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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 Acquisition of an Asset Bundle Consisting of Four Assets Including the Lakkor Tso Salt Lake Lithium Mine in Tibet Held by DunAn Group

Important notes:

- Zijin Mining Group Co., Ltd.* (the “Company” or “Zijin Mining”) signed a cooperation agreement (the “Cooperation Agreement” or “Agreement”) with DunAn Holding Group Co., Ltd. (“DunAn Group”) and China Zheshang Bank Co., Ltd. Hangzhou Branch (“CZBank Hangzhou Branch”). The Company proposed to acquire an asset bundle consisting of four assets held by DunAn Group (including 70% interest in the Lakkor Tso Salt Lake Lithium Mine in Ngari, Tibet). The total consideration of the target assets under the transaction is RMB7,682,124,435.
- The transaction does not constitute a connected transaction or a material asset restructuring of the Company. The transaction was considered and approved at the sixth extraordinary meeting in 2022 of the seventh term of the board of directors (the “Board”) of the Company, and is not required to be tabled to the shareholders’ general meeting for approval.
- The completion of the transaction is still subject to uncertainties. Investors should be aware of investment risks.

I. Overview of the transaction

Due to the need of optimising the debt structure, DunAn Group proposed to sell four assets as a bundle (the “Target Asset Bundle” or “Asset Bundle”). The Target Asset Bundle has been pledged to CZBank Hangzhou Branch to provide guarantee for a RMB15 billion loan (the “Minze Technology Syndicated Loan”) to Hangzhou Minze Technology Co., Ltd. (“Minze Technology”), which is provided by a loan syndication (“Minze Technology Loan Syndication”), with CZBank Hangzhou Branch acting as the lead bank and the agent bank. On 28 April 2022, the Company signed the Cooperation Agreement with DunAn Group and CZBank Hangzhou Branch. The Company proposed to acquire the Target Asset Bundle. The terms of the transaction are unanimously agreed by all parties through friendly negotiation. The total consideration of the transaction is RMB7,682,124,435. The Target Asset Bundle mainly consists of the following four assets:

- (I) 100% equity interest in Zhejiang Jinshi Mining Co., Ltd. (“Jinshi Mining”) held by DunAn Group. The consideration is RMB4,897,332,050. It is the core asset of the acquisition. Jinshi Mining holds 70% equity interest in Tibet Ngari Lakkor Resources Co., Ltd. (“Lakkor Resources”). Lakkor Resources owns the Lakkor Tso Salt Lake Lithium Mine Project in Gerze County, Ngari, Tibet.
- (II) Equity interests or property shares of certain Rushan series enterprises (“Rushan Series Investment Projects” or “Rushan Series Enterprises”) held by DunAn Group and its subsidiaries. The consideration is RMB710,000,000.
- (III) 260,110,468 tradable shares not subject to trading moratorium of Anhui Jiangnan Chemical Industry Co., Ltd. (“Jiangnan Chemical”, stock code: SZ002226, a company listed on the A Share market) held by DunAn Group, its subsidiaries or its connected persons. The consideration is RMB1,422,804,260.
- (IV) 89,069,416 tradable shares not subject to trading moratorium of Zhejiang DunAn Artificial Environment Co., Ltd. (“DunAn Environment”, stock code: SZ002011, a company listed on the A Share market) held by DunAn Group. The consideration is RMB651,988,125.

The consideration of the transaction is determined based on multiple due diligence on the business, technology, financial status, legal compliance, etc. of the Target Asset Bundle by the Company, with reference made to the assessed values, stock prices of the relevant target assets and the prices under comparable transactions, and alongside taking into account the valuation and analysis on the prospect of the target assets, and after the prudent assessment on the asset value. It is arrived at under normal commercial terms, through fair and friendly negotiation, and consented unanimously by all parties to the transaction.

Pursuant to the Cooperation Agreement, the Company has assigned at the same day Tibet Zijin Lithium Co., Ltd. (“Tibet Zijin Lithium”) and Zijin Mining Investment (Shanghai) Co., Ltd., both of which are subsidiaries of the Company, as the acquiring entities to enter into equity interest or property share transfer agreements with the holders of the abovementioned four assets in order to execute the asset acquisitions specifically. The core purposes of the acquisition are to acquire the 70% equity interest in Lakkor Resources, to lead the development of the Lakkor Tso Salt Lake Lithium Mine and to raise the Company’s lithium reserves and output significantly.

The transaction was considered and approved at the sixth extraordinary meeting in 2022 of the seventh term of the Board of the Company. All 13 directors of the Company unanimously voted in favour of and agreed to the transaction. The transaction is not required to be tabled to the shareholders’ general meeting for approval, and does not constitute a connected transaction or a material asset restructuring of the Company.

II. Basic information about the parties to the transaction

(I) DunAn Holding Group Co., Ltd.

The businesses of DunAn Group include precision manufacturing and advanced equipment, civil explosive chemicals, new energy, new materials, modern agriculture, investment management, etc. Its registered capital is RMB2 billion. Its registered address is Binjiang District, Hangzhou City, Zhejiang Province. Its legal representative is Yao Suya.

The shareholding structure of DunAn Group is as follows: Yao Xinyi invested RMB612 million, holding 30.6% of the shares; Yao Xinquan invested RMB588 million, holding 29.4% of the shares; Zhejiang DunAn Venture Capital Co., Ltd. invested RMB800 million, holding 40% of the shares.

As at the end of 2021, the total assets and net assets of DunAn Group amounted to RMB19,554,530,700 and -RMB2,795,696,600, respectively, and its operating income and net profit for the year 2021 amounted to RMB350,828,900 and -RMB2,154,809,800, respectively. (The abovementioned data has been audited)

DunAn Group does not have any connected relationship with the Company.

(II) China Zheshang Bank Co., Ltd. Hangzhou Branch

CZBank Hangzhou Branch is the lead bank and the agent bank of Minze Technology Loan Syndication. It has the largest portion in the Minze Technology Syndicated Loan. At present, China Zheshang Bank Co., Ltd. is the chairman unit of the financial institution creditor committee of DunAn Group. It leads the financial institution creditor committee to assist DunAn Group and resolve the risks and dispose of the assets of DunAn Group under the guidance of the relevant governmental departments. The registered address of CZBank Hangzhou Branch is Shangcheng District, Hangzhou City, Zhejiang Province. Its person in charge is Zhou Xiangjun.

CZBank Hangzhou Branch does not have any connected relationship with the Company.

(III) Tibet Zijin Lithium Co., Ltd.

Tibet Zijin Lithium Co., Ltd. is a newly established wholly-owned subsidiary of the Company with a registered capital of RMB2 billion. Its registered address is Lhasa Economic and Technological Development Zone, Tibet Autonomous Region. Its legal representative is Lan Jianming. It mainly engages in geological exploration and development, etc.

(IV) Zijin Mining Investment (Shanghai) Co., Ltd.

Zijin Mining Investment (Shanghai) Co., Ltd. is a wholly-owned subsidiary of the Company. It was established in November 2021 with a registered capital of RMB1 billion. Its registered address is Dongdaming Road, Hongkou District, Shanghai City. Its legal representative is Gao Wenlong. It mainly engages in investment management, asset management, investment consultation, etc.

III. Basic information about the acquisition targets

(I) Zhejiang Jinshi Mining Co., Ltd.

1. Company overview

Jinshi Mining is a wholly-owned subsidiary of DunAn Group. It was established on 10 November 2011 with a registered capital of RMB200 million. Its legal representative is Yao Suya. Its business scope includes mining technology development, investment in the mining industry, etc. The only external investment held by Jinshi Mining is the 70% equity interest in Lakkor Resources.

Lakkor Resources was established in 2011 in Ngari, Tibet, with a registered capital of RMB50 million. Its legal representative is Li Gesheng. Its business scope includes the development, processing and sales of mineral products. Its shareholding structure is as follows: Jinshi Mining and Tibet Shengyuan Mining Group Co., Ltd. hold 70% and 30% of its equity interest, respectively. Lakkor Resources owns the Lakkor Tso Salt Lake Lithium Mine Project in Gerze County, Ngari, Tibet. The Lakkor Tso Salt Lake is a large sodium sulphate subtype brine lake to be developed. The project has large resource scale, steady grade and low magnesium-to-lithium ratio.

As at the end of 2021, the total assets, total liabilities and net assets of Jinshi Mining amounted to RMB110.49 million, RMB0.41 million and RMB110.08 million, respectively. As the project has not been developed, no sales income was generated in 2021, and the net loss amounted to RMB9.20 million. (The abovementioned data has been audited)

As at the end of 2021, the total assets, total liabilities and net assets of Lakkor Resources amounted to RMB31.88 million, RMB10.91 million and RMB20.97 million, respectively. As the project has not been developed, no sales income was generated in 2021, and the net loss amounted to RMB3.20 million. (The abovementioned data has been audited)

Jinshi Mining and Lakkor Resources do not have any connected relationship with the Company.

100% of the equity interest in Jinshi Mining held by DunAn Group and 70% of the equity interest in Lakkor Resources held by Jinshi Mining have been pledged to CZBank Hangzhou Branch to provide guarantee to the Minze Technology Syndicated Loan.

2. Information about the Lakkor Tso Salt Lake

(1) Natural and geographical information

The Lakkor Tso Salt Lake is situated within Mami Township, which is about 60 kilometres south of Gerze County, Ngari, Tibet, and about 38 kilometres west of the centre of Mami Township. By travelling 920 kilometres towards east from Gerze County, the junction of the Qinghai-Tibet Highway and the Qinghai-

Tibet Railway can be reached. Lhasa can be reached by further travelling 390 kilometres towards south from the junction, and Golmud City in Qinghai can be reached by further travelling 790 kilometres towards north from the junction. Although the transportation is still convenient, it is far from the major cities and situated in the plateau, adding difficulties to the flow of goods and people.

The project is located in the western part of the northern Tibet Plateau, with an elevation of 4,467-4,800 metres. It belongs to a plateau subarctic with dry monsoon climate and has long sunshine duration, the annual precipitation is 190mm, and the annual evaporation is 2,010mm. The rainy season is in July and August every year and the freezing period is from October to May of the next year.

The Lakkor Tso Salt Lake is a closed endorheic basin, with relatively developed water system at the southern side. Among which, the water system of the Suomei Zangbo is relatively large. It is originated from the snow mountain and is a perennial river. The whole river freezes in winter. The second largest river is the Xiong Buka River, which is relatively small in scale. The whole river does not freeze and flows normally in the winter. The water system in the area forms a centripetal water system centred on the lake and flows into Lakkor Tso Salt Lake. The water quality of the Suomei Zangbo and Xiong Buka River can satisfy the water demands of industrial use and domestic use.

The northern mining area of the Lakkor Tso Salt Lake is flat and broad with a relatively small slope, which is beneficial for industrial site layout and the construction of salt pans of the mine.

(2) Information about infrastructure

The economy in the project area mainly relies on animal husbandry. The production and living materials need to be purchased outside the area.

In terms of power supply, the 110kV state grid network has reached Gerze County, and the 35kV grid from Gerze County to Mami Township has also been connected. Electricity for industrial use can be transmitted from Gerze County to the mining area, with a straight-line distance of about 33 kilometres, but the gross power in Ngari is small, which cannot satisfy the electricity needed for mine development.

The salt lake area is 95.6712 square kilometres, and the terrain condition is relatively favourable. As there is sufficient sunshine, the problem of insufficient electricity can be mitigated by the construction of photovoltaic power generation and power storage systems. Whether it has the conditions for developing wind power requires demonstration.

(3) Project approval status

In July 2013 and April 2014, the detailed project investigation reports, which were prepared by the 5th Geological Team of the Tibet Geology and Mineral Resources Bureau, were successively filed at the Department of Land and Resources of Tibet (Zang Guo Tu Chu Bei Zi [2013] No. 25, Zang Guo Tu Zi Chu

Bei Zi [2014] No. 02).

In November 2016, the project development and utilisation plan, which was prepared by Qinghai Province Chemical Design and Research Institute Co., Ltd., passed the review of the Tibet Mineral Resources Reserve Evaluation Centre (Zang Kuang Kai Ping Zi [2016] No. 12). In January 2017, Qinghai Province Chemical Design and Research Institute Co., Ltd. completed the feasibility study report of the mining and processing construction, and obtained the written approval from the Tibet Industry and Information Technology Bureau (Zang Gong Xin Han [2017] No. 12).

In June 2019, the environmental impact assessment report on the mining and processing construction, which was prepared by Shaanxi Zhongsheng Environmental Technology Development Co., Ltd., was approved by the Department of Ecology and Environment of Tibet (Zang Huan Shen [2019] No. 21).

Project safety assessment, geological environment protection and land reclamation plans, soil and water conservation plans, energy conservation assessment reports, water resources demonstration reports, land use opinions and green mine construction plans have all been reviewed or approved.

(4) Information about mining right and resources

Lakkor Resources owns the detailed exploration right of the Lakkor Tso Salt Lake Lithium Mine in Gerze County, Ngari, Tibet. The exploration right number is T54120080803012591. The validity period is from 15 April 2020 to 15 April 2022. In 2020, the Ministry of Natural Resources announced the mining permit of the Lakkor Tso Salt Lake Lithium Mine in Gerze County, Ngari, Tibet on its website, with the mining permit number C5400002020045210149737. The mining scale is 10,000 tonnes per year. The validity period is from 30 April 2020 to 30 April 2030. The mining depth is 4,470 to 4,435 metres. Yet, as at the signing date of the Agreement, the mining permit certificate in paper form has not been obtained.

The mineral deposit in the surface of the brine of the Lakkor Tso Salt Lake is stored in the lowest-lying area of the Lakkor Tso basin. The surface water of the lake is the brine mineral deposit. At the end of 2011, the actual measured surface area of the lake was 95.6712 square kilometres. It is gourd-shaped on the plane and stretched from east to west. The length from east to west is approximately 12.8-17.7 kilometres and the width from south to north is approximately 5-8 kilometres. The average depth of the lake is 16.07 metres, and the total volume is about 1.5 billion cubic metres. The mineral content of the brine at the surface and upper part of the salt lake is relatively evenly distributed. It is a sodium sulphate subtype brine lake. The contents of lithium, boron and potassium in the brine all meet the industrial grade standards. The technical conditions for mining the deposit are relatively good. Surface water from the rivers is the main source of supply of brine and pore water of the Lakkor Tso Salt Lake, and is also the main source of beneficial components of the Lakkor Tso Salt Lake such as lithium, potassium and boron. The lake basin is a young lake containing valuable metals such as lithium, and is currently in a relatively dynamic equilibrium state of external

replenishment and evaporation.

According to the filing data of Zang Guo Tu Zi Chu Bei Zi [2014] No. 02, as at the end of 2012, the Lakkor Tso Salt Lake had retained resources of 2.14 million tonnes of lithium carbonate (as lithium is contained in the lakewater, its resources can be considered as reserves), with an average lithium ion concentration of 270mg/L. Its magnesium-to-lithium ratio is 3.32, associated with 3.82 million tonnes of boron oxide, with average content of 2.57g/L; 7.44 million tonnes of potassium chloride, with average content of 5.13g/L; and sodium chloride, magnesium chloride, rubidium oxide and caesium oxide. Among which, lithium carbonate, boron oxide, rubidium oxide and caesium oxide have all reached large scale.

(5) Development plan of the project

According to the development and utilisation plan in 2016, the project planned to use water pumps to extract brine at the site of the Lakkor Tso Salt Lake, and to build a salt pan on the east bank of the salt lake. The brine would be transported to the salt pan through pipes to obtain concentrated lithium brine after solar evaporation. The brine would then be transported to Golmud by vehicles. Lithium carbonate (and potassium fertiliser) would be produced in the Golmud Zangqing Industrial Park with a scale of 10,000 tonnes per year.

After on-site investigations, technical and experimental studies, external technical experts and the Company's technical team came to the view that the construction scale of the project has significant room for expansion. There is also a possibility of major adjustments to the mining process and technology. A more environmentally friendly and economical hybrid process combining "adsorption method + membrane process" can be adopted, i.e., the brine extracted from the salt lake will directly return to the lake area after adsorbing lithium ions. The lithium-containing eluate will go through a series of process including saturation and impurity removal (removing calcium, magnesium and boron) to produce and prepare for lithium products. This process is mature, with low implementation difficulties and a short construction period. If the hybrid process combining "adsorption method + membrane process" is adopted, the planned output of Phase 1 of the project will be adjusted to 20,000 tonnes of lithium carbonate per year, and the output is planned to raise to 50,000 tonnes of lithium carbonate per year after Phase 2 has completed construction and commenced production. It is expected that the project has better economic efficiency than the original plan.

After the completion of the acquisition, the Company will decide the specific development plan according to salt lake development policies in Tibet. The Company may also implement the approved plan first, while beginning feasibility study, approval and construction of the new plan. In general, the future construction plan will be determined according to the principle of being beneficial to environmental protection, full utilisation of resources, and maximisation of economic and social benefits.

(6) Consideration of the transaction

Jinshi Mining holds 70% interest in the Lakkor Tso Salt Lake Lithium Mine. Under the transaction, the value

of 100% equity interest in Jinshi Mining is determined to be RMB4,897,332,050. The consideration is arrived at mainly based on: (1) the valuation result of the Lakkor Tso Salt Lake; (2) the due diligence, technical economic researches and financial analysis on the Lakkor Tso Salt Lake carried out by the Company, taking into account the evaluation of the prospect of the project and the strategic influence on the Company carried out by the Company; and (3) the consideration of the comparable transactions in the market.

(II) Rushan Series Investment Projects

Rushan Series Investment Projects are mainly investments in equity interests and securities involving new energy vehicles, information security, intelligent manufacturing, health care, etc.

The equity interests and property shares to be transferred are Rushan Series Investment Projects which are pledged by DunAn Group and its connected persons to Minze Technology Loan Syndication. The consideration of the acquisition is RMB710,000,000. Detailed breakdown of the target assets is as follows:

Number	Entity holding the equity interest	Equity interest or property share
1	DunAn Holding Group Co., Ltd.	20 million shares of Zhejiang Crestvalue Capital Management Co., Ltd. (100%)
		2.652 million shares of Hangzhou Rushan Venture Capital Co., Ltd. (2.6%)
		400 thousand shares of Zhejiang Rushan Hi Tech Venture Capital Co., Ltd. (0.1%)
2	Zhejiang DunAn Industrial Co., Ltd.	120 million shares of Zhejiang Rushan Xinxing Venture Capital Co., Ltd. (48%)
		211 million shares of Zhejiang Rushan Hi Tech Venture Capital Co., Ltd. (52.75%)
		RMB106.50 million in Zhejiang Rushan Huixin Venture Partnership Enterprise (Limited Partnership) (26.63%)
		RMB3 million in Zhuji Rushan Huiying Venture Capital Partnership Enterprise (Limited Partnership) (1.0%)
		RMB91 million in Zhuji Rushan Huian Venture Capital Partnership Enterprise (Limited Partnership) (43.33%)
3	Zhejiang DunAn Huizheng Investment Co., Ltd.	1 million shares in Zhejiang Rushan Jianying Asset Management Co., Ltd. (10%)
4	Hangzhou Minze Technology Co., Ltd.	37.40 million shares of Hangzhou Rushan Venture Capital Co., Ltd. (36.6667%)
5	Zhejiang Qingniao Tourism Investment Group Co., Ltd.	17.34 million shares of Hangzhou Rushan Venture Capital Co., Ltd. (17%)

The overall valuation on the net assets of Rushan Series Investment Projects is arrived at by mainly

considering the investment value of the underlying equity interests and securities projects, the present value of management fee income generated from asset management services provided to third-party investors in the capacity of fund manager and other factors.

Rushan Series Investment Projects do not have any connected relationship with the Company.

(III) Anhui Jiangnan Chemical Industry Co., Ltd.

Jiangnan Chemical (stock code: SZ002226) has been listed on the Shenzhen Stock Exchange since 2008. It is one of the leading civil explosive enterprises in China in terms of production capacity and scale. It mainly provides civil blasting equipment and blasting engineering services for mining, infrastructure construction, etc. DunAn New Energy, its wholly-owned subsidiary, mainly engages in the development, construction and operation of wind power stations and photovoltaic power stations. It has many years of experience in clean energy development.

The total number of issued shares of Jiangnan Chemical is 2,648,922,855. Its largest shareholder is North Special Energy Group Co., Ltd., and its actual controller is China North Industries Group Corporation Limited.

According to the 2021 annual report issued by Jiangnan Chemical, as at the end of 2021, the total assets, total liabilities and net assets attributable to owners of the parent of Jiangnan Chemical amounted to RMB15.285 billion, RMB5.740 billion and RMB8.542 billion, respectively. Its realised sales income and net profit attributable to owners of the parent for the year 2021 amounted to RMB6.481 billion and RMB1.052 billion, respectively.

As at 31 March 2022, the top ten shareholders of Jiangnan Chemical were as follows:

Rank	Name of shareholders	Number of shares held	Approximate percentage to the total share capital (%)
1	North Special Energy Group Co., Ltd.	521,869,961	19.70
2	DunAn Holding Group Co., Ltd.	381,468,679	14.40
3	China North Industries Corporation	170,375,085	6.43
4	Auxin Holdings (Hong Kong) Limited	159,682,102	6.03
5	Guangxi Jianhua Machinery Co., Ltd.	125,448,721	4.74
6	Anhui DunAn Chemical Industry Group Co., Ltd.	101,754,240	3.84
7	Zhuji Yongtian Investment Co., Ltd.	75,191,340	2.84
8	Zhejiang Qingniao Tourism Investment Group Co., Ltd.	69,601,273	2.63

9	Xian Qinghua Commercial Explosives Corp., Ltd.	53,883,664	2.03
10	Hangzhou Qiufeng Investment Management Partnership Enterprise (Limited Partnership)	52,554,384	1.98

Jiangnan Chemical does not have any connected relationship with the Company. After completion of the transaction, the Company will hold 260,110,468 tradable shares not subject to trading moratorium of Jiangnan Chemical, representing 9.82% of its total share capital.

(IV) Zhejiang DunAn Artificial Environment Co., Ltd.

DunAn Environment (stock code: SZ002011) has been listed on the Shenzhen Stock Exchange since 2004. It is a leading enterprise in the refrigeration component industry and a strategic partner of many well-known air-conditioning manufacturers in the world.

The total number of issued shares of DunAn Environment is 917,212,180. Its controlling shareholder is Zhejiang DunAn Jinggong Group Co., Ltd., and its actual controller is Yao Xinyi. According to the indicative announcement in relation to the proposed changes in the company's controlling and actual shareholder and resumption of trading of DunAn Environment issued on 17 November 2021 and the acquisition report of Zhejiang DunAn Artificial Environment Co., Ltd. issued on 15 January 2022, it is proposed that Zhuhai Gree Electrical Appliance Co., Ltd. ("Gree Electric") shall be introduced as its controlling shareholder, which will hold 38.78% of the equity interest in DunAn Environment in total after the transaction is completed. At present, the parties to such transaction have submitted the ownership transfer registration application to China Securities Depository and Clearing Corporation Limited.

As at the end of 2021, the total assets, total liabilities and net assets attributable to owners of the parent of DunAn Environment amounted to RMB8.261 billion, RMB6.626 billion and RMB1.735 billion, respectively. Its realised sales income and net profit attributable to owners of the parent for the year 2021 amounted to RMB9.837 billion and RMB405 million, respectively.

As at 31 March 2022, the top ten shareholders of DunAn Environment were as follows:

Rank	Name of shareholders	Number of shares held	Approximate percentage to the total share capital (%)
1	Zhejiang DunAn Jinggong Group Co., Ltd.	270,360,000	29.48
2	DunAn Holding Group Co., Ltd.	89,069,416	9.71
3	Zhoushan Rushan Huijin No. 1 Investment Partnership Enterprise (Limited Partnership)	26,041,666	2.84
4	Qianhai Kaiyuan New Economy Flexible Allocation	19,813,635	2.16

	Hybrid Securities Investment Fund		
5	Qianhai Kaiyuan Public Utility Industry Equity Securities Investment Fund	18,786,600	2.05
6	Zhuji City Xinyuan Zhiyong Business Management Partnership Enterprise (Limited Partnership)	15,013,662	1.64
7	Qianhai Kaiyuan China's Rare Assets Flexible Allocation Hybrid Securities Investment Fund	13,168,272	1.44
8	Qianhai Kaiyuan State Comparative Advantage Flexible Allocation Hybrid Securities Investment Fund	10,950,470	1.19
9	Great Wall Jiufu Core Developing Mixed Fund (LOF)	9,692,022	1.01
10	China Civil Aviation Xin'gang Guaranty Co, Ltd.	8,835,000	0.96

DunAn Environment does not have any connected relationship with the Company. After completion of the transaction, the Company will hold 89,069,416 tradable shares not subject to trading moratorium of DunAn Environment, representing 9.71% of its total share capital.

IV. Main content of the agreements

A total of five agreements were signed this time, including one master agreement and four sub-agreements, the details of which are as follows:

(I) The cooperation agreement between Zijin Mining Group Co., Ltd.*, DunAn Holding Group Co., Ltd. and China Zheshang Bank Co., Ltd. Hangzhou Branch

1. Parties involved in the cooperation

1.1 Party A: Zijin Mining Group Co., Ltd.* (the transferee)

1.2 Party B: DunAn Holding Group Co., Ltd. (the transferor)

1.3 Party C: China Zheshang Bank Co., Ltd. Hangzhou Branch (the representative of the creditors)

2. Target assets

Under the transaction, Party A will acquire the Target Asset Bundle held by Party B from Party B. The Target Asset Bundle includes: (1) 100% equity interest in Jinshi Mining; (2) 260,110,468 shares of Jiangnan Chemical; (3) 89,069,416 shares of DunAn Environment; and (4) equity interests or property shares of certain Rushan Series Enterprises. Among which, the core asset is the 100% equity interest in Jinshi Mining. Jinshi Mining holds 70% equity interest in Lakkor Resources. All of the above assets have been pledged to CZBank to provide guarantee for the Minze Technology Syndicated Loan.

3. Details of the cooperation

3.1 Consideration of the transaction

The total consideration of the target assets under the transaction is RMB7,682,124,435, of which:

3.1.1 The consideration of 100% equity interest in Jinshi Mining is RMB4,897,332,050;

3.1.2 The consideration of equity interests or property shares of Rushan Series Enterprises is RMB710,000,000;

3.1.3 For the 260,110,468 shares of Jiangnan Chemical (stock code: SZ002226), the consideration per share is calculated as RMB5.47 per share, which is based on 90% of the 20-day average closing price of Jiangnan Chemical prior to the signing date of the Agreement (i.e., RMB6.08 per share). The total consideration is RMB1,422,804,260; and

3.1.4 For the 89,069,416 shares of DunAn Environment (stock code: SZ002011), the consideration per share is calculated as RMB7.32 per share, which is based on 90% of the 20-day average closing price of DunAn Environment prior to the signing date of the Agreement (i.e., RMB8.13 per share). The total consideration is RMB651,988,125.

3.2 Implementation principles of the transaction

3.2.1 The target assets under the transaction have been pledged to Party C. Party C, as the coordinator, shall be responsible for organising and coordinating Party B and the participating banks of Minze Technology Loan Syndication to facilitate the transaction.

After the Agreement becomes effective, Party A shall make a one-off payment of RMB7,182,124,435 (i.e., the outstanding balance of the total consideration of the transaction after deducting the previously paid security deposit of RMB500 million) into the bank account under common management. The pledge of the Target Asset Bundle (including Lakkor Resources) and other external encumbrances and restrictions (if any) shall be released, and the assets shall be transferred from Party B to Party A. Afterwards, Party A shall pay the corresponding consideration of the target assets to the bank account jointly designated by Party B and Party C, via the bank account under common management (among which, the Company needs to pay 90% of the consideration of Jinshi Mining).

3.2.2 All parties to the Agreement agree to arrange the release of the pledge and other encumbrances (if any) of Jinshi Mining and Lakkor Resources first. After the completion of ownership transfer registration procedures of Jinshi Mining, pledge release formalities of Lakkor Resources and satisfaction of other conditions as stipulated in the Agreement, the ownership transfer registration procedures for the remaining three assets shall be carried out. In the case the ownership transfer registration procedures of Jinshi Mining cannot be completed due to factors not caused by Party A, Party A has the right to terminate the transaction, Party B and Party C shall release the common management on the bank account under common management, and Party A can handle it at its own discretion. If the breach of contract is due to factors caused by Party B, Party B shall pay Party A a liquidated damage of RMB500 million.

3.2.3 All parties to the Agreement confirm that the transaction is based on the principle of the entire transfer of the abovementioned four assets as a bundle. If the transfer of any assets is not completed due to Party A's

breach of contract, Party B shall have the right to request Party A to transfer the transferred asset(s) back to Party B, and Party B shall return the relevant amount of transaction after deducting the RMB500 million security deposit to Party A. The security deposit will not be returned. If the transfer of any assets is not completed due to factors other than Party A's breach of contract, Party A has the right not to transfer back the asset(s) acquired. The corresponding amount of the unacquired assets under common management shall be released by Party B and Party C, and Party A can handle it at its own discretion. If the breach of contract is due to factors caused by Party B, Party B shall bear the liabilities of breach of contract.

3.3 Specific arrangements for the implementation of the transaction

The specific arrangement for the implementation of the transaction shall be determined in accordance with the agreements signed by the transferees designated by Party A and the entities holding the target assets of Party B.

4. Delivery of the target assets

4.1 All parties to the Agreement unanimously confirm that, in addition to the completion of ownership transfer registration procedures for equity interests (shares) or property shares, the following procedures on the target companies shall be also carried out, included but not limited to: handover of certificates and licences, handover of documents, handover of finance, handover of fixed assets, handover of mining right, handover of contracts, handover of tax affairs and handover of management power.

4.2 All parties to the Agreement unanimously confirm that within 7 days after the completion of ownership transfer registration procedures of the target companies, pledge release formalities of Lakkor Resources and satisfaction of other conditions stipulated in the Agreement, Party B is responsible for completing the above procedures to deliver the target companies to Party A.

5. Statements and undertakings of the parties to the Agreement

5.1 Party A undertakes to procure its designated subsidiaries to perform the obligations stipulated in the Agreement and obligations to be fulfilled by each subsidiary stipulated in the transfer agreements in relation to equity interests or property shares, which are signed in accordance with the Agreement. Party A also undertakes joint and several liability guarantees for the performance of obligations of each of its subsidiaries.

5.2 Party B has lawful and complete ownership and rights of disposition of the target assets (unless otherwise stipulated), and there are no disputes or potential disputes over the property rights. Party B undertakes to procure its controlled parties to perform the obligations stipulated in the Agreement and obligations to be fulfilled by each controlled party and related party stipulated in the transfer agreements in relation to the equity interests or property shares, which are signed in accordance with the Agreement. Party B also undertakes joint and several liability guarantees for the performance of obligations of each of its controlled parties and related parties.

5.3 Party C shall sign and implement the Agreement, and shall obtain lawful authorisation from Minze Technology Loan Syndication and the execution committee of the financial institution creditor committee of DunAn Group.

6. Commitments and arrangements during the transition period

6.1 Party A and the intermediary agencies engaged by Party A shall have the right to continue to carry out due diligence work on Party B and the target companies, and Party B shall procure the target companies to cooperate actively.

6.2 Without the written consent from Party A, Party B, Party C and their persons acting in concert shall not, in any form, carry out any contact, discussion, negotiation or cooperation with any third parties on the transfer, guarantee, lease, entrusted operation, pledge, entrusted voting, act in concert, giving up of nomination rights, making commitments for the target assets, or other arrangement that will affect the completeness of rights of the target assets or affect Party A to acquire the target assets (including Lakkor Resources), and shall not sign any similar agreements. Any acts that have already occurred shall be terminated and cancelled immediately.

6.3 Party B undertakes that Jinshi Mining, Lakkor Resources and Rushan Series Enterprises shall not conduct any ex-rights or ex-dividend matters such as profit distribution, distribution of bonus shares, conversion of capital reserve into share capital, additional issuance or allotment. Without the written consent from Party A, the total share capital of Jinshi Mining, Lakkor Resources and Rushan Series Enterprises and the shareholding of Party B shall remain unchanged (unless otherwise stipulated).

6.4 Party B undertakes that, during the transition period, Party B shall take actions to maintain the good status of the target companies, and there will be no actions or circumstances that will cause or may cause adverse effects or legal obstacles to the target companies or the transaction.

6.5 During the transition period, if the target companies intend to make a substantial decision including external investment, debt restructuring, external guarantee, entering into contracts and others described under the Agreement, they shall obtain a written consent from Party A in advance.

6.6 During the transition period, unless a written consent from Party A is obtained, the target companies shall not make any new debt obligations, debts and contingent liabilities, or carry out any transactions with any related parties. Party B and its related parties shall not have any non-operational occupation of funds and assets of the target companies.

6.7 During the transition period, Party A has the right to understand the production, operation, etc. of any of the target companies any time after notifying the target companies within a reasonable time. Party A has the

right to appoint one to two representatives to participate in the operation and management of the target companies.

7. Responsibilities for the debt obligations and debts of the target companies

Before the delivery date, if the target companies have: (1) any liabilities, external guarantees or other matters that are not reflected in its financial report or notified to Party A; (2) any matters including but not limited to the companies, securities, industrial and commercial, tax affairs, environmental protection, customs, labour and social security, etc. that violate laws and regulations; (3) any unsettled, foreseeable and potential litigation or arbitration, and the above situations may cause losses to the target companies or Party A, such losses shall be borne by Party B.

8. Liability for the breach of contract

8.1 If Party A fails to settle the payment on time, Party A shall pay Party B a liquidated damage amounting to 5/10,000 of the corresponding consideration for each day of delay. If the delay is more than 30 days, Party B and Party C shall have the right to terminate the relevant agreements.

8.2 If Party B fails to complete the release of pledge, ownership transfer registration procedures and other related work on time, Party B shall pay Party A a liquidated damage of 5/10,000 of the corresponding consideration of the target assets for each day of delay. If the delay is more than 3 months, Party A shall have the right to terminate the transfer agreement(s) of the target asset(s), and Party C shall release the common management on the corresponding consideration of the assets in the bank account under common management.

9. Validity and termination of the Agreement

9.1 This Agreement shall be established and become effective from the date when the legal representatives (or entrusted agents) of each party sign and affix the official seal.

9.2 If Party A fails to settle the payment on time and the delay is more than 30 days, Party B and Party C shall have the right to terminate the Agreement, and Party A shall pay Party B a liquidated damage of RMB500 million.

9.3 If Jinshi Mining fails to complete the ownership transfer registration procedures within 3 months after the Agreement becomes effective due to factors not caused by Party A, Party A shall have the right to terminate the Agreement. If Party A proposes to terminate the Agreement according to this reason, Party C shall release the relevant consideration under common management in full amount. If the termination of the Agreement is due to factors caused by Party B, Party B shall also pay Party A a liquidated damage of RMB500 million.

9.4 During the transition period, if there are any circumstances such that the target companies incur a total loss of more than RMB50 million, Party A shall have the right to terminate the Agreement, and Party B shall bear the liabilities of breach of contract to Party A if there is any breach of contract. During the transition period, if the mining right of the Lakkor Tso Salt Lake Lithium Mine cannot be extended or retained or the abovementioned certification cannot be obtained, resulting in the extinguishment of mining right of the Lakkor Tso Salt Lake Lithium Mine, Party A shall have the right to terminate the Agreement.

9.5 Within 30 days after the completion of the ownership transfer registration procedures of Jinshi Mining, if Party A discovers that Jinshi Mining and Lakkor Resources have any undisclosed liabilities, external guarantees or other contingent liabilities incurred before the delivery date exceeding 10% of the transfer price of Jinshi Mining, or within 6 months after the completion of the ownership transfer registration procedures of Jinshi Mining, Lakkor Resources and Rushan Series Enterprises, Party A discovers that the abovementioned enterprises have undisclosed liabilities, external guarantees or other contingent liabilities incurred before the delivery date and the amount exceeds RMB300 million, Party A shall have the right to terminate the Agreement and it shall transfer back all the assets it has acquired in the Asset Bundle to Party B. Party B and Party C shall return the relevant funds to Party A in full amount, and at the same time, Party B shall pay Party A a compensation liability of RMB500 million.

(II) Equity interest transfer agreement in relation to Zhejiang Jinshi Mining Co., Ltd.

1. Parties involved in the cooperation

- 1.1 Party A: Tibet Zijin Lithium Co., Ltd. (the transferee and a wholly-owned subsidiary of the Company)
- 1.2 Party B: DunAn Holding Group Co., Ltd. (the transferor)
- 1.3 Party C: China Zheshang Bank Co., Ltd. Hangzhou Branch

2. Target asset

Under the transaction, Party A will acquire 100% equity interest in Jinshi Mining held by Party B from Party B.

3. Consideration of the transfer of target equity interest

The consideration of the target equity interest is RMB4,897,332,050.

4. Delivery of the target equity interest and payment method of the consideration of the transfer

Party A shall pay 90% of the consideration of equity interest transfer after Party C has completed the pledge release formalities of 100% equity interest in Jinshi Mining, Party B has changed the registration of equity interest ownership of Jinshi Mining to Party A, Party C has completed the pledge release registration of 70% equity interest in Lakkor Resources and the satisfaction of other conditions as stipulated in this agreement.

The remaining balance shall be paid within 30 days from the date after completion of the target equity interest

ownership transfer registration and delivery procedures. If no undisclosed liabilities, external guarantees or other contingent liabilities of Jinshi Mining and Lakkor Resources have been discovered, Party A shall settle the payment.

5. Others

The contract terms have clearly stipulated the rights and obligations of each party, the liabilities and compensations for breach of contract, the methods of resolving disputes, etc.

(III) Transfer agreement on equity interests or property shares in relation to Rushan Series Enterprises held by DunAn Holding Group Co., Ltd. and its related parties

1. Parties involved in the cooperation

1.1 Party A: Zijin Mining Investment (Shanghai) Co., Ltd. (the transferee and a wholly-owned subsidiary of the Company)

1.2 Party B: DunAn Holding Group Co., Ltd. (the transferor)

1.3 Party C: China Zheshang Bank Co., Ltd. Hangzhou Branch

2. Target assets and consideration

Under the transaction, Party A will acquire the equity interests or property shares of Rushan Series Enterprises held by Party B and its related parties from such parties.

Upon unanimous consents from all parties to the agreement upon negotiation, the consideration of the 11 target equity interests or property shares of Rushan Series Enterprises is RMB710,000,000.

3. Delivery of the target equity interests or property shares and payment method of the consideration of the transfer

3.1 Party B shall coordinate all preemptive right holders of each of the target equity interests or property shares to sign a written confirmation on waiver of preemptive right; Party B and Party C shall complete the release of the pledge on the target equity interests or property shares; Party C shall release the corresponding pledge guarantee provided by the target enterprises and their subsidiaries with their equity interests or property shares pledged in favour of Party C; Party C shall release other guarantee liabilities provided to Party C by the target enterprises and their subsidiaries (if any) before the signing of this agreement. Upon satisfying the above conditions and after the ownership of the target equity interests or property shares have been transferred to Party A, Party A shall settle the payment.

3.2 All parties to the agreement unanimously agree that if the ownership transfer registration procedures of any target equity interests or property shares cannot be completed on or before 18 August 2022 due to factors not caused by Party A, Party A shall have the right not to acquire that portion of the target equity interests or property shares.

4. Others

The contract terms have clearly stipulated the rights and obligations of each party, the liabilities and compensations for breach of contract, the methods of resolving disputes, etc.

(IV) Share transfer agreement in relation to the shares of Anhui Jiangnan Chemical Industry Co., Ltd.

1. Parties involved in the cooperation

1.1 Party A: Zijin Mining Investment (Shanghai) Co., Ltd. (the transferee and a wholly-owned subsidiary of the Company)

1.2 Parties B (the transferors):

Party B(1): DunAn Holding Group Co., Ltd.

Party B(2): Anhui DunAn Chemical Industry Group Co., Ltd.

Party B(3): Hangzhou Qiufeng Investment Management Partnership Enterprise (Limited Partnership)

1.3 Party C: China Zheshang Bank Co., Ltd. Hangzhou Branch

2. Target asset

All parties to the agreement unanimously confirm that under the transaction, Party A will acquire a total of 260,110,468 tradable shares not subject to trading moratorium of Jiangnan Chemical (stock code: SZ002226) held by Parties B from Parties B. Details of the shareholdings are as follows:

Number	Entity holding the shares	Number of shares held	Shareholding proportion
1	DunAn Group	105,801,844	4%
2	Anhui DunAn Chemical Industry Group Co., Ltd.	101,754,240	3.84%
3	Hangzhou Qiufeng Investment Management Partnership Enterprise (Limited Partnership)	52,554,384	1.98%
Total		260,110,468	9.82%

3. Consideration of the share transfer

Under unanimous consents from all parties to the agreement upon negotiation and taking into comprehensive consideration factors such as the supervisory requirements of regulatory departments and the share price of the target company in the secondary market, the consideration of the share transfer is calculated as RMB5.47 per share, which is based on 90% of the 20-day average closing price of Jiangnan Chemical prior to the signing date of this agreement (i.e., RMB6.08 per share). The total consideration of the share transfer is RMB1,422,804,260.

4. Delivery of the target shares and payment method of the consideration of the transfer

4.1 Party A shall settle the payment after Parties B and Party C complete the pledge release formalities of the target shares, and Party A and Parties B jointly complete the ownership transfer registration procedures of the

target shares to Party A at the Shenzhen Stock Exchange and the depository and clearing company.

4.2 All parties to the agreement unanimously agree that if the ownership transfer registration procedures of the target shares cannot be completed on or before 18 August 2022 due to factors not caused by Party A, Party A shall have the right to terminate this agreement.

5. Others

The contract terms have clearly stipulated the rights and obligations of each party, the liabilities and compensations for breach of contract, the methods of resolving disputes, etc.

(V) Share transfer agreement in relation to the shares of Zhejiang DunAn Artificial Environment Co., Ltd.

1. Parties involved in the cooperation

1.1 Party A: Zijin Mining Investment (Shanghai) Co., Ltd. (the transferee and a wholly-owned subsidiary of the Company)

1.2 Party B: DunAn Holding Group Co., Ltd. (the transferor)

1.3 Party C: China Zheshang Bank Co., Ltd. Hangzhou Branch

2. Target asset

All parties to the agreement unanimously confirm that under the transaction, Party A will acquire a total of 89,069,416 tradable shares not subject to trading moratorium of DunAn Environment (stock code: SZ002011) held by Party B from Party B, which account for 9.71% of the total share capital of DunAn Environment.

3. Consideration of the share transfer

Under unanimous consents from all parties to the agreement upon negotiation and taking into comprehensive consideration factors such as the supervisory requirements of regulatory departments and the share price of the target company in the secondary market, the consideration of the share transfer is calculated as RMB7.32 per share, which is based on 90% of the 20-day average closing price of DunAn Environment prior to the signing date of this agreement (i.e., RMB8.13 per share). The total consideration of the share transfer is RMB651,988,125.

4. Delivery of the target shares and payment method of the consideration

4.1 Party A shall settle the payment after Party B and Party C complete the pledge release formalities of the target shares, and Party A and Party B jointly complete the ownership transfer registration procedures of the target shares to Party A at the Shenzhen Stock Exchange and the depository and clearing company.

4.2 All parties to the agreement unanimously agree that if the ownership transfer registration procedures of the target shares cannot be completed on or before 18 August 2022 due to factors not caused by Party A,

Party A shall have the right to terminate this agreement.

5. Others

The contract terms have clearly stipulated the rights and obligations of each party, the liabilities and compensations for breach of contract, the methods of resolving disputes, etc.

V. Special legal opinion on the mining right involved in the acquisition under the transaction

The Company entrusted Beijing Yuren Law Firm to issue a special legal opinion on the matters of mining right involved in the acquisition of 100% equity interest in Jinshi Mining. Beijing Yuren Law Firm has carried out a comprehensive due diligence in regards to the subject qualifications of both parties to the transaction, the basic information on the transaction target, the equity structure before and after the transaction, the pledge of the target company's equity interest held by shareholder, the basic information on the mining right involved in the transaction, the restrictions on mining right, the authorisation and approval of the transaction, whether the transaction involves the approval of the transfer of mining right, or require the qualification of specific minerals or to meet industry access, and the valuation procedures performed under the transaction and so on. The opinion is summarised as follows:

As at the date of the legal opinion: (I) Both parties to the transaction have the qualifications to participate in the transaction; (II) the ownership of the mining right involved in the transaction is clear, and there is no other pledge, seizure, freeze or other rights restriction, and there is no ownership dispute; (III) both parties to the transaction have performed the necessary approval procedures at this stage; (IV) the transaction does not involve the approval of the transfer of mining right, does not involve the requirement of Tibet Zijin Lithium to possess specific mineral qualifications or to meet industry access conditions; and (V) Zijin Mining has entrusted a mining right valuation agency with mining right valuation qualifications to assess the value of the target company's equity interest, and clarifies the assessed value of the mining right involved in the transaction, and the relevant valuation results are within the validity period.

VI. Impact of the transaction on the Company

(I) Strengthen the resources foundation of the Company's strategic development in new energy and new materials

Lithium is an important new energy metal and an important mineral that the Company is developing vigorously. The fields of new energy and new materials are the Company's strategic development directions. The Company has successfully completed the acquisition and commenced construction of the world-class high-grade 3Q lithium brine project in Argentina. Meanwhile, the Company has also started the partnership and exploration to develop hard rock lithium in the Democratic Republic of the Congo. The Company adheres to the demand for new energy minerals, and through the acquisition of the Lakkor Tso Salt Lake, it will further strengthen the resources foundation of strategic minerals. The Company owns more than 9 million tonnes of lithium carbonate resources on equity basis. It is expected that a production capacity of above 50,000 tonnes

of lithium carbonate can be achieved by 2025. As the project is located in China, the controllability and operability of this project are relatively strong, and it can significantly enhance the Company's technical and engineering capabilities and its position in the lithium industry.

The Company has engaged in the development of non-ferrous metals such as gold, copper and zinc for a long time, and has formed a relatively strong industry competitiveness and influence. In particular, the Company has a significant comparative competitiveness in hydrometallurgy. Leveraging the Company's mining development and technological advantages in chemical engineering, metallurgy, environmental protection, etc., the Company has established a new energy and new material research institute and formed relatively strong technical and research and development teams; the technique for the development of the Lakkor Tso Salt Lake is mature, the lithium carbonate production capacity is expected to be formed within a short time, and the project construction scale and mining techniques have room for further optimisation and expansion.

Through diversified mineral portfolio comprising copper, gold, zinc and other products and lithium carbonate in the new energy segment, the Company can effectively resist against the risk of different metal price fluctuations and enhance risk resistance capability and profitability.

(II) High resource endowment of the core project

The Lakkor Tso Salt Lake Lithium Mine is one of the few large-scale and high-quality lithium salt lake deposits in China. As lithium is contained in the lakewater, its resources can be considered as reserves. Its amount of recoverable resources is large, the magnesium-to-lithium ratio is low, and the resources quality is relatively good. In addition to lithium, boron, potassium, halite, magnesium salt, rubidium, caesium and other resources, which are rich in the brine, can be comprehensively utilised. The project has a large room for production expansion, and the life of mine is relatively long. The project can generate synergies with other projects of the Company such as the 3Q lithium brine project in Argentina which is under construction and the Julong Copper Mine in Tibet. It is in line with the Company's development strategy, and is favourable to the Company's sustainable development.

Among the other assets to be acquired under the transaction, both Jiangnan Chemical and DunAn Environment are listed companies, their controlling shareholders are well-known enterprises in China. These assets under the transaction are shares of listed companies, which are highly liquid. In addition, the blasting materials of Jiangnan Chemical can generate certain synergies with the Company's mines. Rushan Series Investment Projects mainly invest in the primary and secondary market, which is possible to achieve certain value addition.

The consideration of the transaction amounted to RMB7,682,124,435, representing 10.81% of the Company's audited net assets attributable to owners of the parent in 2021. The fund for the acquisition will be self-financed by the Company.

VII. Risk warnings

(1) Uncertainty risk of completion of the transaction

The Asset Bundle under the transaction involves a large number of items from a wide range of scope, all of which are in a pledged status. During the execution of the transaction, a large amount of work, such as the release of pledge guarantee and ownership transfer registration of relevant equity interests or assets, is required to be coordinated and handled by different parties. There are risks that the release of pledge guarantee of the target equity interests or assets cannot be completed as scheduled, or there will be new undisclosed contingent liabilities. Although the Company has included certain terms in the agreements to ensure the successful completion of the transaction, there is still a risk that the target equity interests or assets cannot be delivered on time.

(2) Construction and operation risks of the Lakkor Tso Salt Lake Project

Development progress of the project is subject to uncertainties. As the development policies of lithium salt lake in Tibet may be adjusted, if the original development and utilisation plan of the salt pans cannot be implemented, the Company will need to re-plan the process flow of the project and re-apply for all approvals and filing procedures. Although there are no major legal obstacles, there are risks that relevant permits and licences cannot be obtained as scheduled, which will affect the construction and operation of the project.

The project is located in the western part of the Tibet Plateau, where the natural geographical environment is deprived, and the infrastructure such as electricity is lacking. Production materials are basically required to be procured outside the project area, with a long transportation distance for production materials and products. To solve electricity generation for industrial use on the Company's own capacity will substantially increase the investment amount. It is expected that the investment for project construction and production costs may be higher.

(3) Market risk

The new energy industry is developing rapidly, while the competition is fierce. There are large uncertainties in the development trend and market of the lithium industry. If the prices of the project products have significant fluctuations, there will be uncertainties to the profitability of the Lakkor Tso Salt Lake Project.

Both the equity interests of Jiangnan Chemical and DunAn Environment to be acquired are shares of listed companies. There is price fluctuation risk in the stock market; Rushan Series Investment Projects mainly invest in the primary market, and there is a risk that they cannot withdraw from the investment projects.

The Company will fulfill its information disclosure obligations according to the progress of the relevant matters. Investors are advised to pay attention to investment risks.

To the best knowledge, information and belief of the directors of the Company, having made all reasonable enquiries, each of DunAn Group and CZ Bank Hangzhou Branch and their ultimate beneficial owners is independent of and not connected with the Company and its connected persons (as defined in The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange Limited (the “Listing Rules”).

The transaction does not constitute a notifiable transaction or connected transaction of the Company under Chapters 14 and 14A of the Listing Rules. This announcement is made by the Company on a voluntary basis.

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 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

29 April 2022, Fujian, the PRC

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