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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)

Proposed Public Issuance of A Shares

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The fifteenth extraordinary meeting in 2018 of the sixth term of the Board convened on 29 December 2018 and held in Xiamen reviewed and resolved that the Company shall apply to the CSRC for public issuance of not more than 3,400,000,000 A Shares (including 3,400,000,000 A Shares, with nominal value of RMB0.10 each) to unspecified investors in the PRC, which would raise gross proceeds of up to RMB8 billion (including RMB8 billion, issuance expense inclusive). The proposed Public Issuance of A Shares will be subject to the approvals of the Shareholders at the EGM, the Class Meetings and the approvals of the CSRC.

The A Shares proposed to be issued will be firstly offered to all the A Shareholders whose names appeared on the share register on the record date after the stock market closes at a certain portion. The specific proportion of the offer will be determined based on market situation and negotiations between the Board or its authorised persons under the authorisation of the Shareholders' General Meetings and the sponsor (the lead underwriter). Unsubscribed portion will be allotted and issued to other potential investors with indicated interest.

Implications under the Listing Rules

The proposed Public Issuance of A Shares will constitute a variation of class rights of the A Shareholders and the H Shareholders under the Articles of Association. Pursuant to provisions of the Articles of Association and Rule 19A.38 of the Listing Rules, the proposed Public Issuance of A Shares is subject to approvals by way of special resolutions by the Shareholders at the EGM and the A Shareholders and the H Shareholders at the respective Class Meetings.

In the event that any Connected Person of the Company subscribes for the A Shares to be issued under the Public Issuance of A Shares, the Company shall seek, if applicable, for Independent Shareholders' approval and will comply with the relevant disclosure requirements under the Listing Rules.

Pursuant to Rule 19A.39A of the Listing Rules, a Circular containing further details of the proposed Public Issuance of A Shares will be issued by the Company and dispatched to the H Shareholders in due course.

Shareholders' General Meetings

An EGM will be convened by the Company and held for the purpose of, inter alia, considering and approving the proposed Public Issuance of A Shares and the related matters. Class Meetings will also be convened by the Company and held for the purpose of, inter alia, considering and approving the proposed Public Issuance of A Shares and the related matters.

The Public Issuance of A Shares may or may not proceed. Investors and Shareholders are advised by the Board to exercise caution when dealing in the securities of the Company.

This announcement is made by the Company pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571, the laws of Hong Kong) and Rule 13.09 of the Listing Rules.

Proposed Public Issuance of A Shares

The fifteenth extraordinary meeting in 2018 of the sixth term of the Board convened on 29 December 2018 and held in Xiamen reviewed and resolved that the Company shall apply to the CSRC for public issuance of not more than 3,400,000,000 A Shares (including 3,400,000,000 A Shares, with nominal value of RMB0.10 each) to unspecified investors in the PRC, which would raise gross proceeds of up to RMB8 billion (including RMB8 billion, issuance expense inclusive). The proposed Public Issuance of A Shares will be subject to the approvals of the Shareholders at the EGM, the Class Meetings and the approvals of the CSRC.

Structure of the Public Issuance of A Shares

| | |
|--|--|
| Class of the Shares to be issued | The Shares to be issued under the Issuance will be Renminbi-denominated ordinary shares (A Shares) which will be listed in the PRC. |
| Nominal value of the Shares to be issued | The nominal value of the Shares to be issued under the Issuance will be RMB0.10 each. |
| Number of A Shares to be issued | The maximum number of A Shares to be issued under the Issuance will be 3,400,000,000 (3,400,000,000 inclusive, not more than 15% of the number |

of total issued Shares of the Company).

The total number of A Shares to be issued will be adjusted correspondingly if any ex-rights or ex-dividends event such as distribution of dividends or bonus shares, conversion of capital reserve into share capital, etc., or any other event which leads to changes in the total share capital of the Company before the Issuance occurs during the period from the issuance date of the Board resolutions announcement to the date of the Issuance.

The final number of A Shares to be issued will be determined based on the prevailing supervisory policies and market situation at the Issuance, and negotiations between the Board or its authorised persons under the authorisation of the Shareholders' General Meetings and the sponsor (the lead underwriter) within the abovementioned maximum number of A Shares to be issued after obtaining the approvals of the Issuance of the CSRC.

Methods of issuance

The Issuance, being a public issuance to unspecified investors, will be conducted through methods as approved by the CSRC including but not limited to online and offline price determination. The specific methods of the Issuance will be determined based on negotiations between the Board or its authorised persons under the authorisation of the Shareholders' General Meetings and the sponsor (the lead underwriter).

Issuing objects and methods of subscription

The issuing objects will be natural persons, legal entities, securities investment funds and other legitimate investors in compliance with the stipulations of laws and regulations who maintain A share accounts with the China Securities Depository and Clearing Co., Ltd. Shanghai Branch (save for those investors who are not permitted to subscribe for the A Shares by national laws, regulations, rules and policies of the PRC).

All the issuing objects will subscribe the A Shares to be issued under the Public Issuance at the same price in cash.

Pre-emptive right of the existing Shareholders

The A Shares proposed to be issued will be firstly offered to all the A Shareholders whose names appeared on the share register on the record date after the stock market closes at a certain portion. The specific proportion of the offer will be determined based on market situation and negotiations

between the Board or its authorised persons under the authorisation of the Shareholders' General Meetings and the sponsor (the lead underwriter). Unsubscribed portion will be allotted and issued to other potential investors with indicated interest.

Pricing principles and issuance price

Pursuant to the provisions of Administrative Measures for the Issuance of Securities by Listed Companies, the issuance price under the Issuance shall be no less than the lower of the average trading price of the A Shares for the 20 trading days or the average trading price of the A Shares on the trading day preceding the date of publication of the offering documents.

The final issuance price will be determined based on the prevailing supervisory policies and market situation at the Issuance, and negotiations between the Board or its authorised persons under the authorisation of the Shareholders' General Meetings and the sponsor (the lead underwriter) after obtaining the approvals of the CSRC.

If there are any changes in the relevant laws, regulations, rules and policies or supervisory requirements newly issued by the securities regulatory authorities before the Issuance, the Company will correspondingly adjust the issuance price under the Issuance, which will be determined based on negotiations between the Board or its authorised persons under the authorisation of the Shareholders' General Meetings and the sponsor (the lead underwriter).

Time of issuance

After obtaining the approvals of the CSRC regarding the Issuance, the Company will seek favourable time to carry out the Issuance within the period as approved by the approvals and relevant regulations.

Place of listing

The Company will apply to the Shanghai Stock Exchange for the listing of and permission to deal in the A Shares to be issued.

Lock-up period of the Issued A Shares

There is no lock-up period for the A Shares issued under the Issuance. If there are other restrictions for the lock-up period of the A Shares issued to the issuing objects pursuant to relevant laws and regulations, the lock-up period pursuant to the relevant laws and regulations shall prevail.

If there are any policies or supervisory requirements on public issuance of

listed companies newly issued by the securities regulatory authorities in the future, the lock-up period pursuant to the policies or supervisory requirements newly issued shall prevail.

Use of the proceeds raised

The total proceeds raised in the Public Issuance (issuing expense inclusive) will not exceed RMB8 billion (RMB8 billion inclusive), which are intended to be used in the project below:

Unit: RMB billion

| No. | Project name | Total investment amount of the project | Amount of the proceeds raised intended to be used in the project |
|--------------|--|--|--|
| 1 | All cash takeover of 100% interest of Nevsun Resources Ltd. (“Nevsun”) | 9.3633060 | 8 |
| Total | | 9.3633060 | 8 |

Note 1: Pursuant to the pre-acquisition agreement entered into between the Company and Nevsun in September 2018 with respect to the acquisition, the consideration for acquiring 100% interest of Nevsun is CAD \$1,858,499,430, equivalent to approximately RMB9.3633060 billion (based on the middle rate of foreign exchange rate quotation of CAD \$1:RMB5.0381 of China Foreign Exchange Trade System on 29 December 2018) and approximately USD1.3642770 billion (based on the middle rate of foreign exchange rate quotation of USD1:RMB6.8632 of China Foreign Exchange Trade System on 29 December 2018).

Note 2: The total assets, operating income, net profit, net assets and consideration of the project to be invested by the proceeds raised do not reach the standard of material asset restructuring as stipulated in Administrative Measures for the Material Asset Restructuring of Listed Companies. The acquisition does not constitute a material asset restructuring of listed company.

The project to be invested by the proceeds raised is acquisition of the issued common shares of Nevsun by all cash takeover. As at the convention date of the fifteenth extraordinary meeting in 2018 of the sixth term of the Board, the number of Nevsun’s common shares tendered to the offer totaled 276,820,575, representing approximately 89.37% of the total issued and outstanding common shares of Nevsun. The all cash takeover is successful. After the expiry of the initial offer period, the Company will continue to acquire the Nevsun’s shares not yet acquired pursuant to Canadian securities laws.

If the actual proceeds raised in the Public Issuance are less than the amount required for project investment, the Company will seek the outstanding portion through self-financed fund. The Company will invest in the project with self-financed fund according to the actual development progress of the project before the

proceeds raised in the Public Issuance are deposited in the account, and the proceeds raised in the Public Issuance will be used to substitute the Company's self-financed fund after they are deposited in the account.

Proposal for arrangement of the accumulated distributable profits before the Public Issuance of A Shares

The current and new Shareholders after the completion of the Public Issuance will rank pari-passu to the entitlement of the accumulated distributable profits before the Public Issuance.

Effective period of the resolutions

The resolutions in relation to the Public Issuance will be valid within 12 months from the date of considering and approving the resolutions at the Shareholders' General Meetings of the Company.

If the Company obtains the approval documents of the CSRC in relation to the Public Issuance within the effective period, the effective period of the abovementioned authorisation will be automatically extended to the completion date of the related matters.

Ancillary matters relating to the proposed Public Issuance of A Shares

Reasons for and benefits of the Public Issuance of A Shares

The Public Issuance will have positive impacts on the Company's financial situation. If the proceeds under the Issuance can be fully raised under the plan, the amount of total assets and net assets of the Company will significantly increase. The implementation of the project to be invested by the proceed raised can help the Company expand its production scale and maintain a continuous growth in its operating results, which will enhance the sustainability of the Company's long-term profitability.

When the proceeds raised are deposited in the account, the Company's cash inflows from financing activities will increase significantly; after using the received proceeds raised, the Company's cash outflows used in investing activities will increase; after the project generates profits, the Company's cash inflows from operating activities will be improved.

Information of the Company

The Company is principally engaged in mining, production, refining and sales of gold and other mineral resources in the PRC.

The Public Issuance not leading to changes in the right of control of the Company

As at the date of the announcement, Minxi Xinghang, the Controlling Shareholder of the Company, directly holds 5,960,742,247 Shares, representing approximately 25.88% of the total number of Shares.

Pursuant to the plan of the Issuance, the number of A Shares to be issued by the Company under the Public

Issuance will not exceed 3,400,000,000. If Minxi Xinghang does not exercise the pre-emptive right and does not subscribe for the A Shares issued under the Public Issuance, Minxi Xinghang will still remain the Controlling Shareholder of the Company after completion of the Issuance.

Therefore, the Public Issuance will not lead to changes in the right of control of the Company, and will not lead to a distribution of shareholding which cannot satisfy relevant listing conditions.

Procedures of approval for the Public Issuance

Matters relating to the Public Issuance of A Shares have been considered and approved at the fifteenth extraordinary meeting in 2018 of the sixth term of the Board convened on 29 December 2018. Pursuant to the provisions of the relevant laws and regulations, the Public Issuance will be subject to the approvals at the EGM and the Class Meetings and the approvals of the CSRC.

Authorisation to be granted to the Board

Subject to approvals of the Shareholders at the EGM and the Class Meetings, the Board shall be authorised to make such decisions, enter into such documents, amend the Articles of Association, carry out such procedures and take such any other actions as are in its discretion necessary to effect and complete the Public Issuance of A Shares.

Shareholders' approvals to be sought at the EGM and the Class Meetings

The Public Issuance of A Shares is subject to approval by way of special resolutions by the Shareholders at the EGM and the Class Meetings. Such resolutions will, in compliance with and as legally required under relevant PRC laws and regulations, be effective for a period of 1 year from the date of consideration and approval at the EGM and the Class Meetings.

The EGM and the Class Meetings will be held to consider and, if thought fit, approve, among other things, the Public Issuance of A Shares and to authorise the Board to deal with at its discretion and with full authority, matters relating to the Public Issuance of A Shares (including but not limited to the specific timing of the issue, number of A Shares to be issued, methods of issuance, pricing method, issuance price and face value, issuing objects and the number and proportion of A Shares to be issued to each issuing object).

Equity financing activities in the past 12 months

The Company has not conducted any equity financing activities in the past 12 months before the date of the announcement.

Relevant risks of the Public Issuance of A Shares

The Public Issuance of A Shares is subject to certain relevant risks, including but not limited to risk of price

fluctuation of major products, risk of the resources reserve volume unable to meet the expectation, risk of economic benefits of the project to be invested by the proceeds raised in the Issuance, risk of dilution in return on net assets after completion of the Issuance, production safety risk, risks associated with environmental protection, risk of share price fluctuation, implementation risk and approval risk of overseas project, etc. When evaluating the Public Issuance of A Shares, investors shall take the aforementioned risk factors into due consideration.

Effects of the Public Issuance of A Shares on the shareholding structure of the Company

Assuming that a total of 3,400,000,000 A Shares (nominal value of RMB0.10 each) will be issued under the Public Issuance of A Shares and the Company will not issue and allot any Shares prior to the Public Issuance of A Shares, the shareholding structure as at the date of the announcement and the expected shareholding structure immediately after the completion of the Public Issuance of A Shares are set out and summarised as follows:

| | As at the date of the announcement | | | Immediately after the completion of the Public Issuance of A Shares | | |
|--|------------------------------------|---|---|---|---|---|
| | Number of Shares | Approximate percentage of the number of total issued A Shares | Approximate percentage of the number of total issued Shares | Number of Shares | Approximate percentage of the number of total issued A Shares | Approximate percentage of the number of total issued Shares |
| A Shareholders (Notes 1 and 2) | | | | | | |
| -Currently issued A Shares | 17,294,278,891 | 100% | 75.09% | 17,294,278,891 | 83.57% | 65.43% |
| -A Shares to be issued under the Public Issuance | - | - | - | 3,400,000,000 | 16.43% | 12.86% |
| H Shareholders (Note 3) | 5,736,940,000 | - | 24.91% | 5,736,940,000 | - | 21.71% |
| | <u>23,031,218,891</u> | <u>100%</u> | <u>100%</u> | <u>26,431,218,891</u> | <u>100%</u> | <u>100%</u> |

Notes:

- As at the date of the announcement, Minxi Xinghang, the Directors and the Supervisors of the Company, the Employee Stock Ownership Scheme and the public Shareholders hold 5,960,742,247, 112,648,460, 129,163,987 and 11,091,724,197 A Shares respectively, representing approximately 34.47%, 0.65%, 0.75% and 64.13% of the number of total issued A Shares respectively, and approximately 25.88%, 0.49%, 0.56% and 48.16% of the number of total issued Shares respectively.
- Assuming all A Shareholders subscribe for all A Shares issued under the Public Issuance of A Shares pursuant to their respective current shareholding proportion in the A Shares, Minxi Xinghang, the Directors and the Supervisors of the Company,

the Employee Stock Ownership Scheme and the public Shareholders will hold 7,132,605,137, 134,794,787, 154,557,214 and 13,272,321,753 A Shares respectively, representing approximately 34.47%, 0.65%, 0.75% and 64.13% of the number of total issued A Shares respectively, and approximately 26.99%, 0.51%, 0.58% and 50.21% of the number of total issued Shares respectively.

3. As at the date of the announcement, the Directors and the Supervisors of the Company and the public Shareholders hold 8,010,000 and 5,728,930,000 H Shares respectively, representing approximately 0.03% and 24.88% of the number of total issued Shares respectively; assuming all A Shareholders subscribe for all A Shares issued under the Public Issuance of A Shares pursuant to their respective current shareholding proportion in the A Shares, the H Shares held by the Directors and the Supervisors of the Company and the public Shareholders will represent 0.03% and 21.68% of the number of total issued Shares respectively.

Implications under the Listing Rules

The proposed Public Issuance of A Shares will constitute a variation of class rights of the A Shareholders and the H Shareholders under the Articles of Association. Pursuant to provisions of the Articles of Association and Rule 19A.38 of the Listing Rules, the proposed Public Issuance of A Shares is subject to approvals by way of special resolutions by the Shareholders at the EGM and the A Shareholders and the H Shareholders at the respective Class Meetings.

As at the date of this announcement, Minxi Xinghang holds 5,960,742,247 A Shares, representing approximately 34.47% and 25.88% of the number of total issued A Shares and total Shares respectively. Minxi Xinghang is the Controlling Shareholder and a Connected Person of the Company. The Directors and the Supervisors of the Company hold 112,648,460 A Shares and 8,010,000 H Shares in aggregate, representing approximately 0.65%, 0.14% and 0.52% of the number of total issued A Shares, H Shares and total issued Shares respectively. As at the date of this announcement, the Employee Stock Ownership Scheme (in which certain Directors and Supervisors have participated) holds 129,163,987 A Shares, representing approximately 0.75% and 0.56% of the number of total issued A Shares and total Shares respectively. Pursuant to Chapter 14A of the Listing Rules, if Minxi Xinghang, the Directors and the Supervisors of the Company, or their respective Associates (whether by themselves or through the Employee Stock Ownership Scheme) subscribe for the A Shares to be issued under the Public Issuance of A Shares, it will constitute a connected transaction of the Company. The Company proposes to apply for a waiver from strict compliance with the requirements under Chapter 14A of the Listing Rules from the Hong Kong Stock Exchange.

In the event that any Connected Person of the Company subscribes for the A Shares to be issued under the Public Issuance of A Shares, the Company shall seek, if applicable, for Independent Shareholders' approval and will comply with the relevant disclosure requirements under the Listing Rules.

Pursuant to Rule 19A.39A of the Listing Rules, a Circular containing further details of the proposed Public

Issuance of A Shares will be issued by the Company and dispatched to the H Shareholders in due course.

The Board expects that the Company will maintain sufficient public float to meet the applicable minimum requirement under the Listing Rules.

General Information

An EGM will be convened by the Company and held for the purpose of, inter alia, considering and approving the proposed Public Issuance of A Shares and the related matters. Class Meetings will also be convened by the Company and held for the purpose of, inter alia, considering and approving the proposed Public Issuance of A Shares and the related matters. The above matters will only be finalised after being approved by, filed with or registered with (if applicable) relevant authorities.

This announcement is made in compliance with the disclosure requirements under the Listing Rules, and does not constitute an offer or an invitation to induce an offer by any person to acquire, subscribe for or purchase the A Shares.

The Public Issuance of A Shares may or may not proceed. Investors and Shareholders are advised by the Board to exercise caution when dealing in the securities of the Company.

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

Definitions

In this announcement, unless otherwise indicated in the context, the following expressions have the meanings set out below:

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| “A Share(s)” | the domestic share(s) issued by the Company to domestic investors with a nominal value of RMB0.10 each, which are listed on the Shanghai Stock Exchange |
| “A Shareholder(s)” | holders of A Share(s) |
| “A Shareholders’ Class Meeting” | the class meeting of the A Shareholders proposed to be convened by the Company to consider and, if thought fit, approve, among other things, the Public Issuance of A Shares and the related matters |
| “Articles of Association” | the articles of association of the Company, as amended, |

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|-----------------------------------|---|
| | modified or otherwise supplemented from time to time |
| “Associate(s)” | has the meaning ascribed thereto under the Listing Rules |
| “Board” | the board of Directors of the Company |
| “CAD” | Canadian dollar, the lawful currency of Canada |
| “Circular” | the circular to be dispatched to the H Shareholders in relation to the proposal for convention of the EGM, the A Shareholders’ Class meeting and the H Shareholders’ Class Meeting (if applicable) for the consideration and approval of, among other things, the Public Issuance of A Shares and the related matters |
| “Class Meetings” | the A Shareholders’ Class Meeting and the H Shareholders’ Class Meeting |
| “Company” | Zijin Mining Group Co., Ltd.* (紫金礦業集團股份有限公司), a joint stock limited company incorporated in the PRC with limited liability |
| “Connected Person(s)” | has the meaning ascribed thereto under the Listing Rules |
| “Controlling Shareholder” | has the meaning ascribed thereto under the Listing Rules |
| “CSRC” | China Securities Regulatory Commission |
| “Director(s)” | the director(s) of the Company |
| “EGM” | the extraordinary general meeting proposed to be convened by the Company to consider and, if thought fit, approve, among other things, the Public Issuance of A Shares and the related matters |
| “Employee Stock Ownership Scheme” | Phase 1 of the Employee Stock Ownership Scheme of Zijin Mining Group Co., Ltd.* |
| “Group” | the Company and its subsidiaries |

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| “H Share(s)” | the overseas-listed foreign invested share(s) in the Company’s share capital, with a nominal value of RMB0.10 each, which are listed on the Hong Kong Stock Exchange |
| “H Shareholder(s)” | holder(s) of H Share(s) |
| “H Shareholders’ Class Meeting” | the class meeting of the H Shareholders proposed to be convened by the Company to consider and, if thought fit, approve, among other things, the Public Issuance of A Shares and the related matters |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Hong Kong Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Independent Shareholder(s)” | Any Shareholder of the Company that is not required to abstain from voting at the Shareholders’ General Meetings to approve the Public Issuance of A Shares and the related matters |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange |
| “Minxi Xinghang” | Minxi Xinghang State-owned Assets Investment Company Limited, a state-owned limited company incorporated in the PRC. It is the Controlling Shareholder of the Company currently holding approximately 25.88% of the number of total issued Shares |
| “PRC” | The People’s Republic of China but for the purpose of this announcement, excludes Hong Kong, Macau SAR and Taiwan |
| “Public Issuance of A Shares”, “Public Issuance” or “Issuance” | the proposal of the Company to apply to the CSRC for public issuance of not more than 3,400,000,000 A Shares (including 3,400,000,000 A Shares, with nominal value of RMB0.10 each) which are intended to be listed on the Shanghai Stock Exchange to unspecific investors in the PRC, which would raise gross proceeds of up to RMB8 billion (including RMB8 billion, issuance expense inclusive) |
| “RMB” | Renminbi, the lawful currency of the PRC |

| | |
|----------------------------------|--|
| “Shanghai Stock Exchange” | Shanghai Stock Exchange of the PRC |
| “Share(s)” | ordinary share(s) with a nominal value of RMB0.10 each in the share capital of the Company including A Share(s) and H Share(s) |
| “Shareholder(s)” | the shareholder(s) of the Company including A Shareholder(s) and H Shareholder(s) |
| “Shareholders’ General Meetings” | the EGM and the Class Meetings |
| “Supervisor(s)” | the supervisor(s) of the Company |
| “USD” | United States dollar, the lawful currency of the United States of America |
| “%” | per cent |

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, Fang Qixue, and Ms. Lin Hongying as executive directors, Mister. Li Jian as non-executive director, and Messrs. Lu Shihua, Zhu Guang, Sit Hoi Wah, Kenneth, and Cai Meifeng as independent non-executive directors.

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

Fujian, the PRC, 1 January 2019

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