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**Zijin Mining Group Co., Ltd.\***

**紫金礦業集團股份有限公司**

*(a joint stock limited company incorporated in the People's Republic of China with limited liability)*

**(Stock code: 2899)**

## **Announcement in relation to the Completion of Investment in Xanadu Mines Project**

Zijin Mining Group Co., Ltd.\* (the “Company”) disclosed the announcement in relation to the signing of the Share Subscription Agreement with Xanadu Mines Ltd on 20 April 2022. The Company proposed to acquire the equity interests in Xanadu Mines Ltd (“Xanadu Mines”) and Khuiten Metals Pte. Ltd. (a subsidiary of Xanadu Mines which owns an effective 76.5% interest in the Kharmagtai copper-gold project in Mongolia, “Khuiten Metals”) through phases of investment.

On 27 April 2022, Jinping (Singapore) Mining Pte. Ltd. (“Jinping Mining”), a wholly-owned subsidiary of the Company, completed phase 1 of the share subscription (subscribing for 139 million ordinary shares in Xanadu Mines at an issue price of 0.04 Australian dollars (“A\$”) per share). Phase 2 and phase 3 of the investment (phase 2 being subscribing for 179,116,132 newly issued ordinary shares in Xanadu Mines at an issue price of A\$0.04 per share and phase 3 being subscribing for 10,000,000 newly issued ordinary shares in Khuiten Metals by way of share placement for a total consideration of US\$35 million) were completed on 10 March 2023. The total amount of the above transactions is approximately RMB300 million. Upon completion of the transactions, Jinping Mining holds 19.42% equity interest in Xanadu Mines and 50% equity interest in Khuiten Metals, which represents an indirect interest for Jinping Mining of approximately 45.7% in the Kharmagtai copper-gold project in Mongolia, and will take the lead to develop and operate the mine upon the earlier of delivery of the pre-feasibility study (PFS) of the project or after 18 months from the completion of the transactions.

According to the 2021 annual report of Xanadu Mines, the Kharmagtai copper-gold project has a mineral resource estimate of 1.1 billion tonnes, containing 2.93 million tonnes of copper and 7.8 million ounces (about 243 tonnes) of gold. According to the preliminary economic assessment technical report (PEA) completed in June 2022, the conventional open-pit and underground mining methods and flotation processing are planned to be adopted in the project to produce copper-gold concentrates. The project demonstrated a US\$630 million net present value (NPV), 20% investment rate of return (IRR) and a 4-year capital payback period. The subsequent investment of the project will be approximately US\$17.9 million (optimised from US\$20 million

in the original scoping study) and it is expected to take 18 months to complete the pre-feasibility study and a JORC compliant ore reserve report.

The Kharmagtai copper-gold project has a large volume of resources of relatively low grades, low total investment amount and relatively large development potentials and prospects. The acquisition is in line with the Company's development strategy and is beneficial to further increasing the Company's copper and gold resources and reserves. The Company has successful practical experiences and leading technological advantages in the development and utilisation of low-grade resources, which can support the development of this project.

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

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

**Investors and shareholders are advised by the board of directors to exercise caution when dealing in the securities of the Company.**

As at the date of this announcement, the Board of Directors of the Company comprises Messrs. Chen Jinghe (Chairman), Zou Laichang, Lin Hongfu, Ms. Lin Hongying, Messrs. Xie Xionghui and Wu Jianhui as executive directors, Mister Li Jian as non-executive director, and Messrs. He Fulong, Mao Jingwen, Li Changqing, Suen Man Tak, Bo Shao Chuan and Ms. Wu Xiaomin as independent non-executive directors.

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

10 March 2023, Fujian, the PRC

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