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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 the Completion of Construction and Initiation of Production of the Phase 1 Mining and Processing Project of the Kamo-a-Kakula Copper Mine in the DRC**

The Phase 1, 3.8 million-tonne-per-annum (Mtpa) concentrator plant of stage one of the Kamo-a-Kakula Copper Mine Project in the Democratic Republic of the Congo (the "DRC"), being a joint investment among Zijin Mining Group Co., Ltd.\* (the "Company"), Ivanhoe Mines Ltd. of Canada ("Ivanhoe") and the government of the DRC, has started on 25 May 2021 ahead of schedule.

In April 2021, the Kakula Mine mined 357,000 tonnes of ore grading 5.70% copper, including 121,000 tonnes grading 8.40% copper from the mine's high-grade centre. As at the end of April 2021, pre-production ore stockpiles held 3.0 million tonnes of medium to high grade ore grading 4.74% in average.

First ore was introduced into the 3.8 Mtpa concentrator plant on 20 May 2021 to perform initial hot commissioning tests on the ball mills and other processing equipment. As of 25 May 2021, 5% to 6% copper ore is being conveyed directly from Kakula's underground mining operations to the run-of-mine stockpile and the concentrator.

Based on extensive testwork, the Phase 1 concentrator plant is expected to produce a very high-grade concentrate grading approximately 57% copper, with extremely low arsenic levels. Cost guidance is expected to be provided once the steady-state production has been reached.

Guidance for contained copper in concentrate expected to be produced by the Kamo-a-Kakula Project for the balance of 2021 is 80,000 to 95,000 tonnes.

The planned production capacity of stage one of the Kamo-a-Kakula Project is expected to be 7.6 Mtpa and will be implemented in two phases of 3.8 Mtpa. Phase 1 is expected to produce approximately 200,000 tonnes of copper per year after reaching designated production capacity. The construction of Phase 2 is accelerating and is expected to be completed and put into operation in the third quarter of 2022. Phases 1 and 2 combined are forecast to produce approximately 400,000 tonnes of copper per year after reaching designated production capacity.

Given the current copper price environment, the Company and Ivanhoe are exploring the expansion plan from 7.6 Mtpa to 11.4 Mtpa, which may be fed from expanded mining operations at Kansoko, Kamo North (including the Bonanza Zone) and Kakula West.

According to the Kamo-Kakula preliminary economic assessment, the project will expand the production by phases and reach a processing volume of 19 Mtpa. Based on the public information issued by independent institution, the project's phased expansion scenario to 19 Mtpa would position Kamo-Kakula as the world's second-largest copper mining complex, with peak annual copper production of more than 800,000 tonnes.

Kamo-Kakula is committed to the full adoption of clean energy and has obtained clean, renewable hydro-generated electricity supply at present. An independent audit performed by Hatch Ltd. of Canada confirmed that Kamo-Kakula will be among the world's lowest greenhouse gas emitters per unit of copper produced.

The Company currently owns 13.69% equity interest in Ivanhoe, and each of the Company and Ivanhoe owns 39.6% interest in the Kamo-Kakula Copper Mine Project. The Company's interest in the Kamo-Kakula Copper Mine Project is approximately 45% in total.

The initiation of production of the Kamo-Kakula Copper Mine will have a significant impact on the Company's increment of mine-produced copper volume, further improve the Company's profitability and is important to the realisation of the Company's Five-Year (2+3) Plan and Development Goals for 2030.

This announcement is made by the Company on a voluntary basis.

**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*

26 May 2021, Fujian, the PRC

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