



紫金礦業集團股份有限公司
ZIJIN MINING GROUP COMPANY LIMITED*

(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code : 2899)



2013
ANNUAL REPORT



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Corporate Information

EXECUTIVE DIRECTORS

Chen Jinghe (Chairman)
Wang Jianhua (President) (Jun-Oct 2013 Serving as President,
Nov-Dec 2013 Serving as director & President)
Qiu Xiaohua
Lan Fusheng
Zou Laichang
Lin Hongfu (Appointed on 25 Oct 2013)
Luo Yingnan (Jan-May 2013 Serving as director & President,
Jun-Oct 2013 Serving as director, Resigned on 24 Oct 2013)
Huang Xiaodong (Resigned as director on 24 Oct 2013)

NON-EXECUTIVE DIRECTORS

Li Jian (Appointed on 25 Oct 2013)
Peng Jiaqing (Resigned on 24 Oct 2013)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Lu Shihua (Appointed on 25 Oct 2013)
Ding Shida (Appointed on 25 Oct 2013)
Jiang Yuzhi (Appointed on 25 Oct 2013)
Sit Hoi Wah, Kenneth (Appointed on 25 Oct 2013)
Su Congfu (Resigned on 24 Oct 2013)
Chen Yuchuan (Resigned on 24 Oct 2013)
Lin Yongjing (Resigned on 24 Oct 2013)
Wang Xiaojun (Resigned on 24 Oct 2013)

AUDIT AND INTERNAL CONTROL COMMITTEE

Lu Shihua (Appointed on 25 Oct 2013)
Wang Jianhua (President) (Appointed on 25 Oct 2013)
Qiu Xiaohua (Appointed on 25 Oct 2013)
Li Jian (Appointed on 25 Oct 2013)
Ding Shida (Appointed on 25 Oct 2013)
Jiang Yuzhi (Appointed on 25 Oct 2013)
Sit Hoi Wah, Kenneth (Appointed on 25 Oct 2013)
Chen Jinghe (Chairman) (Resigned as member of Audit
and Internal Control Committee on 24 Oct 2013)
Lin Yongjing (Resigned on 24 Oct 2013)
Su Congfu (Resigned on 24 Oct 2013)
Chen Yuchuan (Resigned on 24 Oct 2013)
Wang Xiaojun (Resigned on 24 Oct 2013)
Peng Jiaqing (Resigned on 24 Oct 2013)
Luo Yingnan (Resigned on 24 Oct 2013)

AUTHORISED REPRESENTATIVE

Chen Jinghe
Lan Fusheng

SUPERVISORS

Lin Shuiqing
Xu Qiang
Zhang Yumin
Liu Wenhong (Appointed on 25 Oct 2013)
Fan Wensheng (Appointed on 25 Oct 2013)
Lin Xinxi (Resigned on 24 Oct 2013)
Liu Xianhua (Resigned on 24 Oct 2013)

COMPANY SECRETARY

Fan Cheung Man

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 7503A, Level 75, International Commerce Centre 1
Austin Road West, Kowloon, Hong Kong

LEGAL ADDRESS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

1 Zijin Road, Shanghang County, Fujian Province, The PRC

LEGAL CONSULTANT OF THE COMPANY (HONG KONG LAWS)

Li & Partners

AUDITORS

PRC Auditors:
Ernst & Young Hua Ming LLP

HONG KONG H SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor, Hopewell Centre, 183
Queen's Road East, Wanchai, Hong Kong

WEBSITE

www.zjky.cn

STOCK CODE

Hong Kong Stock Exchange: 02899
Shanghai Stock Exchange: 601899

GENERAL

Zijin Mining Group Company Limited* (the “Company”) (formerly known as Fujian Zijin Mining Industry Company Limited*) was incorporated on 6 September 2000 with the approval of the People’s Government of Fujian Province as a joint stock limited company in the People’s Republic of China (the “PRC”) by Minxi Xinghang State-owned Assets Investment Company Limited, Shanghang County Jinshan Trading Company Limited, Xinhua Industrial Group Company Limited, Fujian Xinhua Engineering Company Limited, Xiamen Hengxing Group Company Limited, Fujian Xinhua Department Store Company Limited, Fujian Gold Group Company Limited and Fujian Minxi Geologist as its promoters.

In December 2003, the Company was listed on The Stock Exchange of Hong Kong Limited (“Stock Exchange”). The Company was the first Mainland gold production enterprise listed overseas. In 2004, 2005, 2006 and 2007, the Company continuously applied reserves to issue new shares four times and in April 2008, the Company issued 1.4 billion of A shares at RMB7.13 per share and was listed on the Shanghai Stock Exchange on 25 April 2008 at a nominal value of RMB0.1 each. Pursuant to a resolution passed at the 2010 annual general meeting held for the purpose of approving, among other matters, the proposal of conversion of capital reserve into share capital, on the basis of 5 new shares for every 10 existing shares, additional 7,270,654,550 shares have been issued on the basis of total 14,541,309,100 shares in issue at the end of 2010. After the conversion, the total number of share increased to 21,811,963,650 shares. As at 1 January 2013, the registered capital of the Company was RMB2,181,196,365 (21,811,963,650 ordinary shares, nominal value of RMB0.1 each) comprising 6,008,160,000 H Shares, representing about 27.55% of the total issued shares, and 15,803,803,650 A Shares, representing about 72.45% of the total issued shares. 111,806,000 H Shares were repurchased during the period from 21 August 2013 to 31 December 2013, but have not yet been cancelled pending completion of the change of business registration with relevant PRC authorities. After deduction of the repurchased shares, as at 31 December 2013, the registered capital of the Company was RMB2,170,015,765 comprising 5,896,354,000 H Shares, representing about 27.17% of the total issued shares, and 15,803,803,650 A Shares, representing about 72.83% of the total issued shares.

The Company and its subsidiaries (the “Group”) are a comprehensive mining conglomerate in the PRC primarily engaged in gold production, and specifically engaged in the exploration, mining, and sale of gold and other non-ferrous metals. The Group produced about 108.54 tonnes of gold (including 31.69 tonnes of mine-produced gold) in year 2013.

As at the end of 2013, the Group owns 245 mining rights with a total area of 844.253 square kilometers and 244 exploration rights with a total area of 3,970.42 square kilometers.

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

Financial Highlights

(English translation is for reference. If there is any discrepancy, Chinese version will prevail.)

In this annual report, unless otherwise stated, monetary units are denominated in Renminbi.

2013, 2012, 2011 AND 2010 FINANCIAL INFORMATION AS PREPARED IN ACCORDANCE WITH CHINA ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES (“CAS”) AND THE RELATED LAWS AND REGULATIONS, 2009 FINANCIAL INFORMATION AS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRS”):

For the year ended 31 December

Currency: RMB

	2013	2012	2011	2010
Operating income	49,771,511,898	48,414,719,206	39,763,915,441	28,539,578,900
Less: Operating costs	40,846,480,113	36,374,864,074	27,536,543,588	18,337,383,129
Taxes and surcharges	719,196,040	541,098,426	382,045,241	352,964,119
Selling expenses	525,665,748	596,860,745	433,256,436	468,769,177
Administrative expenses	2,165,817,191	1,874,254,433	1,609,339,207	1,362,043,598
Financial expenses	733,059,904	803,965,178	496,400,784	190,780,667
Impairment losses on assets	792,141,366	270,720,072	202,878,294	175,688,227
Add: Gains/(losses) on changes in fair value	18,736,057	12,986,146	(57,130,642)	107,325,325
Investment income	13,767,646	639,884,580	561,775,828	207,630,138
Including: Share of profits of associates and joint ventures	117,156,560	242,514,892	205,253,368	137,365,606
Operating profit	4,021,655,239	8,605,827,004	9,608,097,077	7,966,905,446
Add: Non-operating income	223,486,351	220,898,413	134,572,479	99,971,340
Less: Non-operating expenses	410,440,020	270,666,100	466,367,867	735,305,014
Including: Losses on disposal of non-current assets	126,942,650	42,731,004	41,842,806	78,834,417
PROFIT BEFORE TAX	3,834,701,570	8,556,059,317	9,276,301,689	7,331,571,772
Less: Income tax expenses	973,432,498	2,402,806,003	2,365,776,280	1,575,823,347
NET PROFIT	2,861,269,072	6,153,253,314	6,910,525,409	5,755,748,425
Attributable to owners of the parent	2,125,353,823	5,211,208,977	5,712,569,100	4,827,916,726
Non-controlling interests	735,915,249	942,044,337	1,197,956,309	927,831,699
OTHER COMPREHENSIVE INCOME	(91,457,539)	146,597,757	(894,452,113)	344,979,505
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	2,769,811,533	6,299,851,071	6,016,073,296	6,100,727,930
Attributable to:				
Owners of the parent	2,052,125,431	5,357,778,200	4,818,341,189	5,172,154,730
Non-controlling interests	717,686,102	942,072,871	1,197,732,107	928,573,200

Financial Highlights (continued)

(English translation is for reference. If there is any discrepancy, Chinese version will prevail.)

For the year ended 31 December


	2009 RMB'000
Results	
Revenue	20,215,111
Cost of sales	(13,642,427)
Gross profit	6,572,684
Other income and gains	608,982
Selling and distribution costs	(376,971)
Administrative expenses	(717,709)
Other expenses	(968,942)
Finance costs	(168,425)
Share of profits of:	
Associates	79,050
Jointly-controlled entities	16,654
Profit before tax	5,045,323
Income tax	(968,254)
Profit for the year	4,077,069
Attributable to:	
Owners of the parent	3,552,347
Non-controlling interests	524,722
	4,077,069

For the year ended 31 December

	2013 RMB'000	2012 RMB'000	2011 RMB'000	2010 RMB'000	2009 RMB'000
Assets and liabilities					
Total assets	66,898,389	67,354,421	52,320,199	38,401,232	29,646,137
Total liabilities	33,812,937	33,771,455	22,187,522	12,372,562	8,032,671
Non-controlling interests	5,473,194	5,401,377	5,124,066	4,197,100	3,443,285
Equity holders of the parent	27,612,258	28,181,589	25,008,611	21,831,570	18,170,181

LIQUIDITY

	2013 RMB'000	2012 RMB'000	2011 RMB'000	2010 RMB'000	2009 RMB'000
Cash and cash equivalents	4,020,933	6,314,740	4,917,188	3,791,472	2,999,054
Current ratio (%)	89.8	106	110	115	125
Trade receivables turnover (days)	5.04	5.09	5.36	6.92	6.68



Chairman's Statement

(English translation is for reference. If there is any discrepancy, Chinese version will prevail.)

To all shareholders,

I wish to take this opportunity to express my sincere gratitude for your trust and support to Zijin Mining Group Company Limited*. I am pleased to report herewith the operating results of the Group for the year ended 31 December 2013 as follows:

In 2013, the Group achieved a sales income (turnover) of RMB49,771,511,898, representing an increase of 2.80% over the previous year, and achieved a net profit after tax (attributable to owners of the parent) of RMB2,125,353,823, representing a decrease of 59.22% over the previous year. Earnings per share (basic) was RMB0.1, representing a decrease of 58.33% over the previous year. (The calculation of earnings per share is based on the profit for the year attributable to owners of the parent of RMB2,125,353,823 (2012: RMB5,211,208,977) and the weighted average number of ordinary shares outstanding in the year ended 31 December 2013 of 21,796,121,080 ordinary shares (2012: 21,811,963,650 shares) in issue during the year).

MARKET OVERVIEW

In 2013, the world's economy was in slow recovery but the global mining industry was in low tide which caused a substantial drop in gold price and prices of base metals fluctuated in its low range while costs continuously climbed up. In 2013, the opening price of London spot gold was US\$1,676.49/oz, the highest price was US\$1,697.25/oz and the lowest price was US\$1,180.45/oz. The year-end closing price was US\$1,205.60/oz, representing a decrease of 28.03% over the previous year. The average gold price dropped 15.44% over the previous year. The opening price of major gold product at Shanghai Gold Exchange was RMB332.8/g, the highest price was RMB341/g and the lowest price was RMB235.7/g. The year-end closing price was RMB237.31/g, representing a decrease of 29.02% over the previous year. The average gold price dropped 18.62% over the previous year. The average prices of copper in London and Shanghai dropped 7.85% and 6.85% respectively. The average prices of zinc in London and Shanghai dropped 1.93% and 0.82% respectively.

POSITION IN THE INDUSTRY

According to the latest statistics of the Ministry of Industry and Information Technology of the PRC, the 2013 national gold production in the PRC amounted to 428.2 tonnes (in which 350.9 tonnes was mine-produced gold) representing an increase of 6.2% over the previous year. The PRC was the largest gold production country in the world for 7 consecutive years. In 2013, the Group produced 31.69 tonnes of mine-produced gold, representing approximately 9.03% of mine-produced gold in the PRC. The large scale enterprises in domestic gold industry realized RMB35.97 billion profit in total and the Group realized a total profit of RMB3.835 billion, representing 10.66% of the total profit realized by large scale enterprises in domestic gold industry.

According to the statistics of the National Bureau of Statistics of China, the 2013 national production of mineral product - copper in the PRC amounted to 1,772,915 tonnes (copper metal), the Group produced 125,060 tonnes mine-produced copper, representing 7.05% of national mine-produced copper.

BUSINESS OVERVIEW

During the reporting period, the Group realized turnover of RMB49.772 billion, representing an increase of 2.80% when compared with the same period last year (2012: RMB48.415 billion), and net profit attributable to owners of the parent of RMB2.125 billion, representing a decrease of 59.22% when compared with the same period last year (2012: RMB5.211 billion).

As at the end of 2013, the Group's total assets was RMB66.898 billion, representing a decrease of 0.68% when compared with last year (2012: RMB67.354 billion), and net assets attributable to owners of the parent of RMB27.612 billion, representing a decrease of 2.02% when compared with last year (2012: RMB28.182 billion).

GOLD MINE BUSINESS

During the reporting period, the Group produced a total of 108,540kg (3,489,639 ounces) of gold, representing an increase of 20.16% when compared with same period last year (2012: 90,328kg).

In which, 31,693kg (1,018,953 ounces) of mine-produced gold was produced, representing a decrease of 1.19% when compared with same period last year (2012: 32,075kg); in which 11,742kg (377,513 ounces) was produced from Zijinshan Gold Mine, 1,793kg (57,646 ounces) was produced from Hunchun Zijin, 2,101kg (67,549 ounces) was produced from Guizhou Shuiyindong Gold Mine, 5,373kg (172,745 ounces) was produced from Norton Gold Fields Limited ("Norton") of Australia; 1,617kg (51,988 ounces) was produced from ZGC, 1,399kg (44,979 ounces) was produced from Inner Mongolia Jinzhong Mining and 7,668kg (246,532 ounces) of mine-produced gold was produced from other gold production entities in the Group.

During the reporting period, the Group produced a total of 76,847kg (2,470,687 ounces) of refinery gold, representing an increase of 31.92% over the same period last year (2012: 58,253kg).

Sales income from the gold business of the Group represented about 54.28% (after elimination) of the total annual sales income, and the net profit of the gold business represented about 52.05% of the total consolidated net profit of the Group.

(1 troy ounce = 31.1035g)

COPPER MINE BUSINESS

During the reporting period, the Group produced a total of 332,792 tonnes copper, representing an increase of 53.64% over the same period last year (2012: 216,599 tonnes).

In which, 125,060 tonnes copper was produced from mines (including 14,224 tonnes copper cathodes), representing an increase of 19.56% over the same period last year (2012: 104,603 tonnes). In which, Ashele Copper Mine produced copper concentrates containing copper of 31,514 tonnes; Zijinshan Copper Mine produced 30,678 tonnes copper (including 12,744 tonnes copper cathodes); Qinghai Deerni Copper Mine produced copper concentrates containing copper of 23,858 tonnes; Duobaoshan Copper Mine produced 25,253 tonnes copper (including 1,479 tonnes copper cathodes); Hunchun Zijin produced copper concentrates containing copper of 7,667 tonnes.

The Group produced 207,732 tonnes of copper from refinery plants, representing an increase of 85.48% over the same period last year (2012: 111,996 tonnes).

Sales income from the copper mine business represented 27.54% (after elimination) of the total annual sales income, while it represented about 30.68% of the total consolidated net profit of the Group.

LEAD AND ZINC MINE BUSINESS

During the reporting period, the Group produced zinc of 253,388 tonnes, representing an increase of 37.34% over the same period last year (2012: 184,502 tonnes).

In which, the Group produced zinc concentrates containing zinc of 72,076 tonnes from mines, representing an increase of 97.26% when compared with same period last year (2012: 36,539 tonnes). In which: the newly commenced production entity - Wuqia Jinwang produced 30,684 tonnes; Wulatehouqi Zijin produced zinc concentrates containing zinc of 29,275 tonnes, representing an increase of 14.78% over the same period last year (2012: 25,506 tonnes); Ashele Copper Mine produced zinc concentrates containing zinc of 10,048 tonnes and other entities in the Group produced zinc concentrates containing zinc of 2,069 tonnes.

Zinc bullion from refinery of 181,312 tonnes was produced, representing an increase of 22.54% over the same period last year (2012: 147,963 tonnes).

During the reporting period, the Group produced lead concentrates containing lead of 8,904 tonnes, representing an increase of 85.15% over the same period last year (2012: 4,809 tonnes).

Sales income from lead and zinc mine business represented about 5.21% (after elimination) of the total annual sales income, while net profit from lead and zinc mine business represented about 2.69% of the total consolidated net profit of the Group.

Chairman's Statement (continued)

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IRON MINE, SILVER AND OTHER BUSINESS

During the reporting period, the Group produced silver of 327,506kg, representing an increase of 24.36% over the same period last year (2012: 263,348kg), of which 153,773kg of silver was produced from mines representing an increase of 8.96% over the same period last year (2012: 141,125kg); 173,733kg of silver was produced from refinery as by-product, representing an increase of 42.14% over the same period last year (2012: 122,223kg).

During the reporting period, the Group produced iron concentrates of 2,610,000 tonnes, representing an increase of 12.50% over the same period last year (2012: 2,320,000 tonnes).

Sales income from iron, silver and other mineral products represented about 12.97% (after elimination) of the total annual sales income, which represented about 14.58% of the total net profit attributable to the owners of the parent.

Geological exploration work and status of resources and reserves

During the reporting period, the Group invested RMB450 million in geological exploration in aggregate and the volume of the actual works completed includes the following: 405,000 metres drilling, 36,400 metres tunnel exploration, and 57,200 cubic metres trench exploration, which increased the resources (unaudited) by exploration as follows: 60.5 tonnes of gold, 402,000 tonnes of copper, 1.91 million tonnes of lead and zinc, 32,000 tonnes of molybdenum, 21,000 tonnes of tungsten, 216 tonnes of silver and 23,480,000 tonnes of iron ores.

As at the end of 2013, the Group owns 245 mining rights with a total area of 844.253 square kilometers and 244 exploration rights with a total area of 3,970.42 square kilometers.

The table below sets out the assessed resources/reserves of the Group's major mines at the end of 2013:

Summary of resources/reserves of the Group's major mines in 2013

Type of mine	2013 (grade 333 or above)	2012 (grade 333 or above)	Growth rate over same period last year(%)
Gold (t)	1,072.7	1,077.34	-0.43%
Gold associated with other metals (t)	127.4	114.88	10.90%
Sub-total of Gold (t)	1,200.1	1,192.22	0.66%
Copper (Mt)	13.624	11.7939	15.52%
Silver (t)	1,413.2	1,510.00	-6.41%
Molybdenum (Mt)	0.724	0.4211	71.93%
Zinc (Mt)	9.268	6.3470	46.02%
Lead (Mt)	1.719	1.2842	33.86%
Tungsten (Mt)	0.1699	0.1697	0.12%
Tin (Mt)	0.1399	0.1399	0.00%
Iron (Mt)	236	208	13.46%
Coal (Mt)	489	489	0.00%

During the reporting period, the Company appointed Golder Associates Consulting Limited ("Golder") and SRK Consulting China Ltd. ("SRK") to conduct mineral resources and ore reserves evaluation and update of the mines owned by the Company in accordance with the "NI 43-101" technical standards or JORC technical indication, and submitted the mineral resources disclosure reports signed by the competent persons. As at the reporting date, the mineral resources and ore reserves evaluations of the Group's major mines in accordance with the "NI 43-101" technical standards or JORC technical indication have been completed and 22 resources disclosure reports and 7 reserves disclosure reports have been submitted so far.

Chairman's Statement (continued)

(English translation is for reference. If there is any discrepancy, Chinese version will prevail.)

(a) The mineral resources amount recognized by "NI 43-101" or JORC technical standards of the 22 mines are as follows:

Serial No.	Name of Mine (Project)	Type of Mine	Unit	Resources identified by "NI 43-101" or JORC CPR	
				Measured+ Indicated	Inferred
1 Golder	Fujian Zijinshan Gold and Copper Mine	Gold	Ore Volume (Mt)	184	25
			Grade (g/t)	0.4	0.4
			Metal Volume (t)	73.6	10
		Copper	Ore Volume (Mt)	417	118
			Grade (%)	0.48	0.44
			Metal Volume (10kt)	200.16	51.92
2 Golder	Jilin Hunchun Xiaoxinancha Gold and Copper Mine	Gold	Ore Volume (Mt)	131.58	29.89
			Grade (g/t)	0.43	0.42
			Metal Volume (t)	56.58	12.55
		Copper	Ore Volume (Mt)	131.58	29.89
			Grade (%)	0.17	0.16
			Metal Volume (10kt)	22.37	4.78
3 SRK	Xinjiang Ashele Copper Mine	Copper	Ore Volume (Mt)	23.99	11.21
			Grade (%)	2.03	2.04
			Metal Volume (10kt)	48.70	22.87
		Zinc	Ore Volume (Mt)	23.99	11.21
			Grade (%)	0.95	0.64
			Metal Volume (10kt)	22.79	7.17
		Sulfur	Ore Volume (Mt)	23.99	11.21
			Grade (%)	23.86	34.18
			Pure Sulfur Volume(10kt)	572.40	383.16
4 SRK	Heilongjiang Duobaoshan Copper Mine	Copper	Ore Volume (Mt)	424.19	178.86
			Grade (%)	0.39	0.36
			Metal Volume (10kt)	165.43	64.39
		Molybdenum	Ore Volume (Mt)	424.19	178.86
			Grade (%)	0.011	0.019
			Metal Volume (10kt)	4.67	3.40
5 SRK	Hebei Chongli Dongping Gold Mine	Gold	Ore Volume (Mt)	10.93	15.05
			Grade (g/t)	2.69	2.28
			Metal Volume (t)	29.40	34.31

Chairman's Statement (continued)

(English translation is for reference. If there is any discrepancy, Chinese version will prevail.)

Serial No.	Name of Mine (Project)	Type of Mine	Unit	Resources identified by "NI 43-101" or JORC CPR	
				Measured+ Indicated	Inferred
6 Golder	Qinghai Deerni Copper Mine	Copper	Ore Volume (Mt)	20.6	6.8
			Grade (%)	1.16	1.05
			Metal Volume (10kt)	23.90	7.14
		Cobalt	Ore Volume (Mt)	20.6	6.8
			Grade (%)	0.07	0.06
			Metal Volume (10kt)	1.44	0.41
		Zinc	Ore Volume (Mt)	20.6	6.8
			Grade (%)	0.4	0.29
			Metal Volume (10kt)	8.24	1.97
		Sulfur	Ore Volume (Mt)	20.6	6.8
			Grade (%)	30.59	26.79
			Pure Sulfur Volume (10kt)	630.15	182.17
7 Golder	Gansu Dujiagou Gold Mine	Gold	Ore Volume (Mt)	22.6	12.2
			Grade (g/t)	1.43	1.29
			Metal Volume (t)	32.32	15.74
8 SRK	Inner Mongolia Aobao Gold Mine	Gold	Ore Volume (Mt)	30.79	14.2
			Grade (g/t)	0.7	0.62
			Metal Volume (t)	21.55	8.80
9 Golder	Fujian Luoboling Copper and Molybdenum Mine	Copper	Ore Volume (Mt)	379.3	107.9
			Grade (%)	0.33	0.37
			Metal Volume (10kt)	125.17	39.92
		Molybdenum	Ore Volume (Mt)	379.3	107.9
			Grade (%)	0.029	0.021
			Metal Volume (10kt)	11.00	2.27
10 Golder	Fujian Yueyang Silver and Multi-metals Mine	Gold	Ore Volume (Mt)	24.5	32.1
			Grade (g/t)	0.41	0.36
			Metal Volume (t)	10.05	11.56
		Copper	Ore Volume (Mt)	24.5	32.1
			Grade (%)	0.16	0.2
			Metal Volume (10kt)	3.92	6.42
		Silver	Ore Volume (Mt)	24.5	32.1
			Grade (g/t)	51.69	30.67
			Metal Volume (t)	1,266.41	984.51
	Fujian Longjiangting Copper Mine	Copper	Ore Volume (Mt)	30.54	16.63
			Grade (%)	0.37	0.36
			Metal Volume (10kt)	11.30	5.99
		Gold	Ore Volume (Mt)	30.54	16.63
			Grade (g/t)	0.32	0.33
			Metal Volume (t)	9.77	5.49
Silver	Ore Volume (Mt)	30.54	16.63		
	Grade (g/t)	8.97	10.22		
	Metal Volume (t)	273.94	169.96		

Chairman's Statement (continued)

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Serial No.	Name of Mine (Project)	Type of Mine	Unit	Resources identified by "NI 43-101" or JORC CPR	
				Measured+ Indicated	Inferred
11 Golder	Guizhou Shuiyindong Gold Mine	Gold	Ore Volume (Mt)	32.5	17.7
			Grade (g/t)	4.22	4.18
			Metal Volume (t)	137.15	73.99
12 Golder	Guizhou Taipingdong Gold Mine	Gold	Ore Volume (Mt)	16.6	0.6
			Grade (g/t)	2.5	2.82
			Metal Volume (t)	41.50	1.69
13 Golder	Guangdong Dongkeng Gold Mine	Gold	Ore Volume (Mt)	7.1	2.6
			Grade (g/t)	1.78	1.6
			Metal Volume (t)	12.64	4.16
14 SRK	Fujian Gutian Copper and Molybdenum Mine	Copper	Ore Volume (Mt)	48.4	145.71
			Grade (%)	0.18	0.14
			Metal Volume (10kt)	8.71	20.40
		Molybdenum	Ore Volume (Mt)	48.4	145.71
			Grade (%)	0.046	0.038
			Metal Volume (10kt)	2.23	5.54
15 Golder	Yunnan Lannitang Copper Mine	Copper	Ore Volume (Mt)	47	69
			Grade (%)	0.33	0.3
			Metal Volume (10kt)	15.51	20.70
		Gold	Ore Volume (Mt)	47	69
			Grade (g/t)	0.14	0.19
			Metal Volume (t)	6.58	13.11
16 Golder	Yunnan Langdou Copper Mine	Copper	Ore Volume (Mt)		3.97
			Grade (%)		1.92
			Metal Volume (10kt)		7.62
17 Golder	Inner Mongolia Sanguikou Zinc and Lead Mine	Zinc	Ore Volume (Mt)	133	8
			Grade (%)	2.25	1.74
			Metal Volume (10kt)	299.25	13.92
		Lead	Ore Volume (Mt)	133	8
			Grade (%)	0.5	0.36
			Metal Volume (10kt)	66.50	2.88
		Sulfur	Ore Volume (Mt)	133	8
			Grade (%)	8.45	7.25
			Metal Volume (10kt)	1,123.85	58.00
18 Golder	Xinjiang Wulugentashi Zinc and Lead Mine	Zinc	Ore Volume (Mt)	136.4	29.5
			Grade (%)	2.46	2.36
			Metal Volume (10kt)	335.54	69.62
		Lead	Ore Volume (Mt)	136.4	29.5
			Grade (%)	0.48	0.42
			Metal Volume (10kt)	65.47	12.39

Chairman's Statement (continued)

(English translation is for reference. If there is any discrepancy, Chinese version will prevail.)

Serial No.	Name of Mine (Project)	Type of Mine	Unit	Resources identified by "NI 43-101" or JORC CPR	
				Measured+ Indicated	Inferred
19 Golder	Guangdong Yinyan Tin Mine	Tin	Ore Volume (Mt)	17.4	62.6
			Grade (%)	0.29	0.28
			Metal Volume (10kt)	5.05	17.53
		Molybdenum	Ore Volume (Mt)	17.4	57.3
			Grade (%)	0.02	0.013
			Metal Volume (10kt)	0.35	0.74
20 SRK	Yunnan Nanwenhe Tungsten Mine	Tungsten	Ore Volume (Mt)	9.88	16.5
			Grade (%)	0.49	0.55
			Metal Volume (10kt)	4.84	9.08
21 SRK	Xinjiang Fuyun Mengku Iron Mine (East, Middle Sections)	Iron	Ore Volume (Mt)	53.05	21.66
			Grade (%)	33.67	25.13
			Metal Volume (10kt)		
22 Golder	Xinjiang Qitai Heishantou Coal Mine	Coal	Coal(Mt)	372.87	12.64

(b) There are seven "NI 43-101" technical standards mineral reserves reports which have been completed, the reserves are as follows:

Serial No.	Name of Mine (Project)	Type of Mine	Unit	Resources identified by "NI 43-101" or JORC CPR				Reserves identified by "NI 43-101" or JORC CPR		
				Measured	Indicated	Measured+ Indicated	Inferred	Proved	Probable	Total
1 Golder	Fujian Zijinshan Gold and Copper Mine	Gold	Ore Volume (Mt)	67	117	184	25	73	116	189
			Grade (g/t)	0.43	0.38	0.4	0.4	0.38	0.34	0.36
			Metal Volume (t)	28.81	44.46	73.6	10	27.74	39.44	67.18
		Copper	Ore Volume (Mt)	124	294	417	118	142	275	417
			Grade (%)	0.5	0.48	0.48	0.44	0.42	0.37	0.39
			Metal Volume (10kt)	62	141.12	203.12	51.92	59.64	101.75	161.39
2 Golder	Jilin Hunchun Xiaoxinancha Gold and Copper Mine	Gold	Ore Volume (Mt)	53.59	77.99	131.58	29.89	38	48	86
			Grade (g/t)	0.44	0.43	0.43	0.42	0.47	0.47	0.47
			Metal Volume (t)	23.58	33.54	57.12	12.55	17.86	22.56	40.42
		Copper	Ore Volume (Mt)	53.59	77.99	131.58	29.89	38	48	86
			Grade (%)	0.17	0.17	0.17	0.16	0.19	0.18	0.18
			Metal Volume (10kt)	9.11	13.26	22.37	4.78	7.22	8.64	15.86
3 SRK	Xinjiang Ashele Copper Mine	Copper	Ore Volume (Mt)	14.11	9.88	23.99	11.21	13.99	7.62	21.61
			Grade (%)	2.46	1.41	2.03	2.04	2.47	1.55	2.15
			Metal Volume (10kt)	34.71	13.93	48.64	22.87	34.56	11.81	46.37
		Zinc	Ore Volume (Mt)	14.11	9.88	23.99	11.21	13.99	7.62	21.61
			Grade (%)	1.22	0.58	0.96	0.64	1.22	0.78	1.06
			Metal Volume (10kt)	17.21	5.73	22.94	7.17	17.07	5.94	23.01
4 SRK	Heilongjiang Duobaoshan Copper Mine	Copper	Ore Volume (Mt)	149.94	274.25	424.19	178.86	142.63	246.85	389.49
			Grade (%)	0.4	0.38	0.39	0.36	0.38	0.37	0.37
			Metal Volume (10kt)	59.98	104.26	164.24	64.39	54.2	91.33	145.53
		Molybdenum	Ore Volume (Mt)	149.94	274.25	424.19	178.86	142.63	246.85	389.49
			Grade (%)	0.012	0.011	0.011	0.019	0.012	0.011	0.011
			Metal Volume (10kt)	1.8	3.02	4.82	3.4	1.71	2.72	4.43

Chairman's Statement (continued)

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Serial No.	Name of Mine (Project)	Type of Mine	Unit	Resources identified by "NI 43-101" or JORC CPR			Reserves identified by "NI 43-101" or JORC CPR			
				Measured	Indicated	Measured+ Indicated Inferred	Proved	Probable	Total	
5 SRK	Hebei Chongli Dongping Gold Mine	Gold	Ore Volume (Mt)		10.93	10.93	15.05		7.47	7.47
			Grade (g/t)		2.69	2.69	2.28		2.75	2.75
			Metal Volume (t)		29.4	29.4	34.31		20.54	20.54
6 SRK	Inner Mongolia Aobao Gold Mine	Gold	Ore Volume (Mt)		30.79	30.79	14.2		16.256	16.256
			Grade (g/t)		0.7	0.7	0.62		0.73	0.73
			Metal Volume (t)		21.55	21.55	8.8		11.87	11.87
7 SRK	Xinjiang Fuyun Mengku Iron Mine (East, Middle Sections)	Iron	Ore Volume (Mt)		53.05	53.05	21.66		48.37	48.37
			Grade (%)		33.67	33.67	25.13		31.71	31.71
			Metal Volume (10kt)							

Further strengthened safety and environmental protection and concept of civilised ecology construction

The Group insisted on zero accident and zero tolerance as the basic management requirement for safe production and environmental protection, fully implemented the most stringent system requiring the business units to bear all their own responsibilities and supervisory responsibilities and set up and implemented supervisor policy, assessment and management policy and accident (incident) reporting system for safety and environmental protection.

In 2013, the Company established the "Outline of Zijin Mining's development of civilized ecology and creation of green mines plan (2013-2020)" to intensively promote green mines, the concept of ecological mines and construction of civilised ecological mines, and undertook the "Refining gold in hydro-metallurgical way and environmental safety forum" for China Non-ferrous Metal Industry. The Zijinshan gold and copper mine's copper hydrometallurgical plant has resumed production after its environmental rectification reached the standards. Xinjiang Ashele Copper Company Limited ("Xinjiang Ashele") and Guizhou Zijin Mining Company Limited ("Guizhou Zijin") won the titles of "National Green Mines Pilot Units", "Demonstration mine for economical use of mineral resources and comprehensive utilization of application and promotion of advanced applicable technology", and obtained tax incentives. Bayannaer Zijin Non-ferrous Metals Company Limited was awarded a title of "National key industry business model for clean production" by Ministry of Industry and Information Technology.

Strengthened project research, steadily promoted merger and acquisition

The Group embraced the strategic goal of internationalization, focused on overseas project investment and acquisition, targeted on medium-to-large sized in production or advanced exploration projects and seriously carried out research and study on them and put efforts to improve resources reserves and production capacity.

For overseas projects, the Group's subsidiary, Norton (a company listed on the Australian Securities Exchange, "ASX"), successfully acquired 100% equity interest of Kalgoorlie Mining Company Limited ("KMC") of Australia. The Group entered into a share purchase framework agreement with NKWE Platinum Limited ("NKWE") (a company listed on the ASX) and completed the first tranche of convertible bonds transaction for NKWE. The Group jointly established an offshore mining fund with Sprott Inc. ("Sprott") and Americas Now Resources Investment Management Corp. ("Americas Now") (Canadian fund management companies) to try a new model for overseas mining investment. For domestic project, the Group acquired partial equity interests of Shanghang Luoboling copper and molybdenum mine, granting the Group additional copper of 321,500 tonnes and molybdenum of 26,700 tonnes according to the equity interest held.



Chairman's Statement (continued)

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Actively promoted the construction of new production projects, strengthened project construction management

During the reporting period, the Group invested RMB4.874 billion in project construction. The constructions of the following projects have been completed and commenced production or trial production: Zijin Copper anode slime comprehensive recovery project, ZGC JV Co., Ltd. 5 tonnes/year gold refinery plant project, Bayannaer residual heat and pressure energy saving innovation project and Longnan Zijin 6,000 tonnes/day floatation processing project. The construction of Xinjiang Jinhao Iron's 1 million tonnes graphite iron project was basically completed.

The Group strictly controlled the construction of non-productive projects, categorized all of the Group's projects by importance, urgency and suspension, strictly controlled the investment in ineffective or inefficient projects, tightened the management of project construction, implemented a sunshine system to cleanse and rectify the outsourced contracting teams and carried out onsite inspections in key projects to rectify construction projects.

Gathered the Group's scientific and technological power, continued strengthening innovation development

The Group focused on the key production enterprises and organized to carry out enhancement and transformation for technological processes like exploring, mining, crushing, grinding, processing, smelting, etc., achieved a major breakthrough for Tajikistan Taror gold mine oxide ore processing technology and successfully completed the stage goal of Zijinshan low grade resources comprehensive utilization demonstration base and obtained central government subsidy of RMB0.18 billion.

The Group completed the assessment of 4 scientific and technological achievements during the reporting period, 3 of which reached the advanced level under international standards; 2 achievements in scientific and technological assessments reached the leading level in the PRC. The Group organized and applied for scientific and technological achievements for assessment and won 3 first prizes from the industry associations. The Group obtained 15 patents (including 10 invention patents) and completed the composition (amendment) task for 5 national/industrial standards including the plasma emission spectroscopy measurement method to determine 8 impurity elements in silver bullion, etc.

Actively fulfilled the social responsibilities

The Group comprehensively promoted the employees' housing project construction; introduced humane caring system and built service facilities for staff to strengthen their sense of belonging and cohesion. The Group continued to actively fulfill social responsibilities, donated RMB0.23 billion this year, continued participating in the "Helping Shanghang senior citizens and orphans" charity project and benefited more than 10,000 people. The Group was ranked the third in 2013 of the corporate social responsibility competitiveness of listed companies of metal industry in China and elected as the Top Ten Charity Enterprise in the 10th China Charity Corporation Ranking launched by the Ministry of Civil Affairs, the Central Comprehensive Social Management Commission, All-China Federation of Trade Unions, etc. The Chairman, Mr. Chen Jinghe was awarded the honorary title of "Fujian Philanthropist" by the Fujian Charity Federation.

PROSPECTS

The Board's discussion and analysis for the Company's future development

(1) Competition pattern and development trend of the industry

In 2014, the world's economy will remain at a slow recovery trend, the international and domestic economic situation remains uncertain. The growth speed of China's economy will have to face continuous and slow downward pressure. Gold price is expected to be adjusted in the bottom range, while bulk commodity price is expected to face a risk of fluctuation in its continuous downward trend. The mining corporations will have to face a grim condition.

Under the mining industry downturn circumstances, it is expected to increase the efforts on corporate and resources mergers, acquisitions and restructuring, there may be an opportunity of significant adjustment and re-shuffle for the industry. The mining corporations have to enhance their competitive strengths in terms of scientific development, resources recycling and utilization, environmental protection and safety, regulated management and corporate social responsibility.

(2) Guiding ideology and development strategies of the Company

By using market force and norms to vigorously promote the comprehensive reform of the Company's systems, the Group will comprehensively and firmly promote a new round of development and ensure to build Zijin Mining as an extra-large scale international mining group with high technology and efficiency by 2030.

The Group will adhere to have gold and copper mining as the principal business and associate them with other metal ores and strictly control the investment in extended business and non-mining projects. Investment in non-mining projects must have significant synergic effect with principal business. The Group will explore the opportunity in new energy mining (shale gas).

(3) Business objectives

The planned production volume of major products of the Company for year 2014: mine-produced gold of approximately 34 tonnes, mine-produced silver of approximately 160 tonnes, mine-produced copper of approximately 140,000 tonnes, mine-produced lead and zinc of approximately 160,000 tonnes, iron concentrates (containing iron calcine) of approximately 2.75 million tonnes; refinery gold of approximately 60 tonnes, refinery silver of approximately 150 tonnes, refinery copper of approximately 220,000 tonnes and refinery zinc of approximately 200,000 tonnes.

The above plan was made on the basis of the current economic condition, market situation and the existing conditions of the Company. The Board may amend the production plan from time to time in accordance with the relevant circumstances.

(4) Business strategies for 2014

Keep the pressure and account for responsibility, build up the Group's safety and environmental protection as the core competitiveness

The Group deeply understands that civilized ecology development and safety and environmental protection are the vital elements for the corporate's survival. The Group will strengthen and implement main responsibility of the corporate, effectively prevent and strictly scotch production safety accident, preclude environmental pollution event, set up a long-term mechanism for safety and environmental protection to achieve a basic safety for production and environment gradually, actively fulfill the social responsibility for environmental protection and conduct credit evaluation for the environment and strive for the highest environmental credit rating.

Strive to improve the corporation's sustainable development through internal integration and external expansion

The Group will carry out assets restructure works comprehensively, integrate and streamline internal management resources, improve assets quality; seize the opportunity to strive to achieve new breakthroughs in significant resources acquisition; actively carry on the works of integrating overseas assets and assets securitization and strive to establish overseas financing and management platform with significant value.



Chairman's Statement (continued)

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Accelerate the pace of project construction, ensure new production capacity to generate benefits as expected

The Group will arrange key production projects and project construction plans properly, work on quality, accelerate the process of attaining production capacity and standards of projects, strengthen the consciousness and level on project optimization, achieve the harmonious advancement of production and construction and ensure new projects to bring benefits as expected.

The Group will ensure Wulatehouqi Sanguikou lead and zinc mine project, Russian Tuva multi-metal mine project (phase one), ZGC Jilao 10,000 tonnes/day processing factory project, Shaanxi Ankang Xiaohu gold mine project, Guizhou Xinhengji Huilong gold mine project, Kyrgyzstan Zuoan gold mine 2,500t/day mining, processing and refining construction, Hunchun Zijin 10,000t/day mullock comprehensive utilization project, Zijin Copper residual heat electricity generation system reformation project to be completed and put into production by the end of 2014 and strive to complete the Zijinshan copper mine 330 the third adit transportation construction and put into production by the end of the year.

Ensure the input in geological exploration, strive for significant progress in prospecting and increase of reserves

The Group will carry out prospecting and exploration works in key exploration areas including copper-polymetallic mine of Zijinshan, Guizhou Zhenfeng-Puan gold mine, Yunnan Shangri-La Gezan copper-polymetallic mine, Shaanxi Shiquan-Xunyang gold mine, the five exploration areas in Malipo tungsten mine, Duobaoshan copper and gold metallogenic belt, Gansu Li County Liba, Dujiagou-Jinshan, the deep and periphery of Xinjiang Ashele copper mine, Xinjiang Fuyun County Mengku iron mine area, Yunnan Yuanyang gold mine and its periphery, Henan Luoning Luyuangou-Honglianggou gold mine and Hunchun gold and copper mine and its periphery.

The Group will intensify the prospecting efforts in new exploration areas, newly acquired projects and the periphery and deep areas of the existing mines which are in production; actively search for new prospecting target areas, strengthen the screening process of overseas projects, strive to achieve substantial breakthroughs in overseas risk exploration works, attain low-costs reserves and build follow-up exploration bases, establish quick assessment and cut-loss mechanism in risk exploration projects, highly focus on the establishment of geological exploration teams, and further optimize the geological exploration management system.

Strengthen the building and management of managerial and talent team

Setting world-class mining companies as a standard, the Group will strengthen learning and exchange, train up and introduce management and technical talents at all levels, continue to carry out applicants' competition for job appointment and quantify work assessment, promote human resources allocation with marketing norms, establish and improve the performance appraisal system and salary system which are beneficial to the development of talents and can bring their strengths into full play.

(5) Future need, usage plan and sources of capital fund

In accordance with the Company's preliminary plan, it is expected that the Company might invest approximately RMB4 billion in project construction, approximately RMB320 million in exploration and development, approximately RMB8 billion of capital expenditures (rough estimation with high uncertainty) in external capital investment such as mining rights investment and equity investment in 2014. All the capital expenditures mentioned above will be financed by the Group's internal resources, bank loans, issuance of mid-term bonds and other feasible financing methods.

Chairman's Statement (continued)

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(6) Possible risks

The Group's main source of income is from metal products like gold, copper, zinc, iron, etc. If the price of metals like gold, copper, etc. fluctuates, the Company's operation results will become unstable. The price of gold dropped significantly during 2013, which greatly affected the Company's profitability. If the price of gold, copper, etc. continues declining in the future, greater pressure will be imposed on the Group's operating results. The Group will strengthen cost control through various channels so as to achieve cost control and set low-cost operation as a usual practice, establish long-term competitive advantage for the corporation; the Group will also strengthen the market research and forecast, reinforce the sale of goods in stock while avoid market price fluctuation risk through reasonable hedging simultaneously.

The Group continuously increases the investment in environmental protection and safety to enhance its environmental protection and safety management standard. However, mining is a relatively high risk industry on environmental protection and safety and the possibility of accident exists. The Group treats accident prevention as the main direction, regulated production as the protection measure, technology advancement as the support, seriously implements various measures for safety and environmental protection, tackles the problems in a comprehensive way, gradually achieves the goal of a basic safety for production and environment through untiring efforts.

(7) Status of special purpose vehicle under the Company's control

In order to issue US dollar bonds overseas, the Company set up a wholly-owned subsidiary Zijin International Finance Company Limited ("Zijin International Finance") in Hong Kong in April 2011 as the debt issuer, offered US\$480,000,000 in aggregate principal amount of 4.25 per cent credit enhanced bonds due 2016 to institutional and professional investors outside the United States pursuant to Regulation S under the U.S. Securities Act in June and July 2011 respectively. The bonds are backed by a standby letter of credit issued by Bank of China, Paris Branch. The issue of the U.S. dollar bonds is mainly used for purchase of copper concentrates and other overseas operations.

By order of the Board of Directors
Chen Jinghe
Chairman

Shanghang, Fujian, the PRC
28 March 2014

