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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 the Raygorodok Gold Mine Project in Kazakhstan**

### **Important notes:**

- Zijin Gold International Company Limited (a wholly-owned subsidiary of Zijin Mining Group Co., Ltd.\* (the “Company”)) and the proposed spin-off entity to be listed on the Hong Kong Stock Exchange by the Company, “Zijin Gold International”) and Jinha (Singapore) Mining Pte. Ltd. (a wholly-owned subsidiary of Zijin Gold International incorporated in Singapore, “Jinha Mining” or the “Buyer”) entered into an agreement with Cantech S.à.r.l. (“Cantech”) on 29 June 2025 (Beijing time) (the “Agreement”). Jinha Mining has agreed to acquire 100% of the participatory interests in RG Gold LLP (“RGG”) and RG Processing LLP (“RGP”) (RGG and RGP collectively “the target companies”) which own and operate the Raygorodok Gold Mine project in Kazakhstan (the “Raygorodok Gold Mine”) held by Cantech (the “Transaction”). The economic date of the Transaction is 30 September 2025. The consideration of the acquisition is based on a “cash-free and debt-free” basis of the target companies on the economic date and is determined to be USD1.2 billion. The specific amount of consideration to be paid will be adjusted by the parties to the Transaction based on the amount of cash, working capital, financial debt and other related items in the financial statements as at the economic date.
- The Transaction was considered and approved unanimously at the twelfth extraordinary meeting in 2025 of the eighth term of the board of directors of the Company (the “Board”). It does not constitute a connected transaction or a material asset restructuring. The Transaction is subject to certain conditions, including customary competition and regulatory approvals. Investors are advised to be aware of investment risks.

## **I. Overview of the Transaction**

Zijin Gold International and Jinha Mining entered into the Agreement with Cantech on 29 June 2025 (Beijing time). Jinha Mining has agreed to acquire the 100% interest in the Raygorodok Gold Mine project held (through the target companies) by Cantech. The specific target of the acquisition comprises the 100% participating interest in RGG (which holds the mine assets) and the 100% participating interest in RGP (which holds the processing plant assets) held by Cantech. The economic date of the Transaction is 30 September 2025. The consideration of the acquisition is based on the “cash-free and debt-free” basis of RGG and RGP on the economic date and is determined to be USD1.2 billion. The specific amount of consideration to be paid will be adjusted by the parties to the Transaction based on the amount of cash, working capital, financial debt and other related items in the financial statements as at the base date.

The consideration was determined following comprehensive due diligence conducted by the Company, and was the result of prudent valuation, thorough assessment, and arm’s-length negotiations among the parties, in accordance with general business principles.

The Transaction was considered and approved unanimously at the twelfth extraordinary meeting in 2025 of the eighth term of the Board. It does not constitute a connected transaction or a material asset restructuring.

## **II. Basic information of the parties to the Transactions**

65% and 35% of Cantech’s shares are held by V Group International S.A. (under management of Verny Capital, one of the largest equity investment companies in Kazakhstan - acting as an investment advisor to V Group International S.A.) and RCF VII-RG Gold S.à.r.l. (owned by Resource Capital Funds, an American private equity firm specialising in mining and resources investments), respectively.

## **III. Basic information of the target of the Transaction**

### **(I) Overview of the target companies**

Both RGG and RGP are incorporated in Kazakhstan. The Raygorodok Gold Mine project comprises the mine assets held by RGG and the processing plant assets held by RGP.

According to the audited financial report of RGG and converted into USD, as at the end of 2024, the total assets, total liabilities and net assets of RGG amounted to USD293 million, USD88 million and USD205 million, respectively. The realised sales income and net profit for the year 2024 amounted to USD473 million and USD172 million, respectively.

According to the audited financial report of RGP and converted into USD, as at the end of 2024, the total assets, total liabilities and net assets of RGP amounted to USD310 million, USD221 million and USD89 million, respectively. The realised sales income and net profit for the year 2024 amounted to USD153 million and USD31 million, respectively.

According to the proforma combined financial statements of RGG and RGP, as at the end of 2024, the combined total assets, total liabilities and net assets amounted to USD566 million, USD275 million and USD291 million, respectively. The realised sales income and net profit for the year 2024 amounted to USD473 million and USD202 million, respectively.

## **(II) Overview of the Raygorodok Gold Mine project**

### **1. Overview of the natural geography and infrastructure**

The Raygorodok Gold Mine project is located in the Burabay District, Akmola region, northern Kazakhstan, approximately 70 kilometres from the city of Shchuchinsk, 40 kilometres from the highway and 66 kilometres from the railway station. The transportation is convenient. The mining area features hilly terrain with an elevation of 350 to 500 metres. The fluctuations of temperature are significant throughout the year. The total annual precipitation is 320 millimetres, which is a typical arid continental climate. The project is a mine in production. The water and electricity supplies, communication and other infrastructure for production are in good conditions.

### **2. Information on mining rights**

The core mining rights of the Raygorodok Gold Mine are based on Contract No. 486 in June 2000 for Exploration with Subsequent Gold Mining within Novodneprovka Area in the Burabai District of the Akmola Region between the Ministry of Industry and Construction of the Republic of Kazakhstan (Competent Authority) and RGG, together with 19 supplemental agreements subsequently entered into. The mining rights are valid until 31 December 2040 and may be renewed before expiry subject to satisfaction of conditions including reasonable utilisation of resources. The project also holds 6 exploration licences. RGG holds 100% interest in the aforementioned mining rights.

### **3. Information on resources and reserves**

The Raygorodok Gold Mine consists of 2 open pits (South and North Raygorodok). According to the technical report submitted by AMC in October 2024, at a cut-off grade of 0.3 grammes/tonne of oxide ore and transitional gold ore, 0.5 grammes/tonne of primary gold ore, the resource and reserve tonnes of the Raygorodok Gold Mine as at the end of 2023 are set out below:

The Raygorodok Gold Mine project had retained mineral resources (at a gold metal price of USD2,000 per ounce): the indicated + inferred ore volume was 241 million tonnes, the average grade of gold was 1.01 grammes per tonne and the gold metal contained was 242.1 tonnes. Under the original design and plan, the Raygorodok Gold Mine project open-pit mining had mineral reserves (at a gold metal price of USD1,750 per ounce): the ore was 94.90 million tonnes, the average grade of gold was 1.06 grammes per tonne and the gold metal contained was 100.6 tonnes. Under the current gold price environment, there is clear potential to increase resources and reserves and expand production capacity by optimising the pit design at a higher gold price assumption.

#### **4. Information on mine development situation and plans**

The Raygorodok Gold Mine project is an open-pit mine in production. It comprises of 2 open pits (South and North Raygorodok) located 2 kilometres apart. At present, the mining depth of the both is approximately 130 metres. The production and operation of the open-pit mines are running stably, with a detailed mine plan. The types of ores in the open-pit mines include oxide ore, mixed ore and primary ore.

In 2016, the heap leach system of the project completed construction and commenced operation, which is mainly used to treat oxide ore. In 2022, a new carbon-in-pulp (CIP) cyanidation plant was constructed and commissioned, enabling the processing of primary ore. The final product is gold alloy (Dore). From 2022 to 2024, the project produced 2.0 tonnes, 5.9 tonnes and 6.0 tonnes of gold, respectively. The mine site cash cost of the project for 2024 was USD796 per ounce (excluding heap leaching).

According to the data provided by the original owner, the remaining life of mine of the project is 16 years (from 2025 to 2040), with an average annual gold production of approximately 5.5 tonnes. Based on the preliminary research of the Company's technical team, after optimisation, the mining and processing scale can be upgraded to 10 million tonnes per annum, it is expected that the production volume and economic efficacy of the project can be further promoted through optimisation of cut-off of open-pit mining, modification of processing technologies and procedures and other improvement measures.

#### **IV. Main contents of the Agreement**

##### **(I) Purchase and sale of interests**

Cantech (the "Seller") has agreed to sell 100% of the participating interests in RGG and RGP to Jinha Mining. After the signing of the Agreement, Jinha Mining will set up a wholly-owned subsidiary in Astana International Financial Centre ("AIFC") in Kazakhstan as the equity interest transferee.

## **(II) Consideration for the Transaction**

The economic date of the Transaction is 30 September 2025. The consideration of the acquisition is on a “cash-free and debt-free” basis of the target companies on the economic date and is determined to be USD1.2 billion. The specific amount of consideration to be paid will be adjusted by the parties to the Transaction based on the amount of cash, working capital, financial debt and other related items in the financial statements as at the economic date, wherein the interest bearing debts will continue to be borne by the target companies. If the Transaction is completed after the economic date, the operating income of the target companies after the economic date shall belong to the Buyer.

## **(III) Conditions precedent for the completion of the Transaction**

The conditions precedent include the completion of approval and registration procedures regarding the project by the Chinese regulatory authorities, and the receipt of consent for economic concentration from the Agency for Protection and Development of Competition of Kazakhstan and the approval from the Ministry of Industry and Construction of the Republic of Kazakhstan.

## **(IV) Completion arrangements**

Upon satisfaction or waiver of all conditions precedent for completion, the parties to the Transaction shall complete the re-registration of ownership interests with the registering authority and consideration payment in accordance with the Agreement.

## **(V) Other terms**

The Agreement also includes representations, warranties, covenants of both parties to the Transaction, termination rights and other provisions customary for a transaction of this nature including with respect to transition services, tax matters, indemnification and dispute resolution.

## **V. Impact of the Transaction on the Company**

The Raygorodok Gold Mine hosts relatively significant resources. It is a large-scale open-pit operation currently in production, with a long mine life and well-established infrastructure. The processing technologies of the project are mature, with relatively low all-in sustaining costs, contributing to strong profitability. Operational efficiency and production levels still have room for further improvement. The project is expected to contribute meaningfully to the Company’s gold output and earnings from the first year following acquisition, with a short investment payback period and attractive economic returns.

The Transaction aligns with the Company's strategic direction to increase acquisitions of significant resources and projects in neighbouring countries of China. Kazakhstan offers a favourable mining investment environment. The Raygorodok Gold Mine can generate favourable synergies with the Jilau/Taror Gold Mines in Tajikistan and the Taldybulak Levoberezhny Gold Mine in Kyrgyzstan of the Company. It can help the Company further deepen its engagement in the resource-rich Central Asia region in the future, and optimise its global resources allocation.

The Transaction is undertaken by Zijin Gold International, the proposed spin-off entity, as the investment entity. If the Transaction of acquisition of the Raygorodok Gold Mine can be completed smoothly, it can significantly enhance the asset scale, profit level and global industry position of Zijin Gold International, and promote the listing and offering of Zijin Gold International in the international capital market.

The Transaction is in line with the Company's development strategy and will help further enhance the resource reserves in the Company's gold segment, raise the Company's mine-produced gold output and accelerate the realisation of the Company's production targets up to 2028.

## **VI. Investment risks**

The Transaction is subject to uncertainties. The Transaction is subject to certain conditions, including customary competition and regulatory approvals. The regulatory environment and policy changes in the project's location may bring uncertainties to operation and management of the project. The economic benefits of the project will be affected by fluctuations in gold prices. Investors are advised to be aware of the investment risks.

**As none of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") in respect of the Transaction exceeds 5%, the Transaction does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules. The Transaction also does not constitute a connected transaction of the Company under Chapter 14A of the Listing Rules. 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 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, 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*

29 June 2025, Fujian, the PRC

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