

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



Zijin Mining Group Co., Ltd.*

紫金礦業集團股份有限公司

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

(Stock code: 2899)

Continuing Connected Transaction

The Board of the Company announced that on 28 January 2019, Xinjiang Ashele, a subsidiary of the Company, as the seller, entered into the Copper Concentrates Supply Contract with Xinjiang Wuxin Copper, as the buyer, for a term effective from 1 January 2019 to 31 December 2019.

The Company is one of the substantial shareholders of Xinjiang Ashele, currently holding 51% equity interest in Xinjiang Ashele. Xinjiang Non-ferrous Metal Industry (Group) Company Limited and its subsidiary China Non-ferrous Metal Import and Export Xinjiang Corp. together hold 34% equity interest in Xinjiang Ashele. Xinjiang Wuxin Copper is a subsidiary of Xinjiang Non-ferrous Metal Industry (Group) Company Limited. Xinjiang Wuxin Copper is an associate of Xinjiang Non-ferrous Metal Industry (Group) Company Limited and a connected person to the Company (as defined in the Listing Rules). Therefore, under Chapter 14A of the Listing Rules, the transaction under the Copper Concentrates Supply Contract 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. As one or more of the applicable percentage ratios (as set out in the Listing Rules, other than the profits 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.

The Board of the Company announced that on 28 January 2019, Xinjiang Ashele, a subsidiary of the Company, as the seller, entered into the Copper Concentrates Supply Contract with Xinjiang Wuxin Copper, as the buyer, for a term effective from 1 January 2019 to 31 December 2019.

PRINCIPAL TERMS OF CONTRACT

COPPER CONCENTRATES SUPPLY CONTRACT

Date: 28 January 2019

Parties: Seller:

Xinjiang Ashele. 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 the Ashele copper mine in Xinjiang.

Buyer:

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

General business scope: Refining, processing, sales, import and export services of common non-ferrous metals, technology import and export and agent of import and export; import and export of machinery and equipment, instruments, meters and their spare parts and the raw and auxiliary materials required for production in the factory; development of technology and consultation, technology service; warehousing; leasing of houses; import and export of various kinds of goods and technology to neighbouring countries through small trades on the border (except goods and technology which import and export are restricted by the state); import of five types of waste and used materials including scrap steel, scrap copper, scrap aluminium, waste paper and waste plastic which are approved by the state and allowed to be operated under border trade; production of hazardous chemicals (430,000 tonnes of sulphuric acid/year)

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 Silver 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;
- (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 1 January 2019 to 31 December 2019

- 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 Copper Concentrates Supply Contract were arrived at after an arm's length negotiation between Xinjiang Ashele and Xinjiang Wuxin Copper.

ANNUAL CAP

The Company proposes that the maximum amount (the "Annual Cap") of the Copper Concentrates Supply Contract for the year ended 31 December 2019 to be RMB1.5 billion.

The Annual Cap of the Copper Concentrates Supply Contract for the year ended 31 December 2019 was determined with reference to the production plan of Xinjiang Ashele and the planned requirement of Xinjiang Wuxin Copper. It is estimated that Xinjiang Ashele will sell copper concentrates containing not more than 22,000 tonnes of copper metal to Xinjiang Wuxin Copper in 2019. The breakdown of the transaction value is as follows:

		Year 2016 (Actual)	Year 2017 (Actual)	Year 2018 (Actual)	Year 2019 (Annual Cap)

		RMB	RMB	RMB	RMB
1.	Sales of copper concentrates to Xinjiang Wuxin Copper (Note)	N/A	N/A	1,146,590,000 (unaudited)	1,500,000,000
2.	Sales of copper concentrates to Xinjiang Non-ferrous Metal Industrial Materials (Group) Co., Ltd. (Note)	503,412,000 (audited)	803,336,000 (audited)	N/A	N/A

Note: The controlling shareholder of Xinjiang Wuxin Copper and Xinjiang Non-ferrous Metal Industrial Materials (Group) Co., Ltd. is Xinjiang Non-ferrous Metal Industry (Group) Company Limited.

As at the date of this announcement, the cumulative transaction amount occurred in 2019 was approximately RMB99 million (unaudited).

CONNECTED RELATIONSHIP BETWEEN THE PARTIES TO THE TRANSACTION

The Company is one of the substantial shareholders of Xinjiang Ashele, currently holding 51% equity interest in Xinjiang Ashele. Xinjiang Non-ferrous Metal Industry (Group) Company Limited and its subsidiary China Non-ferrous Metal Import and Export Xinjiang Corp. together hold 34% equity interest in Xinjiang Ashele. Xinjiang Wuxin Copper is a subsidiary of Xinjiang Non-ferrous Metal Industry (Group) Company Limited. Xinjiang Wuxin Copper is an associate of Xinjiang Non-ferrous Metal Industry (Group) Company Limited and a connected person to the Company (as defined in the Listing Rules). Therefore, under Chapter 14A of the Listing Rules, the transaction under the Copper Concentrates Supply Contract 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 Wuxin Copper can broaden sales channels in Xinjiang. Therefore, the Directors (including the independent non-executive Directors) consider that the terms of the Copper Concentrates Supply Contract 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 Continuing Connected Transaction and is required to abstain from voting on the Board resolutions relating to 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. As one or more of the applicable percentage ratios (as set out in the Listing Rules, other than the profits 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.

This announcement is published in both Chinese and English. In the case of any discrepancies, the Chinese version shall prevail over its English version.

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 Copper Concentrates Supply Contract which was entered into between the Company’s subsidiary, Xinjiang Ashele and Xinjiang Wuxin Copper on a continuing basis
“Copper Concentrates Supply Contract”	the contract entered into between the Company’s subsidiary, Xinjiang Ashele and Xinjiang Wuxin Copper on 28 January 2019 in relation to, inter alia, the sales of copper concentrates from the Company’s subsidiary, Xinjiang Ashele to Xinjiang Wuxin Copper
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Shareholder(s)”	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
“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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Xinjiang Ashele”	Xinjiang Habahe Ashele Copper Company Limited, a company incorporated in the PRC with limited liability, the Company currently holds 51% of its equity interest, it is a subsidiary of the Company
“Xinjiang Wuxin Copper”	Xinjiang Wuxin Copper Co., Ltd., a company incorporated in the PRC, the controlling shareholder of Xinjiang Wuxin Copper is Xinjiang Non-ferrous Metal Industry (Group) Company Limited
“% ”	per cent

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

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

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

Fujian, the PRC, 28 January 2019

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