



**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)

(在中華人民共和國註冊成立的股份有限公司)

(Stock Code 股份代號: 2899)



**ANNUAL REPORT**  
**2012 年報**



\*For identification purpose only  
\*僅供識別



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# Corporate Information

## EXECUTIVE DIRECTORS

Chen Jinghe (Chairman)  
Luo Yingnan (President)  
Liu Xiaochu (Resigned on 28 March 2012)  
Qiu Xiaohua (Appointed on 28 May 2012)  
Lan Fusheng  
Huang Xiaodong  
Zou Laichang

## NON-EXECUTIVE DIRECTOR

Peng Jiaqing

## INDEPENDENT NON-EXECUTIVE DIRECTORS

Su Congfu  
Chen Yuchuan  
Lin Yongjing  
Wang Xiaojun

## SUPERVISORS

Lin Shuiqing  
Xu Qiang  
Lin Xinxi  
Zhang Yumin  
Liu Xianhua

## COMPANY SECRETARY

Fan Cheung Man

## AUDIT AND INTERNAL CONTROL COMMITTEE

Lin Yongjing  
Su Congfu  
Chen Yuchuan  
Wang Xiaojun  
Peng Jiaqing  
Chen Jinghe (Chairman)  
Luo Yingnan (President)

## AUTHORISED REPRESENTATIVES

Chen Jinghe  
Liu Xiaochu (Resigned on 28 March 2012)  
Lan Fusheng (Appointed on 28 March 2012)

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suites 3712-15, 37/F., Tower 2, Times Square,  
1 Matheson Street, Causeway Bay,  
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](http://www.zjky.cn)

## STOCK CODE

2899



## Corporate Information (continued)

### 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, Xinhudu Industrial Group Company Limited, Fujian Xinhudu Engineering Company Limited, Xiamen Hengxing Group Company Limited, Fujian Xinhudu 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 had 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 31 December 2012, the Company has a total of 21,811,963,650 ordinary shares (Nominal value of RMB0.1 each) of which 6,008,160,000 shares (H shares) listed on the Stock Exchange, representing about 27.55% of the total issued shares, and 15,803,803,650 shares (A shares) listed on Shanghai Stock Exchange, representing about 72.45% 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 Company produced about 90.328 tonnes of gold (including 32.075 tonnes of mine-produced gold) in year 2012. The Company is one of the largest and the most efficient mine-produced gold producers in the PRC.

As at the end of 2012, the Group owns 244 mining rights with a total area of 841.065 square kilometers and 250 exploration rights with a total area of 4,306.14 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

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

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 TO 2008 FINANCIAL INFORMATION AS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRS”):

	For the year ended 31 December		
	2012	2011	2010
Operating income	48,414,719,206	39,763,915,441	28,539,578,900
Less: Operating costs	36,374,864,074	27,536,543,588	18,337,383,129
Taxes and surcharges	541,098,426	382,045,241	352,964,119
Selling expenses	596,860,745	433,256,436	468,769,177
Administrative expenses	1,874,254,433	1,609,339,207	1,362,043,598
Financial expenses	803,965,178	496,400,784	190,780,667
Impairment losses on assets	270,720,072	202,878,294	175,688,227
Add: Gains/(losses) on changes in fair value	12,986,146	(57,130,642)	107,325,325
Investment income	639,884,580	561,775,828	207,630,138
Including: Share of profits of associates and joint ventures	242,514,892	205,253,368	137,365,606
Operating profit	8,605,827,004	9,608,097,077	7,966,905,446
Add: Non-operating income	220,898,413	134,572,479	99,971,340
Less: Non-operating expenses	270,666,100	466,367,867	735,305,014
Including: Losses on disposal of non-current assets	42,731,004	41,842,806	78,834,417
PROFIT BEFORE TAX	8,556,059,317	9,276,301,689	7,331,571,772
Less: Income tax expenses	2,402,806,003	2,365,776,280	1,575,823,347
NET PROFIT	6,153,253,314	6,910,525,409	5,755,748,425
Attributable to owners of the parent	5,211,208,977	5,712,569,100	4,827,916,726
Non-controlling interests	942,044,337	1,197,956,309	927,831,699
OTHER COMPREHENSIVE INCOME	146,597,757	(894,452,113)	344,979,505
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	6,299,851,071	6,016,073,296	6,100,727,930
Attributable to:			
Owners of the parent	5,357,778,200	4,818,341,189	5,172,154,730
Non-controlling interests	942,072,871	1,197,732,107	928,573,200



## Financial Highlights (continued)

	For the year ended 31 December	
	2009 RMB'000	2008 RMB'000
Results		
Revenue	20,215,111	16,322,275
Cost of sales	(13,642,427)	(10,329,182)
Gross profit	6,572,684	5,993,093
Other income and gains	608,982	522,199
Selling and distribution costs	(376,971)	(316,948)
Administrative expenses	(717,709)	(826,891)
Other expenses	(968,942)	(630,942)
Finance costs	(168,425)	(247,326)
Share of profits of:		
Associates	79,050	11,370
Jointly-controlled entities	16,654	28,502
Profit before tax	5,045,323	4,533,057
Income tax	(968,254)	(639,031)
Profit for the year	4,077,069	3,894,026
Attributable to:		
Owners of the parent	3,552,347	3,066,201
Non-controlling interests	524,722	827,825
	4,077,069	3,894,026

## Financial Highlights (continued)

	For the year ended 31 December				
	2012	2011	2010	2009	2008
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Assets and liabilities					
Total assets	67,354,421	52,320,199	38,401,232	29,646,137	26,217,549
Total liabilities	33,771,455	22,187,522	12,372,562	8,032,671	7,038,424
Non-controlling interests	5,401,377	5,124,066	4,197,100	3,443,285	3,044,737
Equity holders of the parent	28,181,589	25,008,611	21,831,570	18,170,181	16,134,388

### LIQUIDITY

	2012	2011	2010	2009	2008
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cash and cash equivalents	6,314,740	4,917,188	3,791,472	2,999,054	2,719,868
Current ratio (%)	106	110	115	125	142
Trade receivables turnover (days)	5.09	5.36	6.92	6.68	6.89



## Chairman's Statement

### 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 2012 as follows:

In 2012, the Group achieved a sales income (turnover) of RMB48,414,719,206, representing an increase of 21.76% over the previous year, and achieved a net profit after tax (net profit attributable to shareholders of the parent) of RMB5,211,208,977, representing a decrease of 8.78% over the previous year. Earnings per share (basic) was RMB0.24, representing a decrease of 7.69% over the previous year. (The calculation of earnings per share is based on the profit for the year attributable to shareholders of the parent of RMB5,211,208,977 (2011: RMB5,712,569,100) and the number of 21,811,963,650 ordinary shares (2011: 21,811,963,650 shares) in issue during the year).

### MARKET OVERVIEW

In 2012, the global economy was in the process of a mild recovery. Under the impact of monetary easing policies and the improvement of the economic situation, the declining demand for risk-avoidance caused the fluctuations of the gold price at the high price range. In 2012, the opening price of London spot gold was US\$1,569.35/oz, the highest price was US\$1,795.98/oz and the lowest price was US\$1,527.82/oz. The year-end closing price was US\$1,675.25/oz, representing an increase of 7% over the previous year. The average gold price increased 6.39% over the previous year.

During the year, the fluctuated global economy was in a mild recovery, the commodity prices fluctuated from its high price at the beginning and the end of the year to its bottom in the midst of the year and the overall average price decreased over the previous year, in which Shanghai copper average price decreased 13.6%, London copper average price decreased 10%, Shanghai zinc average price decreased 11.3% and London zinc average price decreased 11.2%.

### POSITION IN THE INDUSTRY

According to the latest statistics of the Ministry of Industry and Information Technology of the PRC, the 2012 national gold production in the PRC amounted to 403.1 tonnes (in which 341.8 tonnes was mine-produced gold) representing an increase of 42.1 tonnes or 11.66% over the previous year. The PRC was the largest gold production country in the world for 6 consecutive years. In 2012, the Group produced 32.075 tonnes of mine-produced gold, representing approximately 9.38% of mine-produced gold in the PRC. The domestic gold industry realized RMB35 billion profit in total and the Group realized a total profit of RMB8.556 billion, representing 24.45% of the total profit realized in domestic gold industry.

According to the statistics of the National Bureau of Statistics of China, the 2012 national copper concentrates production in the PRC amounted to 1,625,740.09 tonnes (copper metal), representing an increase of 17.4% (2011: 1,384,948.86 tonnes) over the previous year. In 2012, the Group produced 104,603.03 tonnes mine-produced copper, representing 6.43% of national mine-produced copper.



## Chairman's Statement (continued)

### BUSINESS OVERVIEW

During the reporting period, the Group realized turnover of RMB48.415 billion, representing an increase of 21.76% when compared with the same period last year (2011: RMB39.764 billion), and net profit attributable to owners of the parent of RMB5.211 billion, representing a decrease of 8.78% when compared with the same period last year (2011: RMB5.713 billion).

As at the end of 2012, the Group's total assets was RMB67.354 billion, representing an increase of 28.74% when compared with last year (2011: RMB52.320 billion), and net assets attributable to owners of the parent of RMB28.182 billion, representing an increase of 12.69% when compared with last year (2011: RMB25.009 billion).

### GOLD MINE BUSINESS

During the reporting period, the Group produced a total of 90,328.16kg (2,904,116 ounces) of gold, representing an increase of 4.82% when compared with same period last year (2011: 86,170.80kg).

During the reporting period, the Group produced a total of 32,075.43kg (1,031,248 ounces) of mine-produced gold, representing an increase of 12.04% when compared with same period last year (2011: 28,628.37kg); in which 16,376.07kg (526,502 ounces) was produced from Zijinshan Gold Mine, 2,556.57kg (82,196 ounces) was produced from Hunchun Zijin, 2,332.70kg (74,998 ounces) was produced from Guizhou Shuiyindong Gold Mine, 1,541.58kg (49,563 ounces) was produced in 5 months from newly acquired Norton Gold Fields Ltd.; 1,511.51kg (48,596 ounces) was produced from ZGC and 7,757.00kg (249,393 ounces) of mine-produced gold was produced from other entities in the Group.

During the reporting period, the Group produced a total of 58,252.72kg (1,872,867 ounces) of refinery gold, representing an increase of 1.23% over the same period last year (2011: 57,542.43kg), of which Henan Luoyang Zijin Yinhui Gold Refinery Company Limited produced 31,418.38kg (1,010,124 ounces) of refinery gold, the Company's gold refinery plant produced 16,686.33kg (536,478 ounces), Fujian Jinshan Gold Refinery Plant produced 5,279.08kg (169,726 ounces) refinery gold, and other entities in the Group produced 4,868.93kg (156,540 ounces) refinery gold.

Sales income from the gold business of the Group represented about 59.39% (after elimination) of the total annual sales income, and the net profit of the gold business represented about 76.91% of the total net profit attributable to the owners of the parent.

(1 troy ounce = 31.1035g)

### COPPER MINE BUSINESS

During the reporting period, the Group produced a total of 216,599.27 tonnes copper, representing an increase of 145.94% over the same period last year (2011: 88,070.71 tonnes), in which 104,603.03 tonnes copper was produced from mines (including 4,832.56 tonnes copper cathodes) representing an increase of 22.39% over the same period last year (2011: 85,468.61 tonnes); the Group produced 111,996.24 tonnes of copper from refinery plants.



## Chairman's Statement (continued)

In which, Ashele Copper Mine produced copper concentrates containing copper of 32,066.33 tonnes, representing a decrease of 1.92% over the same period last year (2011: 32,693.91 tonnes); Qinghai Deerni Copper Mine produced copper concentrates containing copper of 28,280.80 tonnes representing an increase of 0.49% over the same period last year (2011: 28,143.39 tonnes); Zijinshan Copper Mine produced 17,016.1 tonnes copper (including 2,106.70 tonnes copper cathodes) representing an increase of 91.10% over the same period last year (2011: 8,904.1 tonnes), Hunchun Zijin produced copper concentrates containing copper of 9,637.58 tonnes representing an increase of 6.51% over the same period last year (2011: 9,048.91 tonnes), Duobaoshan Copper Mine produced 11,000.21 tonnes copper from mine (including 2,725.86 tonnes copper cathodes) representing an increase of 385.12% over the same period last year (2011: 2,267.54 tonnes). The Group produced 111,996.24 tonnes refinery copper, in which, 107,998.89 tonnes was produced in the newly built copper refinery plant of Zijin Copper.

Sales income from the copper mine business represented 18.25% (after elimination) of the annual total sales income, while it represented about 17.37% of the total net profit attributable to the owners of the parent.

### LEAD AND ZINC MINE BUSINESS

During the reporting period, the Group produced zinc of 184,501.88 tonnes, representing a decrease of 17.15% over the same period last year (2011: 222,702.36 tonnes), in which Bayannaer Zijin Zinc Refinery Plant produced 147,962.84 tonnes zinc bullion, representing a decrease of 21.14% over the same period last year (2011: 187,616.00 tonnes); the Group produced zinc concentrates containing zinc of 36,539.04 tonnes, representing an increase of 4.14% over the same period last year (2011: 35,086.36 tonnes), in which Wulatehouqi Zijin produced zinc concentrates containing zinc of 25,505.94 tonnes representing an increase of 30.61% over the same period last year (2011: 19,527.78 tonnes); Ashele Copper Mine produced zinc concentrates containing zinc of 8,531.82 tonnes and other entities in the Group produced concentrates containing 2,501.29 tonnes of zinc.

During the reporting period, the Group produced lead concentrates containing lead of 4,809.48 tonnes, representing an increase of 33.93% when compared with same period last year (2011: 3,590.99 tonnes).

Sales income from lead and zinc mine business represented about 4.38% (after elimination) of total annual sales income, while net profit from lead and zinc mine business represented about 0.46% of the total net profit attributable to the owners of the parent.

### IRON MINE, SILVER AND OTHER BUSINESS

During the reporting period, the Group produced silver of 263,347.55kg representing an increase of 80.98% over the same period last year (2011: 145,509.46kg), of which 122,222.86kg of silver was produced from refinery as by-product representing an increase of 314.83% over the same period last year (2011: 29,463.47kg); 141,124.69kg of silver was produced from mines representing an increase of 21.61% over the same period last year (2011: 116,045.99kg).

In which, Wuping Zijin produced 52,009.41kg of silver, Ashele Copper Mine produced silver of 24,218.10kg from other associated metals, Shanxi Zijin produced silver of 20,065.08kg from other associated metals, Wulatehouqi Zijin produced silver of 13,798.88kg from other associated metals, Zijinshan Gold and Copper Mine produced silver of 10,501.19kg from other associated metals, other entities produced silver of 20,532.03kg from other associated metals, Zijin Copper Refinery Plant produced 101,305.46kg of silver as by-product, Fujian Jinshan Gold Refinery Plant produced 19,852.75kg of silver as by-product, Luoning Zijin Refinery Plant produced 1,064.65kg of silver as by-product.

## Chairman's Statement (continued)

During the reporting period, the Group produced iron concentrates of 2,316,900 tonnes, representing an increase of 18.39% over the same period last year (2011: 1,956,900 tonnes).

Sales income from iron mine, silver and other mineral products represented about 17.98% (after elimination) of total annual sales income, which represented about 5.26% of the total net profit attributable to the owners of the parent.

### Geological exploration work and status of resources and reserve

During the reporting period, the Group invested RMB449 million in geological exploration in aggregate and the volume of the actual works completed includes the following: 388,500 metres drilling, 33,700 metres tunnel exploration, and 49,700 cubic metres trench exploration, which increased the resources/reserves (unaudited) by exploration as follows: 60.45 tonnes of gold, 408,000 tonnes of copper, 2.0467 million tonnes of lead and zinc, 17,200 tonnes of molybdenum, 160,000 tonnes of tungsten, 126.4 tonnes of silver and 1,185,700 tonnes of iron ores.

As at the end of 2012, the Group owns 244 mining rights with a total area of 841.065 square kilometers and 250 exploration rights with a total area of 4,306.14 square kilometers.

The table below sets out the assessed resources/reserves of the Group's major mines at the end of 2012:

Summary of resources/reserves of the Group's major mines in 2012

Type of mine	Resources/ reserves at the end of 2012	Resources/ reserves at the end of 2011	Growth rate over same period last year (%)
Gold (t)	1,077.34	926.32	16.3%
Gold associated with other metals (t)	114.88	117.07	-1.9%
Sub-total of gold (t)	1,192.22	1,043.39	14.3%
Copper (Mt)	11.7939	11.6129	1.6%
Silver (t)	1,510.00	1,548.6	-2.5%
Molybdenum (Mt)	0.4211	0.3523	19.5%
Zinc (Mt)	6.3470	5.3973	17.6%
Lead (Mt)	1.2842	1.0601	21.1%
Tungsten (Mt)	0.1697	0.1734	-2.1%
Tin (Mt)	0.1399	0.0993	40.9%
Iron (Mt)	208	214	-2.8%
Coal (Mt)	489	459.2	6.5%

Note: The resources reserves excluded resources of Shanghang Luoboling copper molybdenum mine (copper 1.6509 million tonnes, molybdenum 132,700 tonnes).

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 of the mines owned by the Company in accordance with the "NI 43-101" technical standards, and submitted the mineral resources report signed by the competent persons. As at the reporting date, the mineral resources and ore reserves evaluation of the Company's major mines in accordance with the "NI 43-101" technical standards has been completed and 21 resources verification reports and 7 reserves verification reports have been submitted so far.



## Chairman's Statement (continued)

- (a) The comparison between the mineral resources amount recognized by "NI 43-101" technical standards and domestic standards of the 21 mines is as follows:

Serial No.	Name of Mine (Project)	Type of Mine	Unit	Resources identified by "NI 43-101" CPR standards			Resources identified by domestic standards			Comparison of resources between international standards and domestic standards	
				Measured+ Indicated	Inferred	Total	Measured+ Indicated	Inferred	Total	Change	Percentage change %
1 Golder	Fujian Zijinshan Gold and Copper Mine	Gold	Ore Volume (Mt)	224	25	249	33.66	155.22	188.88	60.12	31.30
			Grade (g/t)	0.42	0.4	0.42			0.41	0.01	
			Metal Volume (t)	93.48	10	103.48	16.14	60.92	77.06	26.42	34.29
		Copper	Ore Volume (Mt)	424	118	542	291.73	152.63	444.36	97.64	21.97
			Grade (%)	0.48	0.44	0.47			0.44	0.03	
	Metal Volume (10kt)	203.06	51.92	254.98	130.80	62.61	193.41	61.57	31.83		
2 Golder	Jilin Hunchun Xiaoxinancha Gold and Copper Mine	Gold	Ore Volume (Mt)	136.38	29.62	165.99	43.86	49.37	93.23	72.76	78.05
			Grade (g/t)	0.44	0.44	0.44			0.49	-0.05	
			Metal Volume (t)	59.75	13.03	72.79	21.84	24.25	46.09	26.70	57.94
		Copper	Ore Volume (Mt)	136.38	29.62	165.99	43.86	49.37	93.23	72.77	78.05
			Grade (%)	0.17	0.16	0.17			0.19	-0.02	
	Metal Volume (10kt)	23.74	4.74	28.48	8.51	9.03	17.54	10.94	62.41		
3 Golder	Xinjiang Ashele Copper Mine	Copper	Ore Volume (Mt)	25.33	11.21	36.54	13.48	14.41	27.89	8.65	31.00
			Grade (%)	2.07	2.04	2.06			2.18	-0.12	
			Metal Volume (10kt)	52.79	22.87	75.66	35.82	25.09	60.92	14.74	24.20
		Zinc	Ore Volume (Mt)	25.33	11.21	36.54	5.40	3.35	8.76	27.78	317.27
			Grade (%)	0.97	0.64	0.88			2.68	-1.80	
			Metal Volume (10kt)	24.66	7.73	32.39	14.77	8.70	23.47	8.92	38.01
		Sulfur	Ore Volume (Mt)	25.33	11.21	36.54					
			Grade (%)	24.08	34.18	27.18					
	Pure Sulfur Volume (10kt)	613.21	383.16	996.37							

## Chairman's Statement (continued)

Serial No.	Name of Mine (Project)	Type of Mine	Unit	Resources identified by "NI 43-101" CPR standards			Resources identified by domestic standards			Comparison of resources between international standards and domestic standards	
				Measured+	Inferred	Total	Measured+	Inferred	Total	Change	Percentage change %
				Indicated			Indicated				
4 SRK	Heilongjiang Duobaoshan Copper Mine	Copper	Ore Volume (Mt)	445.9	249.51	695.41	232.02	252.01	484.03	211.38	43.67
			Grade (%)	0.39	0.38	0.39			0.41	-0.02	
			Metal Volume (10kt)	172.5	94.81	267.31	101.05	99.59	200.64	66.67	33.23
		Molybdenum	Ore Volume (Mt)	445.9	249.51	695.41	232.02	252.01	484.50	210.91	43.53
			Grade (%)	0.012	0.019	0.015			0.014	0.00	
			Metal Volume (10kt)	5.35	4.74	10.09	3.40	3.54	6.94	3.15	45.29
5 SRK	Hebei Chongji Dongping Gold Mine	Gold	Ore Volume (Mt)	11.72	15.27	26.99	1.98	9.21	11.19	15.80	141.23
			Grade (g/t)	2.76	2.3	2.5			4.05	-1.55	
			Metal Volume (t)	32.35	35.04	67.39	7.77	37.49	45.26	22.13	32.84
6 Golder	Qinghai Deerni Copper Mine	Copper	Ore Volume (Mt)	23.37	6.85	30.22	17.99	10.19	28.18	2.04	7.22
			Grade (%)	1.2	1	1.15			1.16	-0.01	
			Metal Volume (10kt)	28.04	6.85	34.89	20.21	12.33	32.54	2.35	7.22
		Cobalt	Ore Volume (Mt)	23.37	6.85	30.22	0.00	27.37	27.37	2.85	10.40
			Grade (%)	0.08	0.06	0.07			0.07	0.00	
			Metal Volume (10kt)	1.87	0.41	2.28	0.00	1.81	1.81	0.47	26.25
		Zinc	Ore Volume (Mt)	23.37	6.85	30.22	3.29	2.21	5.50	24.72	449.58
			Grade (%)	0.39	0.3	0.37			1.08	-0.71	
			Metal Volume (10kt)	9.11	2.06	11.17	3.65	2.28	5.93	5.24	88.43
		Sulfur	Ore Volume (Mt)	23.37	6.85	30.22					
			Grade (%)	30.6	26.8	29.7					
			Pure Sulfur Volume (10kt)	715.12	183.58	898.7					
7 Golder	Gansu Dujagou Gold Mine	Gold	Ore Volume (Mt)	22.9	12.2	35.3	6.07	28.95	35.02	0.28	0.81
			Grade (g/t)	1.43	1.29	1.38			1.57	-0.19	
			Metal Volume (t)	32.75	15.74	48.49	13.00	41.89	54.90	-6.41	-11.67



## Chairman's Statement (continued)

Serial No.	Name of Mine (Project)	Type of Mine	Unit	Resources identified by "NI 43-101" CPR standards			Resources identified by domestic standards			Comparison of resources between international standards and domestic standards	
				Measured+	Inferred	Total	Measured+	Inferred	Total	Change	Percentage change %
				Indicated			Indicated				
8 SRK	Inner Mongolia Aobao Gold Mine	Gold	Ore Volume (Mt)	33.45		33.45	12.54	0.90	13.45	20.00	148.76
			Grade (g/t)	0.71		0.71			0.92	-0.21	
			Metal Volume (t)	23.75		23.75	11.69	0.69	12.38	11.37	91.81
9 Golder	Fujian Luoboling Copper and Molybdenum Mine	Copper	Ore Volume (Mt)	379.3	107.9	487.2					
			Grade (%)	0.33	0.37	0.34					
			Metal Volume (10kt)	125.17	39.92	165.09					
		Molybdenum	Ore Volume (Mt)	379.3	107.9	487.2					
			Grade (%)	0.029	0.021	0.027					
			Metal Volume (10kt)	11	2.27	13.27					
10 Golder	Fujian Yueyang Silver and Multi-metals Mine	Gold	Ore Volume (Mt)	26.59	32.14	58.74	4.19	4.44	8.63	50.11	580.79
			Grade (g/t)	0.41	0.38	0.4			0.36	0.04	
			Metal Volume (t)	10.99	12.21	23.2	1.51	1.60	3.11	20.09	646.90
		Copper	Ore Volume (Mt)	26.59	32.14	58.74	4.19	4.44	8.63	50.11	580.79
			Grade (%)	0.17	0.19	0.18			0.23	-0.05	
			Metal Volume (10kt)	4.43	6.11	10.54	0.96	1.06	2.02	8.52	420.73
		Silver	Ore Volume (Mt)	26.59	32.14	58.74	4.19	4.44	8.63	50.11	580.79
			Grade (g/t)	52.3	40.5	45.84			73.12	-27.28	
			Metal Volume (t)	1,390.62	1,301.67	2,692.29	300.15	330.71	630.86	2,061.43	326.77
	Fujian Longjiangting Copper Mine	Copper	Ore Volume (Mt)	30.54	16.63	47.17	4.05	7.39	11.44	35.73	312.32
			Grade (%)	0.37	0.36	0.37			0.61	-0.24	
			Metal Volume (10kt)	11.3	5.99	17.29	2.68	4.27	6.95	10.34	148.75
		Gold	Ore Volume (Mt)	30.54	16.63	47.17	4.05	7.39	11.44	35.73	312.32
			Grade (g/t)	0.32	0.33	0.32			0.42	-0.10	
			Metal Volume (t)	9.77	5.49	15.26	1.72	3.08	4.79	10.47	218.52
Silver	Ore Volume (Mt)	30.54	16.63	47.17	4.05	7.39	11.44	35.73	312.32		
	Grade (g/t)	8.97	10.22	9.41			17.87	-8.46			
	Metal Volume (t)	273.94	169.96	443.9	72.43	132.02	204.45	239.45	117.12		
11 Golder	Guizhou Taipingdong Gold Mine	Gold	Ore Volume (Mt)	16.6	0.6	17.3	7.35	5.31	12.66	4.64	36.60
			Grade (g/t)	2.5	2.82	2.52			2.96	-0.44	
			Metal Volume (t)	41.6	1.9	43.5	23.41	14.02	37.43	6.07	16.22

# Chairman's Statement (continued)

Serial No.	Name of Mine (Project)	Type of Mine	Unit	Resources identified by "NI 43-101" CPR standards			Resources identified by domestic standards			Comparison of resources between international standards and domestic standards	
				Measured+	Inferred	Total	Measured+	Inferred	Total	Change	Percentage change %
				Indicated			Indicated				
12 Golder	Guangdong Dongkeng Gold Mine	Gold	Ore Volume (Mt)	7.1	2.6	9.7	1.60	0.48	2.09	7.61	364.61
			Grade (g/t)	1.78	1.6	1.73			2.57	-0.84	
			Metal Volume (t)	12.64	4.16	16.80	4.18	1.18	5.36	11.44	213.31
13 SRK	Fujian Gutian Copper and Molybdenum Mine	Copper	Ore Volume (Mt)	48.4	145.71	194.11	41.62	43.90	85.52	108.59	126.99
			Grade (%)	0.18	0.14	0.15			0.18	-0.03	
			Metal Volume (10kt)	8.78	20.64	29.42	6.63	8.68	15.31	14.11	92.20
		Molybdenum	Ore Volume (Mt)	48.4	145.71	194.11	41.62	43.90	85.52	108.59	126.99
			Grade (%)	0.046	0.038	0.039			0.057	-0.02	
			Metal Volume (10kt)	2.2	5.46	7.66	2.44	2.41	4.85	2.81	57.88
14 Golder	Yunnan Lannitang Copper Mine	Copper	Ore Volume (Mt)	47	69	116	13.96	35.67	49.63	66.37	133.74
			Grade (%)	0.33	0.3	0.31			0.36	-0.05	
			Metal Volume (10kt)	15.51	20.7	36.21	5.09	13.02	18.11	18.10	99.95
		Gold	Ore Volume (Mt)	47	69	116	0.00	49.63	49.63	66.37	133.74
			Grade (g/t)	0.14	0.19	0.17			0.27	-0.10	
			Metal Volume (t)	6.58	13.11	19.69	0.00	13.23	13.23	6.46	48.81
15 Golder	Henan Tangjiaping Molybdenum Mine	Molybdenum	Ore Volume (Mt)	53.5	300.87	354.37	290.31	80.21	370.52	-16.15	-4.36
			Grade (%)	0.103	0.058	0.064			0.063	0.00	
			Metal Volume (10kt)	5.52	17.3	22.83	19.99	3.51	23.50	-0.67	-2.87
16 Golder	Yunnan Langdou Copper Mine	Copper	Ore Volume (Mt)		3.97	3.97	1.28	2.76	4.04	-0.07	-1.70
			Grade (%)		1.92	1.92			1.70	0.22	
			Metal Volume (10kt)		7.62	7.62	2.30	4.56	6.86	0.76	11.10
17 Golder	Inner Mongolia Sanguikou Zinc and Lead Mine	Zinc	Ore Volume (Mt)	48.4	106	154.4	87.32	50.53	137.85	16.55	12.01
			Grade (%)	1.89	1.8	1.83			1.92	-0.09	
			Metal Volume (10kt)	91.48	190.80	282.28	175.09	89.46	264.55	17.73	6.70
		Lead	Ore Volume (Mt)	48.4	106	154.4	86.00	47.74	133.74	20.66	15.45
			Grade (%)	0.42	0.4	0.41			0.45	-0.04	
			Metal Volume (10kt)	20.33	42.40	62.73	41.32	18.52	59.84	2.89	4.83



## Chairman's Statement (continued)

Serial No.	Name of Mine (Project)	Type of Mine	Unit	Resources identified by "NI 43-101" CPR standards			Resources identified by domestic standards			Comparison of resources between international standards and domestic standards	
				Measured+ Indicated	Inferred	Total	Measured+ Indicated	Inferred	Total	Change	Percentage change %
18 Golder	Guangdong Yinyan Tin Mine	Tin	Ore Volume (Mt)	17.4	62.6	80	10.20	29.15	39.35	40.65	103.32
			Grade (%)	0.29	0.28	0.28		0.35	0.07		
			Metal Volume (10kt)	5.05	17.42	22.47	4.04	9.92	13.96	8.51	60.92
		Molybdenum	Ore Volume (Mt)	17.4	57.3	74.7	0.00	33.10	33.10	41.6	125.67
			Grade (%)	0.02	0.013	0.014		0.024	-0.01		
			Metal Volume (10kt)	0.35	0.74	1.09	0.00	0.80	0.80	0.29	35.74
19 SRK	Yunnan Nanwenhe Tungsten Mine	Tungsten	Ore Volume (Mt)	10.03	17.45	27.48	15.53	19.89	35.42	-7.94	-22.43
			Grade (%)	0.51	0.55	0.53		0.45	0.08		
			Metal Volume (10kt)	5.09	9.56	14.65	8.13	7.78	15.91	-1.26	-7.93
20 SRK	Xinjiang Fuyun Mengku Iron Mine (East, Middle Sections)	Iron	Ore Volume (Mt)	63.07	23.47	86.53	53.69	38.49	92.18	-5.65	-6.13
			Grade (%)	32.7	24.77	30.55					
			Metal Volume (10kt)								
21 Golder	Xinjiang Qitai Heishantou Coal Mine	Coal	Coal (Mt)	372.87	12.64	385.51	377.78	10.73	388.51	-3.00	-0.77



## Chairman's Statement (continued)

Signatories of "NI 43-101" technical standards mineral resources reports:

Serial No.	Name of Mine (Project)	Report No.	Competent Person	Company Name
1	Fujian Zijinshan Gold and Copper Mine	137641005-001-L-Rev0	Sia Khosrowshahi	Golder Associates Pty Ltd
2	Jilin Hunchun Xiaoxinancha Gold and Copper Mine	137641005-006-L-Rev0	Sia Khosrowshahi	Golder Associates Pty Ltd
3	Xinjiang Ashele Copper Mine	SCN301	Anshun Xu	SRK Consulting China Ltd.
4	Heilongjiang Duobaoshan Copper Mine	SCN309	Yiefei Jia	SRK Consulting China Ltd.
5	Hebei Chongli Dongping Gold Mine	SCN308	Yiefei Jia	SRK Consulting China Ltd.
6	Qinghai Deerni Copper Mine	137641005-010-L-Rev0	Alan Miller	Golder Associates Pty Ltd
7	Gansu Dujiagou Gold Mine	137641005-005-L-Rev0	Alan Miller	Golder Associates Pty Ltd
8	Inner Mongolia Aobao Gold Mine	SCN306	Yonglian Sun	SRK Consulting China Ltd.
9	Fujian Luoboling Copper and Molybdenum Mine	117641073-005-L-Rev0	Sia Khosrowshahi	Golder Associates Pty Ltd
10	Fujian Yueyang Silver and Multi-metals Mine/ Fujian Longjiangting Copper and Gold Mine	137641005-004-L-Rev0	Sia Khosrowshahi	Golder Associates Pty Ltd
11	Guizhou Taipingdong Gold Mine	128511010-002-L-Rev0	Alan Miller	Golder Associates Pty Ltd
12	Guangdong Dongkeng Gold Mine	128511010-001-L-Rev0	Andrew Weeks	Golder Associates Pty Ltd
13	Fujian Gutian Copper and Molybdenum Mine	SCN312	Yuan Chen	SRK Consulting China Ltd.
14	Yunnan Lannitang Copper Mine	137641005-008-L-Rev0	Sia Khosrowshahi	Golder Associates Pty Ltd
15	Henan Tangjiaping Molybdenum Mine	128511010-005-L-Rev0	Peter Onley	Golder Associates Pty Ltd
16	Yunnan Langdou Copper Mine	128511010-003-L-Rev0	Sia Khosrowshahi	Golder Associates Pty Ltd
17	Inner Mongolia Sanguikou Zinc and Lead Mine	128511010-006-L-Rev0	Peter Onley	Golder Associates Pty Ltd
18	Guangdong Yinyan Tin Mine	137641009-001-L-RevA	Sia Khosrowshahi	Golder Associates Pty Ltd
19	Yunnan Nanwenhe Tungsten Mine	SCN313	Yuan Chen	SRK Consulting China Ltd.
20	Xinjiang Fuyun Mengku Iron Mine (East, Middle Sections)	SCN302	Anshun Xu	SRK Consulting China Ltd.
21	Xinjiang Qitai Heishantou Coal Mine	128511010-004-L-Rev0	Willem van der Schyff	Golder Associates Pty Ltd



## Chairman's Statement (continued)

(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" CPR standards					Reserves identified by "NI 43-101" CPR standards		
				Measured	Indicated	Indicated	Inferred	Total	Proved	Probable	Total
1 Golder	Fujian Zijinshan Gold and Copper Mine	Gold	Ore Volume (Mt)	93	130	224	25	248	97	123	220
			Grade (g/t)	0.46	0.39	0.42	0.4	0.42	0.41	0.35	0.37
			Metal Volume (t)	42.78	50.7	93.48	10	103.48	39.77	43.05	82.82
		Copper	Ore Volume (Mt)	126	298	424	118	542	147	280	427
			Grade (%)	0.5	0.47	0.48	0.44	0.47	0.41	0.365	0.38
			Metal Volume (10kt)	63	140.06	203.06	51.92	254.98	60.47	102.2	162.67
2 Golder	Jilin Hunchun Xiaoxinancha Gold and Copper Mine	Gold	Ore Volume (Mt)	55.89	80.48	136.38	29.62	165.99	40	49	89
			Grade (g/t)	0.45	0.43	0.44	0.44	0.44	0.48	0.47	0.47
			Metal Volume (t)	25.15	34.61	59.75	13.03	72.79	19.2	23.03	42.23
		Copper	Ore Volume (Mt)	55.89	80.48	136.38	29.62	165.99	40	49	89
			Grade (%)	0.18	0.17	0.17	0.16	0.17	0.19	0.18	0.18
			Metal Volume (10kt)	10.06	13.68	23.74	4.74	28.48	7.6	8.82	16.42
3 SRK	Xinjiang Ashele Copper Mine	Copper	Ore Volume (Mt)	15.43	9.9	25.33	11.21	36.54	15.25	7.64	22.89
			Grade (%)	2.51	1.42	2.07	2.04	2.06	2.5	1.55	2.18
			Metal Volume (10kt)	38.73	14.06	52.79	22.87	75.66	38.13	11.84	49.97
		Zinc	Ore Volume (Mt)	15.43	9.9	25.33	11.21	36.54	15.25	7.64	22.89
			Grade (%)	1.22	0.59	0.97	0.64	0.88	1.22	0.78	1.07
			Metal Volume (10kt)	18.82	5.84	24.66	7.73	32.39	18.61	5.96	24.57
4 SRK	Heilongjiang Duobaoshan Copper Mine	Copper	Ore Volume (Mt)	152.62	293.28	445.9	249.51	695.41	143.8	254.43	398.24
			Grade (%)	0.4	0.38	0.39	0.38	0.39	0.38	0.37	0.37
			Metal Volume (10kt)	61.05	111.45	172.5	94.81	267.31	54.8	93.9	148.7
		Molybdenum	Ore Volume (Mt)	152.62	293.28	445.9	249.51	695.41	143.8	254.43	389.24
			Grade (%)	0.012	0.012	0.012	0.019	0.015	0.012	0.011	0.012
			Metal Volume (10kt)	1.83	3.52	5.35	4.74	10.09	1.7	2.9	4.6
5 SRK	Hebei Chongli Dongping Gold Mine	Gold	Ore Volume (Mt)		11.72	11.72	15.27	26.99		8.26	8.26
			Grade (g/t)		2.76	2.76	2.3	2.5		2.84	2.84
			Metal Volume (t)		32.35	32.35	35.04	67.39		23.44	23.44
6 SRK	Inner Mongolia Aobao Gold Mine	Gold	Ore Volume (Mt)		33.45	33.45		33.45		18.75	18.75
			Grade (g/t)		0.71	0.71		0.71		0.75	0.75
			Metal Volume (t)		23.75	23.75		23.75		14.06	14.06
7 SRK	Xinjiang Fuyun Mengku Iron Mine (East, Middle Sections)	Iron	Ore Volume (Mt)		63.06	63.07	23.47	86.53		57.18	57.18
			Grade (%)		32.7	32.7	24.77	30.55		31.16	31.16
			Metal Volume (10kt)								

## Chairman's Statement (continued)

Signatories of "NI 43-101" technical standards mineral reserves disclosure reports:

Serial No.	Name of Mine (Project)	Report No.	Competent Person	Company Name
1	Fujian Zijinshan Gold and Copper Mine	137641005-002-L-Rev0	Ross Bertinshaw	Golder Associates Pty Ltd
2	Jilin Hunchun Xiaoxinancha Gold and Copper Mine	137641005-007-L-Rev0	Ross Bertinshaw	Golder Associates Pty Ltd
3	Xinjiang Ashele Copper Mine	SCN301	Anshun Xu	SRK Consulting China Ltd.
4	Heilongjiang Duobaoshan Copper Mine	SCN309	Yiefei Jia	SRK Consulting China Ltd.
5	Hebei Chongli Dongping Gold Mine	SCN308	Yiefei Jia	SRK Consulting China Ltd.
6	Inner Mongolia Aobao Gold Mine	SCN306	Yonglian Sun	SRK Consulting China Ltd.
7	Xinjiang Mengku Iron Mine (East, Middle Sections)	SCN302	Anshun Xu	SRK Consulting China Ltd.

### Highlight main responsibility for safety and environmental protection, significant improvement in safety and environmental protection

During the reporting period, a safety accident has been caused by a non-compliance operation in the trial production period of the 200,000 tonnes copper refinery which aroused a high attention from the Group. The Group took the lesson and strengthened the main responsibility for corporate safety and environmental protection, strengthened the job safety training to each post, reinforced the construction of safety and environmental protection facilities, established and improved soil and water conservation and the construction organizations and system for green mines, in which it achieved significant results for safety and environmental protection.

The safety facilities of Zijinshan joint development project and Zijin Copper Refinery project have successfully passed the examination. The construction of the subsequent rectification and comprehensive environmental management of Zijinshan gold and copper mine has been fully completed.

### Steady progress of mergers, acquisitions and integration projects

During the reporting period, the Group successfully acquired Australian Norton Gold Fields Limited, increased 180 tonnes resources/reserves and built an overseas platform; sold the equity interest of a Canada-listed company, Inter-Citic timely, which gained investment income of approximately RMB112 million; effectively integrated the resource of Gansu Yate and Longshan Gold in the Longnan area which is expected to have gold resource exceeding 200 tonnes; successfully completed the acquisition of Guangxi Longsheng county Pannei gold mine, etc. and the transfer of Yunnan Funing County Zhenglong Company.

### Steady progress of key projects construction

During the reporting period, the Group invested RMB4.319 billion in project construction. The following projects have been completed construction and commenced production: Zijin Copper's annual production of 200,000 tonnes copper refinery project, the second Zijinshan copper mine flotation process plant and copper hydrometallurgical plant, Heilongjiang Duobaoshan copper (molybdenum) daily process of 25,000 tonnes ore mining project, Inner Mongolia Jinzhong Bayanhaer gold mine project, Kuitun Tongguan refining 300,000 tonnes/year tailings comprehensive utilization of circular economy project, Luoning Zijin gold refinery project, Guizhou Zijin Zhenfeng refinery plant, innovation of Tarot oxide ore processing plant, etc. Kyrgyzstan Zuoan gold mine started construction comprehensively. The following key construction projects proceeded as planned and are expected to be completed and commenced production in 2013: Tuva zinc and multi-metals mine in Russia, Inner Mongolia Sanguikou daily process of 10,000 tonnes zinc mine project, etc.



## Chairman's Statement (continued)

### Achieving new results for innovation of technology

During the reporting period, the Group actively promoted energy saving, the utilisation of circular economy, clean production, etc., which is the leader within the industry in respect of the utilization of resource integration. The Group achieved the staged construction target of Zijinshan demonstration base for comprehensive utilization of gold, copper and other non-ferrous metals resources, which obtained RMB200 million financial support from the central government. A number of major research projects such as Zijinshan copper mine green recycling bio-copper extraction technological study, establishment of pressured heat oxidation leaching continuous test system have been kicked off.

The Group completed 23 patent applications (including 17 invention patents), of which 7 authorizations were obtained (including 4 invention patents). The Group organized and applied for 15 items for various kinds of scientific and technological achievements and won 8 awards from the China Gold Association, the provincial Department of Science and Technology and other units. The high purity zinc bullion produced by Bayannaer Zijin under the brand of "Zijin" (ZIJIN SHG) was successfully registered on the London Metal Exchange.

### Steadily improved the standard of fundamental management and information management

During the reporting period, the Group clearly defined the operation target, starting from establishing management process and objectives management planning, systematically strengthened the mining (stripping) plan of mines and the preparation of the Group's annual and three-year rolling production plan and improved the development of the internal economic responsibility system and its assessment. The Company's fundamental management standard has been improved comprehensively.

The Company implemented ERP project construction, completed the blueprint design and deployed the implementation of the seven modules, established a solid foundation for the implementation of informative, specified, standardized, meticulous management.

### Actively and effectively fulfilled social responsibilities

During the reporting period, after the approval of Ministry of Civil Affairs, the "Zijin Mining Charity Foundation" with contribution of RMB200 million by the Group was officially established.

The Group won the "Most Caring Donated Corporation" title of the seventh China Charity Award and other recognitions such as the "Fujian Red Cross Silver Medal", "Fujian Charity Award", "Outstanding Group Helping the Disabled under the Eleventh 5-year Plan", "Outstanding Chinese Enterprises of 2012 for Social Responsibility", etc.

After two years' litigation of Xinyi Zijin "9.21" case, it was finally resolved collectively by way of negotiation and mediation in a package settlement.

The Group made donation of RMB190 million for the year.

During the reporting period, the Group's total payroll and average income per staff increased by 19% and 10.1% respectively when compared with the same period last year. Some of the Group's subsidiaries started construction projects to meet the staff's basic housing needs.

## Chairman's Statement (continued)

### PROSPECTS

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

##### (1) Competition pattern and development trend on the industry

In 2013, the world's economic situation is still complicated and variable, and expected to be recovered mildly. Gold price will remain at a high and volatile position under the effects of the loose monetary policy, geopolitical factors, etc., but the risk of price drop still exists. The metal commodity price may remain at a wide fluctuating pattern under the effects of oversupply and stimulative policy, but if the core price shifted downward that it would be difficult for metal commodity to have a bull market again. Competition in the industry will be increasingly stiffer and the difficulty in business operations will continue to intensify.

Looking at the industry, the corporate restructuring intensified, resources and benefits further concentrated to superior corporates and large-scale corporates. In the context of the economic downturn, there may be a re-shuffle for the industry.

Looking at the internal situation, after the hardships and tests of the "7.3" and "9.21" incidents in 2010, the Company had a new understanding and an improved awareness on scientific development, awareness of environmental safety, awareness on social responsibility and awareness on fundamental management standardization, etc. The Company's integrated strength and ability are still at the leading position within the metal mining industry in China. In general, there are more opportunities than challenges for the Company.

##### (2) The Company's development strategy

With the principle of upholding the mining as the main business, gold-priority, mining of basic metals simultaneously, the Company conditionally selected the extended business and related business for development. Being the leader in domestic gold industry and domestic mining industry, the Company will strive to rank among the top in the international miners and being a high-tech and efficient international mining group in 2020.

##### (3) Business objectives

The production volume of major products in 2013: mine-produced gold of approximately 33 tonnes, mine-produced copper of approximately 115,000 tonnes, mine-produced silver of approximately 125 tonnes, mine-produced zinc of approximately 80,000 tonnes, iron concentrates (containing iron calcine) of approximately 2.2 million tonnes; refinery and processed gold of approximately 47 tonnes, refinery silver of approximately 151 tonnes, refinery copper of approximately 200,000 tonnes and refinery zinc bullion of approximately 150,000 tonnes.

Please note that 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.



## Chairman's Statement (continued)

### (4) Specific business strategy for 2013

Study in-depth and follow the spirit of the Eighteenth National People's Congress of the Communist Party to promote innovation, work practically, speed up promoting new round of ventures, and deepen the establishment of fundamental management and informational management. The Company focuses on technological innovation and maintaining growth by saving cost and increasing efficiency to comprehensively enhance the quality and effectiveness of the corporate's growth, and ensures that there will be new growth in the corporate's scale and effectiveness in 2013.

Vigorously promote the construction of ecological civilization, constantly enhance the standard of safety and environmental protection

Environmental protection, soil and water conservation and construction of ecological civilization have to be organically combined to improve the consciousness and initiative of ecological civilization. The Company will work hard to achieve the harmonization of economic benefits, ecological benefits, resources benefits and social benefits.

The Company will pay attention to the safety and environmental protection work continuously, especially for Zijinshan gold and copper mine; strengthen environmental impact assessment of mine development, carry out study comprehensively for the geology of the mines and environmental geochemistry, and promote green mines construction vigorously.

Implement a series of effective measures, ensure the mission for production operation completed

The Company developed cost management evaluation system, fully implemented the economic responsibility system which used cost control and budget management as main measures to offset the cost rising factor at maximum. The Company prepared the 3-year and 5-year production operation rolling plans, and prepared the mining (stripping) plan, strengthened the management of the dynamic resources reserves; further enhanced the utilization standard and management standard of resources integration, maintained a stable, balanced and sustainable production operation. The Company highly concerned about the mining geological work and the collection and analysis of the geology information, strengthened marketing research and judgment and product sales management to avoid market price fluctuation risk effectively.

Intensified major project acquisitions and exploration of resources

The Company will enhance the quality of preparatory work for project acquisition, intensify investment for acquisition, strive for breakthroughs and accomplishments on acquisition of large-scale mining project, and substantially increase the Group's effective resources reserve and production scale.

The Company will strengthen geological study for key areas and key projects, confirm investment in geological exploration and strive for significant progress on prospecting and increasing reserves.

The Company will strengthen the building of exploration team and construction of digital geology, concern about engineering, hydrogeology and environmental geology work.

## Chairman's Statement (continued)

### Focus on key construction projects

Projects including Russia Tuva lead zinc and multi-metals mine (phase 1), Wulatehouqi Sanguikou lead zinc mine 3,300,000 tonnes/year mining and process project, Gansu Yate 6,000 tonnes/day floatation process project, Guizhou Xinhengji Huilong gold mine, etc. have been carefully organized to ensure their completion and production in second half of the year. The construction of Shaanxi Jinfeng Mining Xiaohe gold mine aims to be completed by the end of the year.

The Company will focus the efforts on the projects which provide important support and guarantee for future growth, complete the comprehensive development planning for Zijinshan copper mine as soon as possible, start preparatory work for expansion project, expand steadily the production capacity of Zijinshan copper mine, focus on the renovation and construction work for ZGC Jilao gold mine and Taror gold copper mine, promote the construction of Kyrgyzstan Zuoan gold mine project, accelerate the project construction of Guizhou Changtian gold mine and Taipingdong gold mine, and the renovation construction of Hunchun gold copper mine, Ashele copper mine and Australian Norton Gold Fields Limited , promote the preparatory work for the construction of Duobaoshan copper mine technological renovation phase 2, Shangri-la Lannitang copper gold mine, Liancheng Zijin copper molybdenum mine and Wuping Longjiangting copper mine, etc.

### Tightly embrace the corporate itself to strengthen the study and use of technology

Using the state's key laboratory and demonstration base construction as the lead and focusing on producing application-oriented research, the Company focuses on developing and breaking through key technologies which are supporting the development strategy, urgently needed for production, common or directive in nature. The Company will strive to achieve breakthroughs of international standards on researches of copper biological metallurgy, gold and other metal pressure and hydro-metallurgical to refine gold and industrial application; strengthen communication and exchanges between research units and production units; strengthen the technology and facilities research for a flow-shortened, efficient, low-cost way to treat industrial wastewater; actively organize application for scientific and technology projects, strengthen the management of scientific and technology achievements, and use the advanced technology to enhance the corporate's effectiveness.

### Strengthen the establishment of the corporate's information system, comprehensively enhance the management standard of the corporate

The Company will fully promote the establishment of the ERP project, strengthen the management and control of the Group, realize optimization of main business procedure; further promote the establishment of "Three standards as one", information standardization, management standardization and business flow standardization through effective management of finance, logistics, resources, production and construction, improve standardization construction of corporate operation, safety and environmental protection, equipment, information system, etc. and the application standard of integration, to establish an integrated, centralized and efficient management platform.



## Chairman's Statement (continued)

Further broaden the horizons, raise the status and focus on talent work

The Company will gradually build up a scientific recruitment and appraisal system, stick to the “high pay for elites” principle to improve the recruitment level and improve the overall quality of the requirements for new employees, increase the proportion of non-local talents to intensify talent introduction.

The Company will adopt a mechanism adhere to market competition, focus on the nurturance of internal talents, put efforts on continuing education and training, improve talent evaluation and reward mechanism, retain the outstanding ones while dismiss the inferior ones to enhance the flow of talents.

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

In accordance with the Company's preliminary plan, it is expected that the Company might invest approximately RMB5 billion in project construction and technology innovation, approximately RMB440 million in geological exploration, approximately RMB4-8 billion (rough estimation with uncertainty) in external capital investment such as mining rights investment and equity investment in 2013. All the capital expenditure mentioned above will be financed by the Group's internal resources, bank loans and other feasible financing methods.

### (6) Possible risks

The Company's main source of income was from metal products like gold, copper, zinc, iron, etc. If the price of gold, copper, zinc, iron, etc. fluctuate seriously in the future, the Company's operation results will become unstable. Especially when the price of gold dropped, greater pressure will be imposed on the Company's operation results.

The Group invested a lot of resources in environmental protection and safety, established a more sound and well-equipped safety, environmental protection production management, prevention and supervision system, especially after the “7.3” incident, the work for environmental protection and safety work significantly enhanced. However, mining is a relatively high risk business and the possibility to have accident exists. There is a long but crucial way to go for the work of corporate safety and environmental protection work.



## Chairman's Statement (continued)

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

To issue US dollar bonds overseas, the Company set up a wholly-owned subsidiary Zijin International Finance Company Limited ("Zijin International Finance") in April 2011 as the 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 of the United States pursuant to Regulation S under the U.S. Securities Act in June and July 2011. The bonds are backed by a standby letter of credit issued by Bank of China, Paris Branch. The issue of the bonds is mainly used for purchase of copper concentrates and other overseas operations.

By order of the Board

Chen Jinghe

Chairman

Shanghang, Fujian, the PRC

27 March 2013

