

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)

Announcement in relation to the Grant of Restricted A Shares to the Participants of the Incentive Scheme

Important notes:

- Grant Date of the Restricted A Shares: 13 January 2021.
- Number of the Restricted A Shares to be granted: 97,490,000 A Shares.
- Grant Price of the Restricted A Shares: RMB4.95 per A Share.

References are made to (i) the Announcement in relation to Proposed Adoption of the Restricted A Share Incentive Scheme and the Connected Transaction of Grant of Restricted A Shares to the Connected Participants under the Incentive Scheme dated 17 November 2020; (ii) the Announcement in relation to Amendment to the Restricted A Share Incentive Scheme for 2020 (Draft) and Its Summary dated 11 December 2020; and (iii) the announcements dated 29 December 2020 and 11 January 2021 in relation to the poll results of the relevant resolutions in respect of the approval of the Restricted A Share Incentive Scheme at the extraordinary general meeting and the class meetings (the "Announcements"); and (iv) the circular dated 11 December 2020 (the "Circular") of Zijin Mining Group Co., Ltd.* (the "Company"). Unless otherwise indicated, capitalised terms used in this announcement shall have the same meanings as defined in the Announcements and the Circular.

The proposal in relation to the grant of Restricted A Shares to the Participants under the First Grant was considered and approved at the Company's first extraordinary meeting in 2021 of the seventh term of the Board on 13 January 2021. The Board agreed to grant 97,490,000 Restricted A Shares to 697 Participants. The Grant Date of the Restricted A Shares is 13 January 2021. Details of the relevant matters are as follows:

I. Details of the grant of Restricted A Shares under the Incentive Scheme

(I) Implementation of the relevant approval procedures

1. On 17 November 2020, the Company convened the twenty-fourth extraordinary meeting in 2020 of the seventh term of the Board, at which the proposal in relation to the Restricted A Share Incentive Scheme for

2020 (Draft) and its summary of the Company, the proposal in relation to the Administrative Measures for Implementation of Appraisal for the Restricted A Share Incentive Scheme for 2020 of the Company and the proposal in relation to authorisation to the board of directors to handle all the matters relating to the Restricted A Share Incentive Scheme for 2020 of the Company were considered and approved. The Company's independent Directors issued their independent opinion on the Incentive Scheme.

2. On 17 November 2020, the Company convened the fourth extraordinary meeting in 2020 of the seventh term of the Supervisory Committee, at which the proposal in relation to the Restricted A Share Incentive Scheme for 2020 (Draft) and its summary of the Company, the proposal in relation to the Administrative Measures for Implementation of Appraisal for the Restricted A Share Incentive Scheme for 2020 of the Company and the proposal in relation to verification of the Participant list under the Restricted A Share Incentive Scheme for 2020 of the Company were considered and approved. The Supervisory Committee considered that the Incentive Scheme is beneficial to the Company's sustainable development and there is no apparent prejudice to the interests of the Company and all Shareholders.

3. On 20 November 2020, the Company issued the Announcement in relation to Approval of the State-owned Assets Supervision Authority on the Restricted A Share Incentive Scheme for 2020. The Company received the Approval in relation to Implementation of the Restricted A Share Incentive Scheme of Zijin Mining Group Co., Ltd.* (Hang Cai Guo Zi [2020] No. 125) issued by the Longyan City Shanghang County Finance Bureau as forwarded by the Company's substantial shareholder, Minxi Xinghang State-owned Assets Investment Company Limited. Pursuant to the Approval in relation to Implementation of the Restricted A Share Incentive Scheme of Zijin Mining Group Co., Ltd.* of the State-owned Assets Supervision and Administration Commission of Longyan City (Long Guo Zi [2020] No. 147) and the spirit of the special meeting on the relevant work of Shanghang County, the Shanghang County Finance Bureau agreed in principle that the Company could implement the Restricted A Share Incentive Scheme.

4. From 20 November 2020 to 30 November 2020, the Company publicised the proposed Participant list internally. On 22 December 2020, the Supervisory Committee issued the Explanation on the Verification Opinion and Notification on the Participant List of the Restricted A Share Incentive Scheme for 2020 of the Supervisory Committee of Zijin Mining Group Co., Ltd.*.

5. On 11 December 2020, the Company convened the twenty-fifth extraordinary meeting in 2020 of the seventh term of the Board, at which the proposal in relation to the Restricted A Share Incentive Scheme for 2020 (Revised Draft) and its summary of the Company was considered and approved. The Company's independent Directors issued their independent opinion on the Incentive Scheme.

6. On 11 December 2020, the Company convened the fifth extraordinary meeting in 2020 of the seventh

term of the Supervisory Committee, at which the proposal in relation to the Restricted A Share Incentive Scheme for 2020 (Revised Draft) and its summary of the Company was considered and approved. The Supervisory Committee considered that the Incentive Scheme is beneficial to the Company's sustainable development and there is no apparent prejudice to the interests of the Company and all Shareholders.

7. On 29 December 2020, the Company convened the third extraordinary general meeting in 2020 and the third A Shareholders' class meeting in 2020, at which the proposal in relation to the Restricted A Share Incentive Scheme for 2020 (Revised Draft) and its summary of the Company, the proposal in relation to the Administrative Measures for Implementation of Appraisal for the Restricted A Share Incentive Scheme for 2020 of the Company and the proposal in relation to authorisation to the board of directors to handle all the matters relating to the Restricted A Share Incentive Scheme for 2020 of the Company were considered and approved. The Company also issued the Self-inspection Report on Transactions of the Company's Shares by Persons with Inside Information Pursuant to the Restricted A Share Incentive Scheme for 2020 of Zijin Mining Group Co., Ltd.*. On 11 January 2021, the Company convened the third H Shareholders' class meeting in 2020, at which the abovementioned resolutions were considered and approved.

8. In accordance with the authorisation of the Shareholders' General Meetings to the Board in respect of the proposal in relation to authorisation to the board of directors to handle all the matters relating to the Restricted A Share Incentive Scheme for 2020 of the Company passed at the third extraordinary general meeting in 2020, the third A Shareholders' class meeting in 2020 and the third H Shareholders' class meeting in 2020, the Company convened the first extraordinary meetings in 2021 of the Board and the Supervisory Committee of the seventh term respectively on 13 January 2021, at which the proposal in relation to the First Grant of Restricted A Shares to the Participants under the Incentive Scheme was considered and approved. The Company's independent Directors issued independent opinion on the relevant matters, whilst the Supervisory Committee reviewed the granting arrangement under the Incentive Scheme and issued its verification opinion.

(II) The Board's explanation on whether the conditions of grant have been satisfied

Pursuant to the relevant stipulations of the Measures for the Administration of Equity Incentives of Listed Companies (the "Administration Measures") and the conditions of grant under the Incentive Scheme, the conditions of granting the Restricted A Shares to the Participants are as follows:

1. There is no occurrence of any of the following on the part of the Company:

- (1) issuance of an auditors' report with an adverse opinion or a disclaimer of opinion by certified public accountants in respect of the Company's financial accounting report for the most recent accounting year;
- (2) issuance of an auditors' report with an adverse opinion or a disclaimer of opinion by certified public accountants in respect of the Company's internal control over financial reporting for the most recent accounting year;

- (3) failure to carry out profit distribution in accordance with the laws and regulations, the Articles of Association or public undertakings during the most recent 36 months after listing;
- (4) prohibition from implementation of any equity incentives by applicable laws and regulations; and
- (5) any other circumstances as prescribed by the CSRC.

2. There is no Participant who:

- (1) has been deemed as an inappropriate candidate by the Stock Exchange in the last 12 months;
- (2) has been deemed as an inappropriate candidate by the CSRC or any of its dispatch agencies in the last 12 months;
- (3) has been imposed with administrative penalties or a ban from entry into the securities market by the CSRC or any of its dispatch agencies due to material breach of laws and regulations in the last 12 months;
- (4) is prohibited from acting as a director or a member of the senior management of a company under the Company Law;
- (5) is not allowed to participate in any equity incentives of a listed company under laws and regulations; and
- (6) falls under any other circumstances as prescribed by the CSRC.

Upon careful review, the Board is of the view that neither of the abovementioned conditions have occurred to the Company and the Participants, and the conditions of grant under the Incentive Scheme have been satisfied. The Board agreed to grant the Restricted A Shares to the Participants who satisfied the conditions of the grant.

(III) Details relating to the grant of Restricted A Shares

- 1. Grant Date of the Restricted A Shares: 13 January 2021;
- 2. Grant Price of the Restricted A Shares: RMB4.95 per A Share;
- 3. Source of the Restricted A Shares under the Incentive Scheme: the ordinary shares (A Shares) denominated in Renminbi issued specifically by the Company to the Participants.
- 4. The total number of the Participants under the Incentive Scheme is 697. The number of the Restricted A Shares to be granted is 97,490,000 A Shares. The specific allocation of the Restricted A Shares is set out in the table below:

Name	Position	Total number of the Restricted Shares to be granted (Million Shares)	Approximate proportion of the total number of the Restricted Shares to be granted under	Approximate proportion of the total share capital
------	----------	--	---	---

			the Incentive Scheme	
Chen Jinghe	Chairman	1.10	1.10%	0.0043%
Zou Laichang	President	1.10	1.10%	0.0043%
Lan Fusheng	Vice-chairman	0.75	0.75%	0.0030%
Lin Hongfu	Standing vice-president	0.75	0.75%	0.0030%
Lin Hongying	Vice-president	0.75	0.75%	0.0030%
Xie Xionghui	Vice-president	0.75	0.75%	0.0030%
Shen Shaoyang	Vice-president	0.75	0.75%	0.0030%
Long Yi	Vice-president	0.75	0.75%	0.0030%
Que Chaoyang	Vice-president	0.75	0.75%	0.0030%
Wu Honghui	Financial controller	0.75	0.75%	0.0030%
Jiang Kaixi	Chief engineer	0.75	0.75%	0.0030%
Zheng Youcheng	Secretary to the Board	0.75	0.75%	0.0030%
Other senior and middle-level management, core employees, outstanding youth talents, etc. (685 persons in total)		87.79	87.79%	0.34%
Reserved Portion		2.51	2.51%	0.01%
Total		100.00	100.00%	0.39%

5. Validity period, Lock-Up Periods and unlocking arrangement

The validity period of the Incentive Scheme is from the date of registration of the Restricted Shares under the First Grant to the date when all the Restricted Shares which have been granted to the Participants are unlocked or repurchased and cancelled, and shall not exceed 72 months in any event.

The Lock-up Period of the Restricted Shares to be granted under the First Grant of the Incentive Scheme shall be 24 months from the completion date of registration of the Restricted Shares under the First Grant. The Lock-up Period of the Reserved Shares under the Incentive Scheme shall be 24 months from the completion date of registration of the Reserved Shares. The Restricted Shares granted to the Participants under the Incentive Scheme shall not be transferred, pledged or used for repayment of debt during the Lock-up Periods.

The Unlocking Periods of the Restricted Shares to be granted under the First Grant and the reserved grant of the Incentive Scheme and the arrangement for each Unlocking Period are set out in the table below:

Phase of unlocking	Unlocking Period	Percentage of Restricted Shares to be unlocked
The First Unlocking Period for the Restricted Shares granted under the First Grant and the reserved grant	Commencing from the first trading day after the expiry of the 24-month period from the date of completion of registration of the Restricted Shares being granted respectively and ending on the last trading day of the 36-month period from the date of completion of registration of the Restricted Shares being granted respectively	33%
The Second Unlocking Period for the Restricted Shares granted under the First Grant and the reserved grant	Commencing from the first trading day after the expiry of the 36-month period from the date of completion of registration of the Restricted Shares being granted respectively and ending on the last trading day of the 48-month period from the date of completion of registration of the Restricted Shares being granted respectively	33%
The Third Unlocking Period for the Restricted Shares granted under the First Grant and the reserved grant	Commencing from the first trading day after the expiry of the 48-month period from the date of completion of registration of the Restricted Shares being granted respectively and ending on the last trading day of the 60-month period from the date of completion of registration of the Restricted Shares being granted respectively	34%

6. Unlocking Conditions of the Restricted Shares

Performance appraisal targets at company and individual levels for each year are set out below:

Unlocking Period	Performance appraisal targets
The First Unlocking Period for the Restricted Shares granted under the First Grant and the reserved grant	<p>(1) On the basis of the operating results for 2019, the annual compound growth rate of net profit for 2021 shall not be lower than 25% as well as the industry average level or the 75th percentile of the benchmarking enterprises;</p> <p>(2) On the basis of the operating results for 2019, the annual compound growth rate of return on net assets for 2021 shall not be lower than 10% as well as the industry average level or the 75th percentile of the benchmarking enterprises;</p> <p>(3) Debt-to-asset ratio as at the end of 2021 shall not be higher than 65%;</p> <p>(4) Performance appraisal of such Participant for 2021 shall be grade B or above</p>
The Second Unlocking Period for the Restricted	(1) On the basis of the operating results for 2019, the annual compound growth rate of net profit for 2022 shall not be lower than 25% as well as the

Shares granted under the First Grant and the reserved grant	<p>industry average level or the 75th percentile of the benchmarking enterprises;</p> <p>(2) On the basis of the operating results for 2019, the annual compound growth rate of return on net assets for 2022 shall not be lower than 10% as well as the industry average level or the 75th percentile of the benchmarking enterprises;</p> <p>(3) Debt-to-asset ratio as at the end of 2022 shall not be higher than 65%;</p> <p>(4) Performance appraisal of such Participant for 2022 shall be grade B or above</p>
The Third Unlocking Period for the Restricted Shares granted under the First Grant and the reserved grant	<p>(1) On the basis of the operating results for 2019, the annual compound growth rate of net profit for 2023 shall not be lower than 25% as well as the industry average level or the 75th percentile of the benchmarking enterprises;</p> <p>(2) On the basis of the operating results for 2019, the annual compound growth rate of return on net assets for 2023 shall not be lower than 10% as well as the industry average level or the 75th percentile of the benchmarking enterprises;</p> <p>(3) Debt-to-asset ratio as at the end of 2023 shall not be higher than 65%;</p> <p>(4) Performance appraisal of such Participant for 2023 shall be grade B or above</p>

Note: For the abovementioned indicators, net profit refers to net profit attributable to owners of the parent after deduction of non-recurring profits and losses; return on net assets refers to the weighted average return on net assets after deduction of non-recurring profits and losses. The calculation of the abovementioned appraisal indicators shall exclude the incentive costs incurred by the implementation of the Incentive Scheme. During the validity period of the Incentive Scheme, in case of allotment of Shares, rights issue or other events that would result in a change in the Company's net assets, the changes in net assets and income arising therefrom shall be excluded during the appraisal.

II. Whether there is any discrepancy between the grant and the Incentive Scheme as approved at the Shareholders' General Meetings

There is no discrepancy between the current grant and the Incentive Scheme as approved at the third extraordinary general meeting in 2020, the third A Shareholders' class meeting in 2020 and the third H Shareholders' class meeting in 2020 in terms of the Participants, the number and the price of the Restricted A Shares to be granted by the Company.

III. Impact of the grant of Restricted A Shares on the Company's operation and financial position

In accordance with the provisions of the Accounting Standard for Business Enterprises No. 11 - Share-based Payments and the provisions regarding fair value measurement in the Accounting Standard for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments, the grant of Restricted A Shares under the Incentive Scheme by the Company will cause certain impact on the

Company's financial positions and operating results for the relevant financial years. The Board has recognised the incentive expenses based on the fair value of the Restricted A Shares on the Grant Date. Such expenses shall be recognised in phases based on the unlocking proportions during the implementation of the Incentive Scheme in recurring profit or loss. The effect of the First Grant of the Restricted Shares under the Incentive Scheme on the accounting costs incurred in each accounting period is as follow:

Number of Restricted Shares to be granted under the First Grant (Million Shares)	Total amortisation expense (RMB million)	2020 (RMB million)	2021 (RMB million)	2022 (RMB million)	2023 (RMB million)	2024 (RMB million)
97.49	321.3660	9.6410	115.6918	111.2730	59.7205	25.0398

Note: The above are preliminary estimates made by the Company on the assumptions of the available data on the Grant Date and do not represent the final accounting costs. In addition to the Grant Date, the Grant Price and the number of Shares granted, accounting costs are affected by the actual number of effective and expired equity instruments. The abovementioned effect on the Company's operating results is subject to the amounts disclosed in the audited annual report issued by the accounting firm.

IV. Details regarding the trading of the Company's Shares before 6 months of the Grant Date by the Directors and senior management who participate in the Incentive Scheme

Please refer to the Self-inspection Report on Transactions of the Company's Shares by Persons with Inside Information Pursuant to the Restricted A Share Incentive Scheme for 2020 disclosed on HKEXnews website (<http://www.hkexnews.hk>) dated 29 December 2020 for the details of trading of the Company's Shares before 6 months of the Grant Date by the Directors and senior management who participate in the Incentive Scheme.

V. Funding arrangement for the Participants for subscription of the Restricted A Shares and payment of individual income tax

The Participants shall arrange their own fundings for subscription of the Restricted A Shares and payment of individual income tax. The Company undertakes not to provide loans and financial assistance in any other forms, including guarantee for loans, to the Participants for the purpose of obtaining the Restricted Shares under the Scheme.

VI. Opinion of the Supervisory Committee

Upon verification of the eligibility of the Participants who are defined in the Restricted A Share Incentive

Scheme for 2020 (Revised Draft), the Supervisory Committee of the Company is of the view that the 697 Participants to whom the Restricted A Shares will be granted are the same as those defined in the Incentive Scheme that has been considered and approved at the third extraordinary general meeting in 2020, the third A Shareholders' class meeting in 2020 and the third H Shareholders' class meeting in 2020, and that none of these Participants fall within the circumstances stipulated in article 8 of the Administrative Measures which prohibit a person from being a Participant. The Supervisory Committee is of the view that the conditions of grant in the Incentive Scheme have been satisfied. The 697 Participants duly confirmed by the Company have satisfied the eligibility requirements for Participants which are stipulated in the Administrative Measures, the Trial Measures on Implementation of Equity Incentive Schemes by State-owned Listed Companies (Domestic), the Notice on Issues concerning Regulating the Implementation of the Equity Incentive System of State-owned Listed Companies and other relevant laws, regulations, rules and regulatory documents, and are within the scope of Participants stipulated in the Incentive Scheme. Their qualifications for being the Participants of the Incentive scheme are lawful and effective.

The Supervisory Committee of the Company agrees that the Grant Date of the Incentive Scheme shall be 13 January 2021 and that 97,490,000 Restricted A Shares shall be granted to 697 Participants, at the Grant Price of RMB4.95 per A Share.

VII. Opinion of the independent Directors

1. Pursuant to the authorisation of the third extraordinary general meeting in 2020, the third A Shareholders' class meeting in 2020 and the third H Shareholders' class meeting in 2020, the Board has determined the Grant Date of the Incentive Scheme to be 13 January 2021. The Grant Date complies with the relevant provisions for grant date in the Administrative Measures and the Incentive Scheme of the Company.
2. The Participants to whom Restricted A Shares will be granted are the persons being set out in the Participant list that has been considered and approved at the Shareholders' General Meetings, who comply with the provisions regarding eligibility of Participants as stipulated in the Administrative Measures and other relevant laws, regulations and regulatory documents, and are within the scope of Participants as defined in the Incentive Scheme, and whose qualifications for being the Participants of the Incentive scheme are lawful and effective.
3. Both the Company and the Participants have not been prohibited from the grant of Restricted A Shares, and the Company has satisfied the conditions of grant as provided for in the Incentive Scheme.
4. The Company has no plan or arrangement to provide loans, guarantee for loans or financial assistance in any other form to the Participants.
5. All the connected Directors abstained from voting. The relevant resolutions were voted on and passed by

non-connected Directors.

6. The implementation of the Incentive Scheme by the Company is favourable for further enhancing the governance structure and incentive mechanism of the Company as well as reinforcing the sense of responsibility and mission of the Company's management team and core employees in the Company's pursuit of sustainable and healthy development. The Incentive Scheme is beneficial for the Company's sustainable development and will not prejudice the interests of the Company and shareholders as a whole.

In conclusion, the independent Directors unanimously agree that the Grant Date of the Incentive Scheme shall be 13 January 2021 and that 97,490,000 Restricted A Shares shall be granted to 697 Participants at RMB4.95 per A Share.

VIII. Conclusion of the legal opinion letter

According to the legal opinion letter issued by Fujian Zenith Law Firm on matters relating to the grant of A Shares under the Incentive Scheme of the Company, as at the issue date of the legal opinion letter, approval and authorisation necessary to date for the matters relating to the grant of A Shares under the Incentive Scheme of the Company have been obtained; the conditions of grant under the Incentive Scheme have been satisfied, and the Grant Date, the Participants and number of A Shares to be granted as determined by the Board pursuant to the Incentive Scheme comply with the relevant provisions of the Administrative Measures, the Trial Measures on Implementation of Equity Incentive Schemes by State-owned Listed Companies (Domestic) and other relevant laws, regulations and regulatory documents, as well as those of the Incentive Scheme. The Company is obliged to handle the registration procedures in respect of the grant of Restricted A Shares in compliance with law and to fulfill its information disclosure obligation accordingly.

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

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, Ms. Lin Hongying and Mister Xie Xionghui as executive directors, Mister Li Jian as non-executive director, and Messrs. Zhu Guang, Mao Jingwen, Li Changqing, He Fulong, Suen Man Tak and Bo Shao Chuan as independent non-executive directors.

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

13 January 2021, Fujian, the PRC

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