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Zijin Mining Group Co., Ltd.*

紫金礦業集團股份有限公司

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

(Stock code: 2899)

Revision of Annual Cap for Existing Continuing Connected Transaction

The Board of the Company announced that on 8 September 2016, Xinjiang Ashele, a subsidiary of the Company, as the seller, entered into the Supplemental Agreement to the Copper Concentrates Supply Contract with Xinjiang Non-ferrous Materials, as the buyer, pursuant to such Supplemental Agreement it is agreed that, on the basis of the Original Copper Concentrates Supply Contract, an extra quantity of not more than 9,000 tonnes of copper metals in concentrate form will be supplied, subject to an extra amount of transaction of not more than RMB400 million, for a term effective from 10 April 2016 to 31 December 2016. Except for the new annual caps on sales quantity and sales amount, all other terms in the Supplemental Agreement are the same as those in the Original Copper Concentrates Supply Contract.

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

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

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PRINCIPAL TERMS OF AGREEMENT

SUPPLEMENTAL AGREEMENT

Date: 8 September 2016

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

Buyer:
Xinjiang Non-ferrous Materials. The controlling shareholder of Xinjiang Non-ferrous Materials is Xinjiang Non-ferrous Metal Industry (Group) Company Limited. Xinjiang Non-ferrous Materials is mainly engaged in:
General business scope: Business in chrome ore, chrome-magnesite bricks, coke and furnace charging materials; sales of metal materials, machinery and electrical products, mining products, chemical products, construction materials, instruments and meters, metal hardware and electrical products; retail of chemical fertilizers, processing of machinery components; installation of machinery and equipment, services relating to technical consultation, loading and unloading, delivery and storage; leasing of houses; heating supply (items which require approvals under the law shall be subject to the approval from relevant departments before the commencement of business).

Product of sales: Copper concentrates

Pricing: (1) The settlement price of copper concentrates containing copper shall be determined according to the monthly arithmetic average settlement price of standard copper cathodes under spot contract in Shanghai Futures Exchange for each trading day in the month when deliveries are made from the mining

area (as determined by the date of delivery of the goods; the 1st day to the last day of each month) as a benchmark price multiplied by a relevant price coefficient;

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

Term: From 10 April 2016 to 31 December 2016

- Payment term:
1. Full payment should be made by the buyer in advance by wire transfer according to the forecast grade, quantity and forecast price for the month as informed by the seller.
 2. The principle of delivery of goods and payment by both parties: until the buyer makes the full payment, no copper concentrates shall be delivered by the seller; the total price of goods shall be settled on time on a monthly basis.

The terms of the Supplemental Agreement were arrived at after an arm's length negotiation between Xinjiang Ashele and Xinjiang Non-ferrous Materials.

HISTORICAL FIGURES

Xinjiang Ashele and Xinjiang Non-ferrous Materials entered into the Original Copper Concentrates Supply Contract on 20 June 2016. The term of the Original Copper Concentrates Supply Contract is effective from 10 April 2016 to 31 December 2016. During the period from 1 January 2016 to 31 July 2016, Xinjiang Ashele sold copper concentrates containing 6,741.0454 tonnes of copper metal to Xinjiang Non-ferrous

Materials and the sales amount was approximately RMB210,969,700 under the Original Copper Concentrates Supply Contract. The Company confirms that the transaction amount from 1 January 2016 up to the date of this announcement is within the original annual cap for the year ended 31 December 2016.

Pursuant to the Original Copper Concentrates Supply Contract, it was estimated that Xinjiang Ashele would sell copper concentrates containing not more than 8,000 tonnes of copper metal in concentrate form to Xinjiang Non-ferrous Materials with an annual cap of RMB300 million. As all of the applicable percentage ratios (as set out in the Listing Rules, except the profit ratio) under the Original Copper Concentrates Supply Contract are, on an annual basis, less than 1%, the transaction constitutes a de minimus transaction of the Company under Chapter 14A of the Listing Rules and is fully exempted from circular, shareholders' approval, annual review and all disclosure requirements.

REVISION OF ANNUAL CAP

Due to the production requirement of downstream customers, Xinjiang Ashele and Xinjiang Non-ferrous Materials agreed to enter into the Supplemental Agreement. Except for the new annual caps on sales quantity and sales amount, all other terms in the Supplemental Agreement are the same as those in the Original Copper Concentrates Supply Contract.

The Company proposes that the maximum amount (the "New Annual Cap") of the Supplemental Agreement for the year ended 31 December 2016 to be RMB700 million. The table below sets out the original annual cap and the New Annual Cap under the Original Copper Concentrates Supply Contract and the Supplemental Agreement, respectively:

	Original annual cap for the year ended 31 December 2016 (RMB)	New Annual Cap for the year ended 31 December 2016 (RMB)
Sales of copper concentrates to Xinjiang Non-ferrous Materials (Note)	300,000,000	700,000,000

The New Annual Cap of the Supplemental Agreement is determined with reference to the production plan of Xinjiang Ashele and the planned requirement of Xinjiang Non-ferrous Materials. It is estimated that Xinjiang Ashele will sell copper concentrates containing not more than 17,000 tonnes of copper metal in concentrate form to Xinjiang Non-ferrous Materials in 2016. The breakdown of the transaction value is as follows:

	Year 2013	Year 2014	Year 2015

		(Actual) RMB	(Actual) RMB	(Actual) RMB
1.	Sales of copper concentrates to China Non-ferrous Metal Import and Export Xinjiang Corp. (Note)	Nil	N/A	N/A
2.	Sales of copper concentrates to Xinjiang Wuxin Copper Company Limited (Note)	N/A	228,020,000	365,000,000
3.	Sales of copper concentrates to Xinjiang Non-ferrous Materials (Note)	N/A	N/A	N/A

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

CONNECTION BETWEEN THE PARTIES IN THE TRANSACTION

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

REASONS FOR AND BENEFITS OF THE PROPOSED TRANSACTION

The Company is principally engaged in the mining, production, refining and sales of gold and other mineral resources in the PRC. The sales of copper concentrates from Xinjiang Ashele to Xinjiang Non-ferrous Materials can broaden sales channels in Xinjiang. Therefore, the Directors (including the independent non-executive Directors) consider that the terms of the Original Copper Concentrates Supply Contract and the Supplemental Agreement are on normal commercial terms and in ordinary and usual course of business of the Group, and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

MATERIAL INTEREST

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

GENERAL

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

DEFINITIONS

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

“Board”	the board of Directors of the Company
“Company”	Zijin Mining Group Co., Ltd.* (紫金礦業集團股份有限公司), a joint stock limited company incorporated in the PRC
“Continuing Connected Transaction”	the connected transaction contemplated under the Supplemental Agreement which was entered into between the Company's subsidiary, Xinjiang Ashele and Xinjiang Non-ferrous Materials on a continuing basis
“Director(s)”	the director(s) of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	any Shareholder of the Company that is not required to abstain from voting at a shareholders' general meeting to approve a connected transaction
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Original Copper Concentrates Supply	the contract entered into between the Company's subsidiary, Xinjiang Ashele and Xinjiang Non-ferrous Materials on 20 June 2016 in relation to, inter alia,

Contract”	the sales of copper concentrates from the Company’s subsidiary, Xinjiang Ashele to Xinjiang Non-ferrous Materials
“PRC”	the People’s Republic of China, for the purpose of this announcement, excludes Hong Kong, Macau SAR and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“Supplemental Agreement to the Copper Concentrates Supply Contract” or “Supplemental Agreement”	the supplemental agreement entered into between the Company’s subsidiary, Xinjiang Ashele and Xinjiang Non-ferrous Materials on 8 September 2016 in relation to, inter alia, revision of the annual caps on sales quantity and sales amount of the sales of copper concentrates from the Company’s subsidiary, Xinjiang Ashele to Xinjiang Non-ferrous Materials
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Xinjiang Ashele”	Xinjiang Ashele Copper Company Limited, a company incorporated in the PRC with limited liability, the Company currently holds 51% of its equity interest, it is a subsidiary of the Company
“Xinjiang Non-ferrous Materials”	Xinjiang Non-ferrous Metal Industrial Materials (Group) Co., Ltd., a company incorporated in the PRC, the controlling shareholder of Xinjiang Non-ferrous Materials is Xinjiang Non-ferrous Metal Industry (Group) Company Limited
“%”	per cent

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

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

Fujian, the PRC, 8 September 2016

**The Company’s English name is for identification purpose only*