in writing to the Secretariat of the Board of Directors twenty days before the Second H Shareholders' Class Meeting, that is 28 July 2015 (Tuesday).

Details of the office of the Secretariat of the Board of Directors are as follows:

20/F., Block B, Haifu Centre,
599 Sishui Road, Huli District,
Xiamen City, Fujian Province,
People's Republic of China
Tel: (86) 592-2933653
Fax: (86) 592-2933580

(C) Holders of H Shares who have the right to attend and vote at the Second H Shareholders' Class Meeting are entitled to appoint one or more proxies (whether or not a member) to attend and vote on his behalf. For those shareholders who appoint more than one proxy, such proxies can only exercise their voting rights by way of polls.

(D) The instrument appointing a proxy must be in writing and signed by the appointer or his attorney duly authorised in writing. In the event that such instrument is signed by an attorney of the appointer, an authorisation that authorises such signatory shall be notarised.

(E) To be valid, the form of proxy (and if the form of proxy is signed by a person under a power of attorney or other authority on behalf of the appointer, then together with such power of attorney or other authority) must be deposited at the Company's Registrar of H Shares of the Company - Computershare Hong Kong Investor Services Limited no later than 24 hours before the specified time for the holding of the Second H Shareholders' Class Meeting. The address is: 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

(F) If a proxy is appointed to attend the Second H Shareholders' Class Meeting on behalf of a shareholder, the proxy must indicate its identification and the authorisation instrument with the date of issue and duly signed by the proxy and its legal representative, and in the case of legal representative of legal person shareholders, such legal representative must indicate its own identification and effective document to identify its identity as legal representative. If a legal person shareholder appoints a company's representative other than its legal representative to attend the Second H Shareholders' Class Meeting, such representative must indicate its own identification and the authorisation instrument bearing the company chop of the legal person shareholder and duly authorised by its legal representative.

(G) The Second H Shareholders' Class Meeting is expected to last for a half day, and shareholders attending the Second H Shareholders' Class Meeting will be responsible for their own travelling and accommodation expenses.

EXPECTED TIMETABLE

	Year 2015 (Note)
Latest time for lodging transfer of Shares	17 July (Friday) 4:30 p.m.
Book closure period (both days inclusive)	18 July (Saturday) to 18 August (Tuesday)
Record date	18 August (Tuesday)
Second H Shareholders' Class Meeting	18 August (Tuesday)
Announcement on results of the Second H Shareholders' Class Meeting	18 August (Tuesday)
Register of members re-opens	19 August (Wednesday)

Note: All times refer to Hong Kong local times.

As at the date of this notice, the Board of Directors of the Company comprises Messrs. Chen Jinghe (Chairman), Wang Jianhua, Qiu Xiaohua, Lan Fusheng, Zou Laichang, Fang Qixue and Lin Hongfu as executive directors, Mr. Li Jian as non-executive director, and Messrs. Lu Shihua, Ding Shida, Qiu Guanzhou, and Sit Hoi Wah, Kenneth as independent non-executive directors.

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

Should there be any discrepancy, the Chinese text of this notice shall prevail over its English text.