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**Zijin Mining Group Co., Ltd.\***

**紫金礦業集團股份有限公司**

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

**(Stock code: 2899)**

## **Announcement in relation to Results of Initial Mineral Resource Estimate for Kakula Discovery at the Kamoia Copper Mine Area in the DR Congo**

A joint venture between Zijin Mining Group Co., Ltd.\* (the "Company") and Ivanhoe Mines Ltd. of Canada ("Ivanhoe"), the Kamoia copper mine project in the Democratic Republic of the Congo (the "DR Congo"), has recently announced the results of initial mineral resource estimate for Kakula discovery at the Kamoia copper mine area in the DR Congo. Highlights of the initial Kakula mineral resource estimate, prepared under the direction of Dr. Harry Parker and Gordon Seibel (both are the qualified persons for the estimate) of Amec Foster Wheeler E&C Services Inc. (Amec Foster Wheeler), of Reno, Nevada, the United States, in accordance with NI 43-101 (2014) of Canada are:

Indicated resources total 192 million tonnes at a grade of 3.45% copper, containing 6.63 million tonnes (14.6 billion pounds) of copper at a 1% copper cut-off. At a higher cut-off of 3% copper, indicated resources total 66 million tonnes at a grade of 6.59% copper, containing 4.35 million tonnes (9.6 billion pounds) of copper.

Inferred resources total 101 million tonnes at a grade of 2.74% copper, containing 2.76 million tonnes (6.1 billion pounds) of copper at a 1% copper cut-off. At a higher cut-off of 3% copper, inferred resources total 27 million tonnes at a grade of 5.26% copper, containing 1.45 million tonnes (3.2 billion pounds) of copper.

The average true thickness of the selective mineralized zone (SMZ) at a 1% cut-off is 14.27 metres in the indicated resources area and 10.33 metres in the inferred resources area. At a higher 3% cut-off, the average true thickness of the SMZ is 5.91 metres in the indicated resources area and 5.15 metres in the inferred resources area.

The Kakula mineral resources, along with sensitivities at various cut-offs, are shown in tables 1, 2 and 3 (minor differences may occur due to rounding).

**Table 1. Indicated and Inferred Mineral Resources at a 1% cut-off grade and an approximate minimum thickness of 3 metres, Kakula Discovery**

Category	Tonnage (Mt)	Area (km <sup>2</sup> )	Copper (%)	True Thickness (metres)	Contained Copper (kTonnes)	Contained Copper (billion lbs)
Indicated	192	4.6	3.45	14.3	6,630	14.6
Inferred	101	3.3	2.74	10.3	2,763	6.1
<b>Total</b>	<b>293</b>	<b>7.9</b>	<b>3.21</b>	<b>13.1</b>	<b>9,393</b>	<b>20.7</b>

**Table 2. Kakula Discovery Indicated Mineral Resources, Sensitivity Cases**

Cut-off Grade (Cu%)	Tonnes (millions)	Area (Sq. km)	Copper Grade	True Thickness (metres-m)	Contained Copper (kTonnes)	Contained Copper (billion lbs)
7.0	27	1.4	8.25%	6.3 (m)	2,242	4.9
6.0	42	2.1	7.69%	6.6 (m)	3,220	7.1
5.0	51	2.7	7.29%	6.5 (m)	3,711	8.2
4.0	62	3.4	6.78%	6.1 (m)	4,211	9.3
3.0	66	3.8	6.59%	5.9 (m)	4,351	9.6
2.5	75	4.0	6.13%	6.3 (m)	4,579	10.1
2.0	115	4.3	4.80%	9.2 (m)	5,504	12.1
1.5	139	4.4	4.24%	10.9 (m)	5,899	13.0
1.0	192	4.6	3.45%	14.3 (m)	6,630	14.6

**Table 3. Kakula Discovery Inferred Mineral Resources, Sensitivity Cases**

Cut-off Grade (Cu%)	Tonnes (millions)	Area (Sq. km)	Copper Grade	True Thickness (metres-m)	Contained Copper (ktonnes)	Contained Copper (billion lbs)
7.0	1	0.1	7.47%	4.2 (m)	72	0.2
6.0	8	0.4	6.50%	6.2 (m)	490	1.1
5.0	18	0.9	5.89%	6.4 (m)	1,076	2.4
4.0	23	1.3	5.60%	5.8 (m)	1,283	2.8
3.0	27	1.8	5.26%	5.2 (m)	1,445	3.2
2.5	31	2.0	4.98%	5.2 (m)	1,537	3.4
2.0	51	2.2	3.92%	7.7 (m)	2,018	4.4
1.5	75	2.6	3.21%	9.8 (m)	2,412	5.3
1.0	101	3.3	2.74%	10.3 (m)	2,763	6.1

This Kakula mineral resource has been defined by drilling covering a total area of 8.7 square kilometres within the larger 66-square-kilometre Kakula exploration area. The area covered by this mineral resource estimate is 7.9 square kilometres, in which the total areal extent of indicated resource is 4.6 square kilometres and the areal extent of the inferred resource is 3.3 square kilometres. The average dip of the mineralized zone in the indicated resource area is 13 degrees, while the average dip is 16 degrees in the inferred resource area. The mineral resource estimate is based on the results from approximately 24,000 metres of drilling in 65 holes. An additional 13 holes totalling more than 7,000 metres have been completed and assay results are pending. Indicated resources are defined when the drill-hole spacing approximates a 400-metre grid, while inferred resources are defined when the drill-hole spacing approximates an 800-metre grid. Mineralisation is open along trend to the northwest and the southeast.

With the initial Kakula estimate completed, Kamoia Copper has retained OreWin Pty. Ltd., of Australia, to prepare a Preliminary Economic Assessment (PEA) for the development of the Kakula deposit. The PEA, which is expected to be completed before the end of 2016, will concentrate on establishing the economic parameters of potential mining operations at Kakula.

**Table 4. Consolidated Mineral Resource Statement, Kamoia mining area - October 9, 2016, 1% copper cut-off**

Deposit	Category	Tonnes (millions)	Area (Sq km)	Copper Grade	True Thickness (metres-m)	Contained Copper (kTonnes)	Contained Copper (billion lbs)
Kamoia	Indicated	752	50.5	2.67%	5.2 (m)	20,110	44.3
	Inferred	185	16.8	2.08%	3.8 (m)	3,840	8.5
Kakula	Indicated	192	4.6	3.45%	14.3 (m)	6,630	14.6
	Inferred	101	3.3	2.74%	10.3 (m)	2,763	6.1
Total	Indicated	944	55.1	2.83%	6.0 (m)	26,740	58.9
Kamoia-Kakula	Inferred	286	20.1	2.31%	4.9 (m)	6,603	14.6
	<b>Total</b>	<b>1,230</b>	<b>75.2</b>	<b>2.73%</b>	<b>5.99 (m)</b>	<b>33,343</b>	<b>73.5</b>

The initial Kakula mineral resource estimate added 9.39 million tonnes of copper mineral resources so that the total copper mineral resources of the Kamoia copper mine area raised from 23.95 million tonnes to 33.34 million tonnes, establishes that area as the largest copper discovery ever made on the African continent and now ranks among the world's 10 largest copper deposits.

The Company holds 9.9% equity interest in Ivanhoe. Currently, the Company and Ivanhoe each holds 49.5% equity interest in Kamoia Holding Limited. Therefore, the Company has ultimate indirect benefit of

54.4% economic interest in Kamoia Holding Limited, and indirectly shares proportionate copper resources volume of approximately 17 million tonnes.

Kamoia Holding Limited and the government of the DR Congo hold 95% and 5% interest in Kamoia copper mine respectively. The Company has disclosed in the relevant announcements dated 26 May 2015 that Kamoia Holding Limited will transfer an additional 15% interest in the Kamoia copper mine to the government of the DR Congo under appropriate terms.

This announcement is made on a voluntary basis.

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

As at the date of this announcement, the Board of Directors of the Company comprises Messrs. Chen Jinghe (Chairman), Wang Jianhua, Qiu Xiaohua, Lan Fusheng, Zou Laichang, 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, 13 October 2016

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