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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 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)

- (1) PROPOSED NON-PUBLIC ISSUANCE OF A SHARES;**
**(2) CONNECTED TRANSACTION — SUBSCRIPTION OF A SHARES BY
MINXI XINGHANG;**
**(3) CONNECTED TRANSACTION — SUBSCRIPTION OF A SHARES
PURSUANT TO THE EMPLOYEE STOCK OWNERSHIP SCHEME**

**INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT BOARD COMMITTEE
AND THE INDEPENDENT SHAREHOLDERS**



大有融資有限公司
MESSIS CAPITAL LIMITED

A letter from the Board is set out on pages 5 to 25 of this circular. A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on pages 26 to 27 of this circular. A letter from the Independent Financial Adviser, Messis Capital Limited, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 28 to 45 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 Thursday, 25 August 2016 at 9 a.m. and 11:30 a.m., respectively, were issued on 11 July 2016 respectively. The revised notice convening the EGM is set out on pages 115 to 125 of this circular.

Reply slips and proxy forms for use at the said meetings were issued on 11 July 2016 respectively. Revised proxy form for the EGM is 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 Friday, 5 August 2016.

Shareholders who intend to appoint a proxy to attend the meeting(s) are requested to complete the applicable proxy form(s) in accordance with the instructions printed thereon. The applicable 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(s) or any adjournment thereof (as the case may be). Completion and return of the applicable 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*

10 August 2016

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DEFINITIONS

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)”	holder(s) of A Share(s);
“A Shareholders’ Class Meeting”	the second A Shareholders’ class meeting in 2016 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 Thursday, 25 August 2016 at 11 a.m.;
“Agreement(s)”	Conditional Share Subscription Agreement for the Non-public Issuance of A Shares entered into between the Company and Minxi Xinghang, and between the Company and the Employee Stock Ownership Scheme respectively on 8 July 2016;
“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;
“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;

DEFINITIONS

“EGM”	the second extraordinary general meeting in 2016 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 Thursday, 25 August 2016 at 9 a.m.;
“Employee Stock Ownership Scheme” or “Phase 1 of the Employee Stock Ownership Scheme”	Phase 1 of the Employee Stock Ownership Scheme of Zijin Mining Group Co., Ltd.*;
“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)”	holder(s) of H Share(s);
“H Shareholders’ Class Meeting”	the second H Shareholders’ class meeting in 2016 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 Thursday, 25 August 2016 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” or “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;
“Independent Board Committee”	the independent board committee of the Company comprising all independent non-executive Directors and was established to advise the Independent Shareholders on voting in relation to subscription of A Shares by Minxi Xinghang and subscription of A Shares pursuant to the Employee Stock Ownership Scheme;

DEFINITIONS

“Independent Financial Adviser”	Messis Capital Limited, a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the subscription of A Shares by Minxi Xinghang and the subscription of A Shares pursuant to the Employee Stock Ownership Scheme;
“Independent Shareholder(s)”	any Shareholder of the Company that is not required to abstain from voting at a shareholders’ general meeting to approve the Agreements and the transactions contemplated thereunder;
“Latest Practicable Date”	1 August 2016, being the latest practicable date prior to the issuance of this circular for ascertaining certain information contained herein;
“Minxi Xinghang”	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 26.33% equity interest in the Company;
“Non-public Issuance”	the proposal of the Company to target not more than ten specific investors to non-publicly issue and allot not more than 1,584,158,415 A Shares (nominal value of RMB0.10 each), after adjustment of dividend distribution for the year 2015 which are intended to be listed on the Shanghai Stock Exchange;
“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;
“SFO”	Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong);
“Shanghai Stock Exchange”	Shanghai Stock Exchange of the PRC;
“Share(s)”	ordinary share(s) with a nominal value 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);

DEFINITIONS

“Supervisor(s)”	the supervisor(s) of the Company;
“Zijin Copper”	Zijin Copper Company Limited, a wholly-owned subsidiary of the Company;
“%”	per cent.

LETTER FROM THE BOARD



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
Zhu Guang
Sit Hoi Wah, Kenneth

*Registered office and principal
place of business in the PRC:*
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

10 August 2016

To the Shareholders

Dear Sir/Madam,

- (1) PROPOSED NON-PUBLIC ISSUANCE OF A SHARES;**
**(2) CONNECTED TRANSACTION — SUBSCRIPTION OF A SHARES BY
MINXI XINGHANG;**
**(3) CONNECTED TRANSACTION — SUBSCRIPTION OF A SHARES
PURSUANT TO THE EMPLOYEE STOCK OWNERSHIP SCHEME**

LETTER FROM THE BOARD

1. INTRODUCTION

Reference is made to the announcement of the Company dated 8 July 2016 in relation to the proposed Non-public Issuance of A Shares, subscription of A Shares by Minxi Xinghang and subscription of A Shares pursuant to the Employee Stock Ownership Scheme.

The purpose of this circular is to provide you with information in relation to (1) proposed Non-public Issuance of A Shares; (2) subscription of A Shares by Minxi Xinghang and (3) subscription of A Shares pursuant to the Employee Stock Ownership Scheme, which are among the resolutions to be proposed at the EGM, and proposed Non-public Issuance of A Shares is also among the resolutions to be proposed at the A Shareholders' Class Meeting and the H Shareholders' Class Meeting, and to set out the letter from the Independent Financial Adviser to the Independent Shareholders and the recommendation of the Independent Board Committee as advised by the Independent Financial Adviser and other information relevant to the proposals to be tabled at the EGM, the A Shareholders' Class Meeting (where applicable) and the H Shareholders' Class Meeting (where applicable) as required under the Hong Kong Listing Rules, in order to enable you to make an informed decision on whether to vote for or against the resolutions at the EGM, the A Shareholders' Class Meeting (where applicable) and the H Shareholders' Class Meeting (where applicable).

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 1,584,158,415 A Shares (nominal value of RMB0.10 each), after adjustment of dividend distribution for the year 2015 to not more than ten specific investors (including Minxi Xinghang, the Controlling Shareholder of the Company, and the Employee Stock Ownership Scheme), which would raise the gross proceeds of up to RMB4.8 billion. The proposed Non-public Issuance of A Shares will be subject to the approvals by the Independent Shareholders at the EGM and the Class Meetings, and the approval of the CSRC, and other conditions as listed out in Appendix 1 to this circular.

Structure of the Non-public Issuance of A Shares

Class and nominal value of the Shares to be issued	The Shares to be issued under the Non-public Issuance will be Renminbi-denominated ordinary shares (A Shares) with a nominal value of RMB0.10 each which will be listed in the PRC.
Methods and time of issuance	The entirety of the Renminbi-denominated ordinary shares (A Shares) in the Non-public Issuance will be issued to specific investors within 6 months in due course after receiving the approval by the CSRC by way of Non-public Issuance.

LETTER FROM THE BOARD

Issuing objects and methods of subscription

The Non-public Issuance of A Shares is proposed to target not more than ten specific investors, including Minxi Xinghang, the Controlling Shareholder of the Company, and Phase 1 of the Employee Stock Ownership Scheme. Minxi Xinghang has undertaken to subscribe at the same price as other issuing objects by way of cash with a subscription amount of RMB900 million. Phase 1 of the Employee Stock Ownership Scheme has undertaken to subscribe at the same price as other issuing objects by way of cash with a subscription amount of RMB401.7 million. Other issuing objects include securities investment fund management companies, securities firms, trust investment companies, finance companies, insurance institutional investors, qualified offshore institutional investors, and other legal entities, natural persons or other legitimate investors in compliance with the stipulations of laws and regulations, which are, to the best knowledge of the Directors, third parties independent of the Company and its Connected Persons.

Subject to the Board being granted the authorisation at shareholders' general meetings of the Company, after obtaining the approval documents issued by the CSRC, issuing objects other than Minxi Xinghang and Phase 1 of the Employee Stock Ownership Scheme will be determined by price-oriented and time-oriented principles with reference to their subscription and quotation amounts. All the issuing objects will subscribe the Shares in the Non-public Issuance at the same price in cash.

LETTER FROM THE BOARD

Subscription price and pricing principles

The base day for pricing of the Non-public Issuance is the announcement date of the resolutions of the eighteenth 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 RMB3.09 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) after 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 2015 has been completed, the minimum subscription price is adjusted to RMB3.03 per Share.

Minxi Xinghang and Phase 1 of the Employee Stock Ownership Scheme will not participate in the price inquiry process of the Non-public Issuance of A Shares, and have undertaken to accept the pricing results and to subscribe shares at the same price as other investors.

Number of A Shares to be issued

The maximum number of A Shares to be issued under the Non-public Issuance will be 1,553,398,058 (1,553,398,058 inclusive). Subject to the maximum number of Shares as mentioned above, the Board proposes the shareholders' general meetings 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 2015 has been completed, the maximum number of shares to be issued is adjusted to 1,584,158,415 Shares.

LETTER FROM THE BOARD

The maximum number of A Shares to be issued under the proposed Non-public Issuance of A Shares, being 1,584,158,415 Shares (after adjustment of dividend distribution for the year 2015), represents (i) approximately 10.02% of the number of A Shares in issue and approximately 7.35% of the total number of Shares in issue of the Company as at the Latest Practicable Date; and (ii) approximately 9.11% of the enlarged number of A Shares in issue and approximately 6.85% of the enlarged total number of Shares in issue of the Company upon completion of the proposed Non-public Issuance of A Shares.

Lock-up period

The lock-up periods for the Shares subscribed by Minxi Xinghang, Phase 1 of the Employee Stock Ownership Scheme and other specific investors under the Non-public Issuance of A Shares are 36 months, 36 months and 12 months from the date of conclusion of the issuance respectively. 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 periods.

Use of proceeds raised

The total amount of proceeds to be raised in the Non-public Issuance will not exceed RMB4.8 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	3,861,880.90	3,395,804.10
2	Zijin Copper's capacity expansion project for comprehensive recovery of end materials in production	228,391.40	105,102.20
3	Supplementing working capital of the Company	1,341,316.10	1,299,093.70
Total		<u>5,431,588.50</u>	<u>4,800,000.00</u>

LETTER FROM THE BOARD

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 the use of proceeds 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.

Place of listing

The Company will apply to the Shanghai Stock Exchange for the listing of and permission to deal in the A Shares to be issued.

Validity period of the resolutions

The resolutions in relation to the Non-public Issuance will be valid within 12 months from the date of considering and approving the resolutions at the shareholders' general meetings of the Company.

3. SUBSCRIPTION OF A SHARES BY MINXI XINGHANG

The Company entered into a "Conditional Share Subscription Agreement for the Non-public Issuance of A Shares" with Minxi Xinghang on 8 July 2016. It is proposed that Minxi Xinghang subscribes for the A Shares of the Company in the Non-public Issuance with a proposed subscription amount of RMB900 million and a proposed number of A Shares to be subscribed of not more than 297,029,702 A Shares (after adjustment of dividend distribution for the year 2015). The A Shares to be subscribed by Minxi Xinghang cannot be transferred within 36 months from the date of the conclusion of the Non-public Issuance. After the lock-up period lapses, such Shares will be listed for trading on the Shanghai Stock Exchange.

4. SUBSCRIPTION OF A SHARES PURSUANT TO THE EMPLOYEE STOCK OWNERSHIP SCHEME

Pursuant to the Company Law of the PRC, the Securities Law of the PRC, Guiding Opinions on the Implementation of Employee Stock Ownership Scheme by Listed Companies on a Pilot Basis and the provisions of other relevant laws, regulations, regulatory documents and the Articles of

LETTER FROM THE BOARD

Association, the Company formulated Phase 1 of the Employee Stock Ownership Scheme of Zijin Mining Group Co., Ltd.* (Draft) (By Way of Subscribing A Shares in Non-public Issuance). Certain Directors, Supervisors, senior management and staff of the Company participated in the Employee Stock Ownership Scheme, and their participation is voluntary and in compliance with the laws and regulations. The proposed subscription amount of the Employee Stock Ownership Scheme under the Non-public Issuance is RMB401.7 million, corresponding to a subscription amount of not more than 132,574,257 A Shares (after adjustment of dividend distribution for the year 2015) under the Non-public Issuance of A Shares. The Company entered into a “Conditional Share Subscription Agreement for the Non-public Issuance of A Shares” with the Employee Stock Ownership Scheme on 8 July 2016. The A Shares to be subscribed by the Employee Stock Ownership Scheme cannot be transferred within 36 months from the date of the conclusion of the Non-public Issuance. After the lock-up period lapses, such Shares will be listed for trading on the Shanghai Stock Exchange.

Major contents of the Employee Stock Ownership Scheme are set out below:

Objectives of the Employee Stock Ownership Scheme

1. To establish and perfect the benefit sharing mechanism between labour and owners;
2. to further improve corporate governance structure, advocate sustainable development both for the corporation and individuals, and provide effective incentives to the management and employees of the Company; and
3. to attract and retain excellent talents for management and key personnel for operation, balance the long-term and near-term benefits of the Company, attract an array of talents in more flexible ways, and propel longer term, more sustainable and healthier development of the Company.

Overview of target participants and their portion of units to be subscribed under the Employee Stock Ownership Scheme

The total number of employees participating in the Employee Stock Ownership Scheme is below 3,200. Their list and allocation of units are as follows:

No.	Holder	Amount of capital contribution (RMB)	Approximate percentage of the total number of units of the Employee Stock Ownership Scheme	Proposed maximum number of A Shares to be subscribed (based on the minimum subscription price of RMB3.03/Share (after adjustment of dividend distribution for the year 2015))
1	Directors, Supervisors and senior management (totaled 14 persons)	64,890,000	16.15%	21,415,841
2	Other employees	336,810,000	83.85%	111,158,416
	Total	401,700,000	100.00%	132,574,257

LETTER FROM THE BOARD

Source of funds of the Employee Stock Ownership Scheme

The source of funds of the Employee Stock Ownership Scheme will be derived from the legitimate salary of the Company's employees participating in the Employee Stock Ownership Scheme, as well as their self-financing funds and funds raised in other manners in compliance with the laws and regulations.

The proposed amount to be raised in the Employee Stock Ownership Scheme is RMB401.7 million in total at RMB1 per each subscription unit. The minimum subscription amount for individual employee shall be 10,000 units. For subscription of over 10,000 units, the number of units to be subscribed shall be the multiple of 10,000. The total number of the underlying Shares corresponding to the portion of the Employee Stock Ownership Scheme to be held by any individual shall not exceed 1% of the Company's total number of issued shares. The final number of units to be held by the holders of the Employee Stock Ownership Scheme will be subject to the actual amount of capital paid to the corresponding units subscribed.

After obtaining the approval documents from the CSRC regarding the Non-public Issuance, the holders of the Employee Stock Ownership Scheme shall pay off the subscription amount in full within the time period according to the payment instructions of the Company, unless otherwise required by the CSRC regarding the payment of the Non-public Issuance.

If the holders of the Employee Stock Ownership Scheme fail to pay off their subscription amount on time and in full, it shall be deemed a waiver of the respective subscription rights and other eligible employees can apply to subscribe for the corresponding abandoned units thereof. In case that the application number of subscription units exceeds the number of the abandoned units, the management committee of the Employee Stock Ownership Scheme will determine the candidates of subscription and specific number of units to be subscribed.

Source of Shares of the Employee Stock Ownership Scheme

The Shares to be subscribed by the Employee Stock Ownership Scheme are derived from the Non-public Issuance. To subscribe Shares under the Non-public Issuance, the Employee Stock Ownership Scheme undertakes not to participate in the price inquiry process of the Non-public Issuance, and confirms to subscribe at the final issuance price as determined by the price inquiry results. The subscription amount of the Employee Stock Ownership Scheme under the Non-public Issuance is RMB401.7 million.

Lock-up period and duration of the Employee Stock Ownership Scheme

The lock-up period of the underlying Shares to be subscribed through the Non-public Issuance of A Shares by the Employee Stock Ownership Scheme is 36 months, beginning from the date that the Company announces that the underlying Shares have been registered under the Employee Stock Ownership Scheme.

LETTER FROM THE BOARD

The duration of the Employee Stock Ownership Scheme is 48 months, beginning from the date that the Company announces that the underlying Shares have been registered under the Employee Stock Ownership Scheme. The Employee Stock Ownership Scheme will end automatically after the expiry of the duration.

Management of the Employee Stock Ownership Scheme

The Employee Stock Ownership Scheme will be managed by the Company. Its internal supreme management authority will be the holders' meeting. The holders' meeting will be constituted by the entirety of holders of the current Employee Stock Ownership Scheme. It will delegate a management committee to take charge of the specific management affairs of the current Employee Stock Ownership Scheme (including but not limited to reduction of the number of Shares held by the Employee Stock Ownership Scheme when the lock-up period expires and distribution of income and cash assets on behalf of the Employee Stock Ownership Scheme), and to exercise shareholders' rights on behalf of all the holders, etc.

Details of the Employee Stock Ownership Scheme and its administrative policy are set out in appendix 2 and appendix 3 to the circular respectively.

Major contents of the Conditional Share Subscription Agreement for the Non-public Issuance of A Shares entered into between the Company and Minxi Xinghang and between the Company and the Employee Stock Ownership Scheme respectively on 8 July 2016 are set out below:

(1) Parties to the Agreements

Parties to the two Agreements include (i) the Company and Minxi Xinghang; and (ii) the Company and Phase 1 of the Employee Stock Ownership Scheme.

(2) Subscription amount and quantity

Pursuant to the Agreement between the Company and Minxi Xinghang, Minxi Xinghang, as the subscriber, agrees to subscribe the A Shares to be issued by the Company in the Non-public Issuance of A Shares at the subscription price under the Agreement with a subscription amount of RMB900 million.

Pursuant to the Agreement between the Company and Phase 1 of the Employee Stock Ownership Scheme, Phase 1 of the Employee Stock Ownership Scheme, as the subscriber, agrees to subscribe the A Shares to be issued by the Company in the Non-public Issuance of A Shares at the subscription price under the Agreement with a subscription amount of RMB401.7 million.

(3) Pricing principles

The issuance price of the Shares to be issued shall not be less than 90% of the average trading price of the Company's A Shares in the 20 trading days preceding the announcement date of the resolutions of the eighteenth meeting of the fifth term of the Board of the Company, which is RMB3.09 per Share. The final issuance price will be determined based on the provisions of relevant rules and regulations, price inquiry results, authorisation of the shareholders' general meetings and negotiation

LETTER FROM THE BOARD

with the sponsor (the lead underwriter) after 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. (Note: As the implementation of the profit distribution proposal of the Company for the year 2015 has been completed, the minimum subscription price of the Non-public Issuance is adjusted to RMB3.03 per Share.)

The subscribers confirm not to participate in the price inquiry process of the Non-public Issuance, and have undertaken to accept the price inquiry results and subscribe at the same price as other investors.

(4) Method of subscription

The subscribers will subscribe the Shares of the Non-public Issuance in cash.

(5) Lock-up period

The lock-up period for the Shares of the Non-public Issuance to be subscribed by the subscribers is 36 months from the date of the conclusion of the Non-public issuance. Such Shares cannot be transferred within 36 months.

(6) Payment method

After obtaining the approval documents from the CSRC regarding the Non-public Issuance, the subscribers shall pay subscription amount in full for subscribing the Shares of the Non-public Issuance according to the payment date specified in the payment notice issued by the Company and the sponsor (the lead underwriter) to the account which the sponsor (the lead underwriter) opened specifically for the Non-public Issuance. After completion of capital verification, the sponsor (the lead underwriter) will transfer the proceeds after deduction of the sponsor fee and underwriting fee to the Company's dedicated account for fund raising.

(7) Conditions for the Agreements to take effect

The Agreements shall take effect when all of the following conditions are satisfied:

1. The Agreements being signed by the legal representatives or their authorised attorneys of both parties and being affixed the common seal of both parties;
2. Resolutions relating to the Non-public Issuance being considered and approved by the Board meetings and shareholders' general meetings of the Company;
3. The authorised state-owned assets management departments granting approval to the Non-public Issuance of the Company and the transactions; and
4. The CSRC granting approval to the Company for the Non-public Issuance.

LETTER FROM THE BOARD

(8) Breach of contract

1. Except in cases of force majeure, if either party fails to fulfill its obligations under the Agreement or if there are falsehood or serious errors in the made commitment, representations, warranties, etc., such party should be recognised as the breaching party. The breaching party will be liable for the consequences of breach of contract pursuant to the stipulations of the laws and the terms under the Agreement, make comprehensive and full compensation to the observant party, and bear lawsuit expenses incurred from the breach of contract for the observant party (including but not limited to litigation costs, attorneys' fees and other reasonable expenses) as well as the litigation fee and compensation against and to any third-party (including litigation costs, attorneys' fees and other reasonable expenses).
2. Either party which breaches the contract shall be liable for the consequences of breach of contract, the liability will not be exempted due to the termination or rescission of the Agreement.

The transactions have been considered and approved by the eighteenth meeting of the fifth Board, at which connected Directors namely Chen Jinghe, Wang Jianhua, Qiu Xiaohua, Lan Fusheng, Zou Laichang, Fang Qixue, Lin Hongfu and Li Jian abstained from voting on the relating resolutions. Independent Directors have preapproved the transactions, and they have also issued independent opinions of consent on the transactions. The transactions are subject to approval at the shareholders' general meeting. All connected parties who are interested in the transactions will abstain from voting in respect of the resolutions relating to the transactions. The implementation of the Non-public Issuance is also subject to the authorisation of the CSRC.

Implications under the Hong Kong Listing Rules

As at the Latest Practicable Date, Minxi Xinghang holds 5,671,353,180 A Shares, representing approximately 26.33% of the total Shares in issue. Minxi Xinghang is the Controlling Shareholder of the Company and a Connected Person of the Company. Under Chapter 14A of the Listing Rules, the subscription is a connected transaction and is subject to the reporting, announcement and Independent Shareholders' approval requirements under the Listing Rules.

The Employee Stock Ownership Scheme will be fully subscribed by certain Directors, Supervisors and senior management of the Company totaled 14 persons and salaried employees who have entered into formal employment contracts with and currently under employment of the Company or its subsidiaries. Under Chapter 14A of the Listing Rules, the Directors, Supervisors and chief executive of the Company are Connected Persons of the Company. Subscription of A Shares by such Directors, Supervisors and chief executive of the Company pursuant to the Employee Stock Ownership Scheme shall constitute a connected transaction and is subject to the reporting, announcement and Independent Shareholders' approval requirements under the Listing Rules.

LETTER FROM THE BOARD

An Independent Board Committee comprising of the independent non-executive Directors has been formed to advise the Independent Shareholders on subscription of A Shares by Minxi Xinghang and subscription of A Shares pursuant to the Employee Stock Ownership Scheme. An Independent Financial Adviser, in accordance with the Listing Rules, has been appointed to advise the Independent Board Committee and the Independent Shareholders on the same. The Company will convene shareholders' general meetings for the Independent Shareholders to consider and, if thought fit, among other things, to approve subscription of A Shares by Minxi Xinghang and subscription of A Shares pursuant to the Employee Stock Ownership Scheme. The transactions shall be subject to the relevant reporting, announcement and Independent Shareholders' approval (where applicable) requirements pursuant to the Hong Kong Listing Rules. Minxi Xinghang and its Associates shall abstain from voting in respect of the resolutions relating to subscription of A Shares by Minxi Xinghang, and the relevant Directors, Supervisors, chief executive and their Associates shall abstain from voting in respect of the resolutions relating to the Employee Stock Ownership Scheme.

Reasons for and benefits of the Non-public Issuance of A Shares, subscription of A Shares by Minxi Xinghang and subscription of A Shares pursuant to the Employee Stock Ownership Scheme

The Company expects to obtain supports from the capital market through the Non-public Issuance of A Shares for proactively pushing forward and implementing the Company's development strategies. At the same time, the participation of subscription of the Non-public Issuance of A Shares by the Employee Stock Ownership Scheme is beneficial to the establishment and perfection of the benefit and risk sharing mechanism of the employees and all Shareholders of the Company, raising employees' cohesiveness and the Company's competitiveness. The Non-public Issuance of A Shares can raise the Company's abilities in operation and repayment of debts, optimise the financial structure and strengthen ongoing profitability.

In order to support the long-term development of the Company and in a favorable view of the development prospect of the projects to be invested by the proceeds raised in the Non-public Issuance (the "Projects to be Invested by the Proceeds Raised"), Minxi Xinghang decided to participate in the Non-public Issuance. The participation of Minxi Xinghang in the Non-public Issuance is beneficial to the smooth implementation of the Non-public Issuance and helps promote the continuation of the Company's long-term strategy.

Information of the Company

The Company is principally engaged in mining, production, refining and sales of gold and other mineral resources in the PRC.

Information of Minxi Xinghang

Minxi Xinghang is a state-owned limited company incorporated in the PRC whose principal activities are operation and management of state-owned assets within the authorised scope and project investment. It is the Controlling Shareholder of the Company currently holding 26.33% equity interest in the Company.

LETTER FROM THE BOARD

Information of the Employee Stock Ownership Scheme

The Employee Stock Ownership Scheme is a stock ownership scheme for the Company's employees formulated by the Company pursuant to the Company Law of the PRC, the Securities Law of the PRC, Guiding Opinions on the Implementation of Employee Stock Ownership Scheme by Listed Companies on a Pilot Basis and the provisions of other relevant laws, regulations, regulatory documents and the Articles of Association.

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 Minxi Xinghang (the Controlling Shareholder of the Company), the Employee Stock Ownership Scheme, and other parties which are, to the best knowledge of the Directors, third parties independent of the Company and its Connected Persons, including securities investment fund management companies, securities firms, trust investment companies, finance companies, insurance institutional investors, 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 RMB3.03 per A Share (after adjustment of dividend distribution for the year 2015). 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 other than Minxi Xinghang and the Employee Stock Ownership Scheme, and based on the price-oriented and time-oriented principles and negotiations with the sponsor (the lead underwriter).

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 RMB3.56 and HK\$2.92 per share respectively. The minimum subscription price of the A Shares in the Non-public Issuance, being RMB3.03 per A Share represents a discount of approximately 14.89% to the closing price of RMB3.56 per A Share as quoted on the Shanghai Stock Exchange, and a premium of approximately 21.69% to the closing price of HK\$2.92 per H Share (approximately equivalent to RMB2.49, based on the RMB middle exchange rate of that date, being HK\$1 to RMB0.85432 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

LETTER FROM THE BOARD

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 adopting the Non-public Issuance of A Shares

As the development and expansion of the principal business accelerate, 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 financial stability, and significantly improve capital strength and overall competitiveness which help further strengthen the Company's ability to capture 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 A Shares to be issued in the Non-public Issuance will not exceed 1,584,158,415 Shares (after adjustment of dividend distribution for the year 2015). As at the Latest Practicable Date, the Controlling Shareholder of the Company, Minxi Xinghang holds 5,671,353,180 Shares, representing approximately 26.33% of the total Shares in issue. Based on the maximum number of A Shares to be issued in the Non-public Issuance, Minxi Xinghang, the Controlling Shareholder of the Company, will hold approximately 25.81% 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 eighteenth meeting of the fifth term of the Board convened on 8 July 2016. According to the provisions of relevant laws and regulations, the Non-public Issuance will be subject to the approvals by shareholders' general meetings and the CSRC.

LETTER FROM THE BOARD

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

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

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 grading 4% in average. After completion, the project can process 1.65 million tonnes of crude copper ores per year, producing 7,212 tonnes of copper sulphide 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 4 to the circular.

(ii) *Zijin Copper’s capacity expansion project for comprehensive recovery of end materials in production*

Zijin Copper was founded in March 2009. In the end of 2011, construction of the plant completed and production commenced. The enterprise has reached an annual production capacity of 300,000 tonnes of copper cathodes, 10 tonnes of gold, 200 tonnes of silver and 1 million tonnes of vitriol. As the scale of the Company’s copper refining business grows, it is expected that the Company’s copper anode slime will increase by 2,000 tonnes/year. For the purposes of saving investments, lowering costs and unifying management, the Company proposes to expand the construction project for end material production for raising the annual handling capacity of copper anode slime from 3,000 tonnes/year to 5,000 tonnes/year.

The expected construction period and payback period (after tax, including the construction period) of Zijin Copper’s capacity expansion project for comprehensive recovery of end materials in production is 1 year and 8.69 years respectively. Details of this project are set out in the section headed “4. Zijin Copper’s capacity expansion project for comprehensive recovery of end materials in production” in the feasibility report in appendix 4 to the circular.

(iii) *Supplementing working capital*

In 2013, 2014 and 2015, the Company realised operating income of RMB49,771,511,900, RMB58,760,533,900 and RMB 74,303,573,700 respectively, the annual growth rate was 18.06% and 26.45% respectively. The Company predicted that its operating income in the next three years 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 arising from the Projects to be Invested by the Proceeds Raised) and therein the additional working capital needed in 2016, 2017 and 2018. Details of the estimation and the assumptions are set out in the section headed “5. Supplementing working capital” in the feasibility report in appendix 4 to the circular.

LETTER FROM THE BOARD

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 implementing the Projects to be Invested by the Proceeds Raised, risk of economic benefits of the Projects to be Invested by the Proceeds Raised, 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, implementation risk of overseas project 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 Non-public Issuance of A Shares on the shareholding structure of the Company

Assuming that a total of 1,584,158,415 A Shares (after adjustment of dividend distribution for the year 2015) (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, subscription of A Shares by Minxi Xinghang and subscription of A Shares pursuant to the Employee Stock Ownership Scheme		
	Number of Shares	Approximate percentage of the total number of issued A Shares	Approximate percentage of the total number of issued Shares of the Company	Number of Shares	Approximate percentage of the total number of issued A Shares	Approximate percentage of the total number of issued Shares of the Company
Minxi Xinghang	5,671,353,180	35.89%	26.33%	5,968,382,882	34.32%	25.81%
The Employee Stock Ownership Scheme	—	—	—	132,574,257	0.76%	0.57%
Other issuing objects	—	—	—	1,154,554,456	6.64%	4.99%
Other A Shareholders	10,132,450,470	64.11%	47.04%	10,132,450,470	58.28%	43.82%
H Shareholders	5,736,940,000	—	26.63%	5,736,940,000	—	24.81%
	<u>21,540,743,650</u>	<u>100%</u>	<u>100%</u>	<u>23,124,902,065</u>	<u>100%</u>	<u>100%</u>

Note:

(1) Based on the minimum subscription price RMB3.03/Share (after adjustment of dividend distribution for the year 2015).

LETTER FROM THE BOARD

Equity financing activities in the past 12 months

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

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 by the shareholders’ general meetings 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, pursuant to the provisions of the Company Law of the PRC, other relevant laws, regulations, regulatory documents and the provisions of the Articles of Association, 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. Formulate 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 timing of issuance, number of shares to be issued, subscription price, selection and determination of the issuing objects, specific methods of subscription, proportion of subscription, determination of subscription price and other specific related matters;
2. Authorise the Board to 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;
3. Carry out work relating to the Projects to be Invested by the Proceeds Raised 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;
4. Engage relevant intermediate 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 intermediate institutions;

LETTER FROM THE BOARD

5. Carry out filings relating to the Non-public Issuance of A Shares including but not limited to liaising the Company to prepare the reporting materials of the Non-public Issuance of A Shares together with the intermediate 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;
6. 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 subject to the resolutions of the shareholders' general meetings;
7. Negotiate, draft, sign, amend 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);
8. 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;
9. 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 upon the completion of the Non-public Issuance of A Shares;
10. Make appropriate modification to the specific issuance proposal for the Non-public Issuance of A Shares and determine to terminate the matters related to the Non-public Issuance of A Shares within the scope permitted by the laws, regulations, rules, regulatory documents and the Articles of Association 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;
11. Set up a dedicated account for the proceeds raised in the Non-public Issuance of A Shares;
and
12. Handle all other matters relating 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.

LETTER FROM THE BOARD

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.

5. THE EXTRAORDINARY GENERAL MEETING AND THE CLASS MEETINGS

The Company proposes to convene the EGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting 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 Thursday, 25 August 2016 at 9 a.m., 11 a.m. and 11:30 a.m. respectively.

An EGM will be convened and held for the purpose of, inter alia, considering and approving, by the Independent Shareholders, the Non-public Issuance of A Shares, subscription of A Shares by Minxi Xinghang, subscription of A Shares pursuant to the Employee Stock Ownership Scheme and the related matters.

The A Shareholders' Class Meeting will be convened and held for the purpose of, inter alia, considering and approving, by the independent A Shareholders, the Non-public Issuance of A Shares and the related matters. The H Shareholders' Class Meeting will be convened and held for the purpose of, inter alia, considering and approving, by the independent H Shareholders, the Non-public Issuance of A Shares and the related matters. 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.

Pursuant to the Hong Kong Listing Rules, Minxi Xinghang and its Associates shall abstain from voting in respect of the resolutions relating to subscription of A Shares by Minxi Xinghang, and the relevant Directors, Supervisors, chief executive and their Associates shall abstain from voting in respect of the resolutions relating to the Employee Stock Ownership Scheme.

In order to determine the H Shareholders who are entitled to attend the EGM and the H Shareholders' Class Meeting, the Company's register of H Shares members will be closed from 26 July 2016 (Tuesday) to 25 August 2016 (Thursday) (both days inclusive), during which period no transfer of H Shares will be registered. H Shareholders who intend to attend the EGM and the H Shareholders' Class Meeting but have not registered the transfer documents are required to deposit the transfer documents together with the relevant share certificates at 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, at or before 4:30 p.m. on 25 July 2016 (Monday). H Shareholders whose names appear on the register of H Shares members on 25 August 2016 (Thursday) are entitled to attend the EGM and the H Shareholders' Class Meeting.

LETTER FROM THE BOARD

Reply slips and proxy forms for use at the EGM and the H Shareholders' Class Meeting were issued on 11 July 2016 respectively. Revised proxy form for the EGM is enclosed herewith. H Shareholders who intend to appoint a proxy to attend the meeting(s) are requested to complete the applicable proxy form(s) in accordance with the instructions printed thereon. The applicable 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(s) or any adjournment thereof (as the case may be). Completion and return of the applicable 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.

6. INDEPENDENT FINANCIAL ADVISER

As required by the Hong Kong Listing Rules, an independent financial adviser has been appointed by the Company to advise the Independent Board Committee and the Independent Shareholders on subscription of A Shares by Minxi Xinghang and subscription of A Shares pursuant to the Employee Stock Ownership Scheme. As at 10 August 2016, the Independent Financial Adviser had given and had not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which they were included.

7. RECOMMENDATION

Messis Capital Limited has been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the subscription of A Shares by Minxi Xinghang and the subscription of A Shares pursuant to the Employee Stock Ownership Scheme. The Independent Financial Adviser is of the view that the entering into of the Agreements and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole, and the terms of the Agreements and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned. The Independent Financial Adviser therefore recommends the Independent Shareholders, as well as the Independent Board Committee to recommend the Independent Shareholders, to vote in favour of the relevant resolutions to be proposed at the EGM and the Class Meetings (if applicable) to approve the Agreements and the transactions contemplated thereunder.

The Directors (including the independent non-executive Directors after receiving the advice from the Independent Financial Adviser) consider that the Non-public Issuance of A Shares, subscription of A Shares by Minxi Xinghang and subscription of A Shares pursuant to the Employee Stock Ownership Scheme mentioned above are in the best interests of the Company and its Shareholders as a whole, and recommend that all Independent Shareholders, independent A Shareholders and independent H Shareholders should vote in favour of the relevant resolutions to be proposed at the EGM, the A Shareholders' Class Meeting (if applicable) and the H Shareholders' Class Meeting (if applicable).

LETTER FROM THE BOARD

8. FURTHER INFORMATION

Your attention is drawn to the letter from the Independent Board Committee set out on pages 26 to 27 of this circular and the letter from the Independent Financial Adviser set out on pages 28 to 45 of this circular which contains the recommendation of the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the subscription of A Shares by Minxi Xinghang and the subscription of A Shares pursuant to the Employee Stock Ownership Scheme and the principal factors and reasons considered by the Independent Financial Adviser in arriving at its recommendation.

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.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



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)

10 August 2016

To the Independent Shareholders

Dear Sir/Madam,

**SUBSCRIPTION OF A SHARES BY MINXI XINGHANG AND
SUBSCRIPTION OF A SHARES PURSUANT TO THE EMPLOYEE
STOCK OWNERSHIP SCHEME**

We, the Independent Board Committee of Zijin Mining Group Co., Ltd.* (the “**Company**”), are advising the Independent Shareholders in connection with subscription of A Shares by Minxi Xinghang and subscription of A Shares pursuant to the Employee Stock Ownership Scheme, details of which are set out in the letter from the Board contained in the circular (the “**Circular**”) of the Company to the Shareholders dated 10 August 2016, of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

Under the Hong Kong Listing Rules, subscription of A Shares by Minxi Xinghang and subscription of A Shares pursuant to the Employee Stock Ownership Scheme constitute connected transactions of the Company. Accordingly, subscription of A Shares by Minxi Xinghang and subscription of A Shares pursuant to the Employee Stock Ownership Scheme will require the approval of the Independent Shareholders at shareholders’ general meeting(s). We wish to draw your attention to the letter from the Independent Financial Adviser set out on pages 28 to 45 of the Circular, which contains advices and recommendations in respect of subscription of A Shares by Minxi Xinghang and subscription of A Shares pursuant to the Employee Stock Ownership Scheme.

Having considered, inter alia, the terms of subscription of A Shares by Minxi Xinghang and subscription of A Shares pursuant to the Employee Stock Ownership Scheme and reasons considered by, and the recommendation of, the Independent Financial Adviser, as stated in its aforementioned letter, we consider the terms of subscription of A Shares by Minxi Xinghang and subscription of A Shares pursuant to the Employee Stock Ownership Scheme are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned. We are of the view that subscription of A Shares by Minxi Xinghang and subscription of A Shares pursuant to the Employee Stock Ownership Scheme are in the interests of the Company and its Shareholders as a whole. Accordingly, we recommend that the Independent Shareholders vote in favour of the resolution(s)

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

to be proposed at the EGM and the Class Meetings (if applicable) to approve the Agreements and the transactions contemplated thereunder.

Yours faithfully,

For and on behalf of

The Independent Board Committee of

Zijin Mining Group Co., Ltd.*

Lu Shihua, Ding Shida, Zhu Guang, Sit Hoi Wah, Kenneth

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

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

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter from Messis Capital Limited, the Independent Financial Adviser, for the purpose of inclusion in this circular, to the Independent Board Committee and the Independent Shareholders in respect of the subscription of A Shares by Minxi Xinghang and the subscription of A Shares pursuant to the Employee Stock Ownership Scheme.



大有融資有限公司
MESSIS CAPITAL LIMITED

10 August 2016

To: *The Independent Board Committee and the Independent Shareholders of Zijin Mining Group Co., Ltd.**

Dear Sir or Madam,

- (1) PROPOSED NON-PUBLIC ISSUANCE OF A SHARES;
(2) CONNECTED TRANSACTION — SUBSCRIPTION OF A SHARES
BY MINXI XINGHANG;
(3) CONNECTED TRANSACTION — SUBSCRIPTION OF A SHARES
PURSUANT TO THE EMPLOYEE STOCK OWNERSHIP SCHEME**

INTRODUCTION

We refer to our appointment as the independent financial adviser to the Independent Board Committee and the Independent Shareholders to advise the Independent Board Committee and the Independent Shareholders in respect of the subscription of A Shares by Minxi Xinghang and the subscription of A Shares pursuant to the Employee Stock Ownership Scheme, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company to the Shareholders dated 10 August 2016 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

Reference is made to the announcement of the Company dated 8 July 2016 in relation to the proposed Non-public Issuance, subscription of A Shares by Minxi Xinghang and subscription of A Shares pursuant to the Employee Stock Ownership Scheme and the announcement of the Company dated 22 July 2016 in relation to the adjustment of the minimum subscription price and number of shares to be issued in the Non-public Issuance as a result of the dividend distribution for the year 2015. The Board proposes that the Company applies to the CSRC to non-publicly issue not more than 1,584,158,415 A Shares (nominal value of RMB0.10 each), after the adjustment of dividend distribution for the year 2015, to not more than ten specific investors (including Minxi Xinghang (the Controlling Shareholder of the Company) and the Employee Stock Ownership Scheme), which would raise the gross proceeds of up to RMB4.8 billion. On 8 July 2016, the Company separately entered into a “Conditional Share Subscription Agreement for the Non-public Issuance of A Shares” with each of Minxi Xinghang and the Employee Stock Ownership Scheme. The proposed subscription amount of

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Minxi Xinghang and the Employee Stock Ownership Scheme under the Non-public Issuance is RMB900 million and RMB401.7 million, respectively, corresponding to a subscription amount of not more than 297,029,702 A Shares and 132,574,257 A Shares, respectively (after adjustment of dividend distribution for the year 2015).

As at the Latest Practicable Date, Minxi Xinghang held 5,671,353,180 A Shares, representing approximately 26.33% of the total Shares in issue. Minxi Xinghang is the Controlling Shareholder of the Company and a Connected Person of the Company and the subscription is a connected transaction and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Employee Stock Ownership Scheme will be fully subscribed by certain Directors, Supervisors and senior management of the Company totaled 14 persons and salaried employees who have entered into formal employment contracts with and currently under employment of the Company or its subsidiaries. Under Chapter 14A of the Listing Rules, the Directors, Supervisors and chief executive of the Company are Connected Persons of the Company. Subscription of A Shares by such Directors, Supervisors and chief executive of the Company pursuant to the Employee Stock Ownership Scheme shall constitute a connected transaction and is subject to the reporting, announcement and Independent Shareholders' approval requirements under the Listing Rules.

Minxi Xinghang and its Associates shall abstain from voting in respect of the resolutions relating to the subscription of A Shares by Minxi Xinghang, and the relevant Directors, Supervisors, chief executive and their Associates shall abstain from voting in respect of the resolutions relating to the Employee Stock Ownership Scheme.

The Independent Board Committee comprising all independent non-executive Directors, namely, Mr. Lu Shihua, Mr. Ding Shida, Mr. Zhu Guang and Mr. Sit Hoi Wah, Kenneth, has been established to advise the Independent Shareholders as to whether the entering into of the Agreements and the transactions contemplated thereunder is in the interests of the Company and the Shareholders as a whole, and the terms of the Agreements and the transactions contemplated thereunder are on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned. We, Messis Capital Limited, have been appointed as the independent financial adviser in accordance with the Listing Rules to advise the Independent Board Committee and the Independent Shareholders in these regards and to give our opinion for the Independent Board Committee's consideration when making their recommendations to the Independent Shareholders.

As at the Latest Practicable Date, we did not have any relationship with or interest in the Company and any other parties that could reasonably be regarded as relevant to our independence. Apart from normal professional fees payable to us in connection with this appointment as the independent financial adviser, no arrangement exists whereby we will receive any fees or benefits from the Company or any other parties that could reasonably be regarded as relevant to our independence.

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BASIS OF OUR OPINION

In arriving at our recommendations, we have relied on the statements, information and representations contained in the Circular and the information and representations provided to us by the management of the Company. We have assumed that all information and representations contained or referred to in the Circular and all information and representations which have been provided by the management of the Company are true and accurate at the time they were made and will continue to be accurate as at the date of the despatch of the Circular. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the management of the Company.

The Directors collectively and individually accept full responsibility for the accuracy of the information contained in the Circular and, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, their opinions expressed in the Circular have been arrived at after due and careful consideration on their part and there are no other matters the omission of which would make any such statement made by them that contained in the Circular misleading in all material respects. We consider that we have been provided with sufficient information on which to form a reasonable basis for our opinion. We have no reason to suspect that any relevant information has been withheld, nor are we aware of any material facts or circumstances which would render the information provided and representations made to us untrue, inaccurate or misleading. We consider that we have performed all the necessary steps to enable us to reach an informed view and to justify our reliance on the information provided so as to provide a reasonable basis for our opinion. We have not, however, carried out any independent verification of the information provided by the management of the Company, nor have we conducted an independent investigation into the business and affairs of the Group and any parties to the Agreements.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinions and recommendations, we have taken into consideration the following principal factors and reasons:

1. INFORMATION OF THE GROUP, MINXI XINGHANG AND THE EMPLOYEE STOCK OWNERSHIP SCHEME

1.1 Information of the Group

According to the Company's annual report for the year ended 31 December 2015 (the "**2015 Annual Report**"), the Group is mainly engaged in the exploration and mining of gold, copper, lead and zinc and other mineral resources, supplemented by refinery, processing and sales of related products. The Group obtains mineral resources through self-exploration or merger and acquisition, using advanced and highly effective mining, processing and refining technology to convert ores into the respective concentrates or refining products and then sells them to make profits. Meanwhile, the Group also conducts refining and processing on concentrates purchased externally, and then sells them after turning them into refined products. As at the end of 2015, the Group owned 237 mining rights covering a total area of 820.56 square kilometers and 267 exploration rights covering a total area of 2,949.82 square kilometers.

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1.2 Information of Minxi Xinghang

Minxi Xinghang is a state-owned limited company incorporated in the PRC whose principal activities are operation and management of state-owned assets within the authorised scope and project investment. It is the Controlling Shareholder of the Company currently holding 26.33% equity interest in the Company.

1.3 Information of the Employee Stock Ownership Scheme

The Employee Stock Ownership Scheme is a stock ownership scheme for the Company's employees formulated by the Company pursuant to the Company Law of the PRC, the Securities Law of the PRC, Guiding Opinions on the Implementation of Employee Stock Ownership Scheme by Listed Companies on a Pilot Basis and the provisions of other relevant laws, regulations, regulatory documents and the Articles of Association. Details of the Employee Stock Ownership Scheme and its administrative policy are set out in appendix 2 and appendix 3 to the Circular, respectively.

2. REASONS FOR AND BENEFITS OF THE NON-PUBLIC ISSUANCE, SUBSCRIPTION OF A SHARES BY MINXI XINGHANG AND SUBSCRIPTION OF A SHARES PURSUANT TO THE EMPLOYEE STOCK OWNERSHIP SCHEME

2.1 The use of proceeds and benefits of the Non-public Issuance

As set out in the Letter from the Board, the Company expects to obtain supports from the capital market through the Non-public Issuance of A Shares for proactively pushing forward and implementing the Company's development strategies. The Non-public Issuance of A Shares can raise the Company's abilities in operation and repayment of debts, optimise the financial structure and strengthen ongoing profitability.

The total amount of proceeds to be raised in the Non-public Issuance will not exceed RMB4.8 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)	Percentage of amount of proceeds intended to be used in the project
1	Construction of the Kolwezi copper mine project in the DR Congo	3,861,880.90	3,395,804.10	70.75%
2	Zijin Copper's capacity expansion project for comprehensive recovery of end materials in production	228,391.40	105,102.20	2.19%
3	Supplementing working capital of the Company	1,341,316.10	1,299,093.70	27.06%
	Total	5,431,588.50	4,800,000.00	100%

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We understand that according to the 《上市公司證券發行管理辦法》(Administrative Measures for the Issuance of Securities by Listed Companies*) and 《上市公司非公開發行股票實施細則》(Specific Rules for Implementation of the Non-public Issuance of Shares by Listed Companies*) issued by CSRC (the “**Measures**”), the applications of the proceeds from non-public issuance of A Shares are subject to restrictions which include (i) the amount of proceeds to be raised should not exceed the funding need of the projects; (ii) the applications should be in compliance with the laws and regulations of the PRC; (iii) other than financial institutions, the proceeds cannot be applied to projects that related to financial assets, lending, financial investment on asset management trust, or companies that principally engaged in trading of priced securities; (iv) the commencement of the investment projects would not affect the independence of the operations of the Company nor render a competing business with the controlling shareholders; (v) the proceeds must be deposited in a specific account approved by the board. As confirmed by Directors, the use of proceeds from the Non-public Issuance are in compliance with the requirements set out in the Measures. Besides, from the table above, we noted that (i) the amount of proceeds to be raised does not exceed the funding need of the projects; and (ii) the proceeds will be applied to construction or operation of mining projects and supplement working capital of the Company, which are in line with the Group’s principal business.

According to the “Feasibility Report on the Use of Proceeds Raised in the Non-public Issuance of A Shares (Revised Version)” as set out in the appendix 4 to the Circular (the “**Feasibility Report**”) and the Letter from the Board, the background information of the mines that the proceeds from the Non-public Issuance will be applied to is set out below:

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

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 grading 4% in average. After completion, the project can process 1.65 million tonnes of crude copper ores per year, producing 7,212 tonnes of copper sulphide 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.

(ii) *Zijin Copper’s capacity expansion project for comprehensive recovery of end materials in production*

Zijin Copper was founded in March 2009. In the end of 2011, construction of the plant completed and production commenced. The enterprise has currently reached an annual production capacity of 300,000 tonnes of copper cathodes, 10 tonnes of gold, 200 tonnes of silver and 1 million tonnes of vitriol. As the scale of the Company’s copper refining business grows, it is expected that the

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Company's copper anode slime will increase by 2,000 tonnes/year. For the purposes of saving investments, lowering costs and unifying management, the Company proposes to expand the construction project for end material production for raising the annual handling capacity of copper anode slime from 3,000 tonnes/year to 5,000 tonnes/year.

The expected construction period and payback period (after tax, including the construction period) of Zijin Copper's capacity expansion project for comprehensive recovery of end materials in production is 1 year and 8.69 years respectively. Details of this project are set out in the section headed "4. Zijin Copper's capacity expansion project for comprehensive recovery of end materials in production" in the Feasibility Report.

We also noted from the Feasibility Report that the Directors estimated that the newly required working capital for the Company for the next three years will be RMB1,341,316,100 in total. The Company proposes to use RMB1,299,093,700 of the proceeds raised in the Non-public Issuance to supplement working capital in order to support the stable growth of the main business while keeping a healthy financial structure. Details of the estimation and the assumptions are set out in the section headed "5. Supplementing working capital" in the Feasibility Report.

Having considered that (i) the amount of proceeds to be raised does not exceed the funding need of the projects; (ii) the application of the proceeds from the Non-public Issuance is in compliance with the Measures and the proceeds are to be used in projects that are in line with the Group's principal business; (iii) the proceeds from the Non-public Issuance will facilitate the construction of the Kolwezi copper mine project in the DR Congo; (iv) the annual handling capacity level of Zijin Copper will be enhanced; and (v) the proceeds to be applied to supplementing the Company's working capital were based on the estimated required working capital by the Company in the next three years, we concurred with the view of the Directors that the Non-public Issuance is in the interests of the Company and the Shareholders as a whole.

2.2 The subscription of A Shares by Minxi Xinghang

As set out in the Letter from the Board, in order to support the long-term development of the Company and in a favorable view of the development prospect of the Projects to be Invested by the Proceeds Raised in the Non-public Issuance, Minxi Xinghang decided to participate in the Non-public Issuance. The Directors consider that the participation of Minxi Xinghang in the Non-public Issuance is beneficial to the smooth implementation of the Non-public Issuance and helps promote the continuation of the Company's long-term strategy.

We have reviewed the 2016 corporate bond listing announcement issued by Minxi Xinghang in July 2016, from which we noted that (a) Minxi Xinghang had an registered and paid up capital of RMB368 million; and (b) based on its audited consolidated financial statements, Minxi Xinghang had total assets and net assets of approximately RMB95.6 billion and RMB34.2 billion as at 31 December 2015, respectively.

Having considered (i) the strong financial background of Minxi Xinghang; and (ii) the terms of the Agreement with Minxi Xinghang as analysed in the section headed "3. The terms of the Agreements" in this letter, we concur with the Directors' view that the subscription of A Shares in the Non-public Issuance by Minxi Xinghang is in the interests of the Company and the Shareholders as a whole.

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2.3 The subscription of A Shares pursuant to the Employee Stock Ownership Scheme

The objectives of the Employee Stock Ownership Scheme are (i) to establish and perfect the benefit sharing mechanism between labour and owners; (ii) to further improve corporate governance structure, advocate sustainable development both for the corporation and individuals, and provide effective incentives to the management and employees of the Company; and (iii) to attract and retain excellent talents for management and key personnel for operation, balance the long-term and near-term benefits of the Company, attract an array of talents in more flexible ways, and propel longer term, more sustainable and healthier development of the Company. Details of the Employee Stock Ownership Scheme and its administrative policy are set out in appendix 2 and 3 to the Circular, respectively.

As set out in the Letter from the Board, the total number of employees participating in the Employee Stock Ownership Scheme is below 3,200. Their list and allocation of units are as follows:

No. Holder	Amount of capital contribution (RMB)	Approximate percentage of the total number of units of the Employee Stock Ownership Scheme	Proposed maximum number of A Shares to be subscribed (based on the minimum subscription price of RMB3.03/Share (after adjustment of dividend distribution for the year 2015))
1 Directors, Supervisors and senior management (totaled 14 persons)	64,890,000	16.15%	21,415,841
2 Other employees	336,810,000	83.85%	111,158,416
Total	401,700,000	100.00%	132,574,257

As shown in the table above, out of the proposed maximum number of A Shares to be subscribed in the Non-public Issuance of 132,574,257 A Shares, approximately 16.15% will be allocated to Directors, Supervisors and senior management and approximately 83.85% will be allocated to other employees.

We understand that according to the 《關於上市公司實施員工持股計劃試點的指導意見》 (Guiding Opinions on the Implementation of Employee Stock Ownership Scheme by Listed Companies on a Pilot Basis*) issued by CSRC (the “**Guiding Opinions**”), subscription in a non-public issuance is one of the approved methods for implementation of an employee stock ownership scheme of a listed company.

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Having considered that (i) the objectives of the Employee Stock Ownership Scheme and the possible benefits it could bring to the Group; (ii) the Employee Stock Ownership Scheme units are mainly held by other employees which are not the Directors, Supervisors and senior management; (iii) subscription in a non-public issuance is one of the approved methods for implementation of an employee stock ownership scheme of a listed company under the Guiding Opinions which is a common method adopted by the listed companies for implementation of an employee stock ownership scheme; and (iv) the terms of the Agreement with the Employee Stock Ownership Scheme as analysed in the section headed “3. The terms of the Agreements” in this letter, we concurred with the view of the Directors that the subscription of A Shares in the Non-public Issuance pursuant to the Employee Stock Ownership Scheme is in the interests of the Company and Shareholders as a whole.

2.4 Financing alternatives of the Company

As set out in the Letter from the Board, the Company has considered other fund raising methods such as obtaining debt financing and conducting rights issue or public offering.

2.4.1 *Debt financing*

According to the 2015 Annual Report, the Group’s total assets amounted to approximately RMB83.9 billion as at 31 December 2015, whilst its total liabilities was approximately RMB52.0 billion as at 31 December 2015, resulting in a debt to assets ratio (calculated as total liabilities divided by total assets) of approximately 62.0% (as at 31 December 2014: 55.2%). It is also noted from the 2015 Annual Report that it is the Group’s policy to maintain the debt to asset ratio under 65%. As at 31 December 2015, the Group’s gearing ratio (calculated as total liabilities divided by total equity) was 1.628 (as at 31 December 2014: 1.232), which reflected that the Group’s total liabilities was more than its net assets.

The Directors considered that taking into account of the current gearing level and debt to asset ratio of the Group, raising funds by equity financing with interest-free nature could reduce the debt to assets ratio and gearing ratio. The Directors thus concluded that equity financing can improve the leverage position of the Group as compared to debt financing.

2.4.2 *Other equity financing alternatives*

Given that the issued H Share capital of the Company is significantly lower than the issued A Share capital of the Company, the expected size of the fund to be raised by rights issue, open offer or placement of H Shares will be less than approximately RMB4.8 billion. Based on the closing prices of the last trading day before the Non-public Issuance was announced (i.e. 8 July 2016 for H Shares (the “**H Shares Last Trading Day**”) and 6 July 2016 for A Shares (the “**A Shares Last Trading Day**”)), the market capitalisation of H Shares and A Shares was approximately HK\$16.7 billion (or approximately RMB14.4 billion) and RMB58.2 billion, representing approximately 19.8% and 80.2% of the Company’s total market capitalisation of approximately RMB72.6 billion, respectively.

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In other words, as detailed in the section headed “3.1.2 Historical price trend analysis” below, the closing price of H Shares was significantly lower than that of A Shares during the Review Period (as defined below). As such, if the Company conducts a fund raising exercise by issuance of new H Shares in Hong Kong with a proceed of RMB4.8 billion, assuming a pricing basis of not less than 90% of the average trading price of the H Shares in the 20 trading days preceding the base day, the number of H Shares to be issued will be substantially greater than that required for the Non-public Issuance, which will lead to a greater dilution effect to the shareholding of the existing Shareholders and will not be in the interests of the Independent Shareholders.

Having considered that (i) equity financing can improve the leverage position of the Group as compared to debt financing; (ii) the issued H Share capital of the Company is significantly lower than the issued A Share capital of the Company; and (iii) the greater dilution effect to the shareholding of the existing Shareholders if the Company conducts a fund raising exercise by issuance of new H Shares in Hong Kong with a proceed of RMB4.8 billion with the same pricing basis as the Non-public Issuance, we concur with the Directors’ view that it is in the interests of the Company and the Shareholders as a whole to raise funds by the Non-public Issuance (including the subscription of A Shares by Minxi Xinghang and the subscription of A Shares pursuant to the Employee Stock Ownership Scheme).

3. THE TERMS OF THE AGREEMENTS

3.1 Subscription price of the A Shares under the Agreements (the “Subscription Price”)

3.1.1 *Pricing basis*

As set out in the Letter from the 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 announcement date of the resolutions of the eighteenth meeting of the fifth term of the Board of the Company (i.e. not less than RMB3.09 per A Share). The final Subscription Price will be determined based on the provision 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 Non-public Issuance. As the implementation of the profit distribution proposal of the Company for the year 2015 has been completed, the minimum Subscription Price is adjusted to RMB3.03 per A Share.

Minxi Xinghang and the Employee Stock Ownership Scheme will not participate in the price inquiry process of the Non-public Issuance, and have undertaken to accept the pricing results and subscribe at the same price as other investors.

According to the Measures, the issue price of a non-public issuance of A shares shall not be less than 90% of the average trading price of the A shares in the 20 trading days preceding the base day for pricing, where the base day could be the date of the announcement of the board’s approval of the non-public issuance, the date of the announcement of shareholders’ approval of the non-public issuance, or the first date of the issuance period. The base day for pricing of the Non-public Issuance

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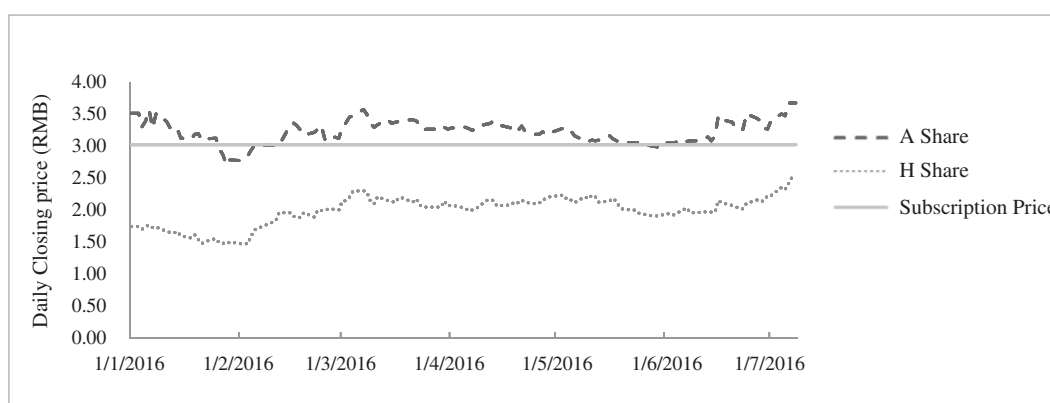
is the announcement date of the resolution of the eighteenth meeting of the fifth term of the Board. Since the Subscription Price is determined in accordance with the requirements under the Measures which is a common basis adopted by listed companies in issuing A shares in the market, we consider that the Subscription Price is fair and reasonable.

3.1.2 *Historical price trend analysis*

The minimum Subscription Price of RMB3.03 per A Share represents:

- (i) as quoted on Bloomberg,
 - (a) a discount of approximately 17.7% to the closing price of RMB3.68 per A Share as at the A Shares Last Trading Day (i.e. 6 July 2016); and
 - (b) a discount of approximately 12.7% to the average closing price of RMB3.47 per A Share for the last 5 trading days up to and including the A Shares Last Trading Day; and
- (ii) as quoted on the Hong Kong Stock Exchange,
 - (a) a premium of approximately 20.7% over the closing price of HK\$2.91 (or approximately RMB2.51) per H Share on the H Shares Last Trading Day (i.e. 8 July 2016); and
 - (b) a premium of approximately 24.7% over the average closing price of HK\$2.82 (or approximately RMB2.43) per H Share for the last 5 trading days up to and including the H Shares Last Trading Day.

The chart below illustrates a comparison between the minimum Subscription Price of RMB3.03 per A Share and (I) the daily closing prices of the H Shares (presented in RMB equivalent based on an exchange rate of RMB1.00 to HK\$1.16); and (II) the daily closing prices of the A Shares from 1 January 2016 up to and including the H Shares Last Trading Day (the “**Review Period**”):



Sources: Websites of the Hong Kong Stock Exchange and Bloomberg

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Before the suspension of the trading of the A Share on the Shanghai Stock Exchange pending for the publication of the announcement in respect of the Non-public Issuance, the A Share closed at RMB3.68 on 6 July 2016. During the Review Period, the A Shares were traded with closing prices in the range of RMB2.71 to RMB3.68 per A Share with an average closing prices of approximately RMB3.23 per A Share.

During the Review Period, the daily closing price of the H Shares followed the trend of the daily closing price of the A Shares in general. The H Shares were traded with closing prices in the range of HK\$1.71 (or approximately RMB1.47) to HK\$2.93 (or approximately RMB2.53) per H Share, with an average closing prices of approximately HK\$2.32 (or approximately RMB2.00) per H Share.

Although the minimum Subscription Price of RMB3.03 per A Share represents (a) a discount of the closing prices of A Share as at the A Shares Last Trading Day and the last 5 trading days up to and including the A Shares Last Trading Day; and (b) a discount of approximately 6.2% to the average daily closing price of the A Shares of RMB3.23 during the Review Period, having considered that the minimum Subscription Price (i) falls within the range of the daily closing price of the A Shares during the Review Period; (ii) represents a premium to the closing prices of H Shares throughout the Review Period; (iii) was determined on a basis that in compliance with the Measures; and (iv) the Subscription Price in the Non-public Issuance offered to Minxi Xinghang and the Employee Stock Ownership Scheme will be the same as the subscription price offered to the other issuing objects which are, to the best knowledge of the Directors, third parties independent of the Company and its Connected Persons, we concur with the Directors' view that the Subscription Price is fair and reasonable so far as the Independent Shareholders are concerned.

3.1.3 *Market comparable analysis*

In order to further assess the fairness and reasonableness of the Subscription Price, we have reviewed the terms of similar transactions announced by companies listed on the Hong Kong Stock Exchange. As no transaction in relation to subscription of A shares pursuant to an employee stock ownership scheme is identified during the Review Period, we have extended our scope to a period from 1 July 2015 to the A Shares Last Trading Day ("**Market Comparables Review Period**"). We have identified 7 transactions (the "**Market Comparables**") in relation to subscription by Connected Person(s) involving issue of new A shares and 2 transactions (the "**SOS Market Comparables**") in relation to subscription by an employee stock ownership scheme during the Market Comparables Review Period.

We believe that the samples represent the latest available information in the market and the Market Comparables and the SOS Market Comparables are exhaustive as far as we are aware. Independent Shareholders should note that the businesses, operations and prospects of the Group are not the same as the Market Comparables and the SOS Market Comparables and thus their respective terms are only used to provide a general reference for the common market practice in recent subscriptions of A shares of the companies listed on the Hong Kong Stock Exchange by Connected Persons and employee stock ownership schemes.

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The minimum Subscription Price was originally set at RMB3.09 per A Share. It was subsequently adjusted to RMB3.03 per A Share solely due to the implementation of the profit distribution proposal of the Company for the year 2015 has been completed. According to the Company's announcement dated 22 July 2016, the adjustment of RMB0.06 per A Share represented the cash dividend per share (including tax). As the theoretical value of the A Shares will be decreased as a result of the cash dividend, we consider that the adjustment of RMB0.06 per A Share is fair and reasonable and the initial minimum Subscription Price of RMB3.09 per A Share (before adjustment of dividend distribution for the year 2015) are used in the market comparable analysis.

We have compared the subscription prices of the Market Comparables with the Subscription Price offered to Minxi Xinghang, details of which are set out in the table below:

Date of announcement	Company	Discount of initial subscription price to closing price on the last trading day (approximate %)	Discount of initial subscription price to closing price of 5 trading days up to and including the last trading day (approximate %)
28 July 2015	Air China Limited (H share stock code: 753) (A share stock code: 601111)	20.8	17.2
8 October 2015	Shandong Xinhua Pharmaceutical Company Limited (H share stock code: 719) (A share stock code: 000756)	14.3	14.7
12 November 2015	Shenji Group Kunming Machine Tool Company Limited (H share stock code: 300) (A share stock code: 600806)	18.8	17.0
4 December 2015	Shanghai Electric Group Company Limited (H share stock Code: 2727) (A share stock code: 601727)	7.3	9.1
11 December 2015	Beijing Jingcheng Machinery Electric Company Limited (H share stock code: 187) (A share stock code: 600860)	18.3	27.8

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Date of announcement	Company	Discount of initial subscription price to closing price on the last trading day (approximate %)	Discount of initial subscription price to closing price of 5 trading days up to and including the last trading day (approximate %)
25 February 2016	Jiangxi Copper Company Limited (H share stock code: 358) (A share stock code: 600362)	12.8	8.5
27 May 2016	CRRC Corporation Limited (H share stock code: 1766) (A share stock code: 601766)	4.8	5.3
	Average	13.9	14.2
	Minimum	4.8	5.3
	Maximum	20.8	27.8
	Initial minimum Subscription Price offered to Minxi Xinghang of RMB3.09 per A Share (before adjustment of dividend distribution for the year 2015)	16.0	11.0

Source: Website of the Hong Kong Stock Exchange and www.cninfo.com.cn

As shown in the above table, the subscription prices of the Market Comparables were at discounts to relevant market prices. The subscription price of the Market Comparables (a) as compared to their respective closing price on the last trading day ranges from a discount of approximately 4.8% to a discount of approximately 20.8%, with an average of a discount of approximately 13.9%; and (b) as compared to the 5 trading days up to and including the last trading day ranges from a discount of approximately 5.3% to a discount of approximately 27.8%, with an average of a discount of approximately 14.2%. The discount represented by the initial minimum Subscription Price of RMB3.09 per A Share (before adjustment of dividend distribution for the year 2015) offered to Minxi Xinghang to the closing price of the A Shares on each of (a) the A Shares Last Trading Day, (b) the 5 trading days up to and including the A Shares Last Trading Day is within the range of discounts of the Market Comparables. The discount offered to Minxi Xinghang to the closing price of the A Shares on the A Shares Last Trading Day is higher than the average discount of the Market Comparables. However, the discount to the closing price of the A Shares on the 5 trading days up to and including the A Shares Last Trading Day is lower than the average discount of the Market Comparables.

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We have also compared the subscription prices of the SOS Market Comparables with the Subscription Price offered to the Employee Stock Ownership Scheme, details of which are set out in the table below:

Date of announcement	Company	Discount of initial initial subscription price to closing price on the last trading day (approximate %)	Discount of initial initial subscription price to closing price of 5 trading days up to and including the last trading day (approximate %)
5 August 2015	China Merchants Bank Co., Ltd. (H share stock code: 3968) (A share stock code: 600036)	22.9	22.0
8 October 2015	Shandong Xinhua Pharmaceutical Company Limited (H share stock code: 719) (A share stock code: 000756)	14.3	14.7
	Average	18.6	18.3
	Minimum	14.3	14.7
	Maximum	22.9	22.0
	Initial minimum Subscription Price offered to the Employee Stock Ownership Scheme of RMB3.09 per A Share (before adjustment of dividend distribution for the year 2015)	16.0	11.0

Source: Website of the Hong Kong Stock Exchange and www.cninfo.com.cn

As shown in the above table, the subscription prices of the SOS Market Comparables were at discounts to relevant market prices. The subscription price of the SOS Market Comparables (a) as compared to their respective closing price on the last trading day ranges from a discount of approximately 14.3% to a discount of approximately 22.9%, with an average of a discount of approximately 18.6%; and (b) as compared to the 5 trading days up to and including the last trading day ranges from a discount of approximately 14.7% to a discount of approximately 22.0%, with an average of a discount of approximately 18.3%. The discount represented by the initial minimum Subscription Price of RMB3.09 per A Share (before adjustment of dividend distribution for the year 2015) offered to the Employee Stock Ownership to the closing price of the A Shares (a) on the A Shares Last Trading Day is lower than the average discount and within the range of discounts of the SOS Market Comparables; and (b) on the 5 trading days up to and including the A Shares Last Trading Day is lower than the minimum discount of the SOS Market Comparables.

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Despite of the discount represented by the initial minimum Subscription Price of RMB3.09 per A Share (before adjustment of dividend distribution for the year 2015) to the closing price of the A Shares on the A Shares Last Trading Day is higher than the average discount of the Market Comparables, it is (a) within the range of discounts of the Market Comparables; and (b) lower than the average discount and within the range of discounts of the SOS Market Comparables. Moreover, the discount represented by the initial minimum Subscription Price of RMB3.09 per A Share (before adjustment of dividend distribution for the year 2015) to the closing price of the A Shares on the 5 trading days up to and including the A Shares Last Trading Day is (a) lower than the average discount and within the range of discounts of the Market Comparables; and (b) is lower than the minimum discount of the SOS Market Comparables. Based on the aforesaid and our analysis set out in the section headed “3.1.2 Historical price trend analysis” in this letter, we concur with the Directors’ view that the Subscription Price is fair and reasonable so far as the Independent Shareholders are concerned.

3.2 Lock-up arrangement

As set out in the Letter from the Board, the lock-up period for the A Shares in the Non-public Issuance to be subscribed by both Minxi Xinghang and the Employee Stock Ownership Scheme are 36 months from the date of the conclusion of the Non-public Issuance. Such Shares cannot be transferred within 36 months.

According to the Measures, non-public issuance of A shares by a listed company is generally subject to a lock-up period of not less than (i) 36 months period for (a) the controlling shareholders, their beneficial owners, or their associates; (b) investors who obtain the controlling power upon the completion of the issuance; and (c) strategic investors as introduced by the board of the company; or (ii) 12 months period for the other investors from the date of the completion of the issuance. Besides, according to the Guiding Opinions, the implementation of employee stock ownership scheme by a listed company by way of non-public issuance of its shares is subject to a lock-up period of not less than 36 months period from the date of the underlying shares have been registered under the employee stock ownership scheme.

Based on the aforesaid, as the lock-up arrangement of the A Shares subscribed by Minxi Xinghang and the Employee Stock Ownership Scheme pursuant to the Agreements fulfill the requirements stated in the Measures and the Guiding Opinions, we consider that the lock-up arrangement under the Agreements is fair and reasonable so far as the Independent Shareholders are concerned.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

4. Possible effects of the Non-public Issuance

4.1 Financial effects to the Group

As advised by the Directors, the Non-public Issuance (including the subscription of A Shares by Minxi Xinghang and the subscription of A Shares pursuant to the Employee Stock Ownership Scheme) is expected to have the following financial effects to the Group:

4.1.1 *Net assets value*

As referred to in the 2015 Annual Report, the audited consolidated net assets value of the Group attributable to the Shareholders as at 31 December 2015 was approximately RMB27.5 billion. The Directors expected that the Group's net assets value would increase immediately after completion of the Non-public Issuance as the net proceeds from the Non-public Issuance will bring in additional funds to the Group.

4.1.2 *Gearing*

The Directors expect that the Group's debt to assets ratio will be reduced immediately after the completion of the Non-public Issuance, in view of the fact that additional funds will be brought to the Group without any increase in debt.

4.1.3 *Working capital*

As the net proceeds from the Non-public Issuance will increase the Group's cash position, the Directors expect that the Group's working capital position would be improved immediately after completion of the Non-public Issuance.

Based on the above, we concur with the Directors' view that the Non-public Issuance would not have any material adverse impact on the Group's financial position.

It should be noted that the aforementioned analysis is for illustrative purposes only and do not purport to represent how the financial position of the Group will be upon completion of the Non-public Issuance.

4.2 Potential dilution to the shareholding of the existing Shareholders

The Non-public Issuance (including the subscription of A Shares by Minxi Xinghang and the subscription of A Shares pursuant to the Employee Stock Ownership Scheme) would dilute the interest of the existing Shareholders. Set out below is the shareholding structure of the Company as at the Latest Practicable Date and immediately after completion of the Non-public Issuance, assuming that

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

a total of 1,584,158,415 A Shares with nominal value of RMB0.10 each will be issued under the Non-public Issuance and the Company will not issue and allot any Shares prior to the completion of the proposed Non-public Issuance:

	As at the Latest Practicable Date			Immediately after the completion of the proposed Non-public Issuance , subscription of A Shares by Minxi Xinghang and subscription of A Shares pursuant to the Employee Stock Ownership Scheme		
	Number of Shares	Approximate percentage of the total number of issued A Shares	Approximate percentage of the total number of issued Shares of the Company	Number of Shares	Approximate percentage of the total number of issued A Shares	Approximate percentage of the total number of issued Shares of the Company
Minxi Xinghang	5,671,353,180	35.89%	26.33%	5,968,382,882	34.32%	25.81%
The Employee Stock Ownership Scheme	—	—	—	132,574,257	0.76%	0.57%
Other issuing objects	—	—	—	1,154,554,456	6.64%	4.99%
Other A Shareholders	10,132,450,470	64.11%	47.04%	10,132,450,470	58.28%	43.82%
H Shareholders	5,736,940,000	—	26.63%	5,736,940,000	—	24.81%
	<u>21,540,743,650</u>	<u>100%</u>	<u>100%</u>	<u>23,124,902,065</u>	<u>100%</u>	<u>100%</u>

Note: The calculation is based on the minimum subscription price RMB3.03/Share (after adjustment of dividend distribution for the year 2015).

Based on the table above, the shareholding interest of the existing Shareholders (except for Minxi Xinghang) will be diluted from approximately 73.67% to approximately 68.63%. Besides, before the Non-public Issuance, the shareholding interest of Minxi Xinghang was approximately 26.33% and after the Non-public Issuance, its shareholding will become approximately 25.81%.

Taking into account (i) the benefits of and reasons for the Non-public Issuance (including the subscription of A Shares by Minxi Xinghang and the subscription of A Shares pursuant to the Employee Stock Ownership Scheme) as set out in the section headed “2. Reasons for and benefits of the Non-public Issuance, subscription of A Shares by Minxi Xinghang and subscription of A Shares pursuant to the Employee Stock Ownership Scheme” in this letter; (ii) the Subscription Price offered to Minxi Xinghang and the Employee Stock Ownership Scheme is the same as the subscription price offered to the other issuing objects; and (iii) the fact that the shareholding of all existing Shareholders will be diluted after the completion of the Non-public Issuance, we consider the potential dilution of shareholding of the Independent Shareholders to be acceptable.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

RECOMMENDATION AND CONCLUSION

Having taken into account the above-mentioned principal factors and reasons, in particular:

- the background information of the Group, Minxi Xinghang and the Employee Stock Ownership Scheme as set out in the section headed “1. Information of the Group, Minxi Xinghang and the Employee Stock Ownership Scheme”;
- the use of proceeds and benefits of the Non-public Issuance, subscription of A Shares by Minxi Xinghang, subscription of A Shares pursuant to the Employee Stock Ownership Scheme and the financing alternatives considered by the Company as set out in the section headed “2. Reasons for and benefits of the Non-public Issuance, subscription of A Shares by Minxi Xinghang and subscription of A Shares pursuant to the Employee Stock Ownership Scheme”;
- our analysis on the fairness and reasonableness of the Subscription Price and the lock-up arrangement under the A Shares subscription as set out in the section headed “3. The terms of the Agreements”; and
- the potential effects on the Group’s financial positions and the shareholding of the existing Shareholdings as set out in the section headed “4. Possible Effects of the Non-public Issuance”,

we are of the opinion that although the subscription of A Shares by Minxi Xinghang and the subscription of A Shares pursuant to the Employee Stock Ownership Scheme in the Non-public Issuance are not in the ordinary and usual course of the business of the Company, the entering into of the Agreements and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole, and the terms of the Agreements and the transactions contemplated thereunder are on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders, as well as the Independent Board Committee to recommend the Independent Shareholders, to vote in favour of the resolutions to be proposed at the EGM and the Class Meetings (if applicable) to approve the Agreements and the transactions contemplated thereunder.

Note: In this IFA letter, currency translation has been made at the rate of RMB1.00 to HK\$1.16

* For identification purpose only

Yours faithfully,
For and on behalf of
Messis Capital Limited

Vincent Cheung
Executive Director

Mr. Vincent Cheung is a licensed person registered with the Securities and Futures Commission and regarded as a responsible officer of Messis Capital Limited to carry out type 6 (advising on corporate finance) regulated activities under the SFO and has over 9 years of experience in corporate finance industry.

**APPENDIX 1 RESOLUTION IN RELATION TO THE SATISFACTION OF THE CONDITIONS
FOR THE NON-PUBLIC ISSUANCE OF A SHARES OF THE COMPANY**

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:

For the purpose of thoroughly implementing the development strategies of Zijin Mining Group Co., Ltd.* (the “Company”) and optimise the Company’s financial structure, the Company proposes to apply to the China Securities Regulatory Commission (the “CSRC”) for non-public issuance of Renminbi-denominated ordinary shares (“A Share”) of the Company (the “Non-public Issuance”) in 2016. Pursuant to the relevant requirements of regulations 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 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”), the Company has conducted a careful self-inspection for matters of the Non-public Issuance of A Shares of the Company, and concluded that the Company fulfills the conditions for the Non-public Issuance of A Shares. Details are as follows:

1. The Non-public Issuance of A Shares of the Company is to target not more than ten specific investors, including Minxi Xinghang State-owned Assets Investment Company Limited (the controlling shareholder of the Company, “Minxi Xinghang”), Phase 1 of the Employee Stock Ownership Scheme of the Company, and 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. 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 resolutions of the eighteenth 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 (i.e. not less than RMB3.09 per share) (as the implementation of the profit distribution proposal of the Company for the year 2015 has been completed, the minimum subscription price is adjusted to RMB3.03 per share). 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 Minxi Xinghang, Phase 1 of the Employee Stock Ownership Scheme of the Company and other specific investors in the Non-public Issuance is 36 months, 36 months and 12 months from the date of conclusion of the Non-public Issuance respectively. Such shares shall be dealt with according to the requirements of the CSRC 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 9 and Article 10 of the Specific Rules for Implementation.

**APPENDIX 1 RESOLUTION IN RELATION TO THE SATISFACTION OF THE CONDITIONS
FOR THE NON-PUBLIC ISSUANCE OF A SHARES OF THE COMPANY**

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 A 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 representations, misleading statements or material omissions;
 - (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 CSRC, or being imposed public censure by stock exchanges 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 CSRC 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 damaging 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 make unauthorised change to the use of proceeds raised in previous public issuance of shares. It is in compliance with the stipulations of Article 15 of the Securities Law.

**APPENDIX 1 RESOLUTION IN RELATION TO THE SATISFACTION OF THE CONDITIONS
FOR THE NON-PUBLIC ISSUANCE OF A SHARES OF THE COMPANY**

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

Board of Directors of
Zijin Mining Group Co., Ltd.*
10 August 2016

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

Zijin Mining Group Co., Ltd.*

**Phase 1 of the Employee Stock
Ownership Scheme (Draft) (Revised)**

**(By Way of Subscribing A Shares in
Non-public Issuance)**

July 2016

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

**APPENDIX 2 PHASE 1 OF THE EMPLOYEE STOCK OWNERSHIP SCHEME OF
ZIJIN MINING GROUP CO., LTD.* (DRAFT) (REVISED)**

Disclaimer

Zijin Mining Group Co., Ltd.* (the “Company” or “Zijin Mining”) and all members of the board of directors of the Company (the “Board”) thereof guarantee that the current Employee Stock Ownership Scheme does not contain any false representations, misleading statements or material omissions, and jointly and severally accept legal responsibility for the truthfulness, accuracy and completeness of its content.

APPENDIX 2 PHASE 1 OF THE EMPLOYEE STOCK OWNERSHIP SCHEME OF ZIJIN MINING GROUP CO., LTD.* (DRAFT) (REVISED)

Special Reminder

1. Phase 1 of the Employee Stock Ownership Scheme of the Company (by Way of Subscribing A Shares in Non-public Issuance) (the “Employee Stock Ownership Scheme”) was formulated by the Board of the Company in accordance with the provisions of 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”), the Guiding Opinions on the Implementation of Employee Stock Ownership Scheme by Listed Companies on a Pilot Basis (the “Guiding Opinions”), “Guidelines of Shanghai Stock Exchange on Information Disclosure for Employee Stock Ownership Schemes of Listed Companies”, other relevant laws, rules, regulations, regulatory documents as well as the articles of association of the Company (the “Articles of Association”).
2. The proposed amount to be raised in the Employee Stock Ownership Scheme is RMB401.7 million in total at RMB1 per each subscription unit. The source of funds of the Employee Stock Ownership Scheme will be derived from the legitimate salary of the Company’s employees participating in the Employee Stock Ownership Scheme, as well as their self-financing funds and funds raised in other manners in compliance with the laws and regulations.

The subscription price per each subscription unit of the Employee Stock Ownership Scheme is RMB1. The subscription amount of individual employee shall be the multiple of RMB10,000, and the minimum subscription amount is RMB10,000 (i.e. 10,000 units). The total number of the Underlying Shares corresponding to the portion of the Employee Stock Ownership Scheme to be held by any individual shall not exceed 1% of the Company’s total number of issued shares, and the total number of corresponding shares under the Employee Stock Ownership Scheme shall be not more than 10% of the total number of issued shares of the Company. But the shares acquired by the employees before the initial public offering of the Company, purchased in the secondary market on their own, and obtained from stock-based incentive compensation shall be excluded when calculating the total number of shares under the Employee Stock Ownership Scheme.

3. The shares to be subscribed by the Employee Stock Ownership Scheme are derived from the Non-public Issuance of A Shares of the Company. The Employee Stock Ownership Scheme will be managed by the Company upon establishment. The subscription amount of the Employee Stock Ownership Scheme under the Non-public Issuance will be RMB401.7 million, and the shares to be subscribed will be not more than 130 million shares. The total number of Shares to be subscribed by the Employee Stock Ownership Scheme 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 2015 has been completed, pursuant to the proposal on the Non-public Issuance, the maximum number of shares to be subscribed by the Employee Stock Ownership Scheme is adjusted to 132,574,257 shares.
4. The duration of the Employee Stock Ownership Scheme is 48 months, beginning from the date on which the Company announces that the shares under the Non-public Issuance have been

APPENDIX 2 PHASE 1 OF THE EMPLOYEE STOCK OWNERSHIP SCHEME OF ZIJIN MINING GROUP CO., LTD.* (DRAFT) (REVISED)

registered under the Employee Stock Ownership Scheme. The lock-up period of the shares to be subscribed by the Employee Stock Ownership Scheme through the Non-public Issuance is 36 months, beginning from the date that the Company announces that the shares to be issued in the Non-public Issuance have been registered under the Employee Stock Ownership Scheme.

5. To subscribe shares under the Non-public Issuance, the Employee Stock Ownership Scheme undertakes not to participate in the price inquiry process of the Non-public Issuance, and confirms to subscribe at the final issuance price as determined by the price inquiry results.
6. After consideration and approval by the Board of the Company, a notice of shareholders' general meeting will be sent out to convene and hold a shareholders' general meeting for the purpose of considering the Employee Stock Ownership Scheme. Voting at the shareholders' general meeting regarding the Employee Stock Ownership Scheme will be taken by way of poll both onsite and via internet. Online voting platforms will be provided to shareholders of the Company via: a) the transaction system; and b) online voting system of the Shanghai Stock Exchange. The shareholders can exercise their voting rights through the aforesaid systems during the voting period via internet.
7. The Employee Stock Ownership Scheme may only be implemented subject to the fulfillment of the following conditions: a) matters related to the Non-public Issuance and Phase 1 of the Employee Stock Ownership Scheme (Draft) being approved by the shareholders' general meeting of the Company; and b) matters related to the Non-public Issuance being approved by the China Securities Regulatory Commission (the "CSRC").
8. The shareholding structure will remain in compliance with the listing requirements after the implementation of the Employee Stock Ownership Scheme.

APPENDIX 2 PHASE 1 OF THE EMPLOYEE STOCK OWNERSHIP SCHEME OF ZIJIN MINING GROUP CO., LTD.* (DRAFT) (REVISED)

Definitions

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

Expressions	Definitions
“Company”, “Zijin Mining”	Zijin Mining Group Co., Ltd.* (紫金礦業集團股份有限公司)
“Employee Stock Ownership Scheme”	Phase 1 of the Employee Stock Ownership Scheme of Zijin Mining Group Co., Ltd.*
“Administrative Policy”	Administrative Policy of the Employee Stock Ownership Scheme of Zijin Mining Group Co., Ltd.*
“Employee Stock Ownership Scheme (Draft)”	Phase 1 of the Employee Stock Ownership Scheme of Zijin Mining Group Co., Ltd.* (Draft) (By Way of Subscribing A Shares in Non-public Issuance)
“Non-public Issuance”, “Non-public Issuance of A Shares”	the proposal of the Company to non-publicly issue Renminbi-denominated ordinary shares (A Shares) to not more than ten specific investors in 2016
“Holders’ Meeting”	Holders’ meeting of the Employee Stock Ownership Scheme
“Management Committee”	Management committee of the Employee Stock Ownership Scheme
“Senior Management”	The president, vice-presidents, financial controller, secretary to the Board of the Company and other persons as defined in the Articles of Association of the Company
“Underlying Shares”	Actual shares to be subscribed by the Employee Stock Ownership Scheme in the Non-public Issuance of A Shares
“Target Participants”, “Holders”	Objects who participate in the subscription of the Employee Stock Ownership Scheme
“CSRC”	China Securities Regulatory Commission
“Company Law”	the Company Law of the People’s Republic of China
“Securities Law”	the Securities Law of the People’s Republic of China
“Guiding Opinions”	the Guiding Opinions on the Implementation of Employee Stock Ownership Scheme by Listed Companies on a Pilot Basis
“Articles of Association”	Articles of association of the Company
“RMB”	Renminbi

Number rounding may result in discrepancy between the total amount and the aggregated amount of the corresponding sub-items.

APPENDIX 2 PHASE 1 OF THE EMPLOYEE STOCK OWNERSHIP SCHEME OF ZIJIN MINING GROUP CO., LTD.* (DRAFT) (REVISED)

I. Objectives of the Employee Stock Ownership Scheme

Phase 1 of the Employee Stock Ownership Scheme (Draft) (By Way of Subscribing A Shares in Non-public Issuance) was formulated by the Company in accordance with the provisions of the Company Law, the Securities Law, the Guiding Opinions, other relevant laws, rules, regulatory documents as well as the Articles of Association. Certain directors, supervisors, Senior Management and staff of the Company participated in the Employee Stock Ownership Scheme, and their participation is voluntary and in compliance with the laws and regulations. The objectives of holding the Company's shares are as follows:

1. To establish and perfect the benefit sharing mechanism between labour and owners;
2. To further improve corporate governance structure, advocate sustainable development both for the corporation and individuals, and provide effective incentives to the management and employees of the Company; and
3. To attract and retain excellent talents for management and key personnel for operation, balance the long-term and near-term benefits of the Company, attract an array of talents in more flexible ways, and propel longer term, more sustainable and healthier development of the Company.

II. Basic Principles of the Employee Stock Ownership Scheme

(I) Legal compliance

The Employee Stock Ownership Scheme shall be carried out by the Company in strict accordance with the procedures stipulated in laws and administrative regulations, and the Company shall disclose information in a truthful, accurate, complete and timely manner. No person is allowed to make use of the Employee Stock Ownership Scheme for any action of insider trading, stock market manipulation and other securities fraud.

(II) Voluntary participation

The participation of the employees in the Employee Stock Ownership Scheme is on a voluntary basis where no apportionment, mandatory distribution, etc. shall be adopted by the Company to force its employees to participate.

(III) Self-bearing of risks

The Holders of the Employee Stock Ownership Scheme assume responsibility for their profits and losses at their own risk, and have equal entitlement of rights and interests with other investors.

APPENDIX 2 PHASE 1 OF THE EMPLOYEE STOCK OWNERSHIP SCHEME OF ZIJIN MINING GROUP CO., LTD.* (DRAFT) (REVISED)

III. Basis and Scope for Holders' Determination

(I) Basis for determining the Holders (Target Participants)

The Holders were determined according to the relevant provisions of relevant laws, regulations and regulatory documents including the Company Law, the Securities Law, the Guiding Opinions as well as the Articles of Association. The Target Participants of the Employee Stock Ownership Scheme are certain directors, supervisors, Senior Management and other employees of the Company, who have entered into formal employment contracts with and are salaried and currently under employment of the Company or its subsidiaries. The participation of Target Participants in the Employee Stock Ownership Scheme are based on the principles of legal compliance, voluntary participation, self-bearing of risk, etc.

In the event of any of the following circumstances, an employee shall fail to become a Holder of the Employee Stock Ownership Scheme:

1. An employee being publicly condemned or declared as an inappropriate candidate by a stock exchange in the past three years;
2. An employee being charged with administrative penalty by the CSRC for substantial violation of laws and regulations in the past three years;
3. An employee causing severe damage to the Company's interests, reputation and image due to leakage of national or corporate secrets, corruption, theft, misappropriation, bribe-taking, bribe-giving, negligence of duty, malfeasance or other acts in violation of national laws and regulations or conducts in violation of public order, professional morals and ethics in the past three years;
4. A situation being deemed by the Board that an employee fails to become a Holder; or
5. Other situations as stipulated by relevant laws, regulations or regulatory documents that the employee fails to become a Holder of the Employee Stock Ownership Scheme.

(II) Target Participants and details of their subscription to the Employee Stock Ownership Scheme

The total number of employees participating in the Employee Stock Ownership Scheme is below 3,200, among which include 14 personnel comprising directors, supervisors and Senior Management of the Company namely Chen Jinghe, Wang Jianhua, Qiu Xiaohua, Lan Fusheng, Zou Laichang, Fang Qixue, Lin Hongfu, Lin Shuiqing, Fan Wensheng, Liu Wenhong, Zhang Yumin, Huang Xiaodong, Lin Hongying and Liu Qiang. The total units to be subscribed under the Employee Stock Ownership Scheme is below 64,890,000 units by the directors, supervisors and Senior Management of the Company, and below 336,810,000 units by other employees of the Company, representing 16.15% and 83.85% of the total units of the Employee Stock Ownership Scheme respectively.

**APPENDIX 2 PHASE 1 OF THE EMPLOYEE STOCK OWNERSHIP SCHEME OF
ZIJIN MINING GROUP CO., LTD.* (DRAFT) (REVISED)**

The list and allocation of units among the Holders are as follows:

No.	Holder	Amount of capital contribution (RMB)	Approximate percentage of the total number of units of the Employee Stock Ownership Scheme
1	Directors, supervisors and Senior Management	64,890,000	16.15%
2	Other employees	<u>336,810,000</u>	<u>83.85%</u>
	Total	<u>401,700,000</u>	<u>100.00%</u>

The final Holders and the number of units to be held by the Holders under the Employee Stock Ownership Scheme will be subject to the actual amount of capital paid by the Holders to the corresponding units subscribed.

IV. Sources of Funds and Shares of the Employee Stock Ownership Scheme

(I) Source of funds of the Employee Stock Ownership Scheme

The source of funds of the Employee Stock Ownership Scheme will be derived from the legitimate salary of the Company's employees participating in the Employee Stock Ownership Scheme, as well as their self-financing funds and funds raised in other manners in compliance with the laws and regulations.

The proposed amount to be raised in the Employee Stock Ownership Scheme is RMB401.7 million in total at RMB1 per each subscription unit. The minimum subscription amount for individual employee shall be 10,000 units. For subscription of over 10,000 units, the number of units to be subscribed shall be the multiple of 10,000. The total number of the Underlying Shares corresponding to the portion of the Employee Stock Ownership Scheme to be held by any individual shall not exceed 1% of the Company's total number of issued shares. The final number of units to be held by the Holders of the Employee Stock Ownership Scheme will be subject to the actual amount of capital paid to the corresponding units subscribed.

After obtaining the approval documents from the CSRC regarding the Non-public Issuance, the Holders of the Employee Stock Ownership Scheme shall pay off the subscription amount in full within the time period according to the payment instructions of the Company, unless otherwise required by the CSRC regarding the payment of the Non-public Issuance.

If the Holders of the Employee Stock Ownership Scheme fail to pay off their subscription amount on time and in full, it shall be deemed a waiver of the respective subscription rights and other eligible

APPENDIX 2 PHASE 1 OF THE EMPLOYEE STOCK OWNERSHIP SCHEME OF ZIJIN MINING GROUP CO., LTD.* (DRAFT) (REVISED)

employees can apply to subscribe for the corresponding abandoned units thereof. In case that the application number of subscription units exceeds the number of the abandoned units, the Management Committee of the Employee Stock Ownership Scheme will determine the candidates of subscription and specific number of units to be subscribed.

(II) Source of shares of the Employee Stock Ownership Scheme

The shares to be subscribed by the Employee Stock Ownership Scheme are derived from the Non-public Issuance. The subscription amount of the Employee Stock Ownership Scheme under the Non-public Issuance is RMB401.7 million, corresponding to not more than 130 million shares of the Non-public Issuance. The subscription amount of the Employee Stock Ownership Scheme under the Non-public Issuance 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 2015 has been completed, pursuant to the proposal on the Non-public Issuance, the maximum number of shares to be subscribed by the Employee Stock Ownership Scheme is adjusted to 132,574,257 shares.

The total number of the Underlying Shares to be held by the Employee Stock Ownership Scheme shall be not more than 10% of the total number of issued shares of the Company after the conclusion of the Non-public Issuance of A Shares. The total number of the Underlying Shares corresponding to the portion of the Employee Stock Ownership Scheme to be held by any individual shall be not more than 1% of the Company's total number of issued shares after the conclusion of the Non-public Issuance of A Shares. But the shares acquired by the employees before the initial public offering of the Company, purchased in the secondary market on their own, and obtained from stock-based incentive compensation shall be excluded when calculating the total number of shares under the Employee Stock Ownership Scheme.

To subscribe shares under the Non-public Issuance, the Employee Stock Ownership Scheme undertakes not to participate in the price inquiry process of the Non-public Issuance, and confirms to subscribe at the final issuance price as determined by the price inquiry results.

(III) Price of the Underlying Shares

The base day for pricing of the Non-public Issuance is the announcement date of the resolutions of the eighteenth 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 RMB3.09 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) after obtaining the approval documents issued by the CSRC on the Non-public Issuance.

The minimum subscription price of the Non-public Issuance will be adjusted accordingly if any ex-rights or ex-dividends event such as distribution of dividends or bonus shares, conversion of capital

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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 2015 has been completed, pursuant to the proposal on the Non-public Issuance, the minimum subscription price of the Non-public Issuance is adjusted to RMB3.03 per share.

V. Duration, Termination, Extension and Amendment of the Employee Stock Ownership Scheme

(I) Lock-up period of the Employee Stock Ownership Scheme

- i. The lock-up period of the Underlying Shares to be subscribed through the Non-public Issuance of A Shares by the Employee Stock Ownership Scheme is 36 months, beginning from the date that the Company announces that the Underlying Shares have been registered under the Employee Stock Ownership Scheme.
- ii. After the expiry of the lock-up period, whether or not to dispose of the shares will be determined based on the specific arrangement under the Employee Stock Ownership Scheme and the prevailing market situation.
- iii. No shares of the Company shall be disposed of under the Employee Stock Ownership Scheme during the following periods:
 - (i) Thirty days prior to the announcement of the Company's periodical reports or, if the date of announcement is postponed due to special reasons, the period starting from thirty days prior to the original date of announcement to one day prior to the actual date of announcement;
 - (ii) Ten days prior to the release of the Company's results preview or preliminary report;
 - (iii) The period starting from the date when a material issue, which may significantly affect the Company's share price and its derivatives' price, occurs or is in the process of decision-making to two trading days after the issue being disclosed in accordance with laws;
 - (iv) Other periods stipulated by the CSRC and the Shanghai Stock Exchange; and
 - (v) Other situations prohibiting share transactions as specified in the provisions of other laws and regulations.

(II) Duration, termination and extension of the Employee Stock Ownership Scheme

- i. The duration of the Employee Stock Ownership Scheme is 48 months, beginning from the date that the Company announces that the Underlying Shares have been registered under the Employee Stock Ownership Scheme. The Employee Stock Ownership Scheme will end automatically after the expiry of the duration.

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- ii. After the expiry of the lock-up period of the Employee Stock Ownership Scheme, an early termination of the Employee Stock Ownership Scheme will be applicable if all assets held by the Employee Stock Ownership Scheme are cash and cash equivalents.
- iii. At two months prior to the expiry of the duration, the duration of the Employee Stock Ownership Scheme can be extended upon being passed by more than two-thirds of the number of units held by the Holders of the Employee Stock Ownership Scheme attending the Holders' meeting, and upon being considered and approved by the Board.

(III) Amendment to the Employee Stock Ownership Scheme

Within the duration of the Employee Stock Ownership Scheme, any amendment to the Employee Stock Ownership Scheme can only be implemented after being passed by more than two-thirds of the number of units held by the Holders attending the Holders' Meeting and after being considered and approved by the Board.

VI. Ways of Participation in the Company's Fund Raising by the Employee Stock Ownership Scheme

When the Company raises funds by placement, issuing additional shares and convertible bonds or by other means within the duration of the Employee Stock Ownership Scheme, the Holders' Meeting shall consider and determine whether or not the Employee Stock Ownership Scheme shall participate in such fund raising activities; and the Management Committee shall propose specific ways of participation and submit the proposal to the Holders' Meeting for consideration.

VII. Mode of and Institution Responsible for the Management of the Employee Stock Ownership Scheme

- i. The Employee Stock Ownership Scheme will be managed by the Company. The Holders' Meeting will authorise the Management Committee of the Employee Stock Ownership Scheme to take charge of the specific management affairs of the Employee Stock Ownership Scheme.
- ii. The Management Committee will manage the assets of the Employee Stock Ownership Scheme according to relevant laws, regulations, regulatory documents, the Employee Stock Ownership Scheme and the Administrative Policy of the Employee Stock Ownership Scheme of Zijin Mining Group Co., Ltd.*, protect legal interests of the Holders, and ensure the security of the assets of the Employee Stock Ownership Scheme.
- iii. The Management Committee will manage the assets of the Employee Stock Ownership Scheme according to the authorisation of the Holders' Meeting, beginning from the date when the Employee Stock Ownership Scheme is approved at the shareholders' general meeting to the date when all of the shares under the Employee Stock Ownership Scheme are disposed of and all assets are allotted and the Employee Stock Ownership Scheme are deregistered completely.

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VIII. Holders and Holders' Meeting

(I) The Holders

Target Participants who make actual payments to subscribe units of the Employee Stock Ownership Scheme will become the Holders of the Employee Stock Ownership Scheme. Each unit of the Employee Stock Ownership Scheme shall have equal entitlement of legal rights and interests.

i. Rights of the Holders are as follows:

- (i) Be entitled to the rights and interests in proportion to the units held in the Employee Stock Ownership Scheme under their names;
- (ii) Receive dividends and/or bonus shares (if any) attributable to the Employee Stock Ownership Scheme in proportion to the units held under their names during the period from the date of purchase to the date of disposal of the shares;
- (iii) Attend the Holders' Meetings in accordance with laws and be entitled to various rights specified in the Administrative Policy; and
- (iv) Other rights stipulated by laws, administrative regulations and departmental rules.

ii. Obligations of the Holders are as follows:

- (i) Within the duration of the Employee Stock Ownership Scheme, all portions of units under the Holders' names are deemed to be held by the Holders. The Holders are prohibited from holding any portion of units on behalf of other persons;
- (ii) Comply with the plan of the Employee Stock Ownership Scheme, fulfill all undertakings made for participating in the Employee Stock Ownership Scheme, and pay for the amount as committed in full within the agreed period;
- (iii) Agree that Zijin Mining, being the collecting party of the subscription capital, signs and enters into relevant agreements on behalf of the Employee Stock Ownership Scheme;
- (iv) Bear the contingent risks of the Employee Stock Ownership Scheme in proportion to the portion of units under their names in the Employee Stock Ownership Scheme;
- (v) Bear the statutory taxes and fees of share transactions when the Employee Stock Ownership Scheme fulfills the unlocking conditions and the shares are disposal of, and other taxes incurred pursuant to the national and other relevant laws and regulations for participating in the Employee Stock Ownership Scheme after the Employee Stock Ownership Scheme fulfills the unlocking conditions and the shares are disposal of, in proportion to the portion of units under their names in the Employee Stock Ownership Scheme; and

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- (vi) Other obligations stipulated by the provisions of laws, administrative regulations, departmental rules and the Administrative Policy.

(II) The Holders' Meeting

- i. The Holders' Meeting is the internal supreme management authority of the Employee Stock Ownership Scheme. All the Holders are entitled to attend and vote at the Holders' Meeting in person or by appointing other Holder(s) as their proxy(ies). The Holders will be responsible for the travelling and accommodation expenses for themselves and their proxy(ies) for attending the Holders' Meeting.
- ii. The following items shall be considered and discussed at the Holders' Meeting:
 - (i) Appointment and removal of any members of the Management Committee;
 - (ii) Amendment, early termination and extension of the duration of the Employee Stock Ownership Scheme;
 - (iii) Whether to participate in the fund raising activities of the Company, such as placement, additional issuance of shares, convertible bond issuance, etc. within the duration of the Employee Stock Ownership Scheme;
 - (iv) Authorisation to the Management Committee to supervise the daily management of the Employee Stock Ownership Scheme;
 - (v) Authorisation to the Management Committee to take charge of coordination with investment management institutions and commercial banks;
 - (vi) Authorisation to the Management Committee to exercise shareholders' rights; and
 - (vii) Other matters that are considered as necessary by the Management Committee for consideration at the Holders' Meeting.
- iii. The first Holders' Meeting shall be convened and presided over by the Chairman of the Company, and subsequent Holders' Meetings shall be convened by the Management Committee and presided over by the officer of the Management Committee. When the officer of the Management Committee is unable to perform his duties, he shall appoint a member of the Management Committee to preside over the meeting.
- iv. To convene a Holders' Meeting, the Management Committee shall send out a notice of meeting in writing 5 days prior to the meeting to all Holders by direct delivery, post, facsimile, electronic mail, announcement on the website, poster at the workplace or other means. The notice of meeting shall at least include the following details:
 - (i) Time and venue of the meeting;

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- (ii) Way of convening the meeting;
- (iii) Matters (proposals) to be considered at the meeting;
- (iv) Convener and chairman of the meeting and the proposer(s) of extraordinary meeting and his(their) written proposals;
- (v) Meeting materials required for voting;
- (vi) Requirements for the Holders to attend the meeting in person or assign other Holders to attend the meeting on their behalf;
- (vii) Contact person and contact information; and
- (viii) Date of issuance of the notice.

In case of any emergency, a Holders' Meeting can be convened by verbal notice. The verbal meeting notice shall at least include the above points (i) and (ii) and an explanation on the emergency and necessity to convene a Holders' Meeting as soon as possible.

v. Voting procedures of the Holders' Meeting

- (i) After each proposal has been fully discussed, the chairman shall invite Holders attending the meeting to vote in a timely manner. The chairman may also invite Holders attending the meeting to vote only after all proposals for the meeting have been discussed. Voting shall be carried out by paper ballot;
- (ii) Each unit held by the Holders of the Employee Stock Ownership Scheme is entitled to one vote;
- (iii) The Holders may choose to vote for, against or abstain in any resolution. The Holders attending the meeting shall select one of the aforesaid voting options, and any vote with no option or more than one option indicated will be deemed as abstention. Any Holder who leaves in the course of the meeting without indicating any voting options shall be deemed as abstained from voting. Any vote made after the voting period lapses shall not be counted;
- (iv) The chairman of the meeting shall announce the onsite voting results at the spot of the meeting. A proposed resolution shall only become a valid resolution after being passed by more than 50% (50% exclusive) of portion of units held by the Holders attending the meeting, unless the consent of more than two-thirds of the portion of units is required by the Employee Stock Ownership Scheme and the Administrative Policy;

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- (v) In the event that a resolution of the Holders' Meeting must be submitted to the Board and shareholders' general meeting of the Company for consideration, it shall be submitted to the Board and shareholders' general meeting of the Company for consideration in accordance with the provisions of the Articles of Association; and
 - (vi) The chairman of the meeting shall arrange for record taking of the Holders' Meeting.
- vi. Employees holding over 10% of the units in the Employee Stock Ownership Scheme in aggregate may submit a temporary proposal to the Holders' Meeting; and the temporary proposal shall be submitted to the Management Committee 3 days prior to the convention of the Holders' Meeting.

IX. Management Committee

The Employee Stock Ownership Scheme shall establish a Management Committee which reports to the Employee Stock Ownership Scheme and serves as a daily supervisory and administrative institution to manage the Employee Stock Ownership Scheme.

(I) Election and appointment procedures of the Management Committee

The Management Committee comprises 15 members, with one officer and two deputy officers. All members of the Management Committee shall be elected by the Holders' Meeting. The officer and deputy officers of the Management Committee shall be elected by more than half of all members of the Management Committee. The term of office of members of the Management Committee shall be the same as the duration of the Employee Stock Ownership Scheme.

(II) Obligations of the Management Committee

The Management Committee has the following fiduciary duties to the Employee Stock Ownership Scheme in accordance with laws, administrative regulations and the Administrative Policy:

- i. Not to take advantage of their position and authority to accept bribes or other illegal income; not to occupy any property of the Employee Stock Ownership Scheme;
- ii. Not to misappropriate funds of the Employee Stock Ownership Scheme;
- iii. Without the consent of the Management Committee, not to open personal account under his or her own name or other people's names with the assets or funds of the Employee Stock Ownership Scheme as the deposits;
- iv. Not to breach the regulations of the Administrative Policy to lend the funds of the Employee Stock Ownership Scheme to other persons or provide guarantee for other persons with the properties of the Employee Stock Ownership Scheme without the consent of the Holders' Meeting;

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- v. Not to take advantages of their positions and authority to jeopardise the interests of the Employee Stock Ownership Scheme;
- vi. Not to disclose business secrets related to the Employee Stock Ownership Scheme without authorisation; and
- vii. Discharge other obligations stipulated in laws, administrative regulations, departmental rules and the Administrative Policy.

Any member of the Management Committee who breaches the fiduciary duties and causes losses to the Employee Stock Ownership Scheme shall be liable for compensation.

(III) Functions and responsibilities of the Management Committee and its officer

- i. The Management Committee shall discharge the following functions and authority:
 - (i) Convene Holders' Meetings in accordance with the Administrative Policy and execute resolutions passed at the Holders' Meetings;
 - (ii) Supervise the daily administration of the Employee Stock Ownership Scheme on behalf of all Holders;
 - (iii) Exercise shareholders' rights of the shares held by the Employee Stock Ownership Scheme on behalf of all Holders;
 - (iv) Manage the allocation of benefits and interests of the Employee Stock Ownership Scheme;
 - (v) Determine the re-allotment of the portion of units of the Employee Stock Ownership Scheme that are being waived and to be transferred mandatorily;
 - (vi) Register for the inheritance of the portion of units of the Employee Stock Ownership Scheme;
 - (vii) Be responsible for share reduction arrangement of the Employee Stock Ownership Scheme; and
 - (viii) Other responsibilities as delegated by the Holders' Meeting.
- ii. The officer of the Management Committee shall discharge the following functions and authority:
 - (i) Preside over the Holders' Meetings, convene and preside over the Management Committee meetings;
 - (ii) Supervise and inspect the execution of resolutions of the Holders' Meetings and the Management Committee meetings; and

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(iii) Other functions and authority as delegated by the Management Committee.

(IV) Convention of, holding and voting at the Management Committee meeting

- i. The Management Committee meeting shall be convened occasionally by the officer of the Management Committee. Notice of meeting shall be sent out to all members of the Management Committee 3 days prior to the convention of the meeting. With consent of all the members of the Management Committee to the proposed resolutions, the meeting may be convened and the voting be carried out by means of tele-communication.
- ii. If proposed by the Holders with over 10% of units in aggregate or over one-third of the members of the Management Committee, an extraordinary Management Committee meeting can be convened. The officer of the Management Committee shall convene and preside over a Management Committee meeting within 5 days upon receiving the proposal.
- iii. The Management Committee shall send out the notice of meeting to all members of the Management Committee 3 days prior to the convention of the extraordinary Management Committee meeting by notification in person, telephone, electronic mail, facsimile, SMS messages, etc.
- iv. The notice of the Management Committee meeting shall include the follows items:
 - (i) Time and venue of the meeting;
 - (ii) Reasons for convening the meeting and topics for discussion; and
 - (iii) Date of issuing the notice.
- v. A Management Committee meeting shall only be held when more than half of the members are present. Meeting resolutions shall be valid only upon obtaining approval from more than half of all members of the Management Committee. Management Committee meetings shall implement a one-person one-vote system.
- vi. Voting for resolutions of the Management Committee meetings shall be conducted by way of open ballot. Provided that members of the Management Committee can fully express their views, the Management Committee meetings can be convened and resolutions can be resolved by means of tele-communication. The resolutions passed shall be signed by members of the Management Committee.
- vii. Members of the Management Committee shall attend the Management Committee meetings in person; for any member who cannot attend the meetings in person, he can appoint other member(s) of the Management Committee as his proxy(ies) in writing to attend the meetings. A power of attorney shall be signed by the authoriser with the name(s) of the proxy(ies), and the

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matters, scope and validity period of the authorisation being specified. The authorised member of the Management Committee shall exercise his rights properly within the scope of authorisation. For any Management Committee member who neither attends the meetings nor authorises another member as his proxy, he will be deemed as abstained from voting.

- viii. The Management Committee shall take minutes of the matters discussed in the meeting, and all members attending the Management Committee meeting shall sign on the minutes.
- ix. Minutes of the Management Committee meetings shall include the following items:
 - (i) Time, venue and the convener of the meeting;
 - (ii) Attendance of the members of the Management Committee;
 - (iii) The agenda;
 - (iv) Key points in the statements of the members of the Management Committee; and
 - (v) Way of voting for each resolution and the respective voting results (stating clearly the number of votes for, against and abstain respectively).
- x. Resolutions resolved at the Management Committee meeting and the minutes shall be submitted to the Board for record retention.

X. Disposal Policy of the Rights and Interests of Shares Held by the Employee Stock Ownership Scheme**(I) Asset composition of the Employee Stock Ownership Scheme**

- i. Entitlement in the Company's shares: the rights and interests attributable to the Employee Stock Ownership Scheme corresponding to the Company's shares it holds;
- ii. Cash deposits and interests receivables; and
- iii. Assets arising from other investments in the scheme.

The assets under the Employee Stock Ownership Scheme are independent of the assets owned by the Company. The Company shall not include the assets of the Employee Stock Ownership Scheme into its own assets. The properties and profits generated from the management, utilisation, etc. of the Employee Stock Ownership Scheme shall be included into the assets of the Employee Stock Ownership Scheme.

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(II) Distribution of rights and interests of the Employee Stock Ownership Scheme within the duration

- i. No income distribution shall be carried out during the lock-up period in principle.
- ii. In the event of conversion of capital reserve into share capital and distribution of bonus shares by the Company during the lock-up period, the additional shares derived from the Underlying Shares will be locked up for the same period as the corresponding shares, and shall not be disposed of in the secondary market or transferred by other means. When the Company implements profit distribution, the cash dividends derived from the shares of the Company held by the Employee Stock Ownership Scheme can be distributed within the duration of the Employee Stock Ownership Scheme.
- iii. When the lock-up period expires, the Management Committee can decide whether to conduct income distribution according to the prevailing situation of the operation of the Employee Stock Ownership Scheme.

(III) Disposal policy of employees' holding portions under the Employee Stock Ownership Scheme

- i. In the duration period, no change shall be made to the rights and interests of the Holders in the event of any of the following situations:

(i) Change of job position

In the duration period, no change shall be made to the rights and interests of the Holders if they are still eligible to participate in the Employee Stock Ownership Scheme after their job positions are changed.

(ii) Loss of working capacity

In the duration period, no change shall be made to the rights and interests of the Holders in the event of loss of working capacity.

(iii) Retirement

In the duration period, no change shall be made to the rights and interests of the Holders in the event that the Holders reach statutory retirement age and retire.

(iv) Death

In the duration period, no change shall be made to the rights and interests of the Holders in the event of death. The Holders' rights and interests shall be inherited by their lawful inheritors, who will not be subject to the constraints of qualification for participation in the Employee Stock Ownership Scheme.

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- (v) Other situations determined by the Management Committee.
- ii. In the event of any situation listed below, if a Holder is no longer regarded as qualified for participating in the Employee Stock Ownership Scheme by the Company within the duration, the Company has the right to disqualify the Holder from participating in the current Employee Stock Ownership Scheme and mandatorily transfer his corresponding rights and interests under the Employee Stock Ownership Scheme to other beneficiary(ies) designated by the Management Committee; and the transfer price will be the lower of “the present value of the portion of units attributable to the Holder based on the closing price on the day of his disqualification” and “the actual investment cost of the Holder”. The beneficiary(ies) will pay for the transfer price to the person who are disqualified from the Employee Stock Ownership Scheme.
- (i) Where a Holder is subject to criminal liability, resigns or leaves without permission, the date of disqualifying the Holder for participating in the Employee Stock Ownership Scheme (the “Disqualification Date”) is the date that the Holder is held criminally liable, submits resignation letter or leaves without permission;
- (ii) Where a Holder violates the Company’s prohibition and causes substantial negative consequence to the Company and is involved in other actions as determined by the Company as severe disciplinary violations, the Disqualification Date is the date that the Holder is determined by the Company as having committed severe disciplinary violation;
- (iii) Where a Holder severely violates the regulation and policy of the Company, the Disqualification Date is the date when the Holder violates the regulation and policy of the Company;
- (iv) Where a Holder refuses to renew employment contract with the Company or its subsidiaries when his employment contract expires, the Disqualification Date is the expiry date of the Holder’s employment contract;
- (v) Where the Company or its subsidiaries decide not to renew employment contract with the Holder when the employment contract expires, the Disqualification Date is the expiry date of the Holder’s employment contract;
- (vi) Where a Holders is dismissed by the Company or its subsidiaries for violating laws, administrative rules or company policies, the Disqualification Date is the date of dismissal of employment;
- (vii) Where a Holder makes substantial mistake which leads to his disqualification from the current Employee Stock Ownership Scheme, the Disqualification Date is the date that he is disqualified from participating in the current Employee Stock Ownership Scheme.

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(IV) Disposal policy after the termination of the Employee Stock Ownership Scheme

After the expiry of the lock-up period, the Employee Stock Ownership Scheme can be terminated in advance if all the assets under the Employee Stock Ownership Scheme are cash and cash equivalents.

If consent is given by more than two-thirds of the portion of units held by the Holders attending the Holders' Meeting and upon consideration and approval by the Board two months prior to its expiry, the duration of the Employee Stock Ownership Scheme can be extended.

When the duration of the Employee Stock Ownership Scheme expires or the Employee Stock Ownership Scheme is terminated in advance, the Holders' Meeting shall authorise the Management Committee to wind up the scheme after deduction of the relevant taxes and fees pursuant to laws, and arrange for allocation according to the portion of units held by the Holders within 15 working days beginning from the expiry date or termination date.

XI. Rights and Obligations of the Company

(I) Rights of the Company

- i. If any Holder causes severe damages to the interests or reputation of the Company for violating laws and professional ethics, leaking business secrets, negligence of duty or malfeasance, etc., the Board may disqualify such person from the Employee Stock Ownership Scheme and transfer his corresponding units of the Employee Stock Ownership Scheme according to the provisions stipulated in the provision X in the Employee Stock Ownership Scheme.
- ii. To withhold and remit relevant tax and fees for the Holders in accordance with the provisions of the national tax laws and regulations.
- iii. Other rights conferred by laws, administrative rules and the Employee Stock Ownership Scheme.

(II) Obligations of the Company

- i. To fulfill the obligation of information disclosure for the Employee Stock Ownership Scheme in a truthful, accurate, complete and timely manner.
- ii. To open and close relevant accounts for the Employee Stock Ownership Scheme in accordance with the relevant laws and regulations.
- iii. Other obligations as stipulated in laws, administrative rules and the Employee Stock Ownership Scheme.

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XII. Other Important Matters

(I) Procedures for implementation of the Employee Stock Ownership Scheme

- i. The Board is responsible for compiling the Employee Stock Ownership Scheme (Draft), for which the Board shall seek the employees' opinions through democratic procedures such as the workers' representatives meetings before submitting the draft to the Board for consideration and approval.
- ii. When considering the Employee Stock Ownership Scheme (Draft), the independent directors shall deliver their independent opinions on the following matters: whether the Employee Stock Ownership Scheme is beneficial to the sustainable development of the Company; whether it will impair the interests of the Company and all the shareholders; whether there is any apportionment, mandatory distribution, etc., to force the employees to participate in the Employee Stock Ownership Scheme.
- iii. The supervisory committee of the Company shall deliver opinions on the following matters: whether the Employee Stock Ownership Scheme is beneficial to the sustainable development of the Company; whether it will impair the interests of the Company and all the shareholders; whether there is any apportionment, mandatory distribution, etc., to force the employees to participate in the Employee Stock Ownership Scheme.
- iv. Within two trading days after the Board approves the Employee Stock Ownership Scheme, the Company shall disclose the relevant documents such as the Board resolutions, the Employee Stock Ownership Scheme (Draft), independent directors' opinions, supervisory committee's opinions, etc.
- v. The Company shall engage a law firm to issue legal opinions for the Employee Stock Ownership Scheme regarding its compliance with laws and regulations, and whether the necessary procedures of decision-making and approval have been carried out.
- vi. The Company shall send out notices of shareholders' general meetings and release the legal opinions before convening the shareholders' general meetings.
- vii. The shareholders' general meetings shall be convened to consider the Employee Stock Ownership Scheme at which voting will be taken by poll both onsite and via internet.
- viii. The Employee Stock Ownership Scheme shall only be implemented after being considered and approved by the shareholders' general meetings and upon approval by the CSRC regarding the Non-public Issuance.

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- ix. The Company shall convene a Holders' Meeting to consider and approve the Administrative Policy, elect the members of the Management Committee, clarify specific matters relating to the implementation of the Employee Stock Ownership Scheme, and disclose the outcomes and relevant resolutions of the meeting in a timely manner.
 - x. The Company shall fulfill the obligations of information disclosure regarding the implementation of the Employee Stock Ownership Scheme pursuant to the requirements of the CSRC and the Shanghai Stock Exchange.
- (II) The approvals of the Board and shareholders' general meetings do not imply that the Holders have the rights to continue their services in the Company or its subsidiaries, and such approvals do not constitute any commitment of the Company or its subsidiaries to any continued employment of the employees within the duration of the Employee Stock Ownership Scheme. The employment relationships between the employees and the Company or its subsidiaries will remain the same as stipulated in the original employment contract entered into between the employees and the Company or its subsidiaries.
- (III) Issues of finance, accounting treatment and the respective tax expenses, etc., in relation to the implementation of the Employee Stock Ownership Scheme will be carried out according to the relevant policies of finance, accounting and tax.
- (IV) The Board reserves the right of interpretation over the Employee Stock Ownership Scheme.

Zijin Mining Group Co., Ltd.*

Board of Directors

8 July 2016

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

APPENDIX 3 THE ADMINISTRATIVE POLICY OF THE EMPLOYEE STOCK OWNERSHIP SCHEME OF ZIJIN MINING GROUP CO., LTD.* (REVISED)

The Administrative Policy of the Employee Stock Ownership Scheme of Zijin Mining Group Co., Ltd.* (Revised)

Chapter 1 General Principles

Article 1 For the purpose of regulating the implementation of Phase 1 of the Employee Stock Ownership Scheme (the “Employee Stock Ownership Scheme”) of Zijin Mining Group Co., Ltd.* (the “Company” or “Zijin Mining”), this administrative policy (the “Administrative Policy”) was formulated in accordance with the provisions of 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”), the Guiding Opinions on the Implementation of Employee Stock Ownership Scheme by Listed Companies on a Pilot Basis issued by the China Securities Regulatory Commission (the “CSRC”) (the “Guiding Opinions”), other relevant laws, rules, regulations, regulatory documents, the articles of association of the Company (the “Articles of Association”) and Phase 1 of the Employee Stock Ownership Scheme of Zijin Mining Group Co., Ltd.* (Draft) (By Way of Subscribing A Shares in Non-public Issuance) (the “Employee Stock Ownership Scheme (Draft)”).

Chapter 2 Basic Contents of the Employee Stock Ownership Scheme

Article 2 Basic Principles of the Employee Stock Ownership Scheme

(I) Legal compliance

The Employee Stock Ownership Scheme shall be carried out by the Company in strict accordance with the procedures stipulated in laws and administrative regulations, and the Company shall disclose information in a truthful, accurate, complete and timely manner. No person is allowed to make use of the Employee Stock Ownership Scheme for any action of insider trading, stock market manipulation and other securities fraud.

(II) Voluntary participation

The participation of the employees in the Employee Stock Ownership Scheme is on a voluntary basis where no apportionment, mandatory distribution, etc. shall be adopted by the Company to force its employees to participate.

(III) Self-bearing of risks

The holders of the Employee Stock Ownership Scheme (the “Holder(s)”) assume responsibility for their profits and losses at their own risk, and have equal entitlement of rights and interests with other investors.

Article 3 Procedures for Implementation of the Employee Stock Ownership Scheme

(I) The board of directors of the Company (the “Board”) is responsible for compiling the Employee Stock Ownership Scheme (Draft), for which the Board shall seek the employees’ opinions through democratic procedures such as the workers’ representatives meetings before submitting the draft to the Board for consideration and approval.

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- (II) When considering and approving the Employee Stock Ownership Scheme (Draft), the independent directors shall deliver their independent opinions on the following matters: whether the Employee Stock Ownership Scheme is beneficial to the sustainable development of the Company; whether it will impair the interests of the Company and all the shareholders; whether there is any apportionment, mandatory distribution, etc., to force the employees to participate in the Employee Stock Ownership Scheme.
- (III) The supervisory committee of the Company shall deliver opinions on the following matters: whether the Employee Stock Ownership Scheme is beneficial to the sustainable development of the Company; whether it will impair the interests of the Company and all the shareholders; whether there is any apportionment, mandatory distribution, etc., to force the employees to participate in the Employee Stock Ownership Scheme.
- (IV) Within two trading days after the Board approves the Employee Stock Ownership Scheme, the Company shall disclose the relevant documents such as the Board resolutions, the Employee Stock Ownership Scheme (Draft), independent directors' opinions, supervisory committee's opinions, etc.
- (V) The Company shall engage a law firm to issue legal opinions for the Employee Stock Ownership Scheme regarding its compliance with laws and regulations, and whether the necessary procedures of decision-making and approval have been carried out.
- (VI) The Company shall send out notices of shareholders' general meetings and release the legal opinions before convening the shareholders' general meetings.
- (VII) The shareholders' general meetings shall be convened to consider the Employee Stock Ownership Scheme at which voting will be taken by poll both onsite and via internet.
- (VIII) The Employee Stock Ownership Scheme shall only be implemented after being considered and approved by the shareholders' general meetings and upon approval by the CSRC regarding the Non-public Issuance.
- (IX) The Company shall convene a holders' meeting (the "Holders' Meeting") to elect the members of management committee (the "Management Committee"), clarify specific matters relating to the implementation of the Employee Stock Ownership Scheme, and disclose the outcomes and relevant resolutions of the meeting in a timely manner.
- (X) The Company shall fulfill the obligations of information disclosure regarding the implementation of the Employee Stock Ownership Scheme pursuant to the requirements of the CSRC and the Shanghai Stock Exchange.

Article 4 Basis and Scope for Holders' Determination

The Holders were determined according to the relevant provisions of relevant laws, regulations and regulatory documents including the Company Law, the Securities Law, the Guiding Opinions as

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well as the Articles of Association. The target participants of the Employee Stock Ownership Scheme are certain directors, supervisors, senior management and other employees of the Company, who have entered into formal employment contracts with and are salaried and currently under employment of the Company or its subsidiaries. The participation of target participants in the Employee Stock Ownership Scheme are based on the principles of legal compliance, voluntary participation, self-bearing of risk, etc.

In the event of any of the following circumstances, an employee shall fail to become a Holder of the Employee Stock Ownership Scheme:

- (I) An employee being publicly condemned or declared as an inappropriate candidate by a stock exchange in the past three years;
- (II) An employee being charged with administrative penalty by the CSRC for substantial violation of laws and regulations in the past three years;
- (III) An employee causing severe damage to the Company's interests, reputation and image due to leakage of national or corporate secrets, corruption, theft, misappropriation, bribe-taking, bribe-giving, negligence of duty, malfeasance or other acts in violation of national laws and regulations or conducts in violation of public order, professional morals and ethics in the past three years;
- (IV) A situation being deemed by the Board that an employee fails to become a Holder; or
- (V) Other situations as stipulated by relevant laws, regulations or regulatory documents that the employee fails to become a Holder of the Employee Stock Ownership Scheme.

Article 5 Sources of Funds and Shares of the Employee Stock Ownership Scheme

(I) Source of funds of the Employee Stock Ownership Scheme

The source of funds of the Employee Stock Ownership Scheme will be derived from the legitimate salary of the Company's employees participating in the Employee Stock Ownership Scheme, as well as their self-financing funds and funds raised in other manners in compliance with the laws and regulations. The proposed amount to be raised in the Employee Stock Ownership Scheme is RMB401.7 million in total at RMB1 per each subscription unit. The minimum subscription amount for individual employee shall be 10,000 units. For subscription of over 10,000 units, the number of units to be subscribed shall be the multiple of 10,000.

After obtaining the approval documents from the CSRC regarding the Non-public Issuance, the Holders of the Employee Stock Ownership Scheme shall pay off the subscription amount in full within the time period according to the payment instructions of the Company, unless otherwise required by the CSRC regarding the payment of the Non-public Issuance. If the Holders of the Employee Stock Ownership Scheme fail to pay off their subscription amount on time and in full, it shall be deemed a waiver of the respective subscription rights and other eligible employees can apply to subscribe for

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the corresponding abandoned units thereof. In case that the application number of subscription units exceeds the number of the abandoned units, the Management Committee of the Employee Stock Ownership Scheme will determine the candidates of subscription and specific number of units to be subscribed.

(II) Source of shares of the Employee Stock Ownership Scheme

The shares to be subscribed by the Employee Stock Ownership Scheme are derived from the Non-public Issuance (the “Underlying Shares”). The subscription amount of the Employee Stock Ownership Scheme under the Non-public Issuance is RMB401.7 million, corresponding to not more than 130 million shares of the Non-public Issuance. The subscription amount of the Employee Stock Ownership Scheme under the Non-public Issuance 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 2015 has been completed, pursuant to the proposal on the Non-public Issuance, the maximum number of shares to be subscribed by the Employee Stock Ownership Scheme is adjusted to 132,574,257 shares.

The total number of the Underlying Shares to be held by the Employee Stock Ownership Scheme shall be not more than 10% of the total number of issued shares of the Company after the conclusion of the Non-public Issuance of A Shares. The total number of the Underlying Shares corresponding to the portion of the Employee Stock Ownership Scheme to be held by any individual shall be not more than 1% of the Company’s total number of issued shares after the conclusion of the Non-public Issuance of A Shares. But the shares acquired by the employees before the initial public offering of the Company, purchased in the secondary market on their own, and obtained from stock-based incentive compensation shall be excluded when calculating the total number of shares under the Employee Stock Ownership Scheme.

To subscribe shares under the Non-public Issuance, the Employee Stock Ownership Scheme undertakes not to participate in the price inquiry process of the Non-public Issuance, and confirms to subscribe at the final issuance price as determined by the price inquiry results.

Chapter 3 Management of the Employee Stock Ownership Scheme

Article 6 Mode of and Institution Responsible for the Management

- (I) The Employee Stock Ownership Scheme will be managed by the Company. The Holders’ Meeting will authorise the Management Committee of the Employee Stock Ownership Scheme to take charge of the specific management affairs of the Employee Stock Ownership Scheme.
- (II) The Management Committee will manage the assets of the Employee Stock Ownership Scheme according to relevant laws, regulations, regulatory documents, the Employee Stock Ownership Scheme and this Administrative Policy, protect legal interests of the Holders, and ensure the security of the assets of the Employee Stock Ownership Scheme.

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(III) The Management Committee will manage the assets of the Employee Stock Ownership Scheme according to the authorisation of the Holders' Meeting, beginning from the date when the Employee Stock Ownership Scheme is approved at the shareholders' general meeting to the date when all of the shares under the Employee Stock Ownership Scheme are disposed of and all assets are allotted and the Employee Stock Ownership Scheme are deregistered completely.

Article 7 Holders and Holders' Meeting

(I) The Holders

Target participants who make actual payments to subscribe units of the Employee Stock Ownership Scheme will become the Holders of the Employee Stock Ownership Scheme. Each unit of the Employee Stock Ownership Scheme shall have equal entitlement of legal rights and interests.

- i. Rights of the Holders are as follows:
 - (i) Be entitled to the rights and interests in proportion to the units held in the Employee Stock Ownership Scheme under their names;
 - (ii) Receive dividends and/or bonus shares (if any) attributable to the Employee Stock Ownership Scheme in proportion to the units held under their names during the period from the date of purchase to the date of disposal of the shares;
 - (iii) Attend the Holders' Meetings in accordance with laws and be entitled to various rights specified in this Administrative Policy; and
 - (iv) Other rights stipulated by laws, administrative regulations and departmental rules.
- ii. Obligations of the Holders are as follows:
 - (i) Within the duration of the Employee Stock Ownership Scheme, all portions of units under the Holders' names are deemed to be held by the Holders. The Holders are prohibited from holding any portion of units on behalf of other persons;
 - (ii) Comply with the plan of the Employee Stock Ownership Scheme, fulfill all undertakings made for participating in the Employee Stock Ownership Scheme, and pay for the amount as committed in full within the agreed period;
 - (iii) Agree that Zijin Mining, being the collecting party of the subscription capital, signs and enters into relevant agreements on behalf of the Employee Stock Ownership Scheme;
 - (iv) Bear the contingent risks of the Employee Stock Ownership Scheme in proportion to the portion of units under their names in the Employee Stock Ownership Scheme;

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- (v) Bear the statutory taxes and fees of share transactions when the Employee Stock Ownership Scheme fulfills the unlocking conditions and the shares are disposal of, and other taxes incurred pursuant to the national and other relevant laws and regulations for participating in the Employee Stock Ownership Scheme after the Employee Stock Ownership Scheme fulfills the unlocking conditions and the shares are disposal of, in proportion to the portion of units under their names in the Employee Stock Ownership Scheme; and
- (vi) Other obligations stipulated by the provisions of laws, administrative regulations, departmental rules and this Administrative Policy.

(II) The Holders' Meeting

- i. The Holders' Meeting is the internal supreme management authority of the Employee Stock Ownership Scheme. All the Holders are entitled to attend and vote at the Holders' Meeting in person or by appointing other Holder(s) as their proxy(ies). The Holders will be responsible for the travelling and accommodation expenses for themselves and their proxy(ies) for attending the Holders' Meeting.
- ii. The following items shall be considered and discussed at the Holders' Meeting:
 - (i) Appointment and removal of any members of the Management Committee;
 - (ii) Amendment, early termination and extension of the duration of the Employee Stock Ownership Scheme;
 - (iii) Whether to participate in the fund raising activities of the Company, such as placement, additional issuance of shares, convertible bond issuance, etc. within the duration of the Employee Stock Ownership Scheme;
 - (iv) Authorisation to the Management Committee to supervise the daily management of the Employee Stock Ownership Scheme;
 - (v) Authorisation to the Management Committee to take charge of coordination with investment management institutions and commercial banks;
 - (vi) Authorisation to the Management Committee to exercise shareholders' rights; and
 - (vii) Other matters that are considered as necessary by the Management Committee for consideration at the Holders' Meeting.
- iii. The first Holders' Meeting shall be convened and presided over by the Chairman of the Company, and subsequent Holders' Meetings shall be convened by the Management Committee and presided over by the officer of the Management Committee. When the officer of the Management Committee is unable to perform his duties, he shall appoint a member of the Management Committee to preside over the meeting.

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- iv. To convene a Holders' Meeting, the Management Committee shall send out a notice of meeting in writing 5 days prior to the meeting to all Holders by direct delivery, post, facsimile, electronic mail, announcement on the website, poster at the workplace or other means. The notice of meeting shall at least include the following details:
- (i) Time and venue of the meeting;
 - (ii) Way of convening the meeting;
 - (iii) Matters (proposals) to be considered at the meeting;
 - (iv) Convener and chairman of the meeting and the proposer(s) of extraordinary meeting and his (their) written proposals;
 - (v) Meeting materials required for voting;
 - (vi) Requirements for the Holders to attend the meeting in person or assign other Holders to attend the meeting on their behalf;
 - (vii) Contact person and contact information; and
 - (viii) Date of issuance of the notice.

In case of any emergency, a Holders' Meeting can be convened by verbal notice. The verbal meeting notice shall at least include the above points (i) and (ii) and an explanation on the emergency and necessity to convene a Holders' Meeting as soon as possible.

- v. Voting procedures of the Holders' Meeting
- (i) After each proposal has been fully discussed, the chairman shall invite Holders attending the meeting to vote in a timely manner. The chairman may also invite Holders attending the meeting to vote only after all proposals for the meeting have been discussed. Voting shall be carried out by paper ballot;
 - (ii) Each unit held by the Holders of the Employee Stock Ownership Scheme is entitled to one vote;
 - (iii) The Holders may choose to vote for, against or abstain in any resolution. The Holders attending the meeting shall select one of the aforesaid voting options, and any vote with no option or more than one option indicated will be deemed as abstention. Any Holder who leaves in the course of the meeting without indicating any voting options shall be deemed as abstained from voting. Any vote made after the voting period lapses shall not be counted;

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- (iv) The chairman of the meeting shall announce the onsite voting results at the spot of the meeting. A proposed resolution shall only become a valid resolution after being passed by more than 50% (50% exclusive) of portion of units held by the Holders attending the meeting, unless the consent of more than two-thirds of the portion of units is required by the Employee Stock Ownership Scheme and this Administrative Policy;
 - (v) In the event that a resolution of the Holders' Meeting must be submitted to the Board and shareholders' general meeting of the Company for consideration, it shall be submitted to the Board and shareholders' general meeting of the Company for consideration in accordance with the provisions of the Articles of Association; and
 - (vi) The chairman of the meeting shall arrange for record taking of the Holders' Meeting.
- vi. Employees holding over 10% of the units in the Employee Stock Ownership Scheme in aggregate may submit a temporary proposal to the Holders' Meeting; and the temporary proposal shall be submitted to the Management Committee 3 days prior to the convention of the Holders' Meeting.

Article 8 Management Committee

The Employee Stock Ownership Scheme shall establish a Management Committee which reports to the Employee Stock Ownership Scheme and serves as a daily supervisory and administrative institution to manage the Employee Stock Ownership Scheme.

(I) Election and appointment procedures of the Management Committee

The Management Committee comprises 15 members, with one officer and two deputy officers. All members of the Management Committee shall be elected by the Holders' Meeting. The officer and deputy officers of the Management Committee shall be elected by more than half of all members of the Management Committee. The term of office of members of the Management Committee shall be the same as the duration of the Employee Stock Ownership Scheme.

(II) Obligations of the Management Committee

The Management Committee has the following fiduciary duties to the Employee Stock Ownership Scheme in accordance with laws, administrative regulations and this Administrative Policy:

- i. Not to take advantage of their position and authority to accept bribes or other illegal income; not to occupy any property of the Employee Stock Ownership Scheme;
- ii. Not to misappropriate funds of the Employee Stock Ownership Scheme;
- iii. Without the consent of the Management Committee, not to open personal account under his or her own name or other people's names with the assets or funds of the Employee Stock Ownership Scheme as the deposits;

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- iv. Not to breach the regulations of this Administrative Policy to lend the funds of the Employee Stock Ownership Scheme to other persons or provide guarantee for other persons with the properties of the Employee Stock Ownership Scheme without the consent of the Holders' Meeting;
- v. Not to take advantages of their positions and authority to jeopardise the interests of the Employee Stock Ownership Scheme;
- vi. Not to disclose business secrets related to the Employee Stock Ownership Scheme without authorisation; and
- vii. Discharge other obligations stipulated in laws, administrative regulations, departmental rules and this Administrative Policy.

Any member of the Management Committee who breaches the fiduciary duties and causes losses to the Employee Stock Ownership Scheme shall be liable for compensation.

(III) Functions and responsibilities of the Management Committee and its officer

- i. The Management Committee shall discharge the following functions and authority:
 - (i) Convene Holders' Meetings in accordance with this Administrative Policy and execute resolutions passed at the Holders' Meetings;
 - (ii) Supervise the daily administration of the Employee Stock Ownership Scheme on behalf of all Holders;
 - (iii) Exercise shareholders' rights of the shares held by the Employee Stock Ownership Scheme on behalf of all Holders;
 - (iv) Manage the allocation of benefits and interests of the Employee Stock Ownership Scheme;
 - (v) Determine the re-allotment of the portion of units of the Employee Stock Ownership Scheme that are being waived and to be transferred mandatorily;
 - (vi) Register for the inheritance of the portion of units of the Employee Stock Ownership Scheme;
 - (vii) Be responsible for share reduction arrangement of the Employee Stock Ownership Scheme; and
 - (viii) Other responsibilities as delegated by the Holders' Meeting.

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- ii. The officer of the Management Committee shall discharge the following functions and authority:
 - (i) Preside over the Holders' Meetings, convene and preside over the Management Committee meetings;
 - (ii) Supervise and inspect the execution of resolutions of the Holders' Meetings and the Management Committee meetings; and
 - (iii) Other functions and authority as delegated by the Management Committee.

(IV) Convention of, holding and voting at the Management Committee meeting

- i. The Management Committee meeting shall be convened occasionally by the officer of the Management Committee. Notice of meeting shall be sent out to all members of the Management Committee 3 days prior to the convention of the meeting. With consent of all the members of the Management Committee to the proposed resolutions, the meeting may be convened and the voting be carried out by means of tele-communication.
- ii. If proposed by the Holders with over 10% of units in aggregate or over one-third of the members of the Management Committee, an extraordinary Management Committee meeting can be convened. The officer of the Management Committee shall convene and preside over a Management Committee meeting within 5 days upon receiving the proposal.
- iii. The Management Committee shall send out the notice of meeting to all members of the Management Committee 3 days prior to the convention of the extraordinary Management Committee meeting by notification in person, telephone, electronic mail, facsimile, SMS messages, etc.
- iv. The notice of the Management Committee meeting shall include the follows items:
 - (i) Time and venue of the meeting;
 - (ii) Reasons for convening the meeting and topics for discussion; and
 - (iii) Date of issuing the notice.
- v. A Management Committee meeting shall only be held when more than half of the members are present. Meeting resolutions shall be valid only upon obtaining approval from more than half of all members of the Management Committee. Management Committee meetings shall implement a one-person one-vote system.

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- vi. Voting for resolutions of the Management Committee meetings shall be conducted by way of open ballot. Provided that members of the Management Committee can fully express their views, the Management Committee meetings can be convened and resolutions can be resolved by means of tele-communication. The resolutions passed shall be signed by members of the Management Committee.
- vii. Members of the Management Committee shall attend the Management Committee meetings in person; for any member who cannot attend the meetings in person, he can appoint other member(s) of the Management Committee as his proxy(ies) in writing to attend the meetings. A power of attorney shall be signed by the authoriser with the name(s) of the proxy(ies), and the matters, scope and validity period of the authorisation being specified. The authorised member of the Management Committee shall exercise his rights properly within the scope of authorisation. For any Management Committee member who neither attends the meetings nor authorises another member as his proxy, he will be deemed as abstained from voting.
- viii. The Management Committee shall take minutes of the matters discussed in the meeting, and all members attending the Management Committee meeting shall sign on the minutes.
- ix. Minutes of the Management Committee meetings shall include the following items:
 - (i) Time, venue and the convener of the meeting;
 - (ii) Attendance of the members of the Management Committee;
 - (iii) The agenda;
 - (iv) Key points in the statements of the members of the Management Committee; and
 - (v) Way of voting for each resolution and the respective voting results (stating clearly the number of votes for, against and abstain respectively).
- x. Resolutions resolved at the Management Committee meeting and the minutes shall be submitted to the Board for record retention.

Article 9 Duration, Termination, Extension and Amendment of the Employee Stock Ownership Scheme

(I) Lock-up period of the Employee Stock Ownership Scheme

- i. The lock-up period of the Underlying Shares to be subscribed through the Non-public Issuance of A Shares by the Employee Stock Ownership Scheme is 36 months, beginning from the date that the Company announces that the Underlying Shares have been registered under the Employee Stock Ownership Scheme.

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- ii. After the expiry of the lock-up period, whether or not to dispose of the shares will be determined based on the specific arrangement under the Employee Stock Ownership Scheme and the prevailing market situation.
- iii. No shares of the Company shall be disposed of under the Employee Stock Ownership Scheme during the following periods:
 - (i) Thirty days prior to the announcement of the Company's periodical reports or, if the date of announcement is postponed due to special reasons, the period starting from thirty days prior to the original date of announcement to one day prior to the actual date of announcement;
 - (ii) Ten days prior to the release of the Company's results preview or preliminary report;
 - (iii) The period starting from the date when a material issue, which may significantly affect the Company's share price and its derivatives' price, occurs or is in the process of decision-making to two trading days after the issue being disclosed in accordance with laws;
 - (iv) Other periods stipulated by the CSRC and the Shanghai Stock Exchange; and
 - (v) Other situations prohibiting share transactions as specified in the provisions of other laws and regulations.

(II) Duration, termination and extension of the Employee Stock Ownership Scheme

- i. The duration of the Employee Stock Ownership Scheme is 48 months, beginning from the date that the Company announces that the Underlying Shares have been registered under the Employee Stock Ownership Scheme. The Employee Stock Ownership Scheme will end automatically after the expiry of the duration.
- ii. After the expiry of the lock-up period of the Employee Stock Ownership Scheme, an early termination of the Employee Stock Ownership Scheme will be applicable if all assets held by the Employee Stock Ownership Scheme are cash and cash equivalents.
- iii. At two months prior to the expiry of the duration, the duration of the Employee Stock Ownership Scheme can be extended upon being passed by more than two-thirds of the number of units held by the Holders attending the Holders' Meeting, and upon being considered and approved by the Board.

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(III) Amendment to the Employee Stock Ownership Scheme

Within the duration of the Employee Stock Ownership Scheme, any amendment to the Employee Stock Ownership Scheme can only be implemented after being passed by more than two-thirds of the number of units held by the Holders attending the Holders' Meeting and after being considered and approved by the Board.

Chapter 4 Assets of the Employee Stock Ownership Scheme and Disposal Policy of the Rights and Interests

Article 10 Asset Composition of the Employee Stock Ownership Scheme

- (I) Entitlement in the Company's shares: the rights and interests attributable to the Employee Stock Ownership Scheme corresponding to the Company's shares it holds;
- (II) Cash deposits and interests receivables; and
- (III) Assets arising from other investments in the scheme.

The assets under the Employee Stock Ownership Scheme are independent of the assets owned by the Company. The Company shall not include the assets of the Employee Stock Ownership Scheme into its own assets. The properties and profits generated from the management, utilisation, etc. of the Employee Stock Ownership Scheme shall be included into the assets of the Employee Stock Ownership Scheme.

Article 11 Distribution of Rights and Interests of the Employee Stock Ownership Scheme within the Duration

- (I) No income distribution shall be carried out during the lock-up period in principle.
- (II) In the event of conversion of capital reserve into share capital and distribution of bonus shares by the Company during the lock-up period, the additional shares derived from the Underlying Shares will be locked up for the same period as the corresponding shares, and shall not be disposed of in the secondary market or transferred by other means. When the Company implements profit distribution, the cash dividends derived from the shares of the Company held by the Employee Stock Ownership Scheme can be distributed within the duration of the Employee Stock Ownership Scheme.
- (III) When the lock-up period expires, the Management Committee can decide whether to conduct income distribution according to the prevailing situation of the operation of the Employee Stock Ownership Scheme.

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Article 12 Disposal Policy of Employees' Holding Portions under the Employee Stock Ownership Scheme

(I) In the duration period, no change shall be made to the rights and interests of the Holders in the event of any of the following situations:

(i) Change of job position

In the duration period, no change shall be made to the rights and interests of the Holders if they are still eligible to participate in the Employee Stock Ownership Scheme after their job positions are changed.

(ii) Loss of working capacity

In the duration period, no change shall be made to the rights and interests of the Holders in the event of loss of working capacity.

(iii) Retirement

In the duration period, no change shall be made to the rights and interests of the Holders in the event that the Holders reach statutory retirement age and retire.

(iv) Death

In the duration period, no change shall be made to the rights and interests of the Holders in the event of death. The Holders' rights and interests shall be inherited by their lawful inheritors, who will not be subject to the constraints of qualification for participation in the Employee Stock Ownership Scheme.

(v) Other situations determined by the Management Committee.

(II) In the event of any situation listed below, if a Holder is no longer regarded as qualified for participating in the Employee Stock Ownership Scheme by the Company within the duration, the Company has the right to disqualify the Holder from participating in the current Employee Stock Ownership Scheme and mandatorily transfer his corresponding rights and interests under the Employee Stock Ownership Scheme to other beneficiary(ies) designated by the Management Committee; and the transfer price will be the lower of "the present value of the portion of units

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attributable to the Holder based on the closing price on the day of his disqualification” and “the actual investment cost of the Holder”. The beneficiary(ies) will pay for the transfer price to the person who are disqualified from the Employee Stock Ownership Scheme.

- (i) Where a Holder is subject to criminal liability, resigns or leaves without permission, the date of disqualifying the Holder for participating in the Employee Stock Ownership Scheme (the “Disqualification Date”) is the date that the Holder is held criminally liable, submits resignation letter or leaves without permission;
- (ii) Where a Holder violates the Company’s prohibition and causes substantial negative consequence to the Company and is involved in other actions as determined by the Company as severe disciplinary violations, the Disqualification Date is the date that the Holder is determined by the Company as having committed severe disciplinary violation;
- (iii) Where a Holder severely violates the regulation and policy of the Company, the Disqualification Date is the date when the Holder violates the regulation and policy of the Company;
- (iv) Where a Holder refuses to renew employment contract with the Company or its subsidiaries when his employment contract expires, the Disqualification Date is the expiry date of the Holder’s employment contract;
- (v) Where the Company or its subsidiaries decide not to renew employment contract with the Holder when the employment contract expires, the Disqualification Date is the expiry date of the Holder’s employment contract;
- (vi) Where a Holders is dismissed by the Company or its subsidiaries for violating laws, administrative rules or company policies, the Disqualification Date is the date of dismissal of employment;
- (vii) Where a Holder makes substantial mistake which leads to his disqualification from the current Employee Stock Ownership Scheme, the Disqualification Date is the date that he is disqualified from participating in the current Employee Stock Ownership Scheme.

Article 13 Disposal Policy After the Termination of the Employee Stock Ownership Scheme

After the expiry of the lock-up period, the Employee Stock Ownership Scheme can be terminated in advance if all the assets under the Employee Stock Ownership Scheme are cash and cash equivalents.

If consent is given by more than two-thirds of the portion of units held by the Holders attending the Holders’ Meeting and upon consideration and approval by the Board two months prior to its expiry, the duration of the Employee Stock Ownership Scheme can be extended.

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When the duration of the Employee Stock Ownership Scheme expires or the Employee Stock Ownership Scheme is terminated in advance, the Holders' Meeting shall authorise the Management Committee to wind up the scheme after deduction of the relevant taxes and fees pursuant to laws, and arrange for allocation according to the portion of units held by the Holders within 15 working days beginning from the expiry date or termination date.

Chapter 5 Supplementary Provisions

Article 14 Others

- (I) When the Company raises funds by placement, issuing additional shares and convertible bonds or by other means within the duration of the Employee Stock Ownership Scheme, the Holders' Meeting shall consider and determine whether or not the Employee Stock Ownership Scheme shall participate in such fund raising activities; and the Management Committee shall propose specific ways of participation and submit the proposal to the Holders' Meeting for consideration.
- (II) The approvals of the Board and shareholders' general meetings do not imply that the Holders have the rights to continue their services in the Company or its subsidiaries, and such approvals do not constitute any commitment of the Company or its subsidiaries to any continued employment of the employees within the duration of the Employee Stock Ownership Scheme. The employment relationships between the employees and the Company or its subsidiaries will remain the same as stipulated in the original employment contract entered into between the employees and the Company or its subsidiaries.
- (III) Issues of finance, accounting treatment and the respective tax expenses, etc., in relation to the implementation of the Employee Stock Ownership Scheme will be carried out according to the relevant policies of finance, accounting and tax.
- (IV) The Board reserves the right of interpretation over the Employee Stock Ownership Scheme.

Zijin Mining Group Co., Ltd.*

Board of Directors

8 July 2016

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



Feasibility Report on the Use of Proceeds
Raised in the
Non-public Issuance of A Shares
(Revised Version)

July 2016

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 1,584,158,415 Renminbi-denominated ordinary shares (A Shares) of Zijin Mining Group Co., Ltd.*
Report	Feasibility Report on the Use of Proceeds Raised in the Non-public Issuance of A Shares in 2016 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 A Shares
Ministry of Commerce	Ministry of Commerce of the People’s Republic of China
DR Congo	The Democratic Republic of the Congo
Australia	The Commonwealth of Australia
Tajikistan	The Republic of Tajikistan
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	JV Zeravshan LLC in Tajikistan, a subsidiary of the Company
Barrick (Niugini) Limited, BNL	Barrick (Niugini) Limited, an associate of the Company which owns the Porgera gold mine in Papua New Guinea
Kamoa copper mine	The Kamoa copper mine in the DR Congo which is controlled by Kamoa Holding Limited, an associate of the Company

Xinjiang Ashele	Xinjiang Ashele Copper Company Limited, 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 Co., Ltd., a subsidiary of the Company
Xinjiang Zijin Zinc Industry	Xinjiang Zijin Zinc Industry Co., Ltd., 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
Hunchun Zijin	Hunchun Zijin Mining Co., Ltd., a subsidiary of the Company
Chongli Zijin	Chongli Zijin Mining Co., Ltd., 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
Gécamines	La Générale des Carrières et des Mines, Société par Actions à Responsabilité Limitée
Huayou Cobalt	Zhejiang Huayou Cobalt Co., Ltd.
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

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 RMB6.6857 (based on the middle exchange rate issued by the People's Bank of China on 6 July 2016).

1. Background and objectives of the Non-public Issuance of A Shares

(1) Background of the Non-public Issuance of A Shares

Zijin Mining Group Co., Ltd.* (the “Company”) is a large-scale mining group focusing on exploration and development of mineral resources including gold, copper and other base metals with high technology and efficiency. It is mainly engaged in the exploration and mining of gold, copper, lead and zinc and other mineral resources, supplemented by refining, processing and sales of related products. The Company obtains mineral resources through self-exploration or merger and acquisition, using advanced and highly effective mining, processing and refining technology to convert ores into the respective concentrates or refining products and then sells them to make profits. Meanwhile, the Company also conducts refining and processing on concentrates purchased externally, and then sells them after turning them into refined products.

After over 20 years of sustainable, rapid and leaping development, the Company’s asset scale keeps expanding with significant growth in profit level, ranking in front positions 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 subsidiaries of the Company spread across most of the provinces and regions in China with mining projects operating in 8 countries overseas. The Company has become one of the most profitable listed gold companies in China. Presently, the Company is one of the enterprises owning the most metal mineral resources in the PRC, and is also 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 in the PRC. The rankings published by the Forbes Magazine in 2015 show 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.

Innovation in science and technology is the core competitiveness to support the Company’s development. 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 Company has advanced internal systems and policies and dedicated management with high level of professionalism. The chairman, Mr. 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 was also listed on the 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.

With good fundamentals including advanced internal systems and policies, dedicated management with high level of professionalism, etc., the Company has earned recognition across the capital market. Top-tier international institutional investors have holdings in the shares of the Company.

I. Business of the Company

As at the end of 2015, the Company's total assets and net assets attributable to owners of the parent amounted to RMB83.914 billion and RMB27.537 billion respectively. The Company's operating income in 2015 amounted to RMB74.304 billion, among which the sales income from gold, copper, lead and zinc represented 70.89%, 15.57% and 5.10% of the operating income (after internal sales elimination) respectively, the gross profit of which represented 40.42%, 29.09% and 10.89% of the operating gross profit respectively.

In 2015, the Company produced 247.37 tonnes of gold, in which 37.16 tonnes were mine-produced gold, representing approximately 9.79% of total production volume of mine-produced gold in China; copper production reached 414,400 tonnes, in which 150,300 tonnes were mine-produced copper; zinc production reached 416,900 tonnes, in which 198,200 tonnes were mine-produced zinc.

In the aspect of gold production, in 2015, the gold production volume of Norton Gold Fields in Australia amounted to 5.89 tonnes; the gold production volume of Longnan Zijin amounted to 3.26 tonnes; the gold production volume of Tajikistan ZGC was 3.11 tonnes; the gold production volume of Barrick (Niugini) Limited was 2.68 tonnes (production volume since September 2015); the gold production volume of Hunchun Zijin was 2.58 tonnes; the gold production volume of Guizhou Shuiyindong gold mine was 1.96 tonnes; the gold production volume of Chongli Zijin was 1.69 tonnes. As the flagship mine of the Company, Zijinshan gold and copper mine has the largest reserve volume, the largest scale in mining and processing, the largest production volume, the lowest cost of processing unit ore and the highest efficiency in a single gold mine in China. In 2015, the gold production volume of the mine amounted to 9.15 tonnes. The above gold-producing corporations have become major profit drivers of the Company.

In the aspect of copper production, in 2015, Zijinshan gold and copper mine, the Company's flagship mine, produced copper of 48,700 tonnes, representing an increase of 27.16% over the same period last year; Xinjiang Ashele, Heilongjiang Duobaoshan, Qinghai West and Hunchun Zijin produced 35,200 tonnes, 29,000 tonnes, 18,900 tonnes and 11,800 tonnes of copper respectively.

In the aspect of zinc production, in 2015, Xinjiang Zijin Zinc Industry produced 72,200 tonnes of zinc; Inner Mongolia Wulatehouqi Zijin produced 62,200 tonnes of zinc; Russian Tuva Zinc and Multi-metals Mine produced 51,700 tonnes of zinc. As the production capacity of Xinjiang Zijin Zinc Industry and Inner Mongolia Wulatehouqi Zijin raises, it is expected that the Company's zinc production volume in 2016 will exceed 250,000 tonnes. As a newly emerged and important business segment of the Company, zinc is benefited from the depletion in production capacity of the world's zinc mines and rising price. It will become a new profit driver of the Company.

In 2015, by the decision and strategic planning of the shareholders' general meeting and the board of directors (the "Board"), the Company followed closely the "clinging to reforms, maintaining growth and boosting development" main focus of work for the year. The general employees discharged their duties devotedly. By enhancing efficiency, and increasing profits by boosting volume, reducing cost and reducing loss, the production volume of the Company's major products achieved double-digit growth once again. The efficiency of the Company remained at the top tier among the international mining companies.

II. Development strategy of the Company

In February 2014, 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 Company Limited's Development Strategy". Adhering to the mindset of Zijin being "founding business from direst situations with exploration and 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 influential corporation in the global gold and base 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

Mixed-ownership structure is a scientific ownership structure which realises the separation of ownership and management. The Company's shareholding structure belongs to mixed-ownership structure. 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. Visionary operating decisions are thereby formed.

(3) 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 those of other peers in the same industry in China, with prominent comparative advantage in the world.

(4) 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. The Company reforms the organisational structure, transform regional management to business-oriented and professional management. Through the establishment of business units and business sub-units, management hierarchy is flattened. The Company also makes full use of internet technology to establish sharing platforms for realising transparent, standardised and highly-efficient operation. The overall management level is significantly improved.

(5) Advantage in resources

Mineral resources are the Company's most precious assets. Throughout the years, the Company has obtained a large volume of valuable mineral resources with relatively low costs through self-exploration, merger, acquisition and restructuring. As at the end of 2015, the Company had a total of 237 mining rights covering a total area of 820.56 square kilometers, and 267 exploration rights covering a total area of 2,949.82 square kilometers both within and outside the PRC. The verified resources reserve volume in major mines (under complete equity method) were: gold of 1,261.28 tonnes, copper of 23,464,000 tonnes, silver of 1,110.42 tonnes, molybdenum of 574,600 tonnes, zinc of 8.3968 million tonnes, lead of 1.5415 million tonnes, tungsten of 80,300 tonnes, tin of 139,700 tonnes, iron of 212 million tonnes and coal of 489 million tonnes (grade 333 or above). The Company has already become the corporation to control the most metal mineral resources in the PRC.

(6) Advantage in technological innovation

Technological innovation is the core competitiveness for the Company's development. The Company owns high-level research and development platforms and design entities for scientific research including the State Key Laboratory for integrated utilisation of low grade refractory gold resources, which is the only laboratory of its kind in the gold industry, the state-level enterprise technology centre, workstations for academicians/experts, workstations for post-doctors' scientific research, design and research institutes of mining and metallurgy, technology companies and design companies, etc.

The special technology which the Company researched and developed for its mines are highly adaptable with promising efficiency. Meanwhile, the Company gradually reduces costs of construction and operation of its projects with advanced technology, and optimises techniques and crafts by focusing on economic value and improves corporate management standard and risk-resilience.

The “market-simulating” operation of the Company’s technological work fully enhances the effectiveness of investment in science and technology, comprehensively motivates the creativity and innovative spirit of numerous personnel working in the field of science and technology, establishes a diversified incentive mechanism based on market standards, and creates a favourable and innovative environment and culture.

After years of investment in technological research and development and accumulation of technologies, a technological innovation system with Zijin characteristics and a batch of independent intellectual property rights and scientific research achievements have been formed. The Company attains a leading position in the industry in the aspects of geological exploration, research capacity and 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. The Company has a good financial condition with strong financing capacity. Recently, the Company completed the issuance of corporate bonds with relatively low coupon rates. The Company also obtained the support from the special construction fund of China Development Bank and the approval of the People’s Bank of China to become the first non-financial enterprise commencing gold import business in the PRC.

(8) Advantage in overseas operation

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 has been nurtured for overseas operation. The progress of internationalisation has been accelerated with good operating results.

In the course of internationalisation, the Company not only focuses on external recruitment of high-calibre talents with global vision, but also on expatriating internal staff overseas and nurturing local staff in overseas projects. As at the end of February 2016, the number of core technical and management staff with Chinese nationality assigned overseas has already exceeded 270, while the total number of Chinese and foreign staff working in overseas project companies has exceeded 7,100.

In 2015, the Company grasped the favourable timing to carry out overseas acquisitions actively in the hardships of the mining industry and under subdued market conditions. The Company completed the acquisitions of the Porgera gold mine and the Kamoia copper mine, participated in the additional issuance of shares of Ivanhoe and NKWE and completed the delisting of Norton. In particular, the acquisitions of the Porgera gold mine in Papua New Guinea and the Kamoia copper mine in the DR Congo, both of which are highly influential projects in the global mining industry, were completed. The Porgera gold mine project and the Kamoia copper mine project added gold resources of 157 tonnes and copper resources of 10.57 million tonnes to the Company

respectively according to the Company's proportionate interests, which significantly increased the Company's retained resources reserve of high-quality gold and copper and the production capacity of gold (in which the resources reserve of gold and copper increased by 11.7% and 68.5% respectively). These acquisitions have high strategic significance in the Company's course of internationalisation and long-term development.

The Company made progress in the operation of overseas corporations. The Tuva lead-zinc mine in Russia and the Altynken Zuoan gold mine commenced production, bringing the number of overseas projects in production to increase from 2 to 5. Since completing the acquisition of Norton Gold Fields of Australia, the Company has successfully reduced the project's cash cost of gold from A\$1,239/ounce in 2012 to A\$970/ounce in 2015 (representing a decrease of approximately 20%) through various ways such as lowering financing cost, carrying out scientific and technological innovation, reducing outsourcing, etc. to release the potentials of the mine. The production capacity of the newly acquired Porgera project is stable. Within four months after completion of the acquisition transaction and during the first quarter in 2016, the net profit attributable to the Company from the Porgera project reached US\$28.65 million and US\$16.48 million respectively. In 2015, overseas projects produced 11.8 tonnes of mine-produced gold and 51,000 tonnes of zinc, representing approximately 32% and 26% of the total mine-produced gold and mine-produced zinc of the Group respectively.

IV. Prioritise environmental protection and safety to support sustainable development

The Company adheres to the concepts of "protecting the green mountains and clear water while developing precious mines" and "life ranks first, environmental protection is in high priority", regards safety and environmental protection as the lifeline for the corporation's survival and development, continues to increase 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, as a result it has a leading position in the industry in terms of the standard of comprehensive utilisation of resources and indicators of energy conservation.

The Zijinshan gold and copper mine and the Xinjiang Ashele copper mine both belong to "exemplary spots for 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 a model 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 17 enterprises of the Company having successfully achieved "zero discharge" of industrial waste water.

V. Strive to become an outstanding corporate citizen and provide good returns 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 RMB16.61 billion in aggregate (dividends for 2015 inclusive) have been distributed to shareholders, which exceed the total amount

of proceeds raised and generated lucrative returns to shareholders. The Company proactively fulfills social responsibility, having made cumulative donations of over RMB2 billion. The Company was awarded the title of “top ten charity corporations” for 2013 and the “China Charity Award”, the highest national honour for charity, for three times. The Group ranked the 13th in the charity development index of the 2015 national top 100 charity-supportive state-owned enterprises issued by the Chinese Academy of Social Sciences.

VI. Risks and challenges

(1) Metal prices remain volatile in low ranges

Due to the slow recovery in global economy and weak consumer spending, metal prices fluctuate in low ranges, hence affecting the Company’s operation.

(2) Resource reserve insufficient to support sustainable development of the Company

The Company owns a relatively large amount of resources reserve, nevertheless flagship mines of the Company are constrained by certain production cycle. When resources in these mines gradually reduce and deplete, the loss of production capacity must be compensated by the commencement and production of new mines. Currently, the Company is in a leading position among the domestic mining enterprises in terms of resources reserve and sustainability. However, this is still insufficient to support the Company’s sustainable development in the long run.

(3) Constrains of a lack of funds

Currently, the main sources of funds of the Company are debt financing and accumulated profits of the Company. More capital is needed to support the Company’s future sustainable development.

(2) Objectives and significance of the Non-public Issuance

I. Enhancing the Company’s profitability

According to the feasibility study reports, 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; after the completion of Zijin Copper’s capacity expansion project for comprehensive recovery of end materials in production, it is expected that the whole project can realise net profit of RMB71.8675 million per year, consistently contributing to the profit of the Company.

Throughout the construction and operation of the Projects to be Invested by the Proceeds Raised, the Company will further improve the production techniques and work process, control production and operational costs and endeavour to achieve or even beat the economic benefits estimated by the feasibility study reports on the projects.

II. Unleashing potentials and raising efficiency to complement capacity expansion

The treatment and recovery of rare and precious metals including gold, silver, platinum, palladium, etc. from copper anode slimes (end materials produced in copper refining process) not only can achieve the goal of unleashing potentials and raising efficiency, but also has profound significance to the development of green mines. Therefore, the Company will expand the handling capacity of Zijin Copper's rare and precious metals plant from 3,000 tonnes/year to 5,000 tonnes/year by investing a total of RMB228,391,400, in which RMB105,102,200 of investment in fixed assets are the proceeds to be raised.

III. Meeting capital needs and optimising financial structure

As the production capacity of projects previously developed unleashes, the Company expects to see continuous growth in operating income for the next 3 years (excluding the operating income arising from the Projects to be Invested by the Proceeds Raised). More working capital would have to be needed, and a shortage in working capital would hence emerge. Based on existing production capacity and plans on production capacity for the next 3 years, the Company expects that a total of RMB1,341,316,100 of working capital would have to be supplemented for the next 3 years. As at 31 March 2016, the total liabilities and debt to asset ratio of the Company was RMB60,888,152,100 and 65.77% respectively. Therefore, the Company intends to make use of RMB1,299,093,700 of the proceeds raised in the Non-public Issuance for supplementing working capital to support the stable development of its main business in the future, optimise the financial structure and lower the financial risks.

2. Basic information of the Non-public Issuance

The total amount of proceeds to be raised in the Non-public Issuance will not exceed RMB4.8 billion (issuance expenses inclusive) and is proposed to be used in the construction of the Kolwezi copper mine project in the DR Congo, Zijin Copper's capacity expansion project for comprehensive recovery of end materials in production and supplementing working capital of the Company. Details are set out as follows:

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	3,861,880.90	3,395,804.10
2	Zijin Copper's capacity expansion project for comprehensive recovery of end materials in production	228,391.40	105,102.20
3	Supplementing working capital of the Company	1,341,316.10	1,299,093.70
	Total	<u>5,431,588.50</u>	<u>4,800,000.00</u>

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 the use of proceeds 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 and shareholding structure

The Kolwezi copper mine 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 grading 4% in average. The Kolwezi copper mine is owned by the Company's subsidiary, Musonoie.

The Company holds 72% of equity interest in Musonoie through its wholly-owned subsidiary, Jin Cheng Mining, while Gécamines holds 28% of non-dilutable equity interest in Musonoie. The 28% of non-dilutable equity interest in Musonoie held by Gécamines are entitled to the same rights and obligations as other shareholders, except that Gécamines does not need to provide shareholder's loan, the equity interest it holds is non-dilutable, and it does not have any veto right.

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 flotation 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 copper sulphide 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 in the project will be US\$577,633,000, approximately equivalent to RMB3,861,880,900 based on the exchange rate of US\$1 to RMB6.6857.

(2) Details of acquisition of equity interest in Musonoie by the Company in 2014

On 3 November 2014, the Company and Jin Cheng Mining, a subsidiary of the Company, jointly entered into a share acquisition agreement with Huayou Cobalt. Jin Cheng Mining acquired 51% equity interest in Musonoie held by Huayou Cobalt with a consideration of US\$77.9167 million. On 3 December 2014, the Company completed the acquisition of 51% equity interest in Musonoie. For details of acquisition of 51% 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.

On 8 July 2016, the Company and Jin Cheng Mining, a subsidiary of the Company, jointly entered into a share acquisition agreement with Huayou Cobalt. Jin Cheng Mining acquired 21% equity interest in Musonoie held by Huayou Cobalt with a consideration of US\$34 million. After completion of the acquisition, the Company will hold 72% equity interest in Musonoie through Jin Cheng Mining.

(3) Funding arrangements for development of the project

1. Funding arrangements entered into in May 2015 for construction of the project

According to the shareholders' resolutions of Musonoie in May 2015, funding arrangements to be provided by each of the Musonoie's shareholders to Musonoie for development of the Kolwezi copper mine project 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 21% equity interest it holds. The amount of the guarantee or counter-guarantee shall be confined to the proportion of shareholdings in Musonoie held by Huayou Cobalt (excluding 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.

2. Funding arrangements for construction of the project after acquisition of 21% equity interest in Musonoie by the Company

Since Huayou Cobalt will no longer hold any equity interest in Musonoie after the Company completes acquisition of 21% equity interest in Musonoie, Jin Cheng Mining entered into a new funding arrangements with Gécamines regarding the loans for development of the Kolwezi copper mine project after the completion of acquisition of 21% equity interest in Musonoie by the Company.

According to the share acquisition agreement entered into between the Company and Huayou Cobalt on 8 July 2016, upon completion of transfer of 21% equity interest in Musonoie, Huayou Cobalt's initial obligations to provide shareholder's loan to Musonoie for project development will be borne by the Company.

In summary, the Company will bear all the funding obligation for development of the Kolwezi copper mine project in the amount of US\$577,633,000. As at the date of the Report, the Company has already provided loans required for the development of the Kolwezi copper mine to Musonoie in the amount of US\$69,712,500 pursuant to the agreements. Therefore, the Company will include the additional funding requirement of US\$507,920,500 (equivalent to RMB3,395,804,100 based on the exchange rate of US\$1 to RMB6.6857) for subsequent development of the Kolwezi copper mine as the proceeds to be raised.

(4) Background of the transaction

Copper is an important non-ferrous metal. It has excellent electrical conductivity, thermal conductivity, ductility, corrosion resistance and abrasion resistance and is widely used in the fields of electricity, light industry and manufacture of machinery, etc. In 2015, global production volume and consumption volume of refined copper were 22.82 million tonnes and 22.88 million tonnes respectively. The demand and supply basically remained balanced. The production and consumption volume in China were 7.92 million tonnes and 9.90 million tonnes respectively. China is the largest copper consumer in the world. Since there is a huge gap between the supply and demand of copper resources in China, the country has to rely on import. In 2015, China imported 13.32 million tonnes of copper concentrates. 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. In recent years, production of the mining industry in the DR Congo has been growing rapidly. The production volume of copper grew from 97,000 tonnes in 2006 to 1.06 million tonnes in 2014, having raised for more than ten times. The DR Congo has become the sixth largest copper producing country in the world (according to the ranking of International Copper Study Group in 2014).

Geological survey of the Kolwezi copper mine began in 1921, ever since then Belgian mining companies began carrying out mining activities locally. In 2011, Huayou Cobalt began to conduct regional geological surveys and further exploration in the Kolwezi copper mine, and prepared a verification report on the volume of reserve which has been reviewed by authoritative institutions in China. 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 are 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 decline significantly.

(5) Objectives of the transaction

The Kolwezi copper mine is held by Musonoie. According to the feasibility study report on the Kolwezi copper mine prepared by China ENFI Engineering Corporation in April 2014, the resources at the Kolwezi copper mine include: ore volume of 39.149 million tonnes with copper grading 3.93% and copper metal volume of 1.5384 million tonnes. In which, indicated ore volume is 23.248 million tonnes with copper grading 4.21% and copper metal volume of 0.9777 million tonnes; inferred ore volume is 15.893 million tonnes with copper grading 3.53% and copper metal volume of 0.5607 million tonnes. Therefore, the Kolwezi copper mine is a large-scale deposit with huge value for development. According to the feasibility study report, open-pit mining will be adopted in the Kolwezi copper mine. After production commences, the scale of ore production will be 1.65 million tonnes/year, service life of the mine will be 12 years, processing scale of ore will be 5,000 tonnes/day, the products after processing will be copper sulphide concentrate (containing 60% copper), copper (I) oxide concentrate (containing 40% copper) and copper (II) oxide concentrate (containing 90% copper). The copper sulphide concentrate will be sold externally and directly. 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 economic feasibility of the project is rather promising.

(6) The investment environment of the project

The DR Congo is a developing country with relatively slow social and economic development. However, over the past decade, the political situation of the DR Congo has been relatively stable. It has consistent policies, a relatively good relationship 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 social order is well-maintained.

Mining production in the DR Congo is mainly dominated by foreign companies. Currently, there are at least 25 international mining companies carrying out mining development and production in the DR Congo, including Glencore, Freeport-McMoRan Inc. of the United States and Lundin Mining Corporation of Canada, etc.

In the aspect of transportation, although the local land transportation system is relatively underdeveloped, it has been obviously improved under the aid of the PRC government and the Chinese corporations in recent years. With the development of mining industry and more foreign investments, roadways and other basic infrastructure in the DR Congo will continue to be improved, hence further reducing production, construction and operation costs.

(7) Investment scale of the project

The estimated total investment amount of the project is US\$577,633,000. The entire amount will be borne by the Company. The Company will include the additional funding requirement of US\$507,920,500 (equivalent to RMB3,395,804,100 based on the exchange rate of US\$1 to RMB6.6857) for subsequent development of the Kolwezi copper mine as the proceeds to be raised.

(8) Product plan and production scale

Product plan and production scale of the project are as follows:

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

(9) 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, with the proceeds raised in the Non-public Issuance. Jin Cheng Mining will then provide the funds to Musonoie by way of loans.

(10) 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. The construction site of the project is not covered by the mining permits but belongs to Gécamines. Therefore, leasing the surface land use right from Gécamines is necessary. As at the date of the Report, a consent letter has been issued by Gécamines for leasing the aforementioned surface land use right to Musonoie.

(11) Implementation progress of the project

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

(12) 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 rather promising economic value and risk resistance.

(13) Official approval and environmental protection of the project

As at the date of the Report, the compilation of the feasibility study report on the project has been completed and approval of 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.

On 21 August 2015, National Development and Reform Commission of the PRC issued “National Development and Reform Commission’s Approval in relation to the Investment in the Construction of Kolwezi Copper Mine Project in the DR Congo by Companies Including Zijin Mining Group Co., Ltd.*” (Fagaiwaizi [2015] No.1909), which approves the Company to invest in the construction of the Kolwezi copper mine project in the DR Congo.

On 7 August 2015, the Company obtained the “Enterprise Overseas Investment Certificate” (Overseas Investment Certificate No. N3500201500130) granted by the Ministry of Commerce of the PRC.

The overseas remittance of the current Project to be Invested by the Proceeds Raised is still subject to the approvals of the State Administration of Foreign Exchange (Fujian Bureau) or the People’s Bank of China (Fujian Branch).

4. Zijin Copper’s capacity expansion project for comprehensive recovery of end materials in production**(1) Background of the project and overview**

Zijin Copper was founded in March 2009. In the end of 2011, construction of the plant completed and production commenced. The technique it uses is “steam drying-flash smelting-PS converter process-anode furnace refining-electrolysis”. The area of the plant reaches 770,000 square metres, with total investment amounting to RMB7.5 billion. After an unleashing potentials and raising efficiency programme carried out in the copper refining project in 2015, the enterprise has reached an annual production capacity of 300,000 tonnes of copper cathodes, 10 tonnes of gold, 200 tonnes of silver and 1 million tonnes of vitriol.

Zijin Copper’s rare and precious metals plant is a plant dedicated to the treatment of copper anode slime, a kind of end materials in production, to comprehensively recover gold, silver, platinum, palladium and other rare and precious metals. Its current capacity for treatment of copper anode slime is 3,000 tonnes/year. As the scale of the Company’s copper refining business grows, it is expected that the Company’s copper anode slime will increase by 2,000 tonnes/year. For the purposes of saving investments, lowering costs and unifying management, the Company proposes to expand the construction project for end material production for raising the annual handling capacity of copper anode slime from 3,000 tonnes/year to 5,000 tonnes/year.

Main details regarding the project's construction are as follows:

- 1) Addition of a new set of Kaldo furnace system of 2m³ to meet the need for handling an extra 2,000 tonnes/year of copper anode slime, and for handling the furnace slag produced by Zijin Copper's rare and precious metals plant for recovery of lead and bismuth during idle production time;
- 2) Partial revamp of the auxiliary facilities, including heating and ventilation, power distribution, water circulation, meters and instruments, the overall pipe network, the entire ground surface of Zijin Copper's rare and precious metals plant, firefighting, communication, etc.;
- 3) Addition of cooling system, crushing system, pyrometallurgical system and other facilities for treatment of furnace slag;
- 4) Addition of a new set of system for pulping and transferring copper anode slime (i.e. after the concentration process by a copper cathode plant, the pulped copper anode slime are transferred via pipes to the pulper of Zijin Copper's rare and precious metals plant to reduce the burden of transportation by forklift and material wastage).

(2) Feasibility of the project

The project aims to expand the capacity of recovering copper anode slime, a kind of end materials produced in copper refining process. It helps reduce the furnace slag produced in copper refining process and emission of wastes, which is favourable for improving the overall environmental protection level of the Company. Moreover, the source of raw materials for the project are the wastes of the preceding work process, such wastes are turned into an array of end products including gold, silver, platinum, palladium, selenium, lead-bismuth ingot and other precious metals, genuinely turning wastes into treasures with high economic value realised. According to the forecast in the feasibility study report, upon meeting the designated production capacity, the expected annual sales income and annual net profits to be realised is RMB7,596,535,300 (before tax, based on an aggregate-level financial appraisal assuming a handling capacity of 5,000 tonnes/year of copper anode slime after the project upgrade) and RMB71.8675 million in average respectively, and the expected internal rate of return (after tax) is 13.23%, indicating good profitability. Lastly, the scaling up of the Company's copper refining capacity will provide abundant material supply to the project. As the metal products to be produced are bulk commodities, there is no concern regarding the external sale of the products. Moreover, with years of operation and experience in talents, technology, management and capital, and being well equipped with a set auxiliary facilities for common use, Zijin Copper's rare and precious metals plant will also be able to create favourable conditions for the project to operate.

In conclusion, the project has high feasibility in terms of production, demands and economic value.

(3) Investment scale of the project

The total investment of the project is RMB228,391,400, including additional investment in fixed assets of RMB105,102,200 and other expenditures (including provision for price inflation and initial working capital of RMB123,289,200). The Company includes part of the capital expenditure amounting to RMB105,102,200 as proceeds to be raised.

(4) Production technique and scale

Upon meeting the designated production capacity, the work process of “pressure leaching of copper—rough refining with Kaldor furnace—electrolysis of silver—gold refining process” will still be used as the technique for treatment of copper anode slime. The expected annual production is gold bullion of 22.92 tonnes, silver bullion of 436.69 tonnes, platinum of 16.41 kg, palladium of 172.73 kg, selenium of 190.05 tonnes and lead-bismuth ingot of 986.93 tonnes upon meeting the designated production capacity.

(5) Entity in charge of project execution

The entity in charge of project execution is the Company’s subsidiary, Zijin Copper. The Company proposes to enlarge the capital of Zijin Copper, after which Zijin Copper will be responsible for the implementation of the project.

(6) Project location

The land to be used for development of the project is the reserved vacant area located at the west end of Zijin Copper’s rare and precious metals plant, specifically at land parcel No.1, Pingpu District, Jiaoyang New City. The site for development of the project is legally owned by the Company. The number of land ownership certificate is Shanghang County Guoyong (2012) No. 0082.

(7) Implementation progress of the project

The construction period of the project is expected to be 1 year.

(8) Analysis on the economic value of the project

According to the feasibility study report, when the designated handling capacity of 5,000 tonnes/year of copper anode slime is reached, the project is expected to realise average sales income of RMB7,596,535,300 and average net profit after tax of RMB71.8675 million per year. The internal rate of return (after tax) will be 13.23%. The payback period of the project (after tax) will be 8.69 years. The project has rather promising economic value and risk resistance.

(9) Filing 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 Registration List of Projects Invested by Fujian Enterprises issued by the Economic, Information, Science and Technology Bureau of Shanghang County (Minjingxinbei [2016] No. F04009) has been obtained. The project is still subject to the approval of the relevant environmental administrative departments.

5. Supplementing working capital**(1) Basic information of the project**

Project name: Supplementing working capital

Total investment on the project: RMB1,299,093,700

Entity in charge of the project: Zijin Mining

(2) Necessity and feasibility of the project

In 2013, 2014 and 2015, the Company realised operating income of RMB49,771,511,900, RMB58,760,533,900 and RMB74,303,573,700 respectively, the annual growth rate was 18.06% and 26.45% respectively. The Company predicted that its operating income in the next three years 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 arising from the Projects to be Invested by the Proceeds Raised) and therein the additional working capital needed in 2016, 2017 and 2018.

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, and assuming 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 operating 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 2016 to 2018. Brief explanation on the estimation is as follow:

(1) Unit price

Use the average unit prices of each of the Company's product during the first quarter of 2016 for 2016, and take into consideration the prediction on the price trend of metals in the next few years. The unit prices of each product in 2017 and 2018 are based on an increase of 5% and 10% over the unit prices in 2016 respectively.

(2) Change in the production volume planned 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 is equivalent to sales volume, operating income = unit price of each product × sales volume, the Company estimated that the operating income for 2016, 2017 and 2018 will be RMB76,141,974,500, RMB84,795,416,800 and RMB94,035,105,500 respectively, and the growth rate will be 2.47%, 11.36% and 10.90% 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 2015/ 31 December 2015	Proportion	Year 2016/ 31 December 2016 (E)	Year 2017/ 31 December 2017(E)	Year 2018/ 31 December 2018(E)
Operating income	74,303,573.70		76,141,974.50	84,795,416.80	94,035,105.50
Bills receivable	264,373.00	0.36%	274,111.10	305,263.50	338,526.40
Trade receivables	864,682.70	1.16%	883,246.90	983,626.80	1,090,807.20
Prepayments	842,469.90	1.13%	860,404.30	958,188.20	1,062,596.70
Inventories	10,951,318.50	14.74%	11,223,327.00	12,498,844.40	13,860,774.60
Total operating current assets	12,922,844.10	17.39%	13,241,089.40	14,745,923.00	16,352,704.90
Bills payable	231,175.30	0.31%	236,040.10	262,865.80	291,508.80
Trade payables	4,442,840.50	5.98%	4,553,290.10	5,070,765.90	5,623,299.30
Advances from customers	1,918,146.80	2.58%	1,964,462.90	2,187,721.80	2,426,105.70
Employee benefits payable	569,620.00	0.77%	586,293.20	652,924.70	724,070.30
Taxes payable	698,586.90	0.94%	715,734.60	797,076.90	883,930.00
Total operating current liabilities	7,860,369.50	10.58%	8,055,820.90	8,971,355.10	9,948,914.20
Amount of occupied working capital (Total operating current assets - total operating current liabilities)	5,062,474.60	6.81%	5,185,268.50	5,774,567.90	6,403,790.70
Newly required working capital for the year			122,793.90	589,299.40	629,222.80

Based on the above estimation, the newly required working capital of the Company for the next 3 years totals RMB1,341,316,100. As at 31 March 2016, the Company's total liabilities was RMB60,888,152,100 and the debt ratio was 65.77%. The Company proposes to use RMB1,299,093,700 of the proceeds raised in the Non-public Issuance to supplement working capital in order to support the stable growth of the main business while keeping a healthy financial structure.

6. 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 relevant 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 assets scale and business scale, and optimise its financial structure. As the Projects to be Invested by the Proceeds Raised are gradually being constructed and implemented, the Company's sales income and profitability 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. If the Projects to be Invested by the Proceeds Raised can be implemented smoothly, the Company will have new profit drivers, the net assets scale will expand and the debt ratio will be further lowered. The Company's capacity of financial risk resistance and indirect financing will be enhanced, which is beneficial to the expansion in business scale and increase in profitability of the Company in the future, and the financial position of the Company can be further optimised.

7. Conclusion of the feasibility analysis

In conclusion, the Non-public Insurance will be an important step of the Board of the Company to implement the strategic policies of "developing gold and copper together", "entering into the top rank of international mining industry and becoming an extra-large scale international mining group with high technology and efficiency", push forward the Company's strategic plan of "internationalising acquisition" and realise new breakthroughs in corporate development. All of these are beneficial for improvement of the Company's overall competitiveness and protection to the fundamental interests of all investors.

Zijin Mining Group Co., Ltd.*

Board of Directors

8 July 2016

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

1. DISCLOSURE OF INTERESTS

(a) Interests and short positions of Directors, Supervisors and chief executive under Hong Kong laws and regulations

As at the Latest Practicable Date, the interests and short positions of the Directors, Supervisors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (as defined in the SFO), which have been notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, including interests and short positions which the Directors, Supervisors and chief executive of the Company are taken or deemed to have under such provisions of the SFO, or which are required to be and are recorded in the register required to be kept pursuant to Section 352 of the SFO or as otherwise required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code set out in Appendix 10 to the Hong Kong Listing Rules, were as follows:

Name	Position	Class of Shares	Long/short position	Capacity	Number of Shares	Percentage of the relevant class of Shares in issue (%)*	Percentage of all the issued Shares (%)**
Chen Jinghe	Director	A Share	Long	Beneficial owner	102,000,000	0.65%	0.47%
Wang Jianhua	Director	A Share	Long	Beneficial owner	700,000	0.01%	0.01%
Lan Fusheng	Director	A Share	Long	Beneficial owner	7,530,510	0.05%	0.03%
Zou Laichang	Director	A Share	Long	Beneficial owner	1,430,000	0.01%	0.01%
Fang Qixue	Director	A Share	Long	Beneficial owner	301,000	0.01%	0.01%
Lin Hongfu	Director	A Share	Long	Beneficial owner	862,500	0.01%	0.01%
Lin Shuiqing	Supervisor	A Share	Long	Beneficial owner	300,000	0.01%	0.01%
Liu Wenhong	Supervisor	A Share	Long	Beneficial owner	24,450	0.01%	0.01%

* Percentage calculation based on 15,803,803,650 A Shares.

** Percentage calculation based on 21,540,743,650 Shares.

(b) Directors' and Supervisors' positions in other companies

As at the Latest Practicable Date, as far as the Company is aware, the following Director(s) and Supervisor(s) are employed by the following company which has interests or short positions in the Shares or underlying Shares of the Company which are required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Division 2 and 3 of Part XV of the SFO:

Name of Director	Position held in the specific company
Li Jian	The general manager of Minxi Xinghang

(c) Substantial Shareholders' and other persons' interests and short positions in the Shares and underlying Shares under Hong Kong laws and regulations

As at the Latest Practicable Date, as far as the Company is aware, the following persons (other than the Directors, Supervisors and chief executive (as defined in the Hong Kong Listing Rules) of the Company) had interests and short positions in the Shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of substantial Shareholder	Class of Shares	Long/short position	Capacity	Number of Shares	Percentage of the relevant class of Shares in issue (%)*	Percentage of all issued Shares (%)**
Minxi Xinghang	A Share	Long	Beneficial owner	5,671,353,180	35.89%	26.33%
The Bank of New York Mellon Corporation	H Share	Long	Interest of corporation controlled	331,345,826	5.78%	1.54%
		Lending pool	Interest of corporation controlled	322,812,356	5.63%	1.50%
BlackRock, Inc.	H Share	Long	Interest of corporation controlled	347,740,956 (Note 1)	6.06%	1.61%
		Short	Interest of corporation controlled	1,382,000 (Note 1)	0.02%	0.01%

* Percentage calculation based on 15,803,803,650 shares for A Shares and 5,736,940,000 shares for H Shares respectively.

** Percentage calculation based on 21,540,743,650 Shares.

Note 1: BlackRock, Inc. had a long position in 347,740,956 H Shares (in which 878,000 H Shares were held through cash settled unlisted derivatives) and a short position in 1,382,000 H Shares (in which 184,000 H Shares were held through cash settled unlisted derivatives) of the Company by virtue of its control over a number of subsidiaries.

Save as disclosed above, the Company is not aware of any other person (other than the Directors, Supervisors and chief executive (as defined in the Hong Kong Listing Rules) of the Company) having any interests or short positions in the Shares and underlying Shares of the Company as at the Latest Practicable Date as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

2. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or their respective close Associates had engaged in or had any interest in any business which competes or may compete, either directly or indirectly, with the businesses of the Group.

3. DIRECTORS AND SUPERVISORS' INTERESTS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE GROUP

As at the Latest Practicable Date, none of the Directors or Supervisors had any direct or indirect interest in any assets which had since 31 December 2015, being the date to which the latest published audited accounts of the Group were made up, been acquired or disposed of by or leased to any member of the Group or is proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors or Supervisors was materially interested, either directly or indirectly, in any contract or arrangement entered into by any member of the Group which was subsisting at the Latest Practicable Date and was significant to the business of the Group.

4. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors or Supervisors had entered into a service contract which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

5. EXPERT AND CONSENT

Messis Capital Limited has given and has not withdrawn its consent to the issue of this circular with the inclusion herein of its letter dated 10 August 2016, and references to its name included in the form and context in which it appears.

The following is the qualification of the expert who has given an opinion or advice, which is contained in this circular:

Name	Qualification
Messis Capital Limited	a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO

As at the Latest Practicable Date, Messis Capital Limited did not have any shareholding, directly or indirectly, in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, Messis Capital Limited was not interested, directly or indirectly, in any assets which had since 31 December 2015, being the date to which the latest published audited accounts of the Group were made up, been acquired or disposed of by or leased to, or proposed to be acquired or disposed of by or leased to, any member of the Group.

6. MATERIAL ADVERSE CHANGE

Save as publicly disclosed by the Company on the HKEx news website on or before the date of this circular, as at the Latest Practicable Date, the Directors confirmed that they were not aware of any material adverse change in the financial or trading positions of the Group since 31 December 2015, being the date to which the latest published audited accounts of the Group were made up.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours from 9 a.m. to 5 p.m. on any business day (except Saturdays, Sundays and public holidays) at the Company's place of business in Hong Kong at Unit 7503A, Level 75, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong from the date of this circular up to and including 25 August 2016 and at the EGM.

- (a) The "Conditional Share Subscription Agreement for the Non-public Issuance of A Shares" entered into between the Company and Minxi Xinghang and between the Company and the Employee Stock Ownership Scheme, on 8 July 2016;
- (b) Phase 1 of the Employee Stock Ownership Scheme of Zijin Mining Group Co., Ltd.* (Draft) (Revised);
- (c) the letter from the Independent Board Committee dated 10 August 2016, the text of which is set out on pages 26 to 27 of this circular;
- (d) the letter from the Independent Financial Adviser dated 10 August 2016, the text of which is set out on pages 28 to 45 of this circular;
- (e) the consent letter from Messis Capital Limited referred to in the paragraph headed "Expert and Consent" in this Appendix; and
- (f) this circular.

8. GENERAL

- (a) The registered office of the Company is at No.1 Zijin Road, Shanghang County, Fujian Province, the PRC.
- (b) The H Share Registrar, Computershare Hong Kong Investor Services Limited is situated at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

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

REVISED NOTICE OF THE SECOND EXTRAORDINARY GENERAL MEETING IN 2016

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this notice, make no representation as to its accuracy or completeness and expressly disclaim any liabilities whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this notice.



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 Extraordinary General Meeting in 2016

NOTICE IS HEREBY GIVEN THAT the second extraordinary general meeting in 2016 (the “EGM”) of Zijin Mining Group Co., Ltd.* (the “Company”) will be held at 9 a.m. on Thursday, 25 August 2016, 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 Phase 1 of the Employee Stock Ownership Scheme of the Company (Draft) and its summary”;
2. Special Resolution: “To consider and approve the formulation of the Administrative Policy of the Employee Stock Ownership Scheme of the Company”;
3. Special Resolution: “To consider and approve the authorisation to the Board to handle all the matters relating to the current Employee Stock Ownership Scheme”;
4. Special Resolution: “To consider and approve the satisfaction of the conditions for the Non-public Issuance of A Shares of the Company”;
5. 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);
 - 5.01 Class and nominal value of the shares to be issued;
 - 5.02 Methods and time of issuance;
 - 5.03 Issuing objects and methods of subscription;

REVISED NOTICE OF THE SECOND EXTRAORDINARY GENERAL MEETING IN 2016

- 5.04 Subscription price and pricing principles;
- 5.05 Number of shares to be issued;
- 5.06 Lock-up period;
- 5.07 Use of proceeds raised;
- 5.08 Proposal for arrangement of the accumulated distributable profits before the Non-public Issuance of A Shares;
- 5.09 Listing place of the shares;
- 5.10 Validity period of the resolutions;
- 6. Special Resolution: “To consider and approve the Plan for the Non-public Issuance of A Shares of the Company”;
- 7. Ordinary Resolution: “To consider and approve the Feasibility Report on the Use of Proceeds Raised in the Non-public Issuance of A Shares”;
- 8. Ordinary Resolution: “To consider and approve not to produce a report on the use of proceeds previously raised”;
- 9. Special Resolution: “To consider and approve the connected transactions under the Non-public Issuance of A Shares”;
- 10. Special Resolution: “To consider and approve the Company to enter into a “Conditional Share Subscription Agreement for the Non-public Issuance of A Shares” with its controlling shareholder”;
- 11. Special Resolution: “To consider and approve the Company to enter into a “Conditional Share Subscription Agreement for the Non-public Issuance of A Shares” with Phase 1 of the Employee Stock Ownership Scheme of the Company”;
- 12. Ordinary 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”;
- 13. Ordinary Resolution: “To consider and approve the undertakings of the Directors and senior management of the Company in relation to the recovery measures for returns”;
- 14. 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”;

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15. Ordinary Resolution: “To consider and approve the satisfaction of the conditions for issuance of the Renewable Corporate Bonds of the Company” (details set out in Appendix B to this notice); and
16. Special Resolution: “To consider and approve issuance of the Renewable Corporate Bonds” (the following resolutions to be voted item by item) (details set out in Appendix B to this notice);
 - 16.01 Size of issuance and face value;
 - 16.02 Maturity;
 - 16.03 Coupon rate and determination method;
 - 16.04 Method of issuance;
 - 16.05 Guarantee arrangement;
 - 16.06 Redemption terms or repurchase terms;
 - 16.07 Terms for deferring interest payment;
 - 16.08 Restrictions on deferring interest payment;
 - 16.09 Use of proceeds raised;
 - 16.10 Issuing objects and placement arrangements for shareholders of the Company;
 - 16.11 Underwriting method and listing arrangement;
 - 16.12 Creditworthiness of the Company and the guarantee measures of repayment;
 - 16.13 Validity period of the resolutions;
 - 16.14 Matters to be authorised in relation to issuance of the Renewable Corporate Bonds.

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

Fujian, the PRC, 10 August 2016

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Notes:

- (A) **The Company's register of H Shares members will be closed from 26 July 2016 (Tuesday) to 25 August 2016 (Thursday) (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 25 August 2016 (Thursday, being the record date) will be entitled to attend and vote at the EGM of the Company to be convened on 25 August 2016 (Thursday) 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 25 July 2016 (Monday).**

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 5 August 2016 (Friday).

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) in writing to attend and vote on their 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 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 document 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 show its own identification document and valid 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 show its own identification document and the authorisation instrument bearing the company chop of the legal person shareholder and duly signed 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.

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EXPECTED TIMETABLE

	<i>Year 2016 (Note)</i>
Latest time for lodging transfer of shares	25 July (Monday) 4:30 p.m.
Book closure period (both days inclusive)	26 July (Tuesday) to 25 August (Thursday)
Record date	25 August (Thursday)
EGM	25 August (Thursday)
Announcement on results of the EGM	25 August (Thursday)
Register of members re-opens	26 August (Friday)

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, Zhu Guang, 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.

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Appendix A Explanation on Additional Resolution Proposed

1. Proposer: Minxi Xinghang State-owned Assets Investment Company Limited (“Minxi Xinghang”)
2. Description of the procedure for proposing additional resolution

Zijin Mining Group Co., Ltd* (the “Company”) issued notices on 11 July 2016 regarding the convention of shareholders’ general meetings. Minxi Xinghang, a shareholder solely holding 26.33% of the Company’s shares, proposed an additional resolution on 5 August 2016 and submitted it in writing to the convener of the shareholders’ general meetings. The convener of the shareholders’ general meetings has made an announcement pursuant to the relevant provisions of the “Rules Governing the Shareholders’ General Meetings of Listed Companies”.

3. Details of the additional resolutions proposed

Minxi Xinghang was aware that the “Resolution in relation to Issuance of Renewable Corporate Bonds”, among other relevant resolutions, were considered and approved by the extraordinary meeting of the fifth term of the board of directors of the Company (the “Board”) on 5 August 2016. Since the execution of such resolutions is subject to the consideration and approval of the shareholders’ general meeting, Minxi Xinghang, in the form of an additional resolution, proposes to submit the resolutions in relation to issuance of renewable corporate bonds, as considered and approved by the Board, to the forthcoming shareholders’ general meeting for consideration.

For details of the aforesaid resolutions, please refer to the Company’s announcement titled “Resolutions of the Extraordinary Meeting of the Fifth Term of the Board of Directors of Zijin Mining Group Co., Ltd.*” dated 6 August 2016 and other relevant announcements on the website of Shanghai Stock Exchange (www.sse.com.cn).

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

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Appendix B Explanation of Satisfaction of the Conditions for Issuance and Overview of the Plan for Issuance of Renewable Corporate Bonds

1. Explanation regarding the satisfaction of the conditions for issuance of the renewable corporate bonds (the “Renewable Corporate Bonds” or the “Bonds”) of the Company

Pursuant to the relevant provisions of the “Company Law of the People’s Republic of China”, “Securities Law of the People’s Republic of China”, “Administrative Measures for the Issuance and Trading of Corporate Bonds” and other laws, regulations and regulatory documents, the board of directors of the Company (the “Board”), upon conducting careful analysis and study on the qualifications of the Company for issuance of Renewable Corporate Bonds, considered that the Company satisfies all the requirements and conditions for issuance of Renewable Corporate Bonds.

2. Overview of the issuance

For the purpose of expanding financing channels, further optimising asset and debt structure and propelling the Company’s sustainable development, the Board resolved that the Company may seek favourable timing to issue the Renewable Corporate Bonds in a timely manner, subject to the validity period of the resolutions. Details of the proposal is as follows:

(1) Size of issuance and face value

The size of issuance of the Renewable Corporate Bonds will be no more than RMB5 billion (RMB5 billion inclusive). It is proposed that the shareholders’ general meeting authorises the Board or such persons as authorised by the Board to determine the specific size of issuance in accordance with the relevant laws and regulations, the advice and recommendations of regulatory authorities, the Company’s capital needs and the market conditions prevailing at the time of issuance, subject to the aforesaid scope. The face value of the Renewable Corporate Bonds is RMB100 each.

(2) Maturity

The maturity of the Renewable Corporate Bonds to be issued is 5+N years, i.e. the base period is 5 years, at the end of the base period and the end of each renewal period, the Company has an option to renew the Bonds. Each renewal period must not be longer than the base period. The Bonds will mature when the Company decides not to exercise the renewal option and redeems the Bonds in full amount.

(3) Coupon rate and determination method

The Renewable Corporate Bonds to be issued are fixed-rate bonds. The interest is calculated per annum using simple interest method and there will not be any compound interest. In case of deferred interest payment, interest should be accrued on each deferred interest at the coupon rate prevailing at the current term.

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Coupon rate for the base period shall be determined through negotiations between the Company and the lead underwriter with reference to qualified investors' offline book-building results, subject to a pre-set range for the coupon rate. The coupon rate is fixed throughout the base period, and will be reset once in every renewal period. The method of resetting the coupon rate shall be determined through negotiations between the Company and the lead underwriter in accordance with the relevant regulations in the PRC.

(4) Method of issuance

The Renewable Corporate Bonds will be issued publicly in one or more tranches, upon obtaining the approval of the Chinese Securities Regulatory Commission. It is proposed that the shareholders' general meeting authorises the Board or such persons as authorised by the Board to determine the specific method of issuance, based on the Company's capital needs and the market conditions prevailing at the time of issuance.

(5) Guarantee arrangement

The Renewable Corporate Bonds to be issued shall be non-guaranteed bonds.

(6) Redemption terms or repurchase terms

It is proposed that the shareholders' general meeting authorises the Board or such persons as authorised by the Board to determine whether the Renewable Corporate Bonds to be issued shall include redemption terms or repurchase terms, and details of the respective terms.

(7) Terms for deferring interest payment

Issuer of the Renewable Corporate Bonds to be issued is provided an option to defer interest payment. Except in the case of mandatory interest settlement, on every interest payment date of the Renewable Corporate Bonds to be issued, the Company has an option to defer the interest payment for the current period, and all the interest deferred and brought forward from prior periods and the yields thereby arising in the manner stipulated in this term, to the next interest payment date, the number of times for deferring interest payment is subject to no restriction.

(8) Restrictions on deferring interest payment

Circumstances where mandatory settlement of interests is required for the Renewable Corporate Bonds to be issued: in the event that the following matters occur in the 12 months prior to the interest payment date, the Company is prohibited from deferring the interest payment for the current period, and all the interest deferred and brought forward from prior periods and the yields thereby arising which are agreed upon: (1) dividend distribution to holders of ordinary shares; and (2) reduction of registered capital.

Deferring the interest payment of the Renewable Corporate Bonds to be issued is subject to the following restrictions: in the event that the Company exercises the option to defer interest payment, it is prohibited from taking the following actions until all the deferred interest payment brought forward from prior periods and the yields thereby arising are fully settled: (1) dividend distribution to holders of ordinary shares; and (2) reduction of registered capital.

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(9) Use of proceeds raised

After deducting the issuance expenses, proceeds raised in the Renewable Corporate Bonds to be issued are intended to be used in supplementing working capital and other purposes as authorised by the laws and regulations. It is proposed that the shareholders' general meeting authorises the Board or such persons as authorised by the Board to determine the specific use of proceeds and proportion to be used according to the actual requirements of the Company.

(10) Issuing objects and placement arrangements for shareholders of the Company

The issuing objects of the Renewable Corporate Bonds to be issued will be the qualified investors who meet the requirements of the Administrative Measures for the Issuance and Trading of Corporate Bonds. The Renewable Corporate Bonds to be issued will not be placed to the Company's shareholders with priority.

(11) Underwriting method and listing arrangement

The Renewable Corporate Bonds to be issued shall be underwritten by the underwriting syndicate organised by the lead underwriter by way of standby underwriting. Upon completion of the issuance of the Bonds and subject to fulfillment of the conditions precedent for listing, the Company will apply for listing and trading the Bonds to be issued on the Shanghai Stock Exchange. Upon the approval/verification of the relevant regulatory authorities and as authorised by applicable laws and regulations, the Company may also apply for listing and trading the Bonds on other trading platforms.

(12) Creditworthiness of the Company and the guarantee measures of repayment

The Company has good creditworthiness during the last 3 years. In the aspect of guarantee measures of repayment, it is proposed that the shareholders' general meeting authorises the Board or such persons as authorised by the Board to at least implement the following guarantee measures in case the Company anticipates that it is unable to repay the principal and interests of the current Repayable Corporate Bonds to be issued as scheduled, or the Company anticipates that it is unable to repay the principal and interests of the Bonds when they become due:

1. Not to distribute dividends to the shareholders;
2. Suspend the implementation of projects that incur capital expenditure such as material external investments, mergers and acquisitions, etc.;
3. Adjust, reduce or cease to pay the salary and bonus of the directors and senior management; and
4. Prohibit re-designation of key personnel who are accountable for such event.

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(13) Validity period of the resolutions

The validity period of the resolutions regarding issuance of the Renewable Corporate Bonds shall be 24 months commencing from the date of consideration and approval at the shareholders' general meeting.

(14) Matters to be authorised in relation to issuance of the Renewable Corporate Bonds

For the smooth implementation of the specific matters in the issuance process, it is proposed that the shareholders' general meeting authorises the Board or such persons as authorised by the Board to, based on the principle of ensuring the maximisation of the Company's interests and subject to the framework of issuance proposal and principles as approved by the shareholders' general meeting, handle all the relevant matters regarding the issuance, including but not limited to:

1. Formulate, adjust or terminate matters relating to issuance of the Renewable Corporate Bonds pursuant to the national laws, regulations, relevant provisions of the securities regulatory authorities and resolutions of the shareholders' general meeting and based on the specific conditions of the Company and the bond market, including but not limited to all matters in relation to the Renewable Corporate Bonds such as specific size of issuance, quantity to be issued, maturity of the Bonds, coupon rate and its determination method, whether to exercise the renewal option, whether to defer interest payment and its details, issuance arrangement, timing of issuance, rating arrangement, specific subscription method, specific placement arrangement, redemption terms or repurchase terms, order of repayment, methods of repayment of principals and interests, use of proceeds raised, listing of the Bonds, or termination of the issuance with reference to the actual market condition, etc.;
2. Determine and engage intermediate institutions to carry out applications and filings relating to issuance of the Renewable Corporate Bonds, and carry out the matters related to listing of the Bonds, repayment of principals and interests after the conclusion of issuance of the Renewable Corporate Bonds, including but not limited to authorise, sign, execute and amend the documents, deeds, agreements, contracts (including but not limited to underwriting agreements, entrusting management agreements for the Bonds, listing agreements and other legal documents) which are necessary to the issuance and listing of the Renewable Corporate Bonds;
3. Select trustee for the Renewable Corporate Bonds to be issued, enter into entrusting agreement of the Bonds and formulate rules of bondholders' meeting;
4. Negotiate with the relevant commercial bank over the opening of specific bank accounts for the proceeds raised, and enter into 3-party supervisory agreement with the underwriter, and commercial bank at which the proceeds raised will be deposited, according to the progress of the project;
5. Apart from the matters requiring shareholders' general meeting to re-vote pursuant to the relevant laws, regulations and articles of association of the Company, adjust the

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matters relating to the issuance of the Renewable Corporate Bonds correspondingly pursuant to the opinions of regulatory authorities and based on policy and market changes, etc., or determine whether to continue the work associated with issuance of the Renewable Corporate Bonds based on the actual situation; and

6. Handle all other matters relating to issuance of the Renewable Corporate Bonds.

The Board of the Company proposes that the shareholders' general meeting authorises the chairman of the Company to be the authorised person in charge of issuance of the Renewable Corporate Bonds, who should, on the Company's behalf, handle the specific matters relating to issuance of the Renewable Corporate Bonds pursuant to the resolutions of the shareholders' general meeting and the authorisation of the Board.

The above authorisation is valid from the date of passing the resolution at the shareholders' general meeting of the Company to the date the above authorised matters are completed.

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