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If you have sold or transferred all your shares in Zijin Mining Group Co., Ltd.*, you should at once pass this circular to the purchaser, the transferee, the bank, the stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

This circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of Zijin Mining Group Co., Ltd.*



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)

- (1) PROPOSED PUBLIC ISSUANCE OF A SHARE CONVERTIBLE CORPORATE BONDS;**
- (2) POSSIBLE CONNECTED TRANSACTION – SUBSCRIPTION OF A SHARE CONVERTIBLE CORPORATE BONDS BY MINXI XINGHANG;**
- (3) POSSIBLE CONNECTED TRANSACTION – SUBSCRIPTION OF A SHARE CONVERTIBLE CORPORATE BONDS BY THE RELEVANT CONNECTED PERSONS;**
- (4) PROFIT DISTRIBUTION PROPOSAL FOR THE YEAR ENDED 31 DECEMBER 2022;**
- (5) CALCULATION AND DISTRIBUTION PROPOSAL FOR THE REMUNERATION OF THE EXECUTIVE DIRECTORS AND CHAIRMAN OF THE SUPERVISORY COMMITTEE OF THE SEVENTH TERM FOR THE YEAR ENDED 31 DECEMBER 2022;**
- (6) REAPPOINTMENT OF AUDITOR FOR THE YEAR ENDING 31 DECEMBER 2023;**
- (7) GENERAL MANDATE TO ISSUE DEBT FINANCING INSTRUMENTS; AND**
- (8) ARRANGEMENT OF GUARANTEES FOR THE YEAR 2023**

INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT SHAREHOLDERS



A letter from the Board is set out on pages 5 to 40 of this circular. A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on pages 41 to 42 of this circular. A letter from the Independent Financial Adviser, Goldlink Capital (Corporate Finance) Limited, containing its advice to the Independent Board Committee and the Independent Shareholders, is set out on pages 43 to 76 of this circular.

Notices convening the AGM and the H Shareholders' Class Meeting to be held at the conference room at 21/F., Zijin Headquarters, No. 1 Zijin Road, Shanghang County, Fujian Province, the PRC on Thursday, 25 May 2023 at 9 a.m. and 10:30 a.m., respectively, are set out on pages 286 to 295 of this circular.

The reply slips and proxy forms for use at the said meetings are enclosed herewith. H Shareholders who intend to attend the respective meetings shall complete and return the reply slip(s) in accordance with the instructions printed on or before Tuesday, 23 May 2023.

Whether or not you are able to attend the respective meetings, please complete the applicable proxy form(s) in accordance with the instructions printed thereon. The applicable proxy form(s) shall be lodged with the registrar of H Shares of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 24 hours before the time appointed for the holding of the relevant meeting(s) or any adjournment thereof (as the case may be). Completion and return of the applicable proxy form(s) will not prevent you from attending and voting in person at the relevant meeting(s) or at any adjournment thereof should you so wish.

* *The English name of the Company is for identification purpose only*

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

“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 Share Convertible Corporate Bonds”	the A Share convertible corporate bonds of the Company proposed to be issued under the Public Issuance;
“A Share Convertible Corporate Bonds Offering Document” or “Offering Document”	Offering Document for the Public Issuance of A Share Convertible Corporate Bonds for the Year 2022 of Zijin Mining Group Co., Ltd.*;
“A Shareholder(s)”	holder(s) of A Share(s);
“A Shareholders’ Class Meeting”	the first A Shareholders’ class meeting in 2023 to be held by the Company at the conference room at 21/F., Zijin Headquarters, No. 1 Zijin Road, Shanghang County, Fujian Province, the PRC on Thursday, 25 May 2023 at 10 a.m.;
“Administrative Measures”	Administrative Measures for the Issuance of Securities by Listed Companies issued by the CSRC;
“AGM”	the 2022 annual general meeting to be held by the Company at the conference room at 21/F., Zijin Headquarters, No. 1 Zijin Road, Shanghang County, Fujian Province, the PRC on Thursday, 25 May 2023 at 9 a.m.;
“Articles of Association”	the articles of association of the Company, as amended, modified or otherwise supplemented from time to time;
“Associate(s)”	has the meaning ascribed thereto under the Listing Rules;
“Board” or “Board of Directors”	the board of Directors of the Company;
“Bondholder(s)”	holder(s) of the A Share Convertible Corporate Bonds;
“Bondholders’ Meeting(s)”	meeting(s) of the holders of the A Share Convertible Corporate Bonds under the Public Issuance of Zijin Mining Group Co., Ltd.*;

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“Class Meetings”	the A Shareholders’ Class Meeting and the H Shareholders’ Class Meeting;
“Company” or “Zijin Mining”	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;
“Connected Transaction(s)”	has the meaning ascribed thereto under the Listing Rules;
“CSRC”	China Securities Regulatory Commission;
“Director(s)”	the director(s) of the Company;
“DR Congo”	the Democratic Republic of the Congo;
“Employee Stock Ownership Scheme”	Phase 1 of the Employee Stock Ownership Scheme of Zijin Mining Group Co., Ltd.*;
“Group”	the Company and its subsidiaries;
“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 first H Shareholders’ class meeting in 2023 to be held by the Company at the conference room at 21/F., Zijin Headquarters, No. 1 Zijin Road, Shanghang County, Fujian Province, the PRC on Thursday, 25 May 2023 at 10:30 a.m.;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Independent Board Committee”	the independent board committee comprising all independent non-executive Directors established by the Company to advise the Independent Shareholders in relation to the Subscriptions;

DEFINITIONS

“Independent Financial Adviser”	Goldlink Capital (Corporate Finance) Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activity under the SFO and the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Subscriptions;
“Independent Shareholder(s)”	any Shareholder(s) of the Company that is/are not required to abstain from voting at the Shareholders’ General Meetings to approve the Connected Transactions as contemplated under the Issuance of A Share Convertible Corporate Bonds;
“Latest Practicable Date”	16 April 2023, being the latest practicable date prior to the issuance of this circular for ascertaining certain information contained herein;
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Longking”	Fujian Longking Co., Ltd., a subsidiary of the Company;
“Minxi Xinghang”	Minxi Xinghang State-owned Assets Investment Company Limited, a state-owned limited company incorporated in the PRC and the Substantial Shareholder of the Company holding approximately 23.11% of the total number of issued Shares as at the Latest Practicable Date;
“PRC”	The People’s Republic of China;
“Public Issuance of A Share Convertible Corporate Bonds”, “Issuance of A Share Convertible Corporate Bonds”, “Public Issuance” or “Issuance”	the proposal of the Company to apply to the CSRC for public issuance of A Share Convertible Corporate Bonds to non-specific investors in the PRC with a total amount not exceeding RMB10 billion (RMB10 billion inclusive);
“Relevant Connected Person(s)”	the Director(s), the Supervisor(s) and the director(s) of the Significant Subsidiaries holding interest in the A Shares as at the Latest Practicable Date;

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“Relevant Director(s)”	the Director(s) holding interest in the A Shares as at the Latest Practicable Date, namely Chen Jinghe, Zou Laichang, Lin Hongfu, Lin Hongying, Xie Xionghui and Wu Jianhui;
“RMB”	Renminbi, the lawful currency of the PRC;
“SFO”	Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong);
“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 AGM and the Class Meetings;
“Significant Subsidiaries”	all subsidiaries of the Company excluding any insignificant subsidiaries (as defined under the Listing Rules);
“Subscriptions”	the possible Connected Transactions of subscriptions of A Share Convertible Corporate Bonds under the proposed Public Issuance of A Share Convertible Corporate Bonds by Minxi Xinghang and the Relevant Connected Persons directly and/or through their interests in the Employee Stock Ownership Scheme;
“Substantial Shareholder”	has the meaning ascribed thereto under the Listing Rules;
“Supervisor(s)”	the supervisor(s) of the Company;
“Supervisory Committee”	the supervisory committee of the Company;
“USD”	United States dollar, the lawful currency of the United States of America;
“%”	per cent.

LETTER FROM THE BOARD



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)

Executive Directors:

Chen Jinghe (*Chairman*)
Zou Laichang (*Vice-chairman, president*)
Lin Hongfu
Lin Hongying
Xie Xionghui
Wu Jianhui

*Registered office and principal
place of business in the PRC:*

No. 1 Zijin Road
Shanghang County
Fujian Province
The PRC

Non-executive Director:

Li Jian

Place of business in Hong Kong:

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

Independent non-executive Directors:

He Fulong
Mao Jingwen
Li Changqing
Suen Man Tak
Bo Shao Chuan
Wu Xiaomin

25 April 2023

To the Shareholders

Dear Sir/Madam,

- (1) PROPOSED PUBLIC ISSUANCE OF A SHARE CONVERTIBLE CORPORATE BONDS;**
- (2) POSSIBLE CONNECTED TRANSACTION – SUBSCRIPTION OF A SHARE CONVERTIBLE CORPORATE BONDS BY MINXI XINGHANG;**
- (3) POSSIBLE CONNECTED TRANSACTION – SUBSCRIPTION OF A SHARE CONVERTIBLE CORPORATE BONDS BY THE RELEVANT CONNECTED PERSONS;**
- (4) PROFIT DISTRIBUTION PROPOSAL FOR THE YEAR ENDED 31 DECEMBER 2022;**
- (5) CALCULATION AND DISTRIBUTION PROPOSAL FOR THE REMUNERATION OF THE EXECUTIVE DIRECTORS AND CHAIRMAN OF THE SUPERVISORY COMMITTEE OF THE SEVENTH TERM FOR THE YEAR ENDED 31 DECEMBER 2022;**
- (6) REAPPOINTMENT OF AUDITOR FOR THE YEAR ENDING 31 DECEMBER 2023;**
- (7) GENERAL MANDATE TO ISSUE DEBT FINANCING INSTRUMENTS; AND**
- (8) ARRANGEMENT OF GUARANTEES FOR THE YEAR 2023**

LETTER FROM THE BOARD

1. INTRODUCTION

Reference is made to the announcement in relation to the proposed Public Issuance of A Share Convertible Corporate Bonds and the possible Connected Transaction of Subscriptions of A Share Convertible Corporate Bonds by Minxi Xinghang and the Relevant Connected Persons of the Company dated 21 October 2022.

The purpose of this circular is to provide you with information in relation to (1) the proposed Public Issuance of A Share Convertible Corporate Bonds; (2) the possible Connected Transaction of Subscriptions of A Share Convertible Corporate Bonds by Minxi Xinghang and the Relevant Connected Persons; (3) profit distribution proposal for the year ended 31 December 2022; (4) calculation and distribution proposal for the remuneration of the executive Directors and chairman of the Supervisory Committee of the seventh term for the year ended 31 December 2022; (5) reappointment of auditor for the year ending 31 December 2023; (6) general mandate to issue debt financing instruments; and (7) arrangement of guarantees for the year 2023, which are among the proposals to be proposed at the AGM, and the proposed Public Issuance of A Share Convertible Corporate Bonds is also among the proposals to be proposed at the A Shareholders' Class Meeting and the H Shareholders' Class Meeting, and to set out the letter from the Independent Financial Adviser to the Independent Shareholders and the recommendation of the Independent Board Committee as advised by the Independent Financial Adviser and other information relevant to the proposals to be tabled to the AGM, the A Shareholders' Class Meeting (where applicable) and the H Shareholders' Class Meeting (where applicable) as required under the Listing Rules, in order to enable you to make an informed decision on whether to vote for or against the proposals at the AGM, the A Shareholders' Class Meeting (where applicable) and the H Shareholders' Class Meeting (where applicable).

2. PROPOSED PUBLIC ISSUANCE OF A SHARE CONVERTIBLE CORPORATE BONDS

The Company proposed to apply to the CSRC for public issuance of A Share Convertible Corporate Bonds to non-specific investors in the PRC with a total amount not exceeding RMB10 billion (RMB10 billion inclusive). The proposed Public Issuance of A Share Convertible Corporate Bonds is subject to the approvals of the Shareholders at the AGM, the review and consent of the Shanghai Stock Exchange and the consent on registration of the CSRC.

Summary of the proposal on the Public Issuance of A Share Convertible Corporate Bonds

(I) Type of securities to be issued

The type of securities to be issued is convertible corporate bonds which can be converted into the A Shares of the Company. The A Share Convertible Corporate Bonds and the A Shares of the Company to be converted in the future will be listed on the Shanghai Stock Exchange.

(II) Size of the Issuance

In accordance with the stipulations of the relevant laws and regulations and with reference to the financial status and investment plan of the Company, the total amount of proceeds proposed to be raised from the Issuance of A Share Convertible Corporate Bonds will

LETTER FROM THE BOARD

not exceed RMB10 billion (RMB10 billion inclusive). Such amount is based on the total amount of proceeds originally proposed to be raised (i.e., not exceeding RMB13.3945 billion), and factors including deduction of new and potential financial investments made from six months before the date of the Board resolution in relation to the Issuance to the date of the Issuance are also taken into account. The specific amount of proceeds to be raised will be determined by the Board or its authorised persons within the abovementioned range pursuant to the authorisation from the Shareholders at the Shareholders' General Meetings.

(III) Par value and issue price

The A Share Convertible Corporate Bonds under the Issuance will be issued at par with a nominal value of RMB100 each.

(IV) Term of the A Share Convertible Corporate Bonds

The term of the A Share Convertible Corporate Bonds under the Issuance will be six years from the date of the Issuance.

(V) Coupon rate of the A Share Convertible Corporate Bonds

It is proposed that the Shareholders to authorise the Board or its authorised persons at the Shareholders' General Meetings to determine the determination method of coupon rate of the A Share Convertible Corporate Bonds and the final interest rate for every interest accrual year upon negotiation with the sponsor (the lead underwriter) in accordance with national policies, market conditions and the actual conditions of the Company, prior to the Issuance.

(VI) Timing and method of principal repayment and interest payment

The A Share Convertible Corporate Bonds under the Issuance adopts the payment method that interest shall be paid on an annual basis. When the A Share Convertible Corporate Bonds mature, the principal shall be repaid together with the interest for the last year.

1. Calculation of annual interest

Annual interest means the interest accrued to a Bondholder on each anniversary of the date of Issuance of A Share Convertible Corporate Bonds, which is calculated based on the aggregate nominal value of the A Share Convertible Corporate Bonds held by such Bondholder.

The formula for calculating the annual interest is: $I=B \times i$

In which, "I" denotes the annual interest;

"B" denotes the aggregate nominal value of the A Share Convertible Corporate Bonds under the Issuance held by a Bondholder as at the record date for interest payment in that interest accrual year ("that year" or "each year");

"i" denotes the coupon rate of the A Share Convertible Corporate Bonds under the Issuance of that year.

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2. Method of principal repayment and interest payment
 - (1) Interest of the A Share Convertible Corporate Bonds under the Issuance shall be paid annually, accruing from the date of the Issuance of A Share Convertible Corporate Bonds.
 - (2) Interest payment date: the interest payment date in each year is the anniversary of the date of the Issuance of A Share Convertible Corporate Bonds. If such date falls on a statutory holiday or rest day, the interest payment date shall be postponed to the first trading day immediately thereafter. No additional interest will be accrued during the period of postponement. The period between two interest payment dates shall be an interest accrual year. Matters in relation to interest and the ownership of share dividends in the year of conversion shall be determined by the Board or its authorised persons according to the relevant laws, regulations and provisions of the Shanghai Stock Exchange.
 - (3) Record date for interest payment: the record date for interest payment in each year shall be the trading day preceding the interest payment date. The Company shall pay the interest accrued for that year within five trading days from the interest payment date. The Company shall not pay any interest for that year and subsequent interest accrual years to the Bondholders whose A Share Convertible Corporate Bonds have been applied to be converted into A Shares on or before the record date.
 - (4) Within five trading days from the maturity date of the A Share Convertible Corporate Bonds under the Issuance, the Company shall repay all the principal and the interest for the last year of the unconverted A Share Convertible Corporate Bonds in maturity.
 - (5) Tax payable on the interest income of a Bondholder under the Issuance shall be borne by such Bondholder.

(VII) Conversion period

The conversion period of the A Share Convertible Corporate Bonds under the Issuance shall commence on the first trading day immediately following the expiry of the six-month period after the date of the Issuance of A Share Convertible Corporate Bonds, and end on the maturity date of the A Share Convertible Corporate Bonds.

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(VIII) Determination and adjustment of the conversion price

1. Basis for determining the initial conversion price

Pursuant to the stipulations in the Administrative Measures, the initial conversion price shall not be lower than the average trading price of A Shares for the 20 trading days preceding the publication date of the Offering Document (in the event that the A Share price was adjusted due to ex-right and ex-dividend in the preceding 20 trading days, the average trading price of A Shares for the trading days prior to the adjustment shall be calculated based on the price after such ex-right and ex-dividend) and the average trading price for the preceding trading day. That is, initial conversion price shall not be lower than the higher of the average trading price of A Shares for the 20 trading days preceding the publication date of the Offering Document and the average trading price for the preceding trading day. The actual initial conversion price shall be determined by the Board or its authorised persons upon negotiation with the sponsor (the lead underwriter) prior to the Issuance in accordance with the market conditions pursuant to the authorisation from the Shareholders at the Shareholders' General Meetings. At the same time, the initial conversion price shall not be lower than the audited net asset value per Share for the latest period and the face value of the Share of the Company.

In which, the average trading price of A Shares for the preceding 20 trading days = total trading amount of A Shares for the preceding 20 trading days/total trading volume of A Shares for such 20 trading days; the average trading price of A Shares for the preceding trading day = total trading amount of A Shares for the preceding trading day/total trading volume of A Shares for such trading day.

2. Method of adjustments and calculation formula to the conversion price

The conversion price is subject to adjustment upon the Issuance in case of certain events which affect the Shares of the Company, such as distribution of share dividends, conversion or increase of share capital, issuance of new shares, rights issue or distribution of cash dividends (excluding any increase in the share capital as a result of conversion of the A Share Convertible Corporate Bonds). The Company shall adjust the conversion price accumulatively based on the order of occurrence of the abovementioned scenarios (round off to two decimal places). The details of the adjustment are as follows:

Distribution of share dividends or conversion or increase of share capital: $P_1 = P_0/(1 + n)$;

Issuance of new shares or rights issue: $P_1 = (P_0 + A \times k)/(1 + k)$;

The above two events occur concurrently: $P_1 = (P_0 + A \times k)/(1 + n + k)$;

Distribution of cash dividends: $P_1 = P_0 - D$;

The above three events occur concurrently: $P_1 = (P_0 - D + A \times k)/(1 + n + k)$.

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Where: “ P_0 ” denotes the conversion price before adjustment; “ n ” denotes the rate of distribution of share dividends or conversion or increase of share capital this time; “ k ” denotes the rate of issuance of new shares or rights issue this time; “ A ” denotes the price of issuance of new shares or rights issue this time; “ D ” denotes the cash dividend per Share this time; “ P_1 ” denotes the adjusted effective conversion price.

Upon the occurrence of any of the abovementioned changes in the Shares and/or owners’ equity, the Company shall adjust the conversion price based on the order of the occurrence, and publish an announcement in relation to the adjustment of the conversion price on the media designated by the CSRC for information disclosure of listed companies. Such announcement shall indicate the date of adjustment to the conversion price, adjustment method and suspension period of share conversion (if necessary). If the conversion price adjustment date is on or after the date on which a Bondholder applies for conversion of its/his/her A Share Convertible Corporate Bonds but before the record date of the A Shares to be issued upon conversion, such conversion shall then be executed based on the conversion price adjusted by the Company.

In the event that the creditor’s interests or the interests derived from the share conversion of the Bondholders are affected by the change in the Company’s share class, quantity and/or owners’ equity due to any possible share repurchase, consolidation, division or any other circumstances, the Company shall adjust the conversion price based on the actual situations and in accordance with the principles of fairness, justice and equality so as to fully protect the interests of the Bondholders. The details of adjustment to the conversion price and its implementation measures shall be determined in accordance with the relevant PRC laws, regulations, rules and the relevant requirements of the securities regulatory authorities.

(IX) Terms of downward adjustment to conversion price

1. Authorisation and magnitude of adjustment

If, during the term of the A Share Convertible Corporate Bonds, the closing prices of A Shares of the Company on at least 15 trading days out of any 30 consecutive trading days are lower than 75% of the prevailing conversion price, the Board is entitled to propose a downward adjustment to the conversion price and submit it to the shareholders’ general meetings for the Shareholders’ consideration and approval.

The abovementioned proposal shall be implemented only if it is approved by more than two-thirds of the Shareholders with voting rights who attend the shareholders’ general meetings. Shareholders who hold the A Share Convertible Corporate Bonds shall abstain from voting at the shareholders’ general meetings. The adjusted conversion price shall be no less than the higher of the average trading price of A Shares for the 20 trading days preceding the date of such shareholders’ general meetings for consideration and approval of the aforementioned proposal and the average trading price of A Shares for the trading day preceding the date of such meetings. At the same time, the adjusted conversion price shall be no less than the audited net asset value per Share for the latest period and the face value of the Share of the Company.

LETTER FROM THE BOARD

In the event that there is an adjustment to the conversion price during the aforementioned 30 consecutive trading days, in respect of the trading days prior to the adjustment to the conversion price, the calculation shall be based on the unadjusted conversion price and the closing price of the A Shares on each such day, and in respect of the days on which adjustment to the conversion price is made and the trading days afterwards, the calculation shall be based on the adjusted conversion price and the closing price of the A Shares on each such day.

2. Procedures of adjustment

In the event that the Company decides to adjust the conversion price downwards, the Company shall publish an announcement on the media designated by the CSRC for information disclosure of listed companies. Such announcement shall include information including the magnitude of the adjustment, the record date, the suspension period of share conversion and other relevant information. Application for conversion at adjusted conversion price shall be resumed upon the first trading day after the record date, i.e., the conversion price adjustment date. If the conversion price adjustment date is on or after the date on which a Bondholder applies for conversion of its/his/her A Share Convertible Corporate Bonds but before the record date of the A Shares to be issued upon conversion, such conversion shall then be executed based on the adjusted conversion price.

(X) Method for determining the number of A Shares to be converted and treatment for remaining balance of the A Share Convertible Corporate Bonds which is insufficient to be converted into one A Share

Where a Bondholder applies to convert its/his/her A Share Convertible Corporate Bonds under the Issuance during the conversion period, the formula for calculating the number of A Shares to be converted is as follows: $Q = V/P$, any fractional A Share shall be rounded down to the nearest whole number.

In which, “Q” denotes the number of A Shares to be converted; “V” denotes the aggregate nominal value of A Share Convertible Corporate Bonds in respect of which the Bondholder applies for conversion, and “P” denotes the prevailing conversion price as at the date of application for conversion.

The number of A Shares to be converted shall be in whole number where the Bondholder applied for converting its/his/her A Share Convertible Corporate Bonds under the Issuance. After the application of conversion by the Bondholder, within five trading days from the date of conversion by the Bondholder, the Company shall pay the Bondholder in cash an amount equals to the remaining balance of such A Share Convertible Corporate Bonds which is insufficient to be converted into one A Share and the interest accrued on such balance in accordance with the relevant requirements of the Shanghai Stock Exchange, China Securities Depository and Clearing Corporation Limited and other authorities.

LETTER FROM THE BOARD

(XI) Terms of redemption

1. Terms of redemption upon maturity

Within five trading days upon the maturity of the A Share Convertible Corporate Bonds, the Company shall redeem all the A Share Convertible Corporate Bonds which have not been converted into A Shares by then. It is proposed that the Shareholders to authorise the Board or its authorised persons at the Shareholders' General Meetings to determine the actual redemption price upon negotiation with the sponsor (the lead underwriter) with reference to the market conditions upon the Issuance.

2. Terms of conditional redemption

During the conversion period of the A Share Convertible Corporate Bonds, where either of the two scenarios mentioned below occurs, the Company shall have the right to redeem all or part of the outstanding A Share Convertible Corporate Bonds which have not been converted into the A Shares, at a price equals to the nominal value of the A Share Convertible Corporate Bonds plus the then accrued interest:

- (1) The closing prices of the A Shares during at least 15 trading days out of any 30 consecutive trading days during the conversion period are no less than 125% (125% inclusive) of the prevailing conversion price;
- (2) The total par value of the outstanding A Share Convertible Corporate Bonds is lower than RMB30 million.

Formula for calculating the accrued interest for the current period is: $IA = B \times i \times t / 365$

In which, "IA" denotes the accrued interest for the current period;

"B" denotes the aggregate nominal value of the A Share Convertible Corporate Bonds to be redeemed held by the Bondholders;

"i" denotes the coupon rate of the A Share Convertible Corporate Bonds for the current year;

"t" denotes the number of days on which interest is accrued, i.e., the actual number of calendar days from the last interest payment date (inclusive) up to the redemption date of the current interest accrual year (excluding the redemption date).

In the event that an adjustment to the conversion price by the Company is made during the aforementioned 30 consecutive trading days, in respect of the trading days prior to the conversion price adjustment date, the calculation shall be based on the unadjusted conversion price and the closing price of the A Shares on each such day, and in respect of the conversion price adjustment date and the trading days after the conversion price adjustment date, the calculation shall be based on the adjusted conversion price and the closing price of the A Shares on each such day.

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(XII) Terms of sale back

1. Terms of conditional sale back

During the last two interest accrual years within the term of the A Share Convertible Corporate Bonds under the Issuance, if the closing prices of the A Shares of the Company on any 30 consecutive trading days are lower than 65% of the prevailing conversion price, the Bondholders are entitled to sell back all or part of the A Share Convertible Corporate Bonds they hold to the Company at par plus the then accrued interest. In the event that an adjustment to the conversion price is made due to distribution of share dividends, conversion or increase of share capital, issuance of new shares, rights issue, distribution of cash dividends (excluding any increase in the share capital as a result of conversion of the A Share Convertible Corporate Bonds), etc. during the aforementioned trading days, in respect of the trading days prior to the conversion price adjustment date, the calculation shall be based on the unadjusted conversion price and the closing price of the A Shares on each such day, and in respect of the conversion price adjustment date and the trading days after the conversion price adjustment date, the calculation shall be based on the adjusted conversion price and the closing price of the A Shares on each such day. In the event that there is a downward adjustment to the conversion price, the aforesaid “30 consecutive trading days” shall be re-counted from the first trading day following the adjustment to the conversion price.

The Bondholders can exercise their sale back rights once every year when the sale back conditions have been initially satisfied according to the abovementioned agreed terms in the last two interest accrual years within the term of the A Share Convertible Corporate Bonds. If the sale back conditions have initially been satisfied, but the Bondholders do not apply for and exercise their sale back rights during the sale back declaration period then announced by the Company, they shall not exercise the sale back rights during such interest accrual years. The Bondholders are not allowed to exercise their partial sale back rights for multiple times.

2. Additional terms of sale back

If the implementation of the projects to be invested by the proceeds raised under the Issuance of A Share Convertible Corporate Bonds significantly differs from the undertakings set out by the Company in the Offering Document, and such difference is deemed as a change in the use of proceeds raised pursuant to the relevant rules of the CSRC or is considered by the CSRC as a change in the use of proceeds raised, the Bondholders shall be entitled to a one-off right to sell all or part of the A Share Convertible Corporate Bonds they hold back to the Company at par plus then accrued interest. Upon satisfaction of the additional condition of sale back, the Bondholders may sell their A Share Convertible Corporate Bonds back to the Company during the additional sale back declaration period announced by the Company. If the Bondholders do not exercise their sale back rights during such period, they shall not exercise such rights later. For the calculation of accrued interest for the current period, please refer to relevant content under the paragraph headed (XI) Terms of redemption.

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(XIII) Entitlement to dividend in the year of conversion

The new A Shares to be issued as a result of conversion of the A Share Convertible Corporate Bonds under the Issuance shall rank pari passu with all the existing A Shares, and all ordinary A Shareholders (including those derived from the conversion of the A Share Convertible Corporate Bonds) whose names are recorded on the register of members of the Company after the market closes on the record date for dividend distribution shall be entitled to receive the dividend of that period and enjoy equal rights and interests.

(XIV) Method of the Issuance and target subscribers

It is proposed that the Shareholders to authorise the Board or its authorised persons at the Shareholders' General Meetings to determine the specific method of the Issuance of A Share Convertible Corporate Bonds upon negotiation with the sponsor (the lead underwriter).

The target subscribers of the A Share Convertible Corporate Bonds are natural persons, legal persons, securities investment funds and other investors in compliance with legal requirements who have maintained securities accounts in the China Securities Depository and Clearing Corporation Limited Shanghai Branch (excluding those prohibited by the PRC laws and regulations).

(XV) Subscription arrangement for the existing A Shareholders

The existing A Shareholders are entitled to the right to subscribe for the A Share Convertible Corporate Bonds in priority. The existing A Shareholders have the right to surrender such right. The specific proportion of subscription in priority by the existing A Shareholders shall be determined by the Board or its authorised persons in accordance with the conditions upon the Issuance, subject to the authorisation by the Shareholders at the Shareholders' General Meetings, and shall be disclosed in the issuance announcements of the A Share Convertible Corporate Bonds.

The A Share Convertible Corporate Bonds which are not subject to the abovementioned priority in subscription by existing A Shareholders and are not subscribed by the existing A Shareholders in priority will be offered to institutional investors offline or issued by way of online pricing through the trading system of the Shanghai Stock Exchange, and the remaining balance will be underwritten by the underwriters. It is proposed that the Shareholders to authorise the Board or its authorised persons at the Shareholders' General Meetings to determine the specific issuance method upon negotiation with the sponsor (the lead underwriter).

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(XVI) Relevant matters of the Bondholders' Meetings

1. Rights and obligations of the Bondholders

(1) Rights of the Bondholders

- ① to receive agreed interests with reference to the amount of the A Share Convertible Corporate Bonds held during the period;
- ② to convert the A Share Convertible Corporate Bonds held into the A Shares of the Company according to the agreed conditions as stipulated in the A Share Convertible Corporate Bonds Offering Document;
- ③ to exercise the sale back rights on agreed conditions as stipulated in the A Share Convertible Corporate Bonds Offering Document;
- ④ to transfer, grant or pledge the A Share Convertible Corporate Bonds held by the Bondholders in accordance with the stipulations of the laws, regulations and the Articles of Association;
- ⑤ to receive relevant information in accordance with the stipulations of the laws and the Articles of Association;
- ⑥ to request the Company to repay the principal and interest of the A Share Convertible Corporate Bonds within the agreed period and in an agreed manner as stipulated in the A Share Convertible Corporate Bonds Offering Document;
- ⑦ to attend the Bondholders' Meetings, either in person or by proxy, and vote in accordance with relevant stipulations under the laws, regulations, etc.; and
- ⑧ other rights as creditors of the Company prescribed by the applicable laws, regulations and the Articles of Association.

(2) Obligations of the Bondholders

- ① to abide by the relevant terms of the Issuance of A Share Convertible Corporate Bonds by the Company;
- ② for those who obtained the A Share Convertible Corporate Bonds by subscription, to pay the subscription amount in accordance with the amount of A Share Convertible Corporate Bonds subscribed for;
- ③ to abide by the effective resolutions approved at the Bondholders' Meetings;

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- ④ not to request the Company to prepay the principal and interest of the A Share Convertible Corporate Bonds in advance, unless otherwise required by the applicable laws and regulations, or otherwise agreed in the A Share Convertible Corporate Bonds Offering Document; and
- ⑤ other obligations to be undertaken by the Bondholders prescribed by the applicable laws, regulations and the Articles of Association.

2. Details of convening the Bondholders' Meetings

The Bondholders' Meetings shall be convened by the Board or the trustee of the A Share Convertible Corporate Bonds (the "Bond Trustee"). The Board or the Bond Trustee shall convene a Bondholders' Meeting within 30 days from the date of submitting a proposal or receiving a proposal to convene a Bondholders' Meeting. The notice of the meeting shall be issued to all Bondholders and relevant attendees 15 days before the meeting, and shall be announced on the media designated by the Company for information disclosure.

A Bondholders' Meeting shall be convened upon the occurrence of any of the following events during the term of the A Share Convertible Corporate Bonds:

- (1) the Company proposes to change the terms of the A Share Convertible Corporate Bonds Offering Document;
- (2) the Company is unable to pay the principal and interest of the A Share Convertible Corporate Bonds for the current period on time;
- (3) the Company proposes to amend the Rules for A Share Convertible Corporate Bondholders' Meetings;
- (4) the Company undertakes a capital reduction (except for capital reduction due to share buy-backs under employee stock ownership scheme, share incentive, compensation for operating results commitment or those necessary for protecting the Company's value and rights and interests of the Shareholders), receivership, consolidation, division, dissolution or filing for bankruptcy;
- (5) any material adverse changes occur to guarantors (if any), collaterals (if any) or other compensation or protection measures;
- (6) the Company's management is unable to discharge their duties in a normal manner, which leads to severe uncertainties in the debt repayment capability of the Company, and actions are required to be taken according to the laws;
- (7) the Company proposes a debt restructuring plan;

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- (8) a resolution in relation to a change in or dismissal of the Bond Trustee is made;
- (9) other matters that will have material and substantial impact on the interests of the Bondholders occur; and
- (10) other matters which shall be considered and approved at a Bondholders' meeting, according to provisions of the laws, regulations, rules, regulatory documents, the CSRC, the Shanghai Stock Exchange and the Rules for A Share Convertible Corporate Bondholders' Meetings.

The Bondholders holding over 10% of the total nominal value of the outstanding A Share Convertible Corporate Bonds separately or in aggregate, the Board, the Bond Trustee or other entities or persons prescribed by the laws, regulations and the CSRC can propose to convene a Bondholders' Meeting in a written form.

The Company shall provide the method to protect the interests of the Bondholders, rights, procedures and conditions to effectuate the resolutions of the Bondholders' Meetings in the A Share Convertible Corporate Bonds Offering Document.

(XVII) Use of proceeds raised

The total amount of proceeds proposed to be raised from the Issuance of A Share Convertible Corporate Bonds will not exceed RMB10 billion (RMB10 billion inclusive). Such amount is based on the total amount of proceeds originally proposed to be raised (i.e., not exceeding RMB13.3945 billion), and factors including deduction of new and potential financial investments made from six months before the date of the Board resolution in relation to the Issuance to the date of the Issuance are also taken into account. The net amount of the proceeds raised after deducting the issuance expenses is proposed to be used for the following projects:

Unit: RMB billion

Project name	Total investment amount	Original proposed amount of proceeds raised to be invested	Actual proposed amount of proceeds raised to be invested
Acquisition of 30% interest in the Haiyu Gold Mine in Shandong	3.9845	3.9845	3.9845
Acquisition of the Shapinggou Molybdenum Mine in Anhui	5.91	5.91	2.5155
Acquisition of the Rosebel Gold Mine Project in Suriname ^{Note}	2.559096	2.5	2.5
Phase 1 underground mining construction project of the Aurora Gold Mine in Guyana ^{Note}	1.9896403	1	1
Total	14.4432363	13.3945	10

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Note: The total investment amount in “Acquisition of the Rosebel Gold Mine Project in Suriname” and “Phase 1 underground mining construction project of the Aurora Gold Mine in Guyana” is USD360 million and USD279.892 million, respectively, equivalent to RMB2.559096 billion and RMB1.9896403 billion, respectively, based on the RMB central parity rate (USD1:RMB7.1086) announced by the China Foreign Exchange Trade System on 18 October 2022.

After the proceeds raised in the Issuance of A Share Convertible Corporate Bonds are deposited in the account, the Company will invest the proceeds raised in the abovementioned projects in accordance with the actual need and priority of the projects. If the total investment amount of the projects exceeds the amount of proceeds raised used, the difference shall be self-financed by the Company. If the actual net amount of proceeds raised from the total proceeds raised under the Issuance after deducting the issuance expenses is less than the actual amount of funds required for the investment projects, the Company will make up the shortfall by self-financing.

Before the proceeds raised in the Issuance of A Share Convertible Corporate Bonds are deposited in the account, the Company will invest in the projects by self-financing first. After the proceeds raised are deposited in the account, the funds that have been invested in the projects shall be replaced according to relevant laws, regulations and procedures.

(XVIII) Rating

A credit rating agency will issue a credit rating report in respect of the A Share Convertible Corporate Bonds under the Issuance.

(XIX) Management and deposit for the proceeds raised

The Company has formulated relevant rules for managing the proceeds raised. The proceeds raised from the Issuance of A Share Convertible Corporate Bonds shall be kept in specific accounts designated by the Board for the management of special deposit. The Board shall determine relevant matters in relation to the establishment of the accounts before the Issuance, and shall disclose the relevant information of the special accounts for the proceeds raised in the issuance announcements of the A Share Convertible Corporate Bonds under the Issuance.

(XX) Guarantee and security

No guarantee or security will be provided in relation to the A Share Convertible Corporate Bonds under the Issuance.

(XXI) Validity period of the resolution of the Issuance

Validity period of the resolution of the Issuance will be twelve months from the date on which the proposal of the Issuance is considered and approved at the Shareholders' General Meetings of the Company.

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(XXII) Approval procedures of the Issuance

The relevant matters of the proposed Issuance of A Share Convertible Corporate Bonds were considered and approved at the thirteenth meeting of the seventh term of the Board held on 21 October 2022 and the fifth extraordinary meeting in 2023 of the eighth term of the Board held on 17 February 2023. Pursuant to the stipulations in the relevant laws and regulations, implementation of the proposed Issuance of A Share Convertible Corporate Bonds will be subject to the approval of the State-owned Assets Supervision and Administration Commission of the People's Government of Longyan City, the consideration and approval at the Shareholders' General Meetings, the review and consent of the Shanghai Stock Exchange and the consent on registration of the CSRC.

3. POSSIBLE CONNECTED TRANSACTIONS OF SUBSCRIPTIONS OF A SHARE CONVERTIBLE CORPORATE BONDS BY MINXI XINGHANG AND THE RELEVANT CONNECTED PERSONS

Possible subscription of A Share Convertible Corporate Bonds by Minxi Xinghang

As at the Latest Practicable Date, Minxi Xinghang holds 6,083,517,704 A Shares and shall have the right to subscribe for the A Share Convertible Corporate Bonds in priority, and the right to surrender such right of subscription. Minxi Xinghang may subscribe for the A Share Convertible Corporate Bonds with a maximum subscription amount of RMB2,954,421,300.

Minxi Xinghang, the Substantial Shareholder of the Company, intends to subscribe for the A Share Convertible Corporate Bonds.

Possible subscription of A Share Convertible Corporate Bonds by the Relevant Connected Persons

As at the Latest Practicable Date, the Relevant Connected Persons directly hold an aggregate of 76,306,123 A Shares, and indirectly hold an aggregate of 5,138,179 A Shares through their interests in the Employee Stock Ownership Scheme. Each of the Relevant Connected Persons shall have the right to subscribe for the A Share Convertible Corporate Bonds directly and/or through their interests in the Employee Stock Ownership Scheme in priority, and the right to surrender such right of subscription.

The Relevant Connected Persons may directly subscribe for the A Share Convertible Corporate Bonds with a maximum subscription amount of RMB37,056,700 based on their shareholding proportion of A Shares. The Relevant Connected Persons may also subscribe for the A Share Convertible Corporate Bonds through their interests in the Employee Stock Ownership Scheme with a maximum subscription amount of RMB2,494,900.

The terms and conditions for Minxi Xinghang and the Relevant Connected Persons to subscribe for the A Share Convertible Corporate Bonds directly and/or through their interests in the Employee Stock Ownership Scheme will be the same as the terms and conditions set out in the proposal on the Public Issuance of A Share Convertible Corporate Bonds.

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The proposal in relation to the possible Connected Transactions of Subscriptions of A Share Convertible Corporate Bonds under the Public Issuance by the Company's Connected Persons

The Company proposed to apply for Public Issuance of A Share Convertible Corporate Bonds in the PRC.

According to the terms of the Issuance, after the Issuance of A Share Convertible Corporate Bonds is reviewed and approved by the Shanghai Stock Exchange and the registration is approved and agreed by the CSRC, a certain proportion of the A Share Convertible Corporate Bonds proposed to be issued will be offered to all the A Shareholders whose names appeared on the share register on the record date after the close of the stock market in priority. The specific proportion of the offer will be determined based on market situation and negotiations between the Board or its authorised persons and the sponsor (the lead underwriter) under the authorisation of the AGM and the Class Meetings. Unsubscribed portion will be allotted and issued to other potential investors who have indicated their interest.

Based on the abovementioned, the Substantial Shareholder, the Directors, the Supervisors and the directors of the Significant Subsidiaries of the Company who hold the A Shares and the Employee Stock Ownership Scheme can decide whether they will subscribe for the A Share Convertible Corporate Bonds to be placed on pro-rata basis based on their shareholding proportion in priority at their sole discretion.

Pursuant to the stipulations of clause (III) of rule 6.3.18 of the Rules Governing the Listing of Stocks on Shanghai Stock Exchange (Revised in January 2022), if the abovementioned connected persons subscribe for the A Share Convertible Corporate Bonds to be publicly issued, the transactions are exempted from the approval and disclosure requirements required for connected transactions. Pursuant to the Listing Rules, the Substantial Shareholder, the Directors, the Supervisors and the directors of the Significant Subsidiaries of the Company are the Connected Persons of the Company. If the Substantial Shareholder, the Directors, the Supervisors and the directors of the Significant Subsidiaries of the Company directly and/or the Directors and the directors of the Significant Subsidiaries of the Company through the Employee Stock Ownership Scheme subscribe for the A Share Convertible Corporate Bonds under the Public Issuance, it will constitute a Connected Transaction of the Company and is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements.

Assuming that 100% of the A Share Convertible Corporate Bonds will be firstly offered to the existing A Shareholders under the Issuance, and the Substantial Shareholder, the Directors, the Supervisors and the directors of the Significant Subsidiaries of the Company and/or the Directors and the directors of the Significant Subsidiaries of the Company through the Employee Stock Ownership Scheme will exercise the right to subscribe in full, the shareholding proportion of the abovementioned parties on the Latest Practicable Date and the maximum amount of the A Share Convertible Corporate Bonds of RMB10 billion to be issued by the Company (the amount of proceeds originally proposed to be raised was not exceeding RMB13.3945 billion. After taking into account factors including deduction of new and potential financial investments made from six months before the date of the Board resolution

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in relation to the Issuance to the date of the Issuance, the maximum total amount of the proceeds to be raised is reduced to RMB10 billion), the maximum amounts of the A Share Convertible Corporate Bonds to be subscribed by the abovementioned parties are as follows:

Unit: RMB million

Substantial Shareholder/ Directors/Supervisors/ directors of the Significant Subsidiaries	Approximate percentage of the number of A Shares directly held to the number of total issued A Shares	Maximum subscription amount of A Share Convertible Corporate Bonds based on the proportion of A Shares directly held	Approximate percentage of A Shares indirectly held under the Ownership Scheme to the number of total issued A Shares	Maximum subscription amount of A Share Convertible Corporate Bonds based on the proportion of A Shares indirectly held under the Employee Stock Ownership Scheme	Total maximum subscription amount of A Share Convertible Corporate Bonds
Minxi Xinghang	29.5442%	2,954.4213	/	/	2,954.4213
Chen Jinghe	0.3161%	31.6153	/	/	31.6153
Zou Laichang	0.0132%	1.3224	0.0072%	0.7284	2.0508
Lin Hongfu	0.0084%	0.8396	0.0072%	0.7261	1.5657
Lin Hongying	0.0047%	0.4744	0.0036%	0.3642	0.8386
Xie Xionghui	0.0044%	0.4397	0.0028%	0.2888	0.7285
Wu Jianhui	0.0024%	0.2476	0.0003%	0.0359	0.2835
Lin Shuiqing	0.0014%	0.1456	/	/	0.1456
Cao Sanxing	0.0006%	0.0602	/	/	0.0602
Liu Wenhong	0.0001%	0.0128	/	/	0.0128
Shen Shaoyang	0.0048%	0.4861	0.0001%	0.0120	0.4981
Long Yi	0.0041%	0.4127	0.0015%	0.1561	0.5688
Que Chaoyang	0.0053%	0.5381	0.0004%	0.0484	0.5865
Wang Chun	0.0024%	0.2437	0.0006%	0.0601	0.3038
Liao Yuanhang	0.0021%	0.2185	0.0007%	0.0749	0.2934
In which, the total maximum subscription amount of A Share Convertible Corporate Bonds to be subscribed by the Directors and the Supervisors	/	35.1576	/	2.1434	37.3010

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Therefore, the Board proposed the Shareholders to approve at the AGM that after the Public Issuance has been approved, if the Substantial Shareholder, the Directors, the Supervisors and the directors of the Significant Subsidiaries of the Company directly and/or the Directors and the directors of the Significant Subsidiaries of the Company through the Employee Stock Ownership Scheme decide to subscribe for the A Share Convertible Corporate Bonds to be issued under the Public Issuance, the abovementioned parties can participate in the subscription of the A Share Convertible Corporate Bonds under the Issuance in priority, pursuant to the proposal of the Issuance which is approved for registration by the CSRC subject to the abovementioned maximum subscription amount.

This proposal only refers to the matters in relation to the Subscriptions by the Connected Persons under the Issuance. Consideration and approval of this proposal and whether the proposal will be implemented do not constitute a prerequisite of consideration and implementation of the overall proposal for the Issuance and other relevant proposals. The independent non-executive Directors have issued their independent opinions on such matter.

This proposal has been considered and approved by the Board and is subject to consideration at the AGM.

Implications under the Listing Rules

Pursuant to Rule 19A.38 of the Listing Rules, the proposed Public Issuance of A Share Convertible Corporate Bonds is subject to the approvals of the Shareholders at the AGM and the Class Meetings.

As at the Latest Practicable Date, Minxi Xinghang holds 6,083,517,704 A Shares, representing approximately 23.11% of the total number of issued Shares. Minxi Xinghang is the Substantial Shareholder of the Company and a Connected Person of the Company. Under Chapter 14A of the Listing Rules, if Minxi Xinghang subscribes for the A Share Convertible Corporate Bonds, it will constitute a Connected Transaction of the Company and is subject to the reporting, announcement and Independent Shareholders' approval requirements under the Listing Rules.

As at the Latest Practicable Date, the Relevant Connected Persons directly hold an aggregate of 76,306,123 A Shares, representing approximately 0.29% of the total number of issued Shares. The Relevant Connected Persons indirectly hold an aggregate of 5,138,179 A Shares through their interests in the Employee Stock Ownership Scheme, representing approximately 0.02% of the total number of issued Shares. Under Chapter 14A of the Listing Rules, if any Relevant Connected Persons subscribe for the A Share Convertible Corporate Bonds directly and/or through their interests in the Employee Stock Ownership Scheme, it will constitute a Connected Transaction of the Company and is subject to the reporting, announcement and Independent Shareholders' approval requirements under the Listing Rules.

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The Relevant Directors and Mister Li Jian (a Director who is also the chairman of Minxi Xinghang) were required to abstain from voting in the Board meeting in respect of the resolution to approve the Subscriptions. All remaining Directors who were entitled to vote unanimously approved the above resolution. The format and procedure for passing the resolution complied with the Company Law of the PRC and the Articles of Association. Save for the above, no other Directors have or are deemed to have material interests in the above transactions. In addition, no Directors have abstained from voting on other Board resolutions at the abovementioned Board meeting.

An Independent Board Committee has been established by the Company to give recommendations to the Independent Shareholders in respect of the Subscriptions and the transactions contemplated thereunder. An Independent Financial Adviser has also been appointed by the Company to advise the Independent Board Committee and the Independent Shareholders as to whether the Subscriptions are in the ordinary and usual course of the business of the Group, the Subscriptions and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole, and the terms of the Subscriptions are on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned.

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

Information about the Company

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

Information about Minxi Xinghang

Minxi Xinghang is a state-owned limited company incorporated in the PRC. Its principal activities are operation and management of state-owned assets within the authorised scope and project investment. It is the Substantial Shareholder of the Company, holding approximately 23.11% equity interest in the Company as at the Latest Practicable Date.

Information about the Relevant Connected Persons

The Relevant Connected Persons are the Directors, the Supervisors and the directors of the Significant Subsidiaries, respectively, holding the A Shares of the Company as at the Latest Practicable Date and shall have the right to subscribe for the A Share Convertible Corporate Bonds to be issued under the Public Issuance in priority and the right to surrender such right of subscription. The Directors include Chen Jinghe, Zou Laichang, Lin Hongfu, Lin Hongying, Xie Xionghui and Wu Jianhui. The Supervisors include Lin Shuiqing, Cao Sanxing and Liu Wenhong. The directors of the Significant Subsidiaries include Shen Shaoyang, Long Yi, Que Chaoyang, Wang Chun and Liao Yuanhang.

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Reasons for and benefits of the Public Issuance of A Share Convertible Corporate Bonds

The Company's main business is mineral resource prospecting and development. The proceeds raised from the Public Issuance shall be fully invested in the Company's main business, which is in line with the comprehensive strategic development and direction of the Company in the future. After the completion of implementation of the projects to be invested by the proceeds raised, the profitability of the Company's main business can be enhanced, and the capacities in risk resistance and sustainable development can be effectively improved. The Public Issuance can help the Company expand its mineral resources and reserves, enlarge the asset and business scales, as well as optimise the financial structure. The construction and implementation of the projects to be invested by the proceeds raised can steadily increase the revenue and profitability of the Company.

Reasons for and benefits of the Subscriptions

The Subscriptions are beneficial to the smooth implementation of the Issuance and help promote the implementation of the Company's long-term strategies.

The independent non-executive Directors are of the view that based on the abovementioned arrangement, Minxi Xinghang and the Relevant Connected Persons are subject to the same price and terms as those offered to other subscribers when they participate in the Subscriptions for the Public Issuance of A Share Convertible Corporate Bonds within the scope of their rights to subscribe in priority and in cash. They will not receive any preferential treatment, and the interests of the Company and other Shareholders will not be prejudiced.

Supplementary information relating to the proposed Public Issuance of A Share Convertible Corporate Bonds and the Subscriptions

Explanation of fulfilling the conditions for the Public Issuance

Pursuant to the provisions and requirements in the Company Law of the PRC, the Securities Law of the PRC, the Administrative Measures and other relevant laws, regulations and regulatory documents, the Board conducted self-checking of all qualifications, conditions and requirements of public issuance of convertible corporate bonds of listed companies item by item and considered that the Company meets the various provisions and requirements of the relevant laws, regulations and regulatory documents of the PRC in respect of public issuance of convertible corporate bonds of listed companies and has the qualifications and conditions to publicly issue convertible corporate bonds.

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Authorisation to be granted to the Board

Subject to approvals of the Shareholders at the AGM 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 any other such actions as are in its discretion necessary to effect and complete the Public Issuance of A Share Convertible Corporate Bonds.

Equity financing activities in the past 12 months

The Company has not conducted any equity financing activities in the past 12 months before the Latest Practicable Date.

Relevant risks of the Public Issuance of A Share Convertible Corporate Bonds

The Public Issuance of A Share Convertible Corporate Bonds is subject to certain relevant risks, including but not limited to the risk of changes in politics, laws, regulations and policies, management risk, risk in approvals, etc. When evaluating the Public Issuance of A Share Convertible Corporate Bonds, investors shall take the abovementioned risk factors into due consideration.

Reasons for adopting the Public Issuance of A Share Convertible Corporate Bonds

The Directors are of the view that debt financing may not be the most practicable financing plan for the Group to meet its capital needs, as financing through bank borrowing may involve lengthy negotiation with banks, and will incur higher interest expenses compared with the coupon rate of convertible bonds, which will adversely affect the Group's profitability. On the other hand, the Board has not considered equity financing by way of issuing new Shares this time to avoid further immediate dilution on the shareholding of the existing Shareholders within a relatively short period of time. On the contrary, fund raising by way of issuing the A Share Convertible Corporate Bonds will not have an immediate dilution impact on the shareholding of the existing Shareholders upon the completion of its issuance.

Having considered that (i) equity financing is more practicable than external debt financing; (ii) the issued H Share capital of the Company is lower than the issued A Share capital of the Company; and (iii) the immediate dilution effect to the shareholding of the existing Shareholders if the Company conducts a fund raising exercise by issuance of new Shares, the Directors considered that it is in the interests of the Company and the Shareholders as a whole to raise funds by the Public Issuance of A Share Convertible Corporate Bonds (including the Subscriptions).

Basis of determination of coupon rate of the A Share Convertible Corporate Bonds

In determining the coupon rate of the A Share Convertible Corporate Bonds, the Company and the underwriter will make reference to, among others, (i) the interest rates of the convertible bonds issued by other PRC listed issuers with a size comparable to that of the Company around the time of determination of coupon rate (the "Market Comparables"); (ii) the

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then trading price of A Shares of the Company; (iii) the then condition and investment sentiment of the PRC bond market; and (iv) the credit rating of the Company and the A Share Convertible Corporate Bonds. The Company expects that the coupon rate of the A Share Convertible Corporate Bonds will not substantially deviate from that of the Market Comparables.

Taking into account that (i) it is common to determine the coupon rate after the negotiation with the sponsor (the lead underwriter); (ii) the Company and the lead underwriter will make reference to the then market condition and other factors when determining the coupon rate; and (iii) the determination mechanism of the coupon rate is in compliance with the applicable laws and regulations in the PRC, the Company therefore considers that the proposed determination mechanism of the coupon rate of the A Share Convertible Corporate Bonds is fair and reasonable and in the interests of the Shareholders and the Company as a whole.

No change in the right of control of the Company after the Public Issuance of A Share Convertible Corporate Bonds and the Subscriptions

As at the Latest Practicable Date, Minxi Xinghang, the Substantial Shareholder of the Company, directly holds 6,083,517,704 Shares, representing approximately 23.11% of the Company's total share capital.

The total amount of A Share Convertible Corporate Bonds proposed to be issued will not exceed RMB10 billion. If Minxi Xinghang does not exercise the right to subscribe for the A Share Convertible Corporate Bonds under the Public Issuance in priority and does not participate in the Issuance, Minxi Xinghang will still remain as the Substantial Shareholder of the Company after the Public Issuance of A Share Convertible Corporate Bonds is completed and all of the A Share Convertible Corporate Bonds are converted into A Shares at a minimum initial conversion price of RMB13.87 per A Share (i.e., the higher of average trading price of A Shares for the 20 trading days preceding the Latest Practicable Date and the average price of the trading day preceding the Latest Practicable Date).

Therefore, the Public Issuance of A Share Convertible Corporate Bonds and the Subscriptions will not lead to any changes in the right of control of the Company, and will not lead to any changes to the distribution of shareholding which cannot satisfy the relevant listing conditions.

Impact of the Public Issuance of A Share Convertible Corporate Bonds and the Subscriptions on the shareholding structure of the Company

The shareholding structures of the Company as at the Latest Practicable Date and after completion of the proposed Public Issuance of A Share Convertible Corporate Bonds and conversion of all the A Share Convertible Corporate Bonds (assuming that (i) the Company has issued the A Share Convertible Corporate Bonds at the maximum issuance amount of RMB10 billion; (ii) all the A Shareholders have subscribed for the respective maximum subscription

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amount of the A Share Convertible Corporate Bonds on pro-rata basis on their current shareholding; (iii) all A Share Convertible Corporate Bonds are converted into A Shares at the minimum initial conversion price of RMB13.87 per A Share; and (iv) the Company does not issue, allot, repurchase and cancel any Shares before all the A Share Convertible Corporate Bonds are converted into A Shares (the “Calculation Assumptions”) are as follows (the following tables are prepared pursuant to the requirements of the Listing Rules and are for illustrative purpose only):

	As at the Latest Practicable Date			After completion of the proposed Public Issuance of A Share Convertible Corporate Bonds and conversion of all the A Share Convertible Corporate Bonds under the Calculation Assumptions		
	Number of Shares	Approximate percentage of the total	Approximate percentage of the total	Number of Shares	Approximate percentage of the total	Approximate percentage of the total
		number of issued A Shares	number of issued Shares		number of issued A Shares	number of issued Shares
A Shareholders						
Minxi Xinghang	6,083,517,704	29.54%	23.11%	6,296,525,728	29.54%	23.28%
Directors						
Chen Jinghe (Note)	65,100,000	0.32%	0.25%	67,379,401	0.32%	0.25%
Zou Laichang (Note)	2,723,050	0.01%	0.01%	2,818,392	0.01%	0.01%
Lin Hongfu (Note)	1,728,938	0.01%	0.01%	1,789,471	0.01%	0.01%
Lin Hongying (Note)	977,000	0.01%	0.01%	1,011,203	0.01%	0.01%
Xie Xionghui (Note)	905,571	0.01%	0.01%	937,272	0.01%	0.01%
Wu Jianhui (Note)	510,000	0.01%	0.01%	527,851	0.01%	0.01%
Supervisors						
Lin Shuiqing (Note)	300,000	0.01%	0.01%	310,497	0.01%	0.01%
Cao Sanxing (Note)	124,000	0.01%	0.01%	128,340	0.01%	0.01%
Liu Wenhong (Note)	26,450	0.01%	0.01%	27,372	0.01%	0.01%
Directors of the Significant Subsidiaries						
Shen Shaoyang (Note)	1,001,000	0.01%	0.01%	1,036,046	0.01%	0.01%
Long Yi (Note)	850,000	0.01%	0.01%	879,754	0.01%	0.01%
Que Chaoyang (Note)	1,108,114	0.01%	0.01%	1,146,909	0.01%	0.01%
Wang Chun (Note)	502,000	0.01%	0.01%	519,570	0.01%	0.01%
Liao Yuanhang (Note)	450,000	0.01%	0.01%	465,753	0.01%	0.01%
Other A Shareholders	14,431,408,413	70.01%	54.72%	14,936,709,214	70.01%	55.13%
H Shareholders						
Director						
Chen Jinghe	20,000,000	–	0.08%	20,000,000	–	0.07%
Supervisor						
Liu Wenhong	10,000	–	0.01%	10,000	–	0.01%
Other H Shareholders	5,716,930,000	–	21.70%	5,716,930,000	–	21.13%
	<u>26,328,172,240</u>	<u>100%</u>	<u>100%</u>	<u>27,049,152,773</u>	<u>100%</u>	<u>100.00%</u>

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Note: The maximum interests of the Relevant Connected Persons (including their interests in the Employee Stock Ownership Scheme) as at the Latest Practicable Date and after completion of the proposed Public Issuance of A Share Convertible Corporate Bonds and conversion of all the A Share Convertible Corporate Bonds under the Calculation Assumptions are set out and summarised as follows, which are for illustrative purpose only:

	As at the Latest Practicable Date					After completion of the proposed Public Issuance of A Share Convertible Corporate Bonds and conversion of all the A Share Convertible Corporate Bonds under the Calculation Assumptions				
	Number of A Shares (Note)	Number of H Shares	Total number of Shares (Note)	Approximate percentage of the total number of issued A Shares	Approximate percentage of the total number of issued Shares	Number of A Shares (Note)	Number of H Shares	Total number of Shares (Note)	Approximate percentage of the total number of issued A Shares	Approximate percentage of the total number of issued Shares
Directors										
Chen Jinghe	65,100,000	20,000,000	85,100,000	0.32%	0.32%	67,379,401	20,000,000	87,379,401	0.32%	0.32%
Zou Laichang	4,223,050	-	4,223,050	0.02%	0.01%	4,370,908	-	4,370,908	0.02%	0.01%
Lin Hongfu	3,224,114	-	3,224,114	0.01%	0.01%	3,336,997	-	3,336,997	0.01%	0.01%
Lin Hongying	1,727,000	-	1,727,000	0.01%	0.01%	1,787,461	-	1,787,461	0.01%	0.01%
Xie Xionghui	1,500,426	-	1,500,426	0.01%	0.01%	1,552,949	-	1,552,949	0.01%	0.01%
Wu Jianhui	583,954	-	583,954	0.01%	0.01%	604,393	-	604,393	0.01%	0.01%
Supervisors										
Lin Shuiqing	300,000	-	300,000	0.01%	0.01%	310,497	-	310,497	0.01%	0.01%
Cao Sanxing	124,000	-	124,000	0.01%	0.01%	128,340	-	128,340	0.01%	0.01%
Liu Wenhong	26,450	10,000	36,450	0.01%	0.01%	27,372	10,000	37,372	0.01%	0.01%
Directors of the Significant Subsidiaries										
Shen Shaoyang	1,025,839	-	1,025,839	0.01%	0.01%	1,061,751	-	1,061,751	0.01%	0.01%
Long Yi	1,171,543	-	1,171,543	0.01%	0.01%	1,212,552	-	1,212,552	0.01%	0.01%
Que Chaoyang	1,207,792	-	1,207,792	0.01%	0.01%	1,250,077	-	1,250,077	0.01%	0.01%
Wang Chun	625,794	-	625,794	0.01%	0.01%	647,697	-	647,697	0.01%	0.01%
Liao Yuanhang	604,340	-	604,340	0.01%	0.01%	625,493	-	625,493	0.01%	0.01%

Note: Including their interests in the Employee Stock Ownership Scheme

Use of proceeds raised in the Public Issuance of A Share Convertible Corporate Bonds

It is proposed that the proceeds raised in the Public Issuance of A Share Convertible Corporate Bonds will be used for (i) acquisition of 30% interest in the Haiyu Gold Mine in Shandong (a gold mine in northern Sanshandao, Laizhou City, Shandong Province); (ii) acquisition of the Shapinggou Molybdenum Mine in Anhui (a super-large porphyry molybdenum and polymetallic deposit yet to be developed); (iii) acquisition of the Rosebel

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Gold Mine Project in Suriname (one of the largest in-production gold mines in South America); and (iv) Phase 1 underground mining construction project of the Aurora Gold Mine in Guyana (a gold mine owned by the Company in Guyana). Details of the projects are set out in Appendix 2 to this circular.

Proposal to the Shareholders' General Meetings in relation to the authorisation to the Board of Directors or its authorised persons to handle all the matters relating to the Public Issuance of A Share Convertible Corporate Bonds of the Company

In order to ensure that the work relating to the Issuance can be carried out lawfully, effectively and orderly, the Company proposed that the Shareholders to authorise the Board or its authorised persons at the Shareholders' General Meetings to handle all the matters relating to the Issuance according to provisions in the relevant laws, regulations, rules and regulatory documents as well as requirements of regulatory authorities, including but not limited to:

1. Properly revise, adjust and supplement the issuance terms of the A Share Convertible Corporate Bonds within the scope permitted by the relevant laws, regulations, rules, regulatory documents and the Articles of Association, according to the opinion of the regulatory authorities and taking into account the actual situation of the Company; clarify the specific issuance terms and plans prior to the Issuance, formulate and implement the final plan of the Issuance, including but not limited to determination of issuance scale, term, issuance method and target subscribers, proportion to be subscribed by the existing A Shareholders in priority, determination of initial conversion price, adjustment of conversion price, redemption, bond interest rate, right to convene the Bondholders' Meetings and its procedures, conditions to effectuate the resolutions, determination of the timing of the Issuance, opening or adding special accounts for the proceeds raised, entering into trilateral supervisory agreements for the deposits in the special accounts for the proceeds raised and all other matters relating to the Issuance;
2. Engage relevant intermediaries including sponsors, lead underwriter, law firms, audit firms, rating agency, etc. for processing application and registration matters under the Issuance; prepare, revise and submit the application documents for the Issuance according to the requirements and opinion of regulatory authorities; reply to the feedback from securities regulatory departments under full authority;
3. Amend, supplement, approve, sign, deliver, submit and execute all agreements, declaration documents and other documents in relation to the Issuance (including but not limited to sponsor and underwriting agreements, agreements in relation to the projects to be invested by the proceeds raised, agreements to engage intermediaries);
4. Within the scope of investment of the proceeds raised as considered and approved at the Shareholders' General Meetings, adjust or determine the specific use of proceeds raised according to the actual progress and capital requirements of the projects to be invested by the proceeds raised under the Issuance; before the proceeds raised in the Issuance are deposited in the accounts, the Company can invest in the projects to be invested by the proceeds raised by self-financing first.

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After the proceeds raised in the Issuance are deposited in the accounts, the funds that have been invested in the projects shall be replaced. According to provisions in the relevant laws, regulations, rules and regulatory documents and requirements of regulatory authorities as well as market conditions, make necessary adjustments to the projects to be invested by the proceeds raised;

5. Amend the relevant provisions of the Articles of Association according to the status of the Issuance and share conversion in a timely manner, and handle matters including industrial and commercial filing, registration of change in registered capital, and the listing of the A Share Convertible Corporate Bonds;
6. In the event of changes in any policies of the regulatory authorities on issuance of convertible corporate bonds or market conditions, except for the matters that must be re-considered and re-approved at a shareholders' general meeting of the Company in accordance with the relevant laws, regulations, rules and regulatory documents and the Articles of Association, adjust the specific plan and other related matters of the Issuance accordingly;
7. In case of any force majeure or other circumstances that make the plan of the Issuance difficult to be implemented, or there will be adverse consequences to the Company although it can be implemented, or there are changes in the policies of issuing convertible corporate bonds, postpone or terminate the implementation of the plan of the Issuance according to its discretions;
8. In the case where there are updated regulations and requirements on the dilutive impact on immediate returns due to re-financing and its recovery measures pursuant to the relevant laws, regulations, rules, regulatory documents and the regulatory authorities, according to the then prevailing regulations and the requirements of the regulatory authorities, further analyse, research and substantiate the impact of the Issuance on the Company's immediate financial indicators and the Shareholders' immediate returns, formulate and revise the relevant recovery measures, and fully handle other related matters;
9. Within the term of the A Share Convertible Corporate Bonds to be issued under the Issuance, under the framework and principles considered and approved at the Shareholders' General Meetings and in compliance with the relevant laws, regulations, rules and regulatory documents and the requirements of the relevant regulatory authorities and the Articles of Association, handle all matters related to the redemption, conversion and sale back of the A Share Convertible Corporate Bonds under full authority; and

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10. Handle other related matters of the Issuance. The Company proposes the Shareholders to delegate the abovementioned authorisation to the chairman of the Board and his authorised persons at the Shareholders' General Meetings, under the premise that the Board successfully received such authorisation, unless otherwise stipulated in the relevant laws, regulations, rules and regulatory documents.

The above authorisation is valid within 12 months from the date on which the proposal is considered and approved at the Shareholders' General Meetings of the Company.

The abovementioned proposal was considered and approved at the thirteenth meeting of the seventh term of the Board, and is hereby tabled to the Shareholders' General Meetings for Shareholders' consideration.

4. PROFIT DISTRIBUTION PROPOSAL FOR THE YEAR ENDED 31 DECEMBER 2022

As audited by Ernst & Young Hua Ming LLP, the Group's net profit attributable to owners of the parent for the year ended 31 December 2022 in the consolidated financial statements prepared in accordance with China Accounting Standards for Business Enterprises was RMB20,042,045,977. Net profit of the parent company for the year ended 31 December 2022 was RMB2,963,252,717, adding retained earnings from the previous years of RMB7,969,010,281 and deducting profit distributed by the parent company in 2022, as at 31 December 2022, the accumulated distributable profits of the parent company was RMB5,666,400,550.

It is suggested that the Company's profit distribution proposal for the year ended 31 December 2022 is as follows: the Company proposes to distribute a final cash dividend of RMB2 per 10 shares (tax included) to its Shareholders who are qualified for participating in profit distribution on the record date of profit distribution. The actual amount of cash dividend to be distributed will be determined according to the number of Shares on the record date.

I. The actual amount of dividends to be paid in cash

1. According to the Rules for Share Repurchase of Listed Companies and other relevant regulations, the shares in the special account for share repurchase of listed companies are not entitled to profit distribution. The Company has proposed to distribute a final cash dividend of RMB2 per 10 shares (tax included) to all of its Shareholders. As at the Latest Practicable Date, the total number of Shares of the Company is 26,328,172,240. After deducting the current number of Shares in the special securities account for share repurchases of 4,550,000 Shares, on the basis of 26,323,622,240 Shares, the amount of cash dividend proposed to be distributed is RMB5,264,724,448 (tax included). The Company's cash dividend ratio for the year will be 26.27%.

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2. Pursuant to the stipulations of article 16 of the Rules for Share Repurchase of Listed Companies: “If a listed company repurchases shares with cash as consideration and by means of offer or centralised bidding, it shall be deemed as distribution of cash dividends by listed company, and the relevant proportion shall be included in the calculation of cash dividends.” The amount used by the Company’s repurchases of its Shares by way of centralised bidding in 2022 was RMB36,323,435 (excluding transaction costs), representing 0.18% of the net profit attributable to owners of the listed company in the consolidated financial statements for the year 2022. There will be no distribution of bonus shares or conversion of capital reserve into share capital for the year ended 31 December 2022 by the Company.

After considering the above estimated cash dividends and share repurchases, the Company’s total cash dividends for 2022 will be RMB5,301,047,883, representing 26.45% of the net profit attributable to owners of the listed company in the consolidated financial statements for the year 2022.

The Company proposes that if the Company’s total share capital changes during the period from the date of the AGM to the record date of profit distribution, the amount of dividend per Share shall remain unchanged, and the total amount of distribution shall be adjusted accordingly.

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II. Explanation for the cash dividend ratio for the year being less than 30%

During the reporting period, the Company's consolidated net profit attributable to owners of the listed company was RMB20,042,045,977. The accumulated retained earnings of the parent company as at 31 December 2022 was RMB5,666,400,550 and the total amount of cash dividend proposed to be distributed is RMB5,301,047,883 (including the amount used in the centralised bidding for share repurchase of RMB36,323,435). This is the highest level in Company's history and represents less than 30% of the net profit attributable to owners of the listed company for the current year. Specific reasons are explained below:

(I) The conditions and characteristics of the industry to which the listed company belongs

1. Global new energy revolution drives the surge in demand for new energy metals

In recent years, the rapid development of new energy vehicles, charging piles, photovoltaic and wind power industries have led to a rapid increase in the demand for "green metals", such as lithium, cobalt and nickel which are related to power storage and copper which is related to power transmission. Most of China's "green metals" mineral resources have an external dependency of over 50%. Among which, the external dependency of copper and lithium are more than 70% and 60%, respectively. Increasing the reserves and accelerating the production of "green metal" mineral resources have become an important challenge for mining enterprises.

2. Significant increase in operating costs for mining companies

In 2022, the Ukraine crisis drove the global energy crisis into a new phase. Inflation was significant, international shipping capacity was tight and supply chain disruptions occurred from time to time. Mining enterprises faced relatively large challenges in logistics, production and sales while resource grades declined and development became more difficult. These factors have led to a significant increase in the operating costs of mining enterprises.

3. Commodity fluctuations brought good opportunities for mining companies to acquire key mineral resources reserves

Since the middle of the second quarter of 2022, with the Federal Reserve's aggressive interest rate hike process and the slowdown in global economic growth, the prices of mineral resources such as gold, copper and lithium fluctuated intensively, bringing good opportunities to mining companies to acquire quality mineral resources.

(II) Stage of development of the listed company and its own business model

The Company is a sizeable multinational mining group dedicated to exploration and development of copper, gold, zinc and other metallic mineral resources and new energy minerals, application and research of mining engineering, etc. with high technology and efficiency.

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In the face of the above industry development trends, the Company attaches great importance to the layout and development of “green metal” mineral resources and national strategic mineral resources. The Company has achieved a number of counter-cyclical mergers and acquisitions and investments in world-class important resources such as copper, gold, lithium and molybdenum. The Company focuses on the development and construction of relevant mineral resources and is now in the stage of rapid international development. The Company has formulated a long-term plan for 2030 that its major economic indicators and production volumes of mine-produced copper and mine-produced gold shall rank among top 3 to 5 globally, while lithium production volume shall rank among top 10 globally.

(III) Profit level of the listed company, capital demand and dividend payout ratio in the last three years

In 2022, the Company realised operating income of RMB270.3 billion, representing an increase of 20% compared with the same period last year; net profit attributable to owners of the listed company of RMB20.042 billion, representing an increase of 28% compared with the same period last year. Taking into account the actual operation of the Company and its future capital demand comprehensively, in order to promote the smooth implementation of the Company’s strategic objectives and production and operation plans, the Company needs a large amount of capital in project constructions, investments and mergers and acquisitions.

At the same time, the Company has maintained a relatively high cash dividend payout ratio since its listing, with the amount of accumulated cash dividends far exceeding the cumulative amount of financing. Among which, the Company’s accumulated cash dividends in the three years from 2020 to 2022 amounted to RMB13.726 billion. This represented 32.51% of the accumulated net profit attributable to owners of the parent of RMB42.223 billion in the last three years, and satisfied the requirement of the Profit Distribution and Return Plan for Years 2020-2022 that the accumulative profit distribution in cash shall not be less than 90% of the average annual distributable profits realised for the last 3 years, i.e., RMB12.667 billion.

(IV) Reasons for the decrease in cash dividend payout ratio of the listed company

The Company is currently at the stage of rapid development, resulting in relatively significant and continuous capital expenditure. In order to ensure a smooth implementation of projects and take into account the continuity and stability of profit distribution, the Board of Directors, after comprehensively considering the characteristics of the Company’s industry, development stage, own business model, profit level, whether there are major capital expenditure arrangements, etc., formulated this profit distribution proposal, which complies with the relevant provisions of the Articles of Association.

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(V) Use of the Company's retained earnings and estimated income

The Company's retained earnings will be used for the construction of major projects, investments in mergers and acquisitions, etc. in accordance with the Company's development strategy. The Company will strictly regulate the management of the use of funds, improve the efficiency of the use of funds and prevent the occurrence of capital risk incidents. The Company will strive to achieve its strategic development goals and create greater value for investors.

The abovementioned proposal was considered and approved at the second meeting of the eighth term of the Board and the second meeting of the eighth term of the Supervisory Committee, and is hereby tabled to the shareholders' general meeting for Shareholders' consideration.

5. CALCULATION AND DISTRIBUTION PROPOSAL FOR THE REMUNERATION OF THE EXECUTIVE DIRECTORS AND CHAIRMAN OF THE SUPERVISORY COMMITTEE OF THE SEVENTH TERM FOR THE YEAR ENDED 31 DECEMBER 2022

Pursuant to the "Proposal in relation to the Remuneration and Assessment Proposal of Directors and Supervisors of the Seventh Term" passed at the second extraordinary general meeting in 2019 of the Company and the amendment to the above proposal passed at the third extraordinary general meeting in 2020, upon calculation based on the external business environment and the operating results, safety and environmental protection, development and performance of the ESG system, sustainable development and other aspects of the Company in 2022, after verification, the Nomination and Remuneration Committee of the Board proposes the calculation and distribution proposal for the remuneration of the executive Directors and chairman of the Supervisory Committee of the seventh term for the year ended 31 December 2022. This proposal was approved at the second meeting of the eighth term of the Board and is hereby tabled to the shareholders' general meeting for approval.

I. The scope of application of the remuneration and assessment proposal

Chairman: Chen Jinghe;

President and executive Director: Zou Laichang

Vice-chairman: Lan Fusheng

Executive Directors: Lin Hongfu, Lin Hongying, Xie Xionghui

Chairman of the Supervisory Committee: Lin Shuiqing

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II. Remuneration of the executive Directors and chairman of the Supervisory Committee for the year ended 31 December 2022

- (I) Total basic annual salary: RMB17,040,000 (for 7 persons);
- (II) Incentive salary:
 - 1. Chairman, Chen Jinghe and president and executive Director, Zou Laichang: the amount of annual incentive salary = (Profit after tax of the Group for the current year – net assets of the Group as at the end of the previous year × 5%) × 0.1% × 2 × assessment coefficient
 - 2. Other executive Directors and chairman of the Supervisory Committee: the amount of annual incentive salary = (Profit after tax of the Group for the current year – net assets of the Group as at the end of the previous year × 5%) × 0.07% × 5 × assessment coefficient
 - 3. The assessment coefficient for the year 2022 is 1.0.

III. Realisation and distribution of remuneration

- (I) Basic annual salary shall be paid on a monthly basis.
- (II) Among the incentive salary, 50% shall be paid within one month following the consideration and confirmation at a shareholders' general meeting; the remaining 50% shall be converted to virtual shares, which will implement risk management and are entitled to share dividends and stock appreciation attributable to the year of conversion. It will be deferred for realisation and payment.

The abovementioned proposal was considered and approved at the second meeting of the eighth term of the Board, and is hereby tabled to the shareholders' general meeting for Shareholders' consideration.

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6. REAPPOINTMENT OF AUDITOR FOR THE YEAR ENDING 31 DECEMBER 2023

In view of the good practice of Ernst & Young Hua Ming LLP (“Ernst & Young Hua Ming”), in accordance with the relevant provisions of the Articles of Association, it is proposed that the shareholders’ general meeting reappoints Ernst & Young Hua Ming as the Company’s auditor to audit the Company’s financial statements for the year ending 31 December 2023 in accordance with the China Standards on Auditing, and undertake the responsibilities as the Company’s overseas auditor in accordance with the Listing Rules. It is proposed that the shareholders’ general meeting authorises the chairman, president and financial controller to determine the remuneration of the auditor for the year ending 31 December 2023.

The abovementioned proposal was considered and approved at the second meeting of the eighth term of the Board, and is hereby tabled to the shareholders’ general meeting for Shareholders’ consideration.

7. GENERAL MANDATE TO ISSUE DEBT FINANCING INSTRUMENTS

In order to meet the needs for domestic and overseas production and operation, projects’ infrastructure investment, supplementing working capital, replacement of due loans, lowering capital costs and adjusting the debt structure of the Company, the Company proposes to issue debt financing instruments on an one-off basis or by tranches within and outside the PRC. In order to grasp the favourable market opportunities in a timely manner, it is proposed that the shareholders’ general meeting considers to grant a general mandate to the Board of Directors in relation to the Company’s issuance of debt financing instruments. Details are set out in Appendix 8 to this circular.

8. ARRANGEMENT OF GUARANTEES FOR THE YEAR 2023

For the purpose of satisfying the capital needs of business development, project construction, production and operation and mergers and acquisitions, providing replacement of funding for the existing loans as they fall due of subsidiaries and associates (collectively, the “Guarantee Recipient(s)”) of the Company and improving the efficiency of decision-making, the Company and its subsidiaries propose to provide guarantees to the Guarantee Recipients for the year 2023. Details are set out in Appendix 9 to this circular.

9. THE ANNUAL GENERAL MEETING AND THE CLASS MEETINGS

The Company will hold the AGM, the A Shareholders’ Class Meeting and the H Shareholders’ Class Meeting at the conference room at 21/F., Zijin Headquarters, No. 1 Zijin Road, Shanghang County, Fujian Province, the PRC on Thursday, 25 May 2023 at 9 a.m., 10 a.m. and 10:30 a.m., respectively.

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The AGM will be convened and held for the purpose of, inter alia, considering and approving, by the Shareholders, the Public Issuance of A Share Convertible Corporate Bonds and the related matters, and by the Independent Shareholders, the Subscriptions and the related matters. The A Shareholders' Class Meeting will be convened and held for the purpose of, inter alia, considering and approving, by the A Shareholders, the Public Issuance of A Share Convertible Corporate Bonds and the related matters. The H Shareholders' Class Meeting will be convened and held for the purpose of, inter alia, considering and approving, by the H Shareholders, the Public Issuance of A Share Convertible Corporate Bonds and the related matters. Votes for all resolution(s) at the AGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting shall be taken by way of poll.

Minxi Xinghang and its Associates shall abstain from voting in respect of the resolution(s) relating to the subscription of A Share Convertible Corporate Bonds by Minxi Xinghang at the AGM, the A Shareholders' Class Meeting (where applicable) and the H Shareholders' Class Meeting (where applicable), and the Relevant Connected Persons and their Associates shall abstain from voting in respect of the resolution(s) relating to the subscription of A Share Convertible Corporate Bonds by the Relevant Connected Persons at the AGM, the A Shareholders' Class Meeting (where applicable) and the H Shareholders' Class Meeting (where applicable).

In order to determine the list of H Shareholders who are entitled to attend the AGM and the H Shareholders' Class Meeting, the Company's register of H Shares members will be closed from Friday, 19 May 2023 to Thursday, 25 May 2023 (both days inclusive), during such period no transfer of H Shares will be registered. H Shareholders who intend to attend the AGM and the H Shareholders' Class Meeting but have not registered the transfer documents are required to deposit the transfer documents together with the relevant share certificates at the registrar of H Shares of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Thursday, 18 May 2023. H Shareholders whose names appear on the register of H Shares members on Thursday, 25 May 2023 are entitled to attend the AGM and the H Shareholders' Class Meeting.

The reply slips and proxy forms for use at the said meetings are enclosed herewith. H Shareholders who intend to attend the respective meetings shall complete and return the reply slip(s) in accordance with the instructions printed on or before Tuesday, 23 May 2023.

Whether or not you are able to attend the respective meetings, please complete the applicable proxy form(s) in accordance with the instructions printed thereon. The applicable proxy form(s) shall be lodged with the registrar of H Shares of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 24 hours before the time appointed for the holding of the relevant meeting(s) or any adjournment thereof (as the case may be). Completion and return of the applicable proxy form(s) will not prevent you from attending and voting in person at the relevant meeting(s) or at any adjournment thereof should you so wish.

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10. INDEPENDENT FINANCIAL ADVISER

As required by the Listing Rules, the Company has appointed an Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the Subscriptions. As at the date of this circular, the Independent Financial Adviser has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter, and references to its name included in the form and context in which they appear.

11. RECOMMENDATION

Goldlink Capital (Corporate Finance) Limited has been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the Subscriptions. The Independent Financial Adviser is of the view that the Subscriptions and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole, and the terms of the Subscriptions are on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned. The Independent Financial Adviser therefore recommends the Independent Shareholders, as well as the Independent Board Committee to recommend the Independent Shareholders, to vote in favour of the relevant proposal to be proposed at the AGM to approve the Subscriptions and the transactions contemplated thereunder. The Directors (including the independent non-executive Directors after receiving the advice from the Independent Financial Adviser) consider that the Subscriptions are in the interests of the Company and its Shareholders as a whole, and recommend that the Independent Shareholders to vote in favour of the relevant proposal to be proposed at the AGM.

12. FURTHER INFORMATION

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

LETTER FROM THE BOARD

Your attention is drawn to the letter from the Independent Board Committee set out on pages 41 to 42 of this circular and the letter from the Independent Financial Adviser set out on pages 43 to 76 of this circular which contains the recommendation of the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Subscriptions and the principal factors and reasons considered by the Independent Financial Adviser in arriving at its recommendation.

Should there be any discrepancy, the Chinese text of this circular shall prevail.

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

* *The English name of the Company is for identification purpose only*



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)

25 April 2023

To the Independent Shareholders

Dear Sir/Madam,

**POSSIBLE CONNECTED TRANSACTIONS OF SUBSCRIPTIONS OF
A SHARE CONVERTIBLE CORPORATE BONDS
BY MINXI XINGHANG AND
THE RELEVANT CONNECTED PERSONS**

We, the Independent Board Committee of Zijin Mining Group Co., Ltd.* (the “Company”), are advising the Independent Shareholders in connection with the possible Connected Transactions of Subscriptions of A Share Convertible Corporate Bonds by Minxi Xinghang and the Relevant Connected Persons, details of which are set out in the letter from the Board contained in the circular (the “Circular”) of the Company to the Shareholders dated 25 April 2023, of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

Under the Listing Rules, the Subscriptions may constitute the Connected Transactions of the Company. Accordingly, the Subscriptions will require the approval of the Independent Shareholders at the AGM. We wish to draw your attention to the letter from the Independent Financial Adviser set out on pages 43 to 76 of the Circular, which contains advice and recommendations in respect of the Subscriptions.

Having considered, inter alia, the terms of the Subscriptions and reasons considered by, and the recommendations of, the Independent Financial Adviser, as stated in its aforementioned letter, we consider the terms of the Subscriptions are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned. Although the Subscriptions are not in the ordinary and usual course of business of the Group due to its nature, we are of the view that the Subscriptions and the transactions contemplated thereunder are in the interests of the Company and its Shareholders as a whole. Accordingly, we recommend that the Independent Shareholders to vote in favour of the relevant proposal to be tabled to the AGM to approve the Subscriptions and the transactions contemplated thereunder.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Yours faithfully,
For and on behalf of
**The Independent Board Committee of
Zijin Mining Group Co., Ltd.***

He Fulong	Mao Jingwen	Li Changqing	Suen Man Tak	Bo Shao Chuan	Wu Xiaomin
<i>Independent</i>	<i>Independent</i>	<i>Independent</i>	<i>Independent</i>	<i>Independent</i>	<i>Independent</i>
<i>non-executive</i>	<i>non-executive</i>	<i>non-executive</i>	<i>non-executive</i>	<i>non-executive</i>	<i>non-executive</i>
<i>Director</i>	<i>Director</i>	<i>Director</i>	<i>Director</i>	<i>Director</i>	<i>Director</i>

* *The English name of the Company is for identification purpose only*

Should there be any discrepancy, the Chinese text of this letter shall prevail.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter from Goldlink Capital (Corporate Finance) Limited, the Independent Financial Adviser, for the purpose of inclusion in this circular, to the Independent Board Committee and the Independent Shareholders in respect of the terms of the Subscriptions and the transactions contemplated thereunder.



28/F
Bank of East Asia Harbour View Centre
56 Gloucester Road
Wanchai
Hong Kong

25 April 2023

*To: The Independent Board Committee and the Independent Shareholders of
Zijin Mining Group Company Limited**

Dear Sir or Madam,

- (1) PROPOSED PUBLIC ISSUANCE OF A SHARE CONVERTIBLE
CORPORATE BONDS;**
- (2) POSSIBLE CONNECTED TRANSACTION – SUBSCRIPTION OF
A SHARE CONVERTIBLE CORPORATE BONDS BY
MINXI XINGHANG;**
- AND**
- (3) POSSIBLE CONNECTED TRANSACTION – SUBSCRIPTION OF
A SHARE CONVERTIBLE CORPORATE BONDS BY THE RELEVANT
CONNECTED PERSONS**

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Subscriptions and the transactions contemplated thereunder, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company to the H Shareholders dated 25 April 2023 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Reference is made to the announcement of the Company dated 21 October 2022 in relation to the proposed Public Issuance of A Share Convertible Corporate Bonds and the possible Connected Transactions of Subscriptions of A Share Convertible Corporate Bonds by Minxi Xinghang and the Relevant Connected Persons. The Company proposed to apply to the CSRC for Public Issuance of A Share Convertible Corporate Bonds to non-specific investors in the PRC with a total amount not exceeding RMB10 billion (RMB10 billion inclusive). The proposed Public Issuance of A Share Convertible Corporate Bonds is subject to the approvals of the Shareholders at the AGM and the Class Meetings and the approval of the CSRC.

Pursuant to Rule 19A.38 of the Listing Rules, the proposed Public Issuance of A Share Convertible Corporate Bonds is subject to the approvals of the Shareholders at the AGM and the Class Meetings.

As at the Latest Practicable Date, Minxi Xinghang holds 6,083,517,704 A Shares, representing approximately 23.11% of the number of total issued Shares. Minxi Xinghang is the Substantial Shareholder of the Company and a Connected Person of the Company. Under Chapter 14A of the Listing Rules, if Minxi Xinghang subscribes for A Share Convertible Corporate Bonds, it will constitute a Connected Transaction of the Company and is subject to the reporting, announcement and Independent Shareholders' approval requirements under the Listing Rules.

As at the Latest Practicable Date, the Relevant Connected Persons directly hold an aggregate of 76,306,123 A Shares, representing approximately 0.29% of the total number of issued Shares. The Relevant Connected Persons indirectly hold an aggregate of 5,138,179 A Shares through their interests in the Employee Stock Ownership Scheme, representing approximately 0.02% of the total number of issued Shares. Under Chapter 14A of the Listing Rules, if any Relevant Connected Persons subscribe for the A Share Convertible Corporate Bonds directly and/or through their interests in the Employee Stock Ownership Scheme, it will constitute a Connected Transaction of the Company and is subject to the reporting, announcement and Independent Shareholders' approval requirements under the Listing Rules.

The Relevant Directors and Mister Li Jian (a Director who is also the chairman of Minxi Xinghang) were required to abstain from voting in the Board meeting in respect of the resolution to approve the Subscriptions. All remaining Directors who were entitled to vote unanimously approved the above resolution. The format and procedure for passing the resolution complied with the Company Law of the PRC and the Articles of Association. Save for the above, no other Directors have or are deemed to have material interests in the above transactions. In addition, no Directors have abstained from voting on other Board resolutions at the abovementioned Board meeting.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The AGM will be convened and held for the purpose of, inter alia, considering and approving, by the Shareholders, the Public Issuance of A Share Convertible Corporate Bonds and the related matters, and by the Independent Shareholders, the Subscriptions and the related matters. The A Shareholders' Class Meeting will be convened and held for the purpose of, inter alia, considering and approving, by the A Shareholders, the Public Issuance of A Share Convertible Corporate Bonds and the related matters. The H Shareholders' Class Meeting will be convened and held for the purpose of, inter alia, considering and approving, by the H Shareholders, the Public Issuance of A Share Convertible Corporate Bonds and the related matters. Votes for all resolution(s) at the AGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting shall be taken by way of poll.

Minxi Xinghang and its Associates shall abstain from voting in respect of the resolution(s) relating to the subscription of A Share Convertible Corporate Bonds by Minxi Xinghang at the AGM, the A Shareholders' Class Meeting (where applicable) and the H Shareholders' Class Meeting (where applicable), and the Relevant Connected Persons and their Associates shall abstain from voting in respect of the resolution(s) relating to subscription of A Share Convertible Corporate Bonds by the Relevant Connected Persons at the AGM, the A Shareholders' Class Meeting (where applicable) and the H Shareholders' Class Meeting (where applicable).

The Independent Board Committee (comprising all independent non-executive Directors, namely He Fulong, Mao Jingwen, Li Changqing, Suen Man Tak, Bo Shao Chuan and Wu Xiaomin) has been established in accordance with Chapter 14A of the Listing Rules to advise the Independent Shareholders as to whether or not the terms of the Subscriptions are fair and reasonable, on normal commercial terms, in the ordinary and usual course of business of the Group so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole. We, Goldlink Capital (Corporate Finance) Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in these regards.

As at the Latest Practicable Date, we did not have any relationships with or interests in the Company and any other parties that could reasonably be regarded as relevant to our independence. Apart from normal professional fees payable to us in connection with this appointment as the Independent Financial Adviser, no agreement exists whereby we will receive any fees or benefits from the Company or any other parties that could reasonably be regarded as relevant to our independence. During the past two years, we did not have any engagement with the Company or the Directors, chief executives and substantial shareholders of the Company or any of their associates. We are independent of the Company pursuant to Rule 13.84 of the Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

BASIS OF OUR OPINION

In arriving at our recommendations, we have relied on the statements, information and representations contained in the Circular and the information and representations provided to us by the Company, the Directors and the management of the Company. We have assumed that all information, representations and opinions contained or referred to in the Circular and all information and representations which have been provided by the Company, the Directors and the management of the Company for which they are solely and wholly responsible, are true and accurate at the time they were made and will continue to be accurate as at the Latest Practicable Date. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the management of the Company.

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.

We consider that we have been provided with sufficient information on which to form a reasonable basis for our opinion. We have no reason to suspect that any relevant information has been withheld, nor are we aware of any material facts or circumstances which would render the information provided and representations made to us untrue, inaccurate or misleading. We consider that we have performed all the necessary steps to enable us to reach an informed view and to justify our reliance on the information provided so as to provide a reasonable basis for our opinion. We have not, however, carried out any independent verification of the information provided by the Company, the Directors and the management of the Company, nor have we conducted an independent investigation into the business and affairs of the Group and any parties in relation to the Subscriptions and relevant matters.

This letter is issued for the information of the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the Subscriptions and the transactions contemplated thereunder. Except for its inclusion in the Circular, this letter is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinions and recommendations, we have taken into consideration the following principal factors and reasons:

1. Background of the Proposed Public Issuance of A Share Convertible Corporate Bonds and the Subscriptions

1.1 Background of the Proposed Public Issuance of A Share Convertible Corporate Bonds and the Subscriptions

The Company proposed to apply to the CSRC for Public Issuance of A Share Convertible Corporate Bonds to non-specific investors in the PRC with a total amount not exceeding RMB10 billion (RMB10 billion inclusive). The proposed Public Issuance of A Share Convertible Corporate Bonds is subject to the approvals of the Shareholders at the AGM and the Class Meetings, the review and consent of the Shanghai Stock Exchange and the consent on registration of the CSRC.

Pursuant to the terms of the proposed Public Issuance of A Share Convertible Corporate Bonds, Minxi Xinghang shall have the right to subscribe for the A Share Convertible Corporate Bonds in priority, and the right to surrender such right of subscription. Minxi Xinghang may subscribe for A Share Convertible Corporate Bonds with a maximum subscription amount of RMB2,954,421,300. The Relevant Connected Persons may directly subscribe for A Share Convertible Corporate Bonds with a maximum subscription amount of RMB37,056,700 based on their shareholding proportion of A Shares. The Relevant Connected Persons may also subscribe for the A Share Convertible Corporate Bonds through their interests in the Employee Stock Ownership Scheme with a maximum subscription amount of RMB2,494,900.

1.2 Background information of the Group

The Company is a joint stock company established under the laws of the PRC with limited liability, the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange and the A Shares of which are listed on the Shanghai Stock Exchange. The Group is a large-scale international mining group focusing on exploration, development, engineering technology application and research of mineral resources including copper, gold, lead, zinc and other base metals and new energy materials with high technology and efficiency. The Company is principally engaged in mining, production, refining and sales of copper, gold and other mineral resources.

According to the annual results announcement of the Group for the year ended 31 December 2022 (the “**2022 Annual Results Announcement**”), in 2022, the Company ranked 325th among the global listed companies, 1st among the global gold corporations and 7th among the global metal corporations on Forbes’ Global 2000 of 2022. It also ranked 407th in Fortune 500 list of companies in 2022 and 53th in Fortune China 500 in the same year. The Company is one of the sizable mining companies generating the best efficacy, controlling the highest metal resources reserve volume, having the highest production volumes and performing most competitively in Chinese mining industry.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

1.3 Financial information of the Group

Set out below is a summary of the financial information of the Group for the three years ended 31 December 2020, 2021 and 2022, which are extracted from the annual report of the Group for the year ended 31 December 2021 (the “**2021 Annual Report**”) and the 2022 Annual Results Announcement:

Financial performance of the Group

	For the year ended		
	31 December		
	2022	2021	2020
	RMB' million	RMB' million	RMB' million
	(audited)	(audited)	(audited)
Operating income	270,329.0	225,102.5	171,501.3
Operating profit	30,945.6	25,086.5	11,239.7
Net profit	24,767.2	19,599.6	8,458.0

For the year ended 31 December 2021

According to the 2021 Annual Report, the Group’s operating income increased by approximately 31.3% from approximately RMB171.5 billion for the year ended 31 December 2020 to approximately RMB225.1 billion for the year ended 31 December 2021. Such increase was mainly attributable to (i) the increase in mineral products’ unit prices (except for mine-produced gold and refined and processed gold) of the Group; and (ii) the general increase in production and sales volume of all mineral products and refined products in 2021 as compare with that of 2020; and partly offset by the decrease in unit prices of gold in 2021 as compared with that of 2020.

The overall gross profit margin of the Group increased by approximately 3.53 percentage points from approximately 11.91% for the year ended 31 December 2020 to approximately 15.44% for the year ended 31 December 2021. The overall gross profit margin mine-produced products (excluding refined and processed products) was 58.98% for the year ended 31 December 2021, representing an increase of approximately 11.27 percentage points compared with that of the same period last year, which was mainly owing to the increase in the prices of mine-produced products (except mine-produced gold). The Group recorded an increase in operating profit from approximately RMB11.2 billion for the year ended 31 December 2020 to approximately RMB25.1 billion for the year ended 31 December 2021 and an increase in net profit from approximately RMB8.5 billion for the year ended 31 December 2020 to approximately RMB19.6 billion for the year ended 31 December 2021.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

For the year ended 31 December 2022

According to the 2022 Annual Results Announcement, the Group's operating income increased by approximately 20.1% from approximately RMB225.1 billion for the year ended 31 December 2021 to approximately RMB270.3 billion for the year ended 31 December 2022. Such increase was mainly attributable to (i) the increase in mine-produced gold products' unit prices of the Group; and (ii) the general increase in production and sales volume of mine-produced gold and mine-produced copper products in 2022 as compare with that of 2021; and partly offset by the decrease in unit prices of mine-produced copper in 2022 as compared with that of 2021.

The overall gross profit margin of the Group remained stable at approximately 15.74% for the year ended 31 December 2022 with compared to approximately 15.44% for the year ended 31 December 2021. The overall gross profit margin mine-produced products (excluding refined and processed products) was 54.29% for the year ended 31 December 2022, representing a decrease of approximately 4.69 percentage points compared with that of the same period last year, which was mainly owing to the increase in the unit cost of sales of mine-produced products and refined products (except for refined copper products). The Group recorded an increase in operating profit from approximately RMB25.1 billion for the year ended 31 December 2021 to approximately RMB30.9 billion for the year ended 31 December 2022 and an increase in net profit from approximately RMB19.6 billion for the year ended 31 December 2021 to approximately RMB24.8 billion for the year ended 31 December 2022.

Financial position of the Group

	As at 31 December		
	2022	2021	2020
	<i>RMB' million</i>	<i>RMB' million</i>	<i>RMB' million</i>
	(audited)	(audited)	(audited)
Current assets	79,644.4	47,064.3	39,262.4
Non-current assets	226,399.7	161,530.4	143,050.8
Total assets	306,044.1	208,594.7	182,313.3
Current liabilities	71,169.9	50,302.5	47,035.7
Non-current liabilities	110,418.8	65,395.0	60,681.1
Total liabilities	181,588.7	115,697.5	107,716.8
Net assets	124,455.4	92,897.2	74,596.4

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The total assets of the Group, mainly comprised of fixed assets (including mining assets, buildings and plant, machinery and equipment), intangible assets (including exploration and mining rights and land use rights) and inventories, increased from approximately RMB182.3 billion as at 31 December 2020 to approximately RMB208.6 billion as at 31 December 2021 and further increased to approximately RMB306.0 billion as at 31 December 2022. The Group's fixed assets amounted to approximately RMB48.5 billion, RMB55.6 billion and RMB72.7 billion as at 31 December 2020, 31 December 2021 and 31 December 2022 respectively, representing approximately 26.6%, 26.7% and 23.8% of the Group's total assets of the respective periods. The Group's intangible assets amounted to approximately RMB46.8 billion, RMB47.5 billion and RMB68.3 billion as at 31 December 2020, 31 December 2021 and 31 December 2022, respectively, representing approximately 25.6%, 22.8% and 22.3% of the Group's total assets of the respective periods. The Group's inventories amounted to approximately RMB18.1 billion, RMB19.3 billion and RMB28.1 billion as at 31 December 2020, 31 December 2021 and 31 December 2022 respectively, representing approximately 9.9%, 9.3% and 9.2% of the Group's total assets of the respective periods.

The Group's total liabilities increased from approximately RMB107.7 billion as at 31 December 2020 to approximately RMB115.7 billion as at 31 December 2021 which was mainly attributable to the increase in long-term borrowings from approximately RMB29.1 billion as at 31 December 2020 to approximately RMB36.1 billion as at 31 December 2021 and the increase in taxes payable from approximately RMB1.9 billion as at 31 December 2020 to approximately RMB4.0 billion as at 31 December 2021. The total liabilities then further increased to approximately RMB181.6 billion as at 31 December 2022 which was mainly attributable to (i) the increase in contract liabilities from approximately RMB0.7 billion as at 31 December 2021 to approximately RMB7.4 billion as at 31 December 2022 as a result of consolidation of the financial statements of acquired and obtained the controlling interest of the subsidiaries, Fujian Longking Co., Ltd.; and (ii) the increase in bills payable from approximately RMB0.4 billion as at 31 December 2021 to approximately RMB1.7 billion as at 31 December 2022.

As a result of the foregoing, the net assets of the Group as at 31 December 2020, 31 December 2021, 31 December 2022 amounted to approximately RMB74.6 billion, RMB92.9 billion and RMB124.4 billion, respectively. The gearing ratio of the Group was approximately 1.4, 1.2 and 1.4 as at 31 December 2020, 31 December 2021 and 31 December 2022 respectively, which was relatively stable.

1.4 Information of Minxi Xinghang

Minxi Xinghang is a state-owned limited company incorporated in the PRC whose principal activities are operation and management of state-owned assets within the authorised scope and project investment. It is the Substantial Shareholder of the Company, holding approximately 23.11% equity interest in the Company as at the Latest Practicable Date.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

1.5 Information of the Relevant Connected Persons

The Relevant Connected Persons are the Directors, the Supervisors and the directors of the Significant Subsidiaries, respectively, holding A Shares of the Company as at the Latest Practicable Date and shall have the right to subscribe for the A Share Convertible Corporate Bonds to be issued under the Public Issuance in priority and the right to surrender such right of subscription. The Directors include Chen Jinghe, Zou Laichang, Lin Hongfu, Lin Hongying, Xie Xionghui and Wu Jianhui. The Supervisors include Lin Shuiqing, Cao Sanxing and Liu Wenhong. The directors of the Significant Subsidiaries include Shen Shaoyang, Long Yi, Que Chaoyang, Wang Chun and Liao Yuanhang.

2. Reasons for and Benefits of the Public Issuance of A Share Convertible Corporate Bonds and the Subscriptions

2.1 Reasons for and benefits of the Public Issuance of A Share Convertible Corporate Bonds and the Subscriptions

According to the 2022 Annual Results Announcement, in accordance with the Company's internationalised development strategy, while insisting that mining shall be the major business, the Company dedicates to exploration and development of copper, gold, zinc and other base metal mineral resources and new energy mineral resources globally, and covers refining, processing, trading, financing and other businesses to an optimal extent. As discussed in the section headed "1.3 Financial information of the Group" in this letter, the Company's revenue and profit from mineral products continued to increase over the past few years. As advised by the management of the Company, seizing the business growth, the proceeds raised from the Public Issuance shall be fully invested in the Company's main business, which is in line with the comprehensive strategic development and direction of the Company in the future. After completion of implementing the projects to be invested by the proceeds raised, the profitability of the Company's main business can be enhanced, and the capability in risk resistance and sustainable development can be effectively improved.

According to the Letter from the Board, the Public Issuance can help the Company expand its mineral resources and reserves, enlarge the asset and business scales, as well as optimising the financial structure. The construction and implementation of the projects to be invested by the proceeds raised can steadily increase the revenue and profitability of the Company. The Directors are of the view that the Subscriptions are beneficial to the smooth implementation of the Issuance and help to promote the implementation of the Company's long-term strategies.

Assuming that 100% of the A Share Convertible Corporate Bonds will be firstly offered to the existing A Shareholders under the Issuance, and the Substantial Shareholder, the Directors, the Supervisors and the directors of the Significant Subsidiaries of the Company and/or the Directors and the directors of the Significant Subsidiaries of the Company through the Employee Stock Ownership Scheme will exercise the right to subscribe in full, the shareholding proportion of the abovementioned parties on the Latest Practicable Date and the maximum amount of the A Share

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Convertible Corporate Bonds of RMB10 billion to be issued by the Company (the amount of proceeds originally proposed to be raised was not exceeding RMB13.3945 billion. After taking into account factors including deduction of new and potential financial investments made from the six months before the date of the Board resolution in relation to the Issuance to the date of the Issuance, the maximum total amount of the proceeds to be raised is reduced to RMB10 billion), the maximum amounts of the A Share Convertible Corporate Bonds to be subscribed by the abovementioned parties are as follows:

Unit: RMB million

Substantial Shareholder/ Directors/Supervisors/ directors of the Significant Subsidiaries	Approximate percentage of the number of A Shares directly held to the number of total issued A Shares	Maximum subscription amount of A Share Convertible Corporate Bonds based on the proportion of A Shares directly held	Approximate percentage of A Shares indirectly held under the Employee Stock Ownership Scheme to the number of total issued A Shares	Maximum subscription amount of A Share Convertible Corporate Bonds based on the proportion of A Shares indirectly held under the Employee Stock Ownership Scheme	Total maximum subscription amount of A Share Convertible Corporate Bonds
Minxi Xinghang	29.5442%	2,954.4213	/	/	2,954.4213
Chen Jinghe	0.3161%	31.6153	/	/	31.6153
Zou Laichang	0.0132%	1.3224	0.0072%	0.7284	2.0508
Lin Hongfu	0.0084%	0.8396	0.0072%	0.7261	1.5657
Lin Hongying	0.0047%	0.4744	0.0036%	0.3642	0.8386
Xie Xionghui	0.0044%	0.4397	0.0028%	0.2888	0.7285
Wu Jianhui	0.0024%	0.2476	0.0003%	0.0359	0.2835
Lin Shuiqing	0.0014%	0.1456	/	/	0.1456
Cao Sanxing	0.0006%	0.0602	/	/	0.0602
Liu Wenhong	0.0001%	0.0128	/	/	0.0128
Shen Shaoyang	0.0048%	0.4861	0.0001%	0.0120	0.4981
Long Yi	0.0041%	0.4127	0.0015%	0.1561	0.5688
Que Chaoyang	0.0053%	0.5381	0.0004%	0.0484	0.5865
Wang Chun	0.0024%	0.2437	0.0006%	0.0601	0.3038
Liao Yuanhang	0.0021%	0.2185	0.0007%	0.0749	0.2934
In which, the total maximum subscription amount of A Share Convertible Corporate Bonds to be subscribed by the Directors and the Supervisors	/	35.1576	/	2.1434	37.3010

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Use of proceeds

As advised by the management of the Company, the total amount of proceeds proposed to be raised from the Issuance of A Share Convertible Corporate Bonds will not exceed RMB10 billion (RMB10 billion inclusive). Such amount is based on the total amount of proceeds originally proposed to be raised (i.e., not exceeding RMB13.3945 billion), and factors including deduction of new and potential financial investments made from the six months before the date of the Board resolution in relation to the Issuance to the date of the Issuance are also taken into account. The net amount of the proceeds raised after deducting the issuance expenses is proposed to be used for the following projects (the “**Projects**”):

Unit: RMB billion

Project name	Total investment amount	Original proposed amount of proceeds raised to be invested	Actual proposed amount of proceeds raised to be invested
Acquisition of 30% interest in the Haiyu Gold Mine in Shandong	3.9845	3.9845	3.9845
Acquisition of the Shapinggou Molybdenum Mine in Anhui	5.91	5.91	2.5155
Acquisition of the Rosebel Gold Mine Project in Suriname ^(Note)	2.559096	2.5	2.5
Phase 1 underground mining construction project of the Aurora Gold Mine in Guyana ^(Note)	1.9896403	1	1
Total	14.4432363	13.3945	10

Note: The total investment amount in “Acquisition of the Rosebel Gold Mine Project in Suriname” and “Phase 1 underground mining construction project of the Aurora Gold Mine in Guyana” is USD360 million and USD279.892 million, respectively, equivalent to RMB2.559096 billion and RMB1.9896403 billion, respectively, based on the RMB central parity rate (USD1:RMB7.1086) announced by the China Foreign Exchange Trade System on 18 October 2022.

After the proceeds raised in the Issuance of A Share Convertible Corporate Bonds are deposited in the account, the Company will invest the proceeds raised in the abovementioned projects in accordance with the actual need and priority of the projects. If the total investment amount of the projects exceeds the amount of proceeds raised used, the difference shall be self-financed by the Company. If the actual net amount of proceeds raised from the total proceeds raised under the Issuance after deducting the issuance expenses is less than the actual amount of funds required for the investment projects, the Company will make up the shortfall by self-financing.

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Before the proceeds raised in the Issuance of A Share Convertible Corporate Bonds are deposited in the account, the Company will invest in the projects by self-financing first. After the proceeds raised are deposited in the account, the funds that have been invested in the projects shall be replaced according to relevant laws, regulations and procedures.

We have reviewed the “Feasibility Report on the Use of Proceeds Raised in the Public Issuance of A Share Convertible Corporate Bonds for the Year 2022 (Revised Draft)” (the “**Feasibility Report**”) as set out in Appendix 2 to the Circular. The Feasibility Report sets out the details of the Projects to be invested by the proceeds from the Public Issuance of A Share Convertible Corporate Bonds, including the feasibility and future prospects of the Projects.

According to the Feasibility Report, the Haiyu Gold Mine, located in northern Laizhou City, Shandong Province, 26 kilometres away from the town area, is the largest standalone gold mine discovered in China. It has rich recoverable gold resources, amounted to 562 tonnes grading 4.20 grammes/tonne in average. After the acquisition, the gold resources of the Company will increase by 169 tonnes on equity basis. The total investment of the project construction would be approximately RMB6 billion. Up to now, approximately RMB1.4 billion has been invested. The project is expected to complete construction and commence production in 2025. After the project reaches its designated production capacity, the annual gold output is expected to be approximately 15-20 tonnes, with a service life of 23 years.

According to the Feasibility Report, the Shapinggou Molybdenum Mine, located in Guanmiao Township, Jinzhai County, Anhui Province, about 50 kilometres from the county seat of Jinzhai County, owns 2.34 million tonnes of retained molybdenum metal resources grading 0.143% in average. The designed mining and processing capacity of the Shapinggou Molybdenum Mine is 10 million tonnes per year. The construction period of the project is 4.5 years, and the total investment is estimated to be RMB7.2 billion. Among which, the construction investment is RMB6.4 billion. After the acquisition, the molybdenum resources of the Company will increase by 1.96 million tones on equity basis. After the completion of construction and reaching the designated production capacity, the average annual output will be molybdenum concentrate containing 27,200 tonnes of molybdenum.

According to the Feasibility Report, the Rosebel Gold Mine has rich gold metal retained resources. The acquisition will add 191 tonnes of gold metal resources to the Company’s portfolio on equity basis. The operational mine life of the Rosebel Gold Mine is 12 years (2022 to 2033), and the average output is 277,000 ounces (about 8.6 tonnes) of gold per year, with a total forecast production of 3.327 million ounces of gold (about 103.5 tonnes). Among which, between 2024 and 2032, the average production of gold will be 312,000 ounces per year (about 9.7 tonnes).

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According to the Feasibility Report, the Aurora Gold Mine is situated at approximately 170 kilometres west of Georgetown, the capital of Guyana. Underground mining will be implemented in three phases. This project is the Phase 1 underground mining project which service life of mine will be approximately 12 years. The total investment amount of the project is estimated to be USD279.8920 million. Based on the cut-off grade of gold at 1.4 grammes/tonne, the retained resources outside the open-pit mining boundary are 54.41Mt grading 2.89 grammes/tonne in average, the amount of gold metal is 157 tonnes. Among which, the amount of ore over indicated grade is 29.82Mt grading 3.28 grammes/tonne in average, the amount of gold metal is 98 tonnes, accounting for 54.8% of the total amount of ore.

As extracted from the Feasibility Report, after the completion of implementing the Projects, the profitability of the Company's resources and output of mine-produced molybdenum and gold will be enhanced, and the capability in risk-resistance and sustainable development can be effectively improved. After the acquisition of 30% interest in the Haiyu Gold Mine in Shandong is completed, the gold resources owned by the Company will increase by 169 tonnes on equity basis. After the acquisition of the Rosebel Gold Mine Project is completed, the gold resources owned by the Company will increase by 191 tonnes on equity basis. After the acquisition of the Shapinggou Molybdenum Mine in Anhui is completed, the molybdenum resources owned by the Company will increase by 1.96 million tonnes on equity basis. After the end of the opening-pit mining of the Aurora Gold Mine in Guyana, the underground mining scale will be expanded to 1.98 million tonnes/year, achieving average annual operating income of USD240.9 million and average annual net profit of USD82.74 million.

Having considered that (i) the Public Issuance of A Share Convertible Corporate Bonds is to finance the Projects which are for the business expansions and development of the Group; and (ii) the completion of implementing the Projects would enhance the profitability of the Company's main business and is hence in line with the Group's business strategy in further developing its mining business, we concur with the view of the Directors that the Public Issuance of A Share Convertible Corporate Bonds and the Subscriptions are in the interests of the Company and the Shareholders as a whole.

2.2 Financial alternatives of the Company

As advised by the management of the Company, the Board has considered various fund raising alternatives apart from the Public Issuance of A Share Convertible Corporate Bonds such as debt financing, rights issue or public offering.

2.2.1 Debt financing

According to the 2022 Annual Results Announcement, the Group's total assets amounted to approximately RMB306.0 billion as at 31 December 2022, whilst its total liabilities was approximately RMB181.6 billion as at 31 December 2022, resulting in a debt to assets ratio (calculated as total liabilities divided by total assets) of approximately 59.3% (as at 31 December 2021: 55.5%). As at 31 December 2022, the Group's gearing ratio (calculated as total liabilities divided by total equity) was 1.459 (as at 31 December 2021: 1.245), which reflected that the Group's total liabilities was more than its net assets.

The Directors are of the view that debt financing may not be the most practicable financing plan for the Group to meet its capital needs, as financing through bank borrowing may involve lengthy negotiation with banks, and will incur higher interest expenses as compared to the coupon rate of convertible bonds, which will adversely affect the Group's profitability. We have conducted searches over the website of 巨潮資訊網 (Cninfo*, www.cninfo.com.cn, being a website designated by CSRC for the purpose of information disclosure) to identify transactions in similar nature to the Public Issuance of A Share Convertible Corporate Bonds for comparison purpose (the "**Coupon Rate Comparables**"). Through the searches from 21 September 2022 up to date of announcement of the Company in relation to proposed Public Issuance of A Share Convertible Corporate Bonds, we have identified 29 Coupon Rate Comparables and note that the actual coupon rate of A share convertible bonds ranged from 0.20% to 3.50%, which was lower than the five-year loan prime rate of 4.30% published by the People's Bank of China. As such, we concur with the view of the Directors that the interest rate of bank loans is expected to be higher than the coupon rate of the convertible bonds.

On the other hand, upon full conversion of the A Share Convertible Corporate Bonds, the capital base of the Company will be enlarged and strengthened. Given the above, we are of the view that the Public Issuance of the A Share Convertible Corporate Bonds, being an equity financing means, is more practicable than external debt financing and is in the interests of the Company and the Shareholders as a whole.

2.2.2 Other equity financing alternatives

The Board has considered the issuance of new Shares. However, it is not desirable as issuance of new Shares would lead to further immediate dilution on the shareholding of the existing Shareholders within a relatively short period of time. On the contrary, fund raising by way of issuing the A Share Convertible Corporate Bonds will not have an immediate dilution impact on the shareholding of the existing Shareholders upon the completion of its issuance.

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The Board has also considered the issuance of H Shares convertible bonds but it is not desirable given the prevailing market price of H Shares has been lower than that of A Shares. The chart below illustrates a comparison between the daily closing prices of the A Shares and the daily closing prices of the H Shares (presented in RMB equivalent based on an exchange rate of RMB1 to HKD1.0870) from 21 April 2022 up to the last trading day before the announcement of the Public Issuance of A Share Convertible Corporate Bonds published on the Shanghai Stock Exchange and the Hong Kong Stock Exchange (the “**Review Period**”):



Sources: Website of the Hong Kong Stock Exchange and Cninfo*

During the Review Period, the H Shares were traded with closing prices in the range of HKD7.20 (equivalent to approximately RMB6.62) to HKD12.36 (equivalent to approximately RMB11.37) per H Share and the A Shares were traded with the closing prices in the range of RMB7.48 to RMB11.33 per A Share.

In other words, as the closing prices of H Shares was lower than that of A Shares, if the Company conducts a fund raising exercise by the issuance of H Shares convertible bonds in Hong Kong with a net proceed of RMB10 billion, assuming a pricing basis of not less than the average trading price of the H Shares in the 20 trading days preceding the base day, the amount of H share convertible bonds to be issued will be substantially greater than that required for the issuance of A Shares convertible bonds, which will lead to a greater dilution effect to the shareholding of the existing Shareholders upon conversion and will not be in the interests of the Independent Shareholders.

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Having considered that (i) equity financing is more practicable than external debt financing; (ii) the issued H Share capital of the Company is lower than the issued A Share capital of the Company; and (iii) the immediate dilution effect to the shareholding of the existing Shareholders if the Company conducts a fund raising exercise by issuance of new Shares, we concur with the Directors' view that it is in the interests of the Company and the Shareholders as a whole to raise funds by the Public Issuance of A Share Convertible Corporate Bonds (including the Subscriptions).

3. The Terms of the Public Issuance of A Share Convertible Corporate Bonds and the Subscriptions

3.1 Principal terms of the Public Issuance of A Share Convertible Corporate Bonds

The terms and conditions for Minxi Xinghang and the Relevant Connected Persons to subscribe for the A Share Convertible Corporate Bonds directly and/or through their interests in the Employee Stock Ownership Scheme will be the same as the terms and conditions set out in the proposal on the Public Issuance of A Share Convertible Corporate Bonds.

Set out below are the key terms of the Public Issuance of A Share Convertible Corporate Bonds and the Subscriptions:

Type of securities to be issued	The type of the securities to be issued is convertible corporate bonds which can be converted into A Shares of the Company. The A Share Convertible Corporate Bonds and A Shares of the Company to be converted in the future will be listed on the Shanghai Stock Exchange.
Size of the Issuance	In accordance with the stipulations of the relevant laws and regulations and with reference to the financial status and investment plan of the Company, the total amount of proceeds proposed to be raised from the Issuance of A Share Convertible Corporate Bonds will not exceed RMB10 billion (RMB10 billion inclusive). Such amount is based on the total amount of proceeds originally proposed to be raised (i.e., not exceeding RMB13.3945 billion), and factors including deduction of new and potential financial investments made from six months before the date of the Board resolution in relation to the Issuance to the date of the Issuance are also taken into account. The specific amount of proceeds to be raised will be determined by the Board or its authorised persons within the abovementioned range pursuant to the authorisation from the Shareholders at the Shareholders' General Meetings.
Par value and issue price	The A Share Convertible Corporate Bonds under the Issuance will be issued at par with a nominal value of RMB100 each.

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Term of the A Share Convertible Corporate Bonds	The term of the A Share Convertible Corporate Bonds under the Issuance will be six years from the date of the Issuance.
Coupon rate of the A Share Convertible Corporate Bonds	It is proposed that the Shareholders to authorise the Board or its authorised persons at the Shareholders' General Meetings to determine the determination method of coupon rate of the A Share Convertible Corporate Bonds and the final interest rate for every interest accrual year upon negotiation with the sponsor (the lead underwriter) in accordance with national policies, market conditions and the actual conditions of the Company, prior to the Issuance.
Conversion period	The conversion period of A Share Convertible Corporate Bonds under the Issuance shall commence on the first trading day immediately following the expiry of the six-month period after the date of the Issuance of the A Share Convertible Corporate Bonds, and end on the maturity date of the A Share Convertible Corporate Bonds.

Mechanism for determination and adjustment of the conversion price

Basis for determining the initial conversion price

Pursuant to the stipulations in the Administrative Measures, the initial conversion price shall not be lower than average trading price of A Shares for the 20 trading days preceding the publication date of the Offering Document (in the event that the A Share price was adjusted due to ex-right and ex-dividend in the preceding 20 trading days, the average trading price of A Shares on the trading days prior to the adjustment shall be calculated based on the price after such ex-right and ex-dividend) and the average trading price of the preceding trading day. That is, initial conversion price shall not be lower than the higher of the average trading price of A Shares for the 20 trading days preceding the publication date of the Offering Document and the average trading price for the preceding trading day. The actual initial conversion price shall be determined by the Board or its authorised persons upon negotiation with the sponsor (the lead underwriter) prior to the Issuance in accordance with the market conditions pursuant to the authorisation by the Shareholders at the Shareholders' General Meetings. At the same time, the initial conversion price shall not be lower than the audited net asset value per Share for the latest period and the face value of the Share of the Company.

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In which, the average trading price of A Shares for the preceding 20 trading days = total trading amount of A Shares for the preceding 20 trading days/total trading volume of A Shares for such 20 trading days; the average trading price of A Shares for the preceding trading day = total trading amount of A Shares for the preceding trading day/total trading volume of A Shares for such trading day.

Method of adjustments and calculation formula to the conversion price

The conversion price is subject to adjustment upon the Issuance in case of certain events which affect the Shares of the Company, such as distribution of share dividends, conversion or increase of share capital, issuance of new shares, rights issue or distribution of cash dividends (excluding any increase in the share capital as a result of conversion of the A Share Convertible Corporate Bonds). The Company shall adjust the conversion price accumulatively based on the order of occurrence of the abovementioned scenarios (rounded off to two decimal places). The details of the adjustment are as follows:

Distribution of share dividends or conversion or increase of share capital:

$$P_1 = P_0/(1+n);$$

Issuance of new shares or rights issue: $P_1 = (P_0 + A \times k)/(1+k);$

The above two events occurring concurrently: $P_1 = (P_0 + A \times k)/(1+n+k);$

Distribution of cash dividends: $P_1 = P_0 - D;$

The above three events occurring concurrently: $P_1 = (P_0 - D + A \times k)/(1+n+k).$

Where: “P₀” denotes the conversion price before adjustment; “n” denotes the rate of distribution of share dividends or conversion or increase of share capital this time; “k” denotes the rate of issuance of new shares or rights issue this time; “A” denotes the price of issuance of new shares or rights issue this time; “D” denotes the cash dividend per Share this time; “P₁” denotes the adjusted effective conversion price.

Upon occurrence of any of the abovementioned changes in Shares and/or owners' equity, the Company shall adjust the conversion price based on order of occurrence, and publish an announcement in relation to the adjustment of the conversion price on the media designated by the CSRC for information disclosure of listed companies. Such announcement shall indicate the date of adjustment to the conversion price, adjustment method and suspension period of share conversion (if necessary). If the conversion price adjustment date is on or after the date on which a Bondholder applies for conversion of its/his/her A Share Convertible Corporate Bonds but before the record date of the A Shares to be issued upon conversion, such conversion shall then be executed based on the conversion price adjusted by the Company.

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In the event that the creditor's interests or the interests derived from the share conversion of the Bondholders are affected by the change in the Company's share class, quantity and/or owners' equity due to any possible share repurchase, consolidation, division or any other circumstances, the Company shall adjust the conversion price based on the actual situations and in accordance with the principles of fairness, justice and equality so as to fully protect the interests of the Bondholders. The details of adjustment to conversion price and its implementation measures shall be determined in accordance with then relevant PRC laws, regulations, rules and the relevant requirements of the securities regulatory authorities.

Terms of downward adjustment to conversion price

(a) Authorisation and magnitude of adjustment

If, during the term of the A Share Convertible Corporate Bonds, the closing prices of A Shares on at least 15 trading days out of any 30 consecutive trading days are lower than 75% of the prevailing conversion price, the Board is entitled to propose a downward adjustment to the conversion price and submit it to the shareholders' general meetings for the Shareholders' consideration and approval.

The abovementioned proposal shall be implemented only if it is approved by more than two-thirds of the Shareholders with voting rights who attend the shareholders' general meetings. Shareholders who hold the A Share Convertible Corporate Bonds shall abstain from voting at the shareholders' general meetings. The adjusted conversion price shall be no less than the higher of the average trading price of the A Shares for the 20 trading days preceding the date of such shareholders' general meetings for consideration and approval of the aforementioned proposal and the average trading price of the A Shares for the trading day preceding the date of such meetings. At the same time, the adjusted conversion price shall be no less than the audited net asset value per Share for the latest period and the face value of Share of the Company.

In the event that there is an adjustment to the conversion price during the aforementioned 30 consecutive trading days, in respect of the trading days prior to the adjustment to the conversion price, the calculation shall be based on the unadjusted conversion price and the closing price of the A Shares on each such day, and in respect of the days on which adjustment to the conversion price is made and the trading days afterwards, the calculation shall be based on the adjusted conversion price and the closing price of the A Shares on each such day.

(b) Procedures of adjustment

In the event that the Company decides to adjust the conversion price downwards, the Company shall publish an announcement on the media designated by the CSRC for information disclosure of listed companies. Such announcement shall include information including the magnitude of the adjustment, the record date, the suspension period of share

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conversion and other relevant information. Application for conversion at adjusted conversion price shall be resumed upon the first trading day after the record date, i.e. the conversion price adjustment date. If the conversion price adjustment date is on or after the date on which a Bondholder applies for conversion of its/his/her A Share Convertible Corporate Bonds but before the record date of the A Shares to be issued upon conversion, such conversion shall then be executed based on the adjusted conversion price.

Method for determining the number of A Shares to be converted and treatment for remaining balance of the A Share Convertible Corporate Bonds which is insufficient to be converted into one A Share

Where a Bondholder applies to convert its/his/her A Share Convertible Corporate Bonds under the Issuance during the conversion period, the formula for calculating the number of A Shares to be converted is as below: $Q = V/P$, any fractional A Share shall be rounded down to the nearest whole number.

In which, “Q” denotes the number of A Shares to be converted; “V” denotes the aggregate nominal value of A Share Convertible Corporate Bonds in respect of which the Bondholder applies for conversion, and “P” denotes the prevailing conversion price as at the date of application for conversion.

The number of A Shares to be converted shall be in whole number where the Bondholder applied for converting its/his/her A Share Convertible Corporate Bonds under the Issuance. After the application of conversion by the Bondholder, within five trading days from the date of conversion by the Bondholder, the Company shall pay the Bondholder in cash an amount equals to the remaining balance of such A Share Convertible Corporate Bonds which is insufficient to be converted into one A Share and the interest accrued on such balance in accordance with the relevant requirements of the Shanghai Stock Exchange, China Securities Depository and Clearing Corporation Limited and such other authorities.

Terms of redemption

(a) Terms of redemption upon maturity

Within five trading days upon the maturity of the A Share Convertible Corporate Bonds, the Company shall redeem all the A Share Convertible Corporate Bonds which have not been converted into A Shares by then. It is proposed that the Shareholders to authorise the Board or its authorised persons at the Shareholders’ General Meetings to determine the actual redemption price upon negotiation with the sponsor (the lead underwriter) with reference to the market conditions upon the Issuance.

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(b) Terms of conditional redemption

During the conversion period of A Share Convertible Corporate Bonds, where either of the two scenarios mentioned below occurs, the Company shall have the right to redeem all or part of the outstanding A Share Convertible Corporate Bonds which have not been converted into the A Shares, at a price equals to the nominal value of the A Share Convertible Corporate Bonds plus the then accrued interest.

- (1) The closing prices of A Shares during at least 15 trading days out of any 30 consecutive trading days during the conversion period are no less than 125% (125% inclusive) of the prevailing conversion price;
- (2) The total par value of the outstanding A Share Convertible Corporate Bonds is lower than RMB30 million.

Formula for calculating the accrued interest for the current period is: $IA = B \times i \times t / 365$

In which, “IA”: denotes the accrued interest for the current period;

“B”: denotes the aggregate nominal value of the A Share Convertible Corporate Bonds to be redeemed held by the Bondholders;

“i”: denotes the coupon rate of the A Share Convertible Corporate Bonds for the current year;

“t”: denotes the number of days on which interest is accrued, i.e., the actual number of calendar days from the last interest payment date (inclusive) up to the redemption date of the current interest accrual year (excluding the redemption date).

In the event that an adjustment to the conversion price by the Company is made during the aforementioned 30 consecutive trading days, in respect of the trading days prior to the conversion price adjustment date, the calculation shall be based on the unadjusted conversion price and the closing price of the A Shares on each such day, and in respect of the conversion price adjustment date and the trading days after the conversion price adjustment date, the calculation shall be based on the adjusted conversion price and the closing price of the A Shares on each such day.

Terms of sale back

(a) Terms of conditional sale back

During the last two interest accrual years within the term of the A Share Convertible Corporate Bonds under the Issuance, if the closing prices of the A Shares of the Company on any 30 consecutive trading days are lower than 65% of the prevailing conversion price, the Bondholders are entitled to sell back all or part of the A Share Convertible Corporate Bonds they hold to the Company at par plus the then accrued interest. In the event that an adjustment to the conversion price is made due to distribution of share dividends,

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conversion or increase of share capital, issuance of new shares, rights issue, distribution of cash dividends (excluding any increase in the share capital as a result of conversion of the A Share Convertible Corporate Bonds), etc. during the aforementioned trading days, in respect of the trading days prior to the conversion price adjustment date, the calculation shall be based on the unadjusted conversion price and the closing price of the A Shares on each such day, and in respect of the conversion price adjustment date and the trading days after the conversion price adjustment date, the calculation shall be based on the adjusted conversion price and the closing price of the A Shares on each such day. In the event that there is a downward adjustment to the conversion price, the aforesaid “30 consecutive trading days” shall be re-counted from the first trading day following the adjustment to the conversion price.

The Bondholders can exercise their sale back rights once every year when the sale back conditions have been initially satisfied according to the abovementioned agreed terms in the last two interest accrual years within the term of the A Share Convertible Corporate Bonds. If the sale back conditions have been initially satisfied, but the Bondholders do not apply for and exercise their sale back rights during the sale back declaration period then announced by the Company, they shall not exercise the sale back rights during such interest accrual years. The Bondholders are not allowed to exercise their partial sale back rights for multiple times.

(b) Additional terms of sale back

If the implementation of the projects to be invested by the proceeds raised under the Issuance of A Share Convertible Corporate Bonds significantly differs from the undertakings set out by the Company in the Offering Document, and such difference is deemed as a change in the use of proceeds raised pursuant to the relevant rules of the CSRC or is considered by the CSRC as a change in the use of proceeds raised, the Bondholders shall be entitled to a one-off right to sell all or part of the A Share Convertible Corporate Bonds they hold back to the Company at par plus the then accrued interest. Upon satisfaction of the additional condition of sale back, the Bondholders may sell their A Share Convertible Corporate Bonds back to the Company during the additional sale back declaration period announced by the Company. If the Bondholders do not exercise their sale back rights during such period, they shall not exercise such rights later. For the calculation of accrued interest for the current period, please refer to relevant content under the paragraph headed “Terms of redemption”.

3.2 Comparison with other market issuers of A share convertible bonds

In assessing whether the principal terms of the Subscriptions are fair and reasonable and on normal commercial terms, we have conducted searches over the website of the Hong Kong Stock Exchange and 巨潮資訊網 (Cninfo*, www.cninfo.com.cn, being a website designated by CSRC), based on the criteria that (i) the company's shares are listed on both the Hong Kong Stock Exchange and the Shanghai Stock Exchange or the Shenzhen Stock Exchange of the PRC; (ii) the company has issued public issuance of A share convertible bonds; and (iii) the publication of offering document is within the period from 21 October 2020 up to the date of the announcement in relation to the Subscriptions (i.e., 21 October 2022). We consider that the basis of selecting the comparables with the criteria of publication offering document within the period from 21 October 2020 to 21 October 2022 is fair and reasonable given that (i) such criteria and period is sufficiently recent to demonstrate the prevailing market practices which are approved by the regulators; and (ii) we were able to identify sufficient relevant market issues for comparison within such period.

Based on our independent research, we have, on best effort basis, identified four comparables (the "**Comparables**") which are exhaustive market issues based on the aforesaid criteria. We have reviewed certain key terms of the convertible bonds. As each of the Comparable has its own unique nature and characteristic in terms of, inter alia, business operation and environment, size, profitability and financial position, the comparison of the terms of the issuance of A share convertible bonds between the Company and the Comparables may not represent an identical comparison. We, however, consider such comparison could be treated as an indication as to the reasonableness and fairness of the terms of the Subscriptions. The relevant details of the Comparables are set forth in the table below:

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Company name	Date of announcement	Term (years)	Basis for determining coupon rate	Basis for determining initial conversion price	Term of downward adjustment to the conversion price	Term of redemption	Term of sale back
The Company	21/10/2022	6	Upon negotiation with the sponsor (the lead underwriter) in accordance with national policies, market conditions and the actual conditions of the Company, prior to the Issuance.	<p>Shall not be lower than the higher of:</p> <p>(i) the average trading price of A Shares for the 20 trading days preceding the publication date of the offering document; and</p> <p>(ii) the average trading price of the preceding trading day, and</p> <p>shall not be lower than:</p> <p>(i) the audited net asset value per Share for the latest period; and</p> <p>(ii) face value of the Share of the Company.</p> <p>The actual initial conversion price shall be determined by the Board or the authorised persons of the Board upon negotiation with the sponsor (the lead underwriter) prior to the Issuance in accordance with the market conditions, which is subject to the authorisation by the Shareholders at the Shareholders' General Meetings of the Company.</p>	<p>If, during the term of the A Share Convertible Corporate Bonds, the closing prices of A Shares of the Company on at least 15 trading days out of any 30 consecutive trading days are lower than 75% of the prevailing conversion price, the Board is entitled to propose a downward adjustment to the conversion price and submit it to Shareholders' General Meetings for Shareholders' consideration and approval.</p> <p>The adjusted conversion price shall be no less than the higher of:</p> <p>(i) the average trading price of the A Shares of the Company for the 20 trading days preceding the date of such Shareholders' General Meetings for consideration and approval of the aforementioned proposals;</p> <p>(ii) the average trading price of the A Shares on the trading day preceding the date of such meetings; and</p> <p>the adjusted conversion price shall not be lower than:</p> <p>(i) the audited net asset value per Share for the latest period; and</p> <p>(ii) face value of Share of the Company.</p>	<p><u>Upon maturity</u></p> <p>Within five trading days upon the maturity of the A Share Convertible Corporate Bonds, the Company shall redeem all the A Share Convertible Corporate Bonds which have not been converted into A Shares by then. It is proposed that the Shareholders to authorise the Board or its authorised persons at the Shareholders' General Meetings to determine the actual redemption price upon negotiation with the sponsor (the lead underwriter) with reference to the market conditions upon the Issuance.</p> <p><u>Conditional redemption</u></p> <p>Where either of the two scenarios mentioned below occurred, the Company shall have the right to redeem all or part of the outstanding A Share Convertible Corporate Bonds which have not been converted into the A Shares, at a price equal to the nominal value of the A Share Convertible Corporate Bonds plus the then accrued interest:</p> <p>(i) The closing prices of A Shares during at least 15 trading days out of any 30 consecutive trading days during the conversion period are no less than 125% (125% inclusive) of the prevailing conversion price;</p> <p>(ii) The total par value of the outstanding A Share Convertible Corporate Bonds is lower than RMB30 million.</p>	<p>During the last two interest accrual years within the term of the A Share Convertible Corporate Bonds under the Issuance, if the closing prices of the A Shares on any 30 consecutive trading days are lower than 65% of the prevailing conversion price, the Bondholders are entitled to sell back all or part of the A Share Convertible Corporate Bonds they hold to the Company at par plus the then accrued interest.</p>

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Company name	Date of announcement	Term (years)	Basis for determining coupon rate	Basis for determining initial conversion price	Term of downward adjustment to the conversion price	Term of redemption	Term of sale back
Great Wall Motor Company Limited* (2333.HK)	6/11/2020	6	Same	<p>Same, except that the initial conversion price shall not be lower than:</p> <p>(i) average trading price of A Shares for the 20 trading days preceding the date of publication of the offering document, and</p> <p>(ii) the average trading price of A shares on the preceding trading day.</p>	<p>Same, except the threshold is 85% of the prevailing conversion price, and the adjusted conversion price should be no less than the higher of:</p> <p>(i) the average trading price of the A Shares for 20 trading days preceding the date of such shareholders' general meetings; and</p> <p>(ii) the average trading price of the A shares on the trading day preceding the date of such meetings.</p>	<p><u>Upon maturity</u></p> <p>Same</p> <p><u>Conditional redemption</u></p> <p>Same, except that the closing prices of A Shares during at least 15 trading days out of any 30 consecutive trading days during the conversion period are no less than 130% (130% inclusive) of the prevailing conversion price.</p>	<p>Same, except that the threshold is the closing prices of the A Shares on any 30 consecutive trading days are lower than 70% of the prevailing conversion price.</p>
Bank of Chongqing Co., Ltd.* (1963.HK)	30/3/2021	6	Same	Same	<p>Same, except that the threshold is 80% of the prevailing conversion price.</p>	<p><u>Upon maturity</u></p> <p>Same, except the company will redeem all the A Share convertible bonds which have not been converted into shares at a premium (including the annual interest of the final term) over the par value of the A share convertible bonds.</p> <p><u>Conditional redemption</u></p> <p>Same, except that the closing prices of A Shares during at least 15 trading days out of any 30 consecutive trading days during the conversion period are no less than 130% (130% inclusive) of the prevailing conversion price.</p>	<p>If the actual usage of the proceeds from the issuance of the A share convertible bonds differs from the undertaking of the use of proceeds set out by the company in the offering document, and such difference is considered by the CSRC as a deviation from the use of the proceeds, the bondholders will have a one-off right to sell the A share convertible bonds back to the company at the nominal value plus the then accrued interest.</p>

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Company name	Date of announcement	Term (years)	Basis for determining coupon rate	Basis for determining initial conversion price	Term of downward adjustment to the conversion price	Term of redemption	Term of sale back
Dynagreen Environmental Protection Group Co., Ltd.* (1330.HK)	23/7/2021	6	Same	Same	Same, except that the threshold is 85% of the prevailing conversion price.	1) <u>Upon maturity</u> Same	Same, except that the threshold is the closing prices of the A Shares on any 30 consecutive trading days are lower than 70% (excluding 70%) of the prevailing conversion price.
						2) <u>Conditional redemption</u> Same, except that the closing prices of A Shares during at least 15 trading days out of any 30 consecutive trading days during the conversion period are no less than 130% (130% inclusive) of the prevailing conversion price.	
China Galaxy Securities Co., Ltd. (6881.HK)	30/8/2021	6	Same	Same, except that the initial conversion price is subject to one additional term which is, it shall not be lower than the average trading price of A shares during the 30 trading days immediately preceding the date of publication of the offering document	Same, except the threshold is 80% of the prevailing conversion price, and the adjusted conversion price is subject to one additional term which is, it shall not be lower than the average trading price of A shares during the 30 trading days immediately preceding the shareholder's general meeting.	1) <u>Upon maturity</u> Same	If the actual usage of the proceeds from the issuance of the A share convertible bonds materially differs from the undertakings of the use of proceeds set out by the company in the offering document, and such change is deemed as a deviation in the use of the proceeds under the relevant requirements of the CSRC, the holders of A share convertible bonds shall have a one-off sale back right to sell all or part of their A share convertible bonds back to the company at a price equal to the nominal value of such bonds plus the then accrued interest.
						2) <u>Conditional redemption</u> Same, except that the closing prices of A Shares during at least 15 trading days out of any 30 consecutive trading days during the conversion period are no less than 130% (130% inclusive) of the prevailing conversion price.	

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Determination of the coupon rate

The coupon rate of the Public Issuance is to be determined upon negotiation with the sponsor (the lead underwriter) in accordance with national policies, market conditions and the actual conditions of the companies. Therefore, the coupon rate will not be determined before the publication of the offering documents of the Public Issuance.

We have reviewed and note from Article 16 of the Administrative Measures that the interest rate of a convertible corporate bond shall be determined by the issuing company and the sponsor (the lead underwriter) through negotiations. Therefore, it is a common practice that the coupon rate of the issuance of A Share convertible bonds is to be determined at a later stage. Moreover, we also note from the Comparables that their coupon rates were determined in accordance with, among others, national policies, market conditions and the then actual conditions of the companies. We are therefore of the view that the coupon rate of the Public Issuance is determined under similar mechanism in the market.

We are given to understand from the Directors that in determining the coupon rate of the A Share Convertible Corporate Bonds, the Company and the lead underwriter will make reference to, among others, (i) the interest rates of the convertible bonds issued by other PRC listed issuers with a size comparable to that of the Company around the time of determination of coupon rate; (ii) the then trading price of A shares of the Company; (iii) the then condition and investment sentiment of the PRC bond market; and (iv) the credit rating of the Company and the A Share Convertible Corporate Bonds. The determination mechanism of the coupon rate is subject to the approval of the Shareholders at the AGM and the Class Meetings and the final coupon rate is subject to the approval of CSRC.

Taking into account the factor above, in particular that (i) it is common to determine the coupon rate after the negotiation with the sponsor (the lead underwriter); (ii) the Company and the lead underwriter will make reference to the then market condition and other factors as set out above when determining the coupon rate; and (iii) the determination mechanism of the coupon rate is in compliance with the applicable laws and regulations in the PRC, we concur with the view of the Directors that the proposed determination mechanism of the coupon rate of the A Share Convertible Corporate Bonds is fair and reasonable so far as the Independent Shareholders are concerned.

Determination of the initial conversion price

We note that all Comparables (i) have similar conversion price determination mechanism; and (ii) did not fix the initial conversion price and the actual initial conversion price would be determined upon negotiation with the sponsor (the lead underwriter) prior to the issuance in accordance with the then market conditions, which is subject to the authorisation by the shareholders of the relevant companies at the general meetings or class meetings.

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We note that all Comparables made reference to the average trading price of A shares for the 20 trading days preceding the date of publication of the offering documents and/or the average trading price of the preceding trading day as the bases of determining the initial conversion price.

Determination and adjustment of the conversion price and term of sale back

We note that all Comparables have similar conversion price adjustment mechanism with the Public Issuance, which is based on the average trading price of A shares during the 20 trading days immediately preceding the date of such a general meeting and/or the average trading price of A shares on the trading day immediately preceding the date of such a general meeting. The adjustments to conversion price and its implementation measures shall be determined in accordance with the relevant PRC laws, regulations, rules and the relevant requirements of the securities regulatory authorities.

All Comparables have conversion price downward adjustment mechanism, which the board is entitled to propose a downward adjustment to the conversion price if the closing price of A share on at least 15 trading days out of any 30 consecutive trading days are lower than a thresholds ranging from 80% to 85% of the prevailing conversion price. The threshold for conversion price downward adjustment under the terms of the Public Issuance is 75% which is slightly lower than that of the Comparables.

We note that 2 out of 4 Comparables have sale back mechanism similar to that of the Public Issuance, which the bondholders are entitled to sell back all or part of the A share convertible bonds they hold to the company if the closing prices of the A shares of the issuer on any 30 consecutive trading days are lower than 70% of the prevailing conversion price. We note that the term of sale back of these Comparables are similar to that of the Public Issuance, except the threshold under the terms of the Public Issuance is 65% of the prevailing conversion price which is slightly lower than that of the Comparables.

Term of redemption

We note that 3 out of 4 Comparables have terms of redemption at maturity requiring the issuer to redeem all the A share convertible corporate bonds which have not been converted into A shares by then. It is proposed that the shareholders to authorise the board or its authorised persons at the shareholders' general meetings to determine the actual redemption price upon negotiation with the sponsor (the lead underwriter) with reference to the market conditions upon the Issuance.

All of the Comparables have terms of conditional redemption, which the issuer shall have the right to redeem all or part of the outstanding A share convertible bonds when either of the two scenarios mentioned below occurs: (i) the closing price of A share during at least 15 trading days out of any 30 consecutive trading days during the conversion period are no less than 130% of the prevailing conversion price; or (ii) the total par value of the outstanding A share convertible bonds is lower than RMB30 million. The term of redemption of the Comparables are similar to that of the Public Issuance except the threshold under scenario (i) above is 125% inclusive of the prevailing conversion price which is slightly lower than that of the Comparables.

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As advised by the management of the Company, the slight derivation in the terms in relation to adjustment of the conversion price, sale back and redemption with the Comparable are determined after considering the recent adverse global political and economic situations, the weakening momentum to the economy in the PRC due to COVID-19 pandemic and thus, the fluctuations in the global stock market. The lower thresholds (i) represent the imposition of higher barriers which will lead to the triggering of the conversion price downward adjustment and sale back and (ii) allow the Board to early consider (but not obliged) to redeem the outstanding A Share Convertible Corporate Bonds under favourable market conditions. We are therefore of the view that the terms of the A Share Convertible Corporate Bonds are no less favourable than the Comparables.

Having considered the above, in particular that (i) the terms of the Public Issuance are generally in line with the market practices and are similar to those of the Comparables; (ii) the terms of the Public Issuance are in compliance with the Administrative Measures; and (iii) all potential subscribers of the Public Issuance will be subject to the same set of terms and conditions, we concur with the Directors that the terms of the Public Issuance are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

4. Possible Effects of the Public Issuance of A Share Convertible Corporate Bonds

4.1 Possible financial effects to the Group

As advised by the Directors, the Public Issuance (including the Subscriptions) would have the following financial effects to the Group:

(i) Earnings

The A Share Convertible Corporate Bonds are interest bearing bonds and will mature on the sixth anniversary of the date of the Issuance. As such, it is expected that the future earnings of the Group will be reduced by the amount of interest expenses on the A Share Convertible Corporate Bonds upon their maturity, and/or early redemption at the option of the Company and/or the conversion of the A Share Convertible Corporate Bonds. Meanwhile, assuming the changes in the fair value of the conversion option derivative in relation to the A Share Convertible Corporate Bonds will be recognised in the Group's consolidated statement of profit or loss, there will be an impact on the Group's earnings and hence net profit due to the fair value change at each of the financial year end upon the maturity of the A Share Convertible Corporate Bonds, and/or early redemption at the option of the Company and/or the conversion of the A Share Convertible Corporate Bonds.

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(ii) Net assets value

According to the 2022 Annual Results Announcement, the net assets value of the Group attributable to the owners of the Company was approximately RMB88.9 billion as at 31 December 2022. The total proceeds from the Public Issuance are estimated to be not more than approximately RMB10 billion. Upon completion of the Public Issuance of A Share Convertible Corporate Bonds, the assets of the Group will be increased by the amount of proceeds to be raised therefrom. The A Share Convertible Corporate Bonds will be accounted for in two separate components in the consolidated statement of financial position of the Group, comprising a liability component and an equity component, at initial recognition. The liability component will be determined by using a market interest rate for an equivalent non-convertible bond and will be recorded as a non-current liability at initial recognition. The difference between the net proceeds from the Public Issuance of A Share Convertible Corporate Bonds and such liability component will be recognised as the equity component and included in the Shareholders' equity. Accordingly, there will be a positive impact on the net asset value of the Group, the actual impact of which will be determined with reference to the valuation of the equity component of the A Share Convertible Corporate Bonds.

(iii) Gearing

According to the 2022 Annual Results Announcement, the Group reported a gearing ratio of 1.459 as at 31 December 2022. Upon completion of the Public Issuance of the A Share Convertible Corporate Bonds, both liabilities and the Shareholders' equity are expected to increase and the change in gearing ratio depends on the proportions of liability component and equity component of the A Share Convertible Corporate Bonds. The gearing ratio of the Group may rise in the short term, and, following the conversion of the A Share Convertible Corporate Bonds into new A Shares, the gearing ratio of the Group will be reduced.

Based on the above, we concur with the Directors' view that the proposed Public Issuance of A Share Convertible Corporate Bonds would not have any material adverse impact on the Group's financial position.

It should be noted that the abovementioned analysis is for illustrative purposes only and does not purport to represent how the financial position of the Group will be upon the completion of the Public Issuance.

4.2 Potential dilution to the shareholding of the existing Shareholders upon the conversion of A Share Convertible Corporate Bonds

The shareholding structures of the Company as at the Latest Practicable Date and after completion of the proposed Public Issuance of A Share Convertible Corporate Bonds and conversion of all the A Share Convertible Corporate Bonds (assuming that (i) the Company has issued the A Share Convertible Corporate Bonds at the maximum issuance amount of RMB10 billion; (ii) all the A Shareholders have subscribed for the respective maximum subscription amount of the A Share Convertible Corporate Bonds on pro-rata

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basis on their current shareholding; (iii) all A Share Convertible Corporate Bonds are converted into A Shares at the minimum initial conversion price of RMB13.87 per A Share; and (iv) the Company does not issue, allot, repurchase and cancel any Shares before all the A Share Convertible Corporate Bonds are converted into A Shares (the “**Calculation Assumptions**”) are as follows (the following tables are prepared pursuant to the requirements of the Listing Rules and are for illustrative purpose only):

	As at the Latest Practicable Date			After completion of the proposed Public Issuance of A Share Convertible Corporate Bonds and conversion of all the A Share Convertible Corporate Bonds under the Calculation Assumptions		
	Number of Shares	Approximate percentage of the total number of issued A Shares	Approximate percentage of the total number of issued Shares	Number of Shares	Approximate percentage of the total number of issued A Shares	Approximate percentage of the total number of issued Shares
A Shareholders						
Minxi Xinghang	6,083,517,704	29.54%	23.11%	6,296,525,728	29.54%	23.28%
Directors						
Chen Jinghe (Note)	65,100,000	0.32%	0.25%	67,379,401	0.32%	0.25%
Zou Laichang (Note)	2,723,050	0.01%	0.01%	2,818,392	0.01%	0.01%
Lin Hongfu (Note)	1,728,938	0.01%	0.01%	1,789,471	0.01%	0.01%
Lin Hongying (Note)	977,000	0.01%	0.01%	1,011,203	0.01%	0.01%
Xie Xionghui (Note)	905,571	0.01%	0.01%	937,272	0.01%	0.01%
Wu Jianhui (Note)	510,000	0.01%	0.01%	527,851	0.01%	0.01%
Supervisors						
Lin Shuiqing (Note)	300,000	0.01%	0.01%	310,497	0.01%	0.01%
Cao Sanxing (Note)	124,000	0.01%	0.01%	128,340	0.01%	0.01%
Liu Wenhong (Note)	26,450	0.01%	0.01%	27,372	0.01%	0.01%
Directors of the Significant Subsidiaries						
Shen Shaoyang (Note)	1,001,000	0.01%	0.01%	1,036,046	0.01%	0.01%
Long Yi (Note)	850,000	0.01%	0.01%	879,754	0.01%	0.01%
Que Chaoyang (Note)	1,108,114	0.01%	0.01%	1,146,909	0.01%	0.01%
Wang Chun (Note)	502,000	0.01%	0.01%	519,570	0.01%	0.01%
Liao Yuanhang (Note)	450,000	0.01%	0.01%	465,753	0.01%	0.01%
Other A Shareholders	14,431,408,413	70.01%	54.72%	14,936,709,214	70.01%	55.13%
H Shareholders						
Director						
Chen Jinghe	20,000,000	–	0.08%	20,000,000	–	0.07%
Supervisor						
Liu Wenhong	10,000	–	0.01%	10,000	–	0.01%
Other H Shareholders	5,716,930,000	–	21.70%	5,716,930,000	–	21.13%
	<u>26,328,172,240</u>	<u>100%</u>	<u>100%</u>	<u>27,049,152,773</u>	<u>100%</u>	<u>100.00%</u>

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Note: The maximum interests of the Relevant Connected Persons (including their interests in the Employee Stock Ownership Scheme) as at the Latest Practicable Date and after completion of the proposed Public Issuance of A Share Convertible Corporate Bonds and conversion of all the A Share Convertible Corporate Bonds under the Calculation Assumptions are set out and summarised as follows, which are for illustrative purpose only:

	As at the Latest Practicable Date					After completion of the proposed Public Issuance of A Share Convertible Corporate Bonds and conversion of all the A Share Convertible Corporate Bonds under the Calculation Assumptions				
	Number of A Shares (Note)	Number of H Shares	Total number of Shares (Note)	Approximate percentage of the total of issued A Shares	Approximate percentage of the total of issued Shares	Number of A Shares (Note)	Number of H Shares	Total number of Shares (Note)	Approximate percentage of the total of issued A Shares	Approximate percentage of the total of issued Shares
Directors										
Chen Jinghe	65,100,000	20,000,000	85,100,000	0.32%	0.32%	67,379,401	20,000,000	87,379,401	0.32%	0.32%
Zou Laichang	4,223,050	-	4,223,050	0.02%	0.01%	4,370,908	-	4,370,908	0.02%	0.01%
Lin Hongfu	3,224,114	-	3,224,114	0.01%	0.01%	3,336,997	-	3,336,997	0.01%	0.01%
Lin Hongying	1,727,000	-	1,727,000	0.01%	0.01%	1,787,461	-	1,787,461	0.01%	0.01%
Xie Xionghui	1,500,426	-	1,500,426	0.01%	0.01%	1,552,949	-	1,552,949	0.01%	0.01%
Wu Jianhui	583,954	-	583,954	0.01%	0.01%	604,393	-	604,393	0.01%	0.01%
Supervisors										
Lin Shuiqing	300,000	-	300,000	0.01%	0.01%	310,497	-	310,497	0.01%	0.01%
Cao Sanxing	124,000	-	124,000	0.01%	0.01%	128,340	-	128,340	0.01%	0.01%
Liu Wenhong	26,450	10,000	36,450	0.01%	0.01%	27,372	10,000	37,372	0.01%	0.01%
Directors of the Significant Subsidiaries										
Shen Shaoyang	1,025,839	-	1,025,839	0.01%	0.01%	1,061,751	-	1,061,751	0.01%	0.01%
Long Yi	1,171,543	-	1,171,543	0.01%	0.01%	1,212,552	-	1,212,552	0.01%	0.01%
Que Chaoyang	1,207,792	-	1,207,792	0.01%	0.01%	1,250,077	-	1,250,077	0.01%	0.01%
Wang Chun	625,794	-	625,794	0.01%	0.01%	647,697	-	647,697	0.01%	0.01%
Liao Yuanhang	604,340	-	604,340	0.01%	0.01%	625,493	-	625,493	0.01%	0.01%

Note: Including their interests in the Employee Stock Ownership Scheme

As shown in the table above, assuming the Public Issuance of A Share Convertible Corporate Bonds is completed and all A Share Convertible Corporate Bonds are converted into A Shares, (i) the shareholding of the public A Shareholders will be increased from approximately 54.72% to approximately 55.13%; and (ii) the shareholding of the public H Shareholders will be decreased from approximately 21.70% to approximately 21.13%. As such, the overall shareholding of the public Shareholders will be slightly decreased from approximately 76.42% as at the Latest Practicable Date to approximately 76.26% immediately after the completion of the Public Issuance of A Share Convertible Corporate Bonds and conversion of all the A Share Convertible Corporate Bonds, assuming (i) the Company has issued the A Share Convertible Corporate Bonds at the maximum issuing amount of RMB10 billion; (ii) all the A Shareholders have subscribed for the respective maximum subscription

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amount of the A Share Convertible Corporate Bonds on pro-rata basis on their current shareholding; (iii) all A Share Convertible Corporate Bonds are converted into A Shares at the minimum initial conversion price of RMB13.87 per A Share; and (iv) the Company does not issue, allot and repurchase any Shares before all the A Share Convertible Corporate Bonds are converted into A Shares.

Taking into account of (i) the reasons for and benefits of the Public Issuance of A Share Convertible Corporate Bonds and Subscriptions as set out in the section headed “2.1 Reasons for and benefits of the Public Issuance of A Share Convertible Corporate Bonds and the Subscriptions” in this letter; and (ii) the principal terms of the Public Issuance that are fair and reasonable so far as the Independent Shareholders are concerned, we are of the view that the dilution effect of the overall shareholding of the public Shareholders is acceptable.

RECOMMENDATION AND CONCLUSION

Having taken into account the above-mentioned principal factors and reasons, in particular:

- (i) the reasons for and benefits of the Public Issuance of A Share Convertible Corporate Bonds and Subscriptions as set out in the section headed “2.1 Reasons for and benefits of the Public Issuance of A Share Convertible Corporate Bonds and the Subscriptions” in this letter;
- (ii) the details of the Public Issuance of A Share Convertible Corporate Bonds as set out in the section headed “3. The Terms of the Public Issuance of A Share Convertible Corporate Bonds and the Subscriptions” in this letter;
- (iii) the financing alternatives considered by the Company as set out in the section headed “2.2 Financing alternatives of the Company” in this letter;
- (iv) our analysis on the fairness and reasonableness of the terms of Public Issuance of A Share Convertible Corporate Bonds as set out in the section headed “3.2. Comparison with other market issuers of A share convertible bonds” in this letter; and
- (v) the potential effects on the Group’s financial and the shareholding of the existing Shareholdings as set out in the section headed “4. Possible Effects of the Public Issuance of A Share Convertible Corporate Bonds” in this letter;

we are of the view that although the Public Issuance of A Share Convertible Corporate Bonds and the Subscriptions are not in the ordinary and usual course of the business of the Group, the Subscriptions and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole, and the terms of the Subscriptions are on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned.

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Accordingly, we recommend the Independent Shareholders, as well as the Independent Board Committee to recommend the Independent Shareholders, to vote in favour of the relevant proposal to be proposed at the AGM to approve the Subscriptions and the transactions contemplated thereunder.

* *for identification purpose only*

Yours faithfully,
For and on behalf of
Goldlink Capital (Corporate Finance) Limited

Vincent Cheung
Managing Director

Mr. Vincent Cheung is a licensed person registered with the Securities and Futures Commission and regarded as a responsible officer of Goldlink Capital (Corporate Finance) Limited to carry out type 6 (advising on corporate finance) regulated activities under the SFO and has over 15 years of experience in corporate finance industry.



**Zijin Mining Group Co., Ltd.*
Plan of the Public Issuance of A Share
Convertible Corporate Bonds for the Year 2022
(Revised Draft)**

February 2023

DECLARATION OF THE ISSUER

1. The Company and all members of the Board hereby warrant that the contents contained in this Plan are true, accurate and complete, and there are no false representations or misleading statements contained herein, or material omissions from this Plan, and jointly and severally accept legal responsibility for the truthfulness, accuracy and completeness for the contents contained in this Plan.
2. After the completion of the Public Issuance of A Share Convertible Corporate Bonds, the Company will be responsible for the changes in operation and revenue of the Company. Any investment risks arising from the Public Issuance of A Share Convertible Corporate Bonds shall be borne by the investors.
3. This Plan serves as an explanation of the Board of the Company on the Public Issuance of A Share Convertible Corporate Bonds, and any statement contradictory to this Plan constitutes misinterpretation.
4. Investors shall consult their stockbrokers, lawyers, professional accountants or other professional advisors for any questions or doubts.
5. Matters mentioned in this Plan do not represent any substantive judgement, confirmation, authorisation or approval from the approving authorities regarding the Public Issuance of A Share Convertible Corporate Bonds. Effectiveness and completion of the matters relating to the Public Issuance of A Share Convertible Corporate Bonds mentioned in this Plan shall be subject to the authorisation or approval by relevant authorities.

APPENDIX 1 PLAN OF THE PUBLIC ISSUANCE OF A SHARE CONVERTIBLE CORPORATE BONDS FOR THE YEAR 2022 (REVISED DRAFT)

IMPORTANT NOTES

- The relevant matters of the Public Issuance of Renminbi-denominated ordinary A Share Convertible Corporate Bonds in the PRC (hereinafter the “Issuance”, “Issuance of A Share Convertible Corporate Bonds” or “Public Issuance of A Share Convertible Corporate Bonds”) were considered and approved at the thirteenth meeting of the seventh term of the Board of the Company held on 21 October 2022 and the fifth extraordinary meeting in 2023 of the eighth term of the Board held on 17 February 2023.

Pursuant to provisions in the relevant laws and regulations, the implementation of the Issuance of A Share Convertible Corporate Bonds shall be subject to the approval at the Shareholders’ General Meetings, the review and consent of the Shanghai Stock Exchange and the consent on registration of the CSRC.

- The total amount of proceeds proposed to be raised from the Issuance of A Share Convertible Corporate Bonds will not exceed RMB10 billion (RMB10 billion inclusive). Such amount is based on the total amount of proceeds originally proposed to be raised (i.e., not exceeding RMB13.3945 billion), and factors including deduction of new and potential financial investments made from six months before the date of the Board resolution in relation to the Issuance to the date of the Issuance are also taken into account. The net amount of the proceeds raised after deducting the issuance expenses is proposed to be used for the following projects:

Unit: RMB billion

Project name	Total investment amount	Original proposed amount of proceeds raised to be invested	Actual proposed amount of proceeds raised to be invested
Acquisition of 30% interest in the Haiyu Gold Mine in Shandong	3.9845	3.9845	3.9845
Acquisition of the Shapinggou Molybdenum Mine in Anhui	5.91	5.91	2.5155
Acquisition of the Rosebel Gold Mine Project in Suriname ^{Note}	2.559096	2.5	2.5
Phase 1 underground mining construction project of the Aurora Gold Mine in Guyana ^{Note}	1.9896403	1	1
Total	14.4432363	13.3945	10

Note: The total investment amount in “Acquisition of the Rosebel Gold Mine Project in Suriname” and “Phase 1 underground mining construction project of the Aurora Gold Mine in Guyana” is USD360 million and USD279.892 million, respectively, equivalent to RMB2.559096 billion and RMB1.9896403 billion, respectively, based on the RMB central parity rate (USD1:RMB7.1086) announced by the China Foreign Exchange Trade System on 18 October 2022.

APPENDIX 1 PLAN OF THE PUBLIC ISSUANCE OF A SHARE CONVERTIBLE CORPORATE BONDS FOR THE YEAR 2022 (REVISED DRAFT)

After the proceeds raised in the Issuance of A Share Convertible Corporate Bonds are deposited in the account, the Company will invest the proceeds raised in the abovementioned projects in accordance with the actual need and priority of the projects. If the total investment amount of the projects exceeds the amount of proceeds raised used, the difference shall be self-financed by the Company. If the actual net amount of proceeds raised from the total proceeds raised under the Issuance after deducting the issuance expenses is less than the actual amount of funds required for the investment projects, the Company will make up the shortfall by self-financing.

Before the proceeds raised in the Issuance of A Share Convertible Corporate Bonds are deposited in the account, the Company will invest in the projects by self-financing first. After the proceeds raised are deposited in the account, the funds that have been invested in the projects shall be replaced according to relevant laws, regulations and procedures.

3. According to the “Notice in relation to Further Implementing Cash Dividend Distribution of Listed Companies” (Zheng Jian Fa [2012] No. 37) and “Regulatory Guidelines of Listed Companies No. 3 – Cash Dividends of Listed Companies” (CSRC Announcement [2022] No. 3), based on the actual situation of the Company, the Company further refines the dividend distribution policies. For the relevant information of the Company’s profit distribution policies, cash dividends distributed in the recent three years, profit distribution plan for the next three years, etc., please refer to the relevant disclosure in VI. Formulation and execution of profit distribution policies of the Company in this Plan.
4. The effective period of the resolution in relation to the Public Issuance of the A Share Convertible Corporate Bonds is 12 months from the date the resolution is considered and approved at the Shareholders’ General Meetings.

APPENDIX 1 PLAN OF THE PUBLIC ISSUANCE OF A SHARE CONVERTIBLE CORPORATE BONDS FOR THE YEAR 2022 (REVISED DRAFT)

DEFINITIONS

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

Definition for frequently-used and professional terms

Issuer, Zijin Mining or Company	Zijin Mining Group Co., Ltd.* (紫金礦業集團股份有限公司)
Issuance, Public Issuance, Public Issuance of A Share Convertible Corporate Bonds	the act of Public Issuance of A Share Convertible Corporate Bonds for the Year 2022 of Zijin Mining Group Co., Ltd.*
Plan	Plan of the Public Issuance of A Share Convertible Corporate Bonds for the Year 2022 of Zijin Mining Group Co., Ltd.*
Projects to be Invested by the Proceeds Raised	the projects to be invested by the proceeds raised from the Public Issuance of A Share Convertible Corporate Bonds, i.e., acquisition of 30% interest in the Haiyu Gold Mine in Shandong, acquisition of the Shapinggou Molybdenum Mine in Anhui, acquisition of the Rosebel Gold Mine Project in Suriname and phase 1 underground mining construction project of the Aurora Gold Mine in Guyana
RMB	Renminbi
USD	United States dollar, the lawful currency of the United States of America
Articles of Association	the articles of association of Zijin Mining Group Co., Ltd.*
CSRC	China Securities Regulatory Commission of the People's Republic of China
Administrative Measures	Administrative Measures for the Issuance of Securities by Listed Companies
Haiyu Gold Mine	the Haiyu Gold Mine in northern Sanshandao

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RGM	Rosebel Gold Mines N.V., a company in Suriname
IMG	IAMGOLD Corporation (IAMGOLD), a listed company in Canada
Resource	according to the JORC Code, resource is the material of economic interest in or on the Earth's crust which are sub-divided, in order of increasing geological confidence, into inferred, indicated and measured categories
Reserve	according to the JORC Code, reserve is the economically mineable part of a measured and/or indicated mineral resource (includes diluting materials and allowances for losses, which may occur when the material is mined or extracted)

Unless otherwise indicated, all the figures in this Plan are rounded off to two decimal places. The rounding off may result in the total amount of figures being different from the last digits of the summation amount.

I. BASIC INFORMATION OF THE ISSUER

Chinese name: 紫金礦業集團股份有限公司
English name: Zijin Mining Group Company Limited*
Stock listing places: Shanghai Stock Exchange, Hong Kong Stock Exchange
Stock abbreviation: Zijin Mining
Stock code: 601899.SH, 02899.HK
Date of incorporation: 6 September 2000
Date of listing: April 2008 (China A Shares), December 2003 (Hong Kong H Shares)
Registered capital: RMB2,632,817,224
Registered address: No. 1 Zijin Road, Shanghang County
Legal representative: Zou Laichang
Secretary to the Board: Zheng Youcheng
Telephone number: 86-0592-2933668
Fax number: 86-0592-2933580
Office address: No. 1 Zijin Road, Shanghang County
Postal code: 364200
Company website: www.zjky.cn
Unified social credit code: 91350000157987632G

Business scope: exploration of minerals; mining and processing of gold ores; gold refinery; mining and processing of copper ores; copper refinery; integration service on information and technology systems; consultation service on information and technology; sales of jewellery and ornaments, crafts and arts products, mineral products, machinery and equipment, chemical products (excluding dangerous chemical products and precursor chemicals products of poisons); hydropower generation; investment in mining industry, hotel industry and construction industry; foreign trade; land transportation of general goods; land transportation of hazardous goods. Open pit mining of copper and gold ores, underground mining of copper ores; research and development of mining engineering technology, mining machinery and equipment specifically for use in metallurgy; manufacture of mining machinery and equipment specifically for use in metallurgy; tourist accommodations (only for branches). (Items which require approvals under the law shall be subject to the approval from the relevant departments before the commencement of business)

II. EXPLANATION OF FULFILLING THE CONDITIONS FOR THE PUBLIC ISSUANCE

Pursuant to the provisions and requirements in the Company Law of the PRC, the Securities Law of the PRC, the Administrative Measures for the Issuance of Securities by Listed Companies (the “Administrative Measures”) and other relevant laws, regulations and regulatory documents, the Board conducted self-checking of all qualifications, conditions and requirements of public issuance of convertible corporate bonds of listed companies item by item and considered that the Company meets the various provisions and requirements of the

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relevant laws, regulations and regulatory documents of the PRC in respect of public issuance of convertible corporate bonds of listed companies and has the qualifications and conditions to publicly issue convertible corporate bonds.

III. SUMMARY OF THE PROPOSAL ON THE PUBLIC ISSUANCE OF A SHARE CONVERTIBLE CORPORATE BONDS**(I) Type of securities to be issued**

The type of securities to be issued is convertible corporate bonds which can be converted into the A Shares of the Company. The A Share Convertible Corporate Bonds and the A Shares of the Company to be converted in the future will be listed on the Shanghai Stock Exchange.

(II) Size of the Issuance

In accordance with the stipulations of the relevant laws and regulations and with reference to the financial status and investment plan of the Company, the total amount of proceeds proposed to be raised from the Issuance of A Share Convertible Corporate Bonds will not exceed RMB10 billion (RMB10 billion inclusive). Such amount is based on the total amount of proceeds originally proposed to be raised (i.e., not exceeding RMB13.3945 billion), and factors including deduction of new and potential financial investments made from six months before the date of the Board resolution in relation to the Issuance to the date of the Issuance are also taken into account. The specific amount of proceeds to be raised will be determined by the Board or its authorised persons within the abovementioned range pursuant to the authorisation from the Shareholders at the Shareholders' General Meetings.

(III) Par value and issue price

The A Share Convertible Corporate Bonds under the Issuance will be issued at par with a nominal value of RMB100 each.

(IV) Term of the A Share Convertible Corporate Bonds

The term of the A Share Convertible Corporate Bonds under the Issuance will be six years from the date of the Issuance.

(V) Coupon rate of the A Share Convertible Corporate Bonds

It is proposed that the Shareholders to authorise the Board or its authorised persons at the Shareholders' General Meetings to determine the determination method of coupon rate of the A Share Convertible Corporate Bonds and the final interest rate for every interest accrual year upon negotiation with the sponsor (the lead underwriter) in accordance with national policies, market conditions and the actual conditions of the Company, prior to the Issuance.

(VI) Timing and method of principal repayment and interest payment

The A Share Convertible Corporate Bonds under the Issuance adopts the payment method that interest shall be paid on an annual basis. When the A Share Convertible Corporate Bonds mature, the principal shall be repaid together with the interest for the last year.

1. Calculation of annual interest

Annual interest means the interest accrued to a Bondholder on each anniversary of the date of Issuance of A Share Convertible Corporate Bonds, which is calculated based on the aggregate nominal value of the A Share Convertible Corporate Bonds held by such Bondholder.

The formula for calculating the annual interest is: $I = B \times i$

In which, “I” denotes the annual interest;

“B” denotes the aggregate nominal value of the A Share Convertible Corporate Bonds under the Issuance held by a Bondholder as at the record date for interest payment in that interest accrual year (“that year” or “each year”);

“i” denotes the coupon rate of the A Share Convertible Corporate Bonds under the Issuance of that year.

2. Method of principal repayment and interest payment

- (1) Interest of the A Share Convertible Corporate Bonds under the Issuance shall be paid annually, accruing from the date of the Issuance of A Share Convertible Corporate Bonds.
- (2) Interest payment date: the interest payment date in each year is the anniversary of the date of the Issuance of A Share Convertible Corporate Bonds. If such date falls on a statutory holiday or rest day, the interest payment date shall be postponed to the first trading day immediately thereafter. No additional interest will be accrued during the period of postponement. The period between two interest payment dates shall be an interest accrual year. Matters in relation to interest and the ownership of share dividends in the year of conversion shall be determined by the Board or its authorised persons according to the relevant laws, regulations and provisions of the Shanghai Stock Exchange.

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- (3) Record date for interest payment: the record date for interest payment in each year shall be the trading day preceding the interest payment date. The Company shall pay the interest accrued for that year within five trading days from the interest payment date. The Company shall not pay any interest for that year and subsequent interest accrual years to the Bondholders whose A Share Convertible Corporate Bonds have been applied to be converted into A Shares on or before the record date.
- (4) Within five trading days from the maturity date of the A Share Convertible Corporate Bonds under the Issuance, the Company shall repay all the principal and the interest for the last year of the unconverted A Share Convertible Corporate Bonds in maturity.
- (5) Tax payable on the interest income of a Bondholder under the Issuance shall be borne by such Bondholder.

(VII) Conversion period

The conversion period of the A Share Convertible Corporate Bonds under the Issuance shall commence on the first trading day immediately following the expiry of the six-month period after the date of the Issuance of A Share Convertible Corporate Bonds, and end on the maturity date of the A Share Convertible Corporate Bonds.

(VIII) Determination and adjustment of the conversion price

1. Basis for determining the initial conversion price

Pursuant to the stipulations in the Administrative Measures, the initial conversion price shall not be lower than the average trading price of A Shares for the 20 trading days preceding the publication date of the Offering Document (in the event that the A Share price was adjusted due to ex-right and ex-dividend in the preceding 20 trading days, the average trading price of A Shares for the trading days prior to the adjustment shall be calculated based on the price after such ex-right and ex-dividend) and the average trading price for the preceding trading day. That is, initial conversion price shall not be lower than the higher of the average trading price of A Shares for the 20 trading days preceding the publication date of the Offering Document and the average trading price for the preceding trading day. The actual initial conversion price shall be determined by the Board or its authorised persons upon negotiation with the sponsor (the lead underwriter) prior to the Issuance in accordance with the market conditions pursuant to the authorisation from the Shareholders at the Shareholders' General Meetings. At the same time, the initial conversion price shall not be lower than the audited net asset value per Share for the latest period and the face value of the Share of the Company.

In which, the average trading price of A Shares for the preceding 20 trading days = total trading amount of A Shares for the preceding 20 trading days/total trading volume of A Shares for such 20 trading days; the average trading price of A Shares for the preceding trading day = total trading amount of A Shares for the preceding trading day/total trading volume of A Shares for such trading day.

2. Method of adjustments and calculation formula to the conversion price

The conversion price is subject to adjustment upon the Issuance in case of certain events which affect the Shares of the Company, such as distribution of share dividends, conversion or increase of share capital, issuance of new shares, rights issue or distribution of cash dividends (excluding any increase in the share capital as a result of conversion of the A Share Convertible Corporate Bonds). The Company shall adjust the conversion price accumulatively based on the order of occurrence of the abovementioned scenarios (round off to two decimal places). The details of the adjustment are as follows:

Distribution of share dividends or conversion or increase of share capital: $P_1 = P_0 / (1 + n)$;

Issuance of new shares or rights issue: $P_1 = (P_0 + A \times k) / (1 + k)$;

The above two events occur concurrently: $P_1 = (P_0 + A \times k) / (1 + n + k)$;

Distribution of cash dividends: $P_1 = P_0 - D$;

The above three events occur concurrently: $P_1 = (P_0 - D + A \times k) / (1 + n + k)$.

Where: “ P_0 ” denotes the conversion price before adjustment; “ n ” denotes the rate of distribution of share dividends or conversion or increase of share capital this time; “ k ” denotes the rate of issuance of new shares or rights issue this time; “ A ” denotes the price of issuance of new shares or rights issue this time; “ D ” denotes the cash dividend per Share this time; “ P_1 ” denotes the adjusted effective conversion price.

Upon the occurrence of any of the abovementioned changes in the Shares and/or owners’ equity, the Company shall adjust the conversion price based on the order of the occurrence, and publish an announcement in relation to the adjustment of the conversion price on the media designated by the CSRC for information disclosure of listed companies. Such announcement shall indicate the date of adjustment to the conversion price, adjustment method and suspension period of share conversion (if necessary). If the conversion price adjustment date is on or after the date on which a Bondholder applies for conversion of its/his/her A Share Convertible Corporate Bonds but before the record date of the A Shares to be issued upon conversion, such conversion shall then be executed based on the conversion price adjusted by the Company.

In the event that the creditor’s interests or the interests derived from the share conversion of the Bondholders are affected by the change in the Company’s share class, quantity and/or owners’ equity due to any possible share repurchase, consolidation, division or any other circumstances, the Company shall adjust the conversion price based on the actual situations and in accordance with the principles of fairness, justice and equality so as to fully protect the interests of the Bondholders. The details of adjustment to the conversion price and its implementation measures shall be determined in accordance with the relevant PRC laws, regulations, rules and the relevant requirements of the securities regulatory authorities.

(IX) Terms of downward adjustment to conversion price

1. Authorisation and magnitude of adjustment

If, during the term of the A Share Convertible Corporate Bonds, the closing prices of A Shares of the Company on at least 15 trading days out of any 30 consecutive trading days are lower than 75% of the prevailing conversion price, the Board is entitled to propose a downward adjustment to the conversion price and submit it to the shareholders' general meetings for the Shareholders' consideration and approval.

The abovementioned proposal shall be implemented only if it is approved by more than two-thirds of the Shareholders with voting rights who attend the shareholders' general meetings. Shareholders who hold the A Share Convertible Corporate Bonds shall abstain from voting at the shareholders' general meetings. The adjusted conversion price shall be no less than the higher of the average trading price of A Shares for the 20 trading days preceding the date of such shareholders' general meetings for consideration and approval of the aforementioned proposal and the average trading price of A Shares for the trading day preceding the date of such meetings. At the same time, the adjusted conversion price shall be no less than the audited net asset value per Share for the latest period and the face value of the Share of the Company.

In the event that there is an adjustment to the conversion price during the aforementioned 30 consecutive trading days, in respect of the trading days prior to the adjustment to the conversion price, the calculation shall be based on the unadjusted conversion price and the closing price of the A Shares on each such day, and in respect of the days on which adjustment to the conversion price is made and the trading days afterwards, the calculation shall be based on the adjusted conversion price and the closing price of the A Shares on each such day.

2. Procedures of adjustment

In the event that the Company decides to adjust the conversion price downwards, the Company shall publish an announcement on the media designated by the CSRC for information disclosure of listed companies. Such announcement shall include information including the magnitude of the adjustment, the record date, the suspension period of share conversion and other relevant information. Application for conversion at adjusted conversion price shall be resumed upon the first trading day after the record date, i.e., the conversion price adjustment date. If the conversion price adjustment date is on or after the date on which a Bondholder applies for conversion of its/his/her A Share Convertible Corporate Bonds but before the record date of the A Shares to be issued upon conversion, such conversion shall then be executed based on the adjusted conversion price.

(X) Method for determining the number of A Shares to be converted and treatment for remaining balance of the A Share Convertible Corporate Bonds which is insufficient to be converted into one A Share

Where a Bondholder applies to convert its/his/her A Share Convertible Corporate Bonds under the Issuance during the conversion period, the formula for calculating the number of A Shares to be converted is as follows: $Q = V/P$, any fractional A Share shall be rounded down to the nearest whole number.

In which, “Q” denotes the number of A Shares to be converted; “V” denotes the aggregate nominal value of A Share Convertible Corporate Bonds in respect of which the Bondholder applies for conversion, and “P” denotes the prevailing conversion price as at the date of application for conversion.

The number of A Shares to be converted shall be in whole number where the Bondholder applied for converting its/his/her A Share Convertible Corporate Bonds under the Issuance. After the application of conversion by the Bondholder, within five trading days from the date of conversion by the Bondholder, the Company shall pay the Bondholder in cash an amount equals to the remaining balance of such A Share Convertible Corporate Bonds which is insufficient to be converted into one A Share and the interest accrued on such balance in accordance with the relevant requirements of the Shanghai Stock Exchange, China Securities Depository and Clearing Corporation Limited and other authorities.

(XI) Terms of redemption

1. Terms of redemption upon maturity

Within five trading days upon the maturity of the A Share Convertible Corporate Bonds, the Company shall redeem all the A Share Convertible Corporate Bonds which have not been converted into A Shares by then. It is proposed that the Shareholders to authorise the Board or its authorised persons at the Shareholders’ General Meetings to determine the actual redemption price upon negotiation with the sponsor (the lead underwriter) with reference to the market conditions upon the Issuance.

2. Terms of conditional redemption

During the conversion period of the A Share Convertible Corporate Bonds, where either of the two scenarios mentioned below occurs, the Company shall have the right to redeem all or part of the outstanding A Share Convertible Corporate Bonds which have not been converted into the A Shares, at a price equals to the nominal value of the A Share Convertible Corporate Bonds plus the then accrued interest:

- (1) The closing prices of the A Shares during at least 15 trading days out of any 30 consecutive trading days during the conversion period are no less than 125% (125% inclusive) of the prevailing conversion price;
- (2) The total par value of the outstanding A Share Convertible Corporate Bonds is lower than RMB30 million.

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Formula for calculating the accrued interest for the current period is: $IA = B \times i \times t/365$

In which, “IA” denotes the accrued interest for the current period;

“B” denotes the aggregate nominal value of the A Share Convertible Corporate Bonds to be redeemed held by the Bondholders;

“i” denotes the coupon rate of the A Share Convertible Corporate Bonds for the current year;

“t” denotes the number of days on which interest is accrued, i.e., the actual number of calendar days from the last interest payment date (inclusive) up to the redemption date of the current interest accrual year (excluding the redemption date).

In the event that an adjustment to the conversion price by the Company is made during the aforementioned 30 consecutive trading days, in respect of the trading days prior to the conversion price adjustment date, the calculation shall be based on the unadjusted conversion price and the closing price of the A Shares on each such day, and in respect of the conversion price adjustment date and the trading days after the conversion price adjustment date, the calculation shall be based on the adjusted conversion price and the closing price of the A Shares on each such day.

(XII) Terms of sale back

1. Terms of conditional sale back

During the last two interest accrual years within the term of the A Share Convertible Corporate Bonds under the Issuance, if the closing prices of the A Shares of the Company on any 30 consecutive trading days are lower than 65% of the prevailing conversion price, the Bondholders are entitled to sell back all or part of the A Share Convertible Corporate Bonds they hold to the Company at par plus the then accrued interest. In the event that an adjustment to the conversion price is made due to distribution of share dividends, conversion or increase of share capital, issuance of new shares, rights issue, distribution of cash dividends (excluding any increase in the share capital as a result of conversion of the A Share Convertible Corporate Bonds), etc. during the aforementioned trading days, in respect of the trading days prior to the conversion price adjustment date, the calculation shall be based on the unadjusted conversion price and the closing price of the A Shares on each such day, and in respect of the conversion price adjustment date and the trading days after the conversion price adjustment date, the calculation shall be based on the adjusted conversion price and the closing price of the A Shares on each such day. In the event that there is a downward adjustment to the conversion price, the aforesaid “30 consecutive trading days” shall be re-counted from the first trading day following the adjustment to the conversion price.

The Bondholders can exercise their sale back rights once every year when the sale back conditions have been initially satisfied according to the abovementioned agreed terms in the last two interest accrual years within the term of the A Share Convertible Corporate Bonds. If the sale back conditions have initially been satisfied, but the Bondholders do not apply for and exercise their sale back rights during the sale back declaration period then announced by the Company, they shall not exercise the sale back rights during such interest accrual year. The Bondholders are not allowed to exercise their partial sale back rights for multiple times.

2. Additional terms of sale back

If the implementation of the projects to be invested by the proceeds raised under the Issuance of A Share Convertible Corporate Bonds significantly differs from the undertakings set out by the Company in the Offering Document, and such difference is deemed as a change in the use of proceeds raised pursuant to the relevant rules of the CSRC or is considered by the CSRC as a change in the use of proceeds raised, the Bondholders shall be entitled to a one-off right to sell all or part of the A Share Convertible Corporate Bonds they hold back to the Company at par plus then accrued interest. Upon satisfaction of the additional condition of sale back, the Bondholders may sell their A Share Convertible Corporate Bonds back to the Company during the additional sale back declaration period announced by the Company. If the Bondholders do not exercise their sale back rights during such period, they shall not exercise such rights later. For the calculation of accrued interest for the current period, please refer to relevant content under the paragraph headed (XI) Terms of redemption.

(XIII) Entitlement to dividend in the year of conversion

The new A Shares to be issued as a result of conversion of the A Share Convertible Corporate Bonds under the Issuance shall rank pari passu with all the existing A Shares, and all ordinary A Shareholders (including those derived from the conversion of the A Share Convertible Corporate Bonds) whose names are recorded on the register of members of the Company after the market closes on the record date for dividend distribution shall be entitled to receive the dividend of that period and enjoy equal rights and interests.

(XIV) Method of the Issuance and target subscribers

It is proposed that the Shareholders to authorise the Board or its authorised persons at the Shareholders' General Meetings to determine the specific method of the Issuance of A Share Convertible Corporate Bonds upon negotiation with the sponsor (the lead underwriter).

The target subscribers of the A Share Convertible Corporate Bonds are natural persons, legal persons, securities investment funds and other investors in compliance with legal requirements who have maintained securities accounts in the China Securities Depository and Clearing Corporation Limited Shanghai Branch (excluding those prohibited by the PRC laws and regulations).

(XV) Subscription arrangement for the existing A Shareholders

The existing A Shareholders are entitled to the right to subscribe for the A Share Convertible Corporate Bonds in priority. The existing A Shareholders have the right to surrender such right. The specific proportion of subscription in priority by the existing A Shareholders shall be determined by the Board or its authorised persons in accordance with the conditions upon the Issuance, subject to the authorisation by the Shareholders at the Shareholders' General Meetings, and shall be disclosed in the issuance announcements of the A Share Convertible Corporate Bonds.

The A Share Convertible Corporate Bonds which are not subject to the abovementioned priority in subscription by existing A Shareholders and are not subscribed by the existing A Shareholders in priority will be offered to institutional investors offline or issued by way of online pricing through the trading system of the Shanghai Stock Exchange, and the remaining balance will be underwritten by the underwriters. It is proposed that the Shareholders to authorise the Board or its authorised persons at the Shareholders' General Meetings to determine the specific issuance method upon negotiation with the sponsor (the lead underwriter).

(XVI) Relevant matters of the Bondholders' Meetings

1. Rights and obligations of the Bondholders

(1) Rights of the Bondholders

- ① to receive agreed interests with reference to the amount of the A Share Convertible Corporate Bonds held during the period;
- ② to convert the A Share Convertible Corporate Bonds held into the A Shares of the Company according to the agreed conditions as stipulated in the A Share Convertible Corporate Bonds Offering Document;
- ③ to exercise the sale back rights on agreed conditions as stipulated in the A Share Convertible Corporate Bonds Offering Document;
- ④ to transfer, grant or pledge the A Share Convertible Corporate Bonds held by the Bondholders in accordance with the stipulations of the laws, regulations and the Articles of Association;
- ⑤ to receive relevant information in accordance with the stipulations of the laws and the Articles of Association;

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- ⑥ to request the Company to repay the principal and interest of the A Share Convertible Corporate Bonds within the agreed period and in an agreed manner as stipulated in the A Share Convertible Corporate Bonds Offering Document;
- ⑦ to attend the Bondholders' Meetings, either in person or by proxy, and vote in accordance with relevant stipulations under the laws, regulations, etc.; and
- ⑧ other rights as creditors of the Company prescribed by the applicable laws, regulations and the Articles of Association.

(2) Obligations of the Bondholders

- ① to abide by the relevant terms of the Issuance of A Share Convertible Corporate Bonds by the Company;
- ② for those who obtained the A Share Convertible Corporate Bonds by subscription, to pay the subscription amount in accordance with the amount of A Share Convertible Corporate Bonds subscribed for;
- ③ to abide by the effective resolutions approved at the Bondholders' Meetings;
- ④ not to request the Company to prepay the principal and interest of the A Share Convertible Corporate Bonds in advance, unless otherwise required by the applicable laws and regulations, or otherwise agreed in the A Share Convertible Corporate Bonds Offering Document; and
- ⑤ other obligations to be undertaken by the Bondholders prescribed by the applicable laws, regulations and the Articles of Association.

2. Details of convening the Bondholders' Meetings

The Bondholders' Meetings shall be convened by the Board or the trustee of the A Share Convertible Corporate Bonds (the "Bond Trustee"). The Board or the Bond Trustee shall convene a Bondholders' Meeting within 30 days from the date of submitting a proposal or receiving a proposal to convene a Bondholders' Meeting. The notice of the meeting shall be issued to all Bondholders and relevant attendees 15 days before the meeting, and shall be announced on the media designated by the Company for information disclosure.

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A Bondholders' Meeting shall be convened upon the occurrence of any of the following events during the term of the A Share Convertible Corporate Bonds:

- (1) the Company proposes to change the terms of the A Share Convertible Corporate Bonds Offering Document;
- (2) the Company is unable to pay the principal and interest of the A Share Convertible Corporate Bonds for the current period on time;
- (3) the Company proposes to amend the Rules for A Share Convertible Corporate Bondholders' Meetings;
- (4) the Company undertakes a capital reduction (except for capital reduction due to share buy-backs under employee stock ownership scheme, share incentive, compensation for operating results commitment or those necessary for protecting the Company's value and rights and interests of the Shareholders), receivership, consolidation, division, dissolution or filing for bankruptcy;
- (5) any material adverse changes occur to guarantors (if any), collaterals (if any) or other compensation or protection measures;
- (6) the Company's management is unable to discharge their duties in a normal manner, which leads to severe uncertainties in the debt repayment capability of the Company, and actions are required to be taken according to the laws;
- (7) the Company proposes a debt restructuring plan;
- (8) a resolution in relation to a change in or dismissal of the Bond Trustee is made;
- (9) other matters that will have material and substantial impact on the interests of the Bondholders occur; and
- (10) other matters which shall be considered and approved at a Bondholders' meeting, according to provisions of the laws, regulations, rules, regulatory documents, the CSRC, the Shanghai Stock Exchange and the Rules for A Share Convertible Corporate Bondholders' Meetings.

The Bondholders holding over 10% of the total nominal value of the outstanding A Share Convertible Corporate Bonds separately or in aggregate, the Board, the Bond Trustee or other entities or persons prescribed by the laws, regulations and the CSRC can propose to convene a Bondholders' Meeting in a written form.

The Company will provide the method to protect the interests of the Bondholders, rights, procedures and conditions to effectuate the resolutions of the Bondholders' Meetings in the A Share Convertible Corporate Bonds Offering Document.

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(XVII) Use of proceeds raised

The total amount of proceeds proposed to be raised from the Issuance of A Share Convertible Corporate Bonds will not exceed RMB10 billion (RMB10 billion inclusive). Such amount is based on the total amount of proceeds originally proposed to be raised (i.e., not exceeding RMB13.3945 billion), and factors including deduction of new and potential financial investments made from six months before the date of the Board resolution in relation to the Issuance to the date of the Issuance are also taken into account. The net amount of the proceeds raised after deducting the issuance expenses is proposed to be used for the following projects:

Unit: RMB billion

Project name	Total investment amount	Original proposed amount of proceeds raised to be invested	Actual proposed amount of proceeds raised to be invested
Acquisition of 30% interest in the Haiyu Gold Mine in Shandong	3.9845	3.9845	3.9845
Acquisition of the Shapinggou Molybdenum Mine in Anhui	5.91	5.91	2.5155
Acquisition of the Rosebel Gold Mine Project in Suriname ^{Note}	2.559096	2.5	2.5
Phase 1 underground mining construction project of the Aurora Gold Mine in Guyana ^{Note}	1.9896403	1	1
Total	14.4432363	13.3945	10

Note: The total investment amount in “Acquisition of the Rosebel Gold Mine Project in Suriname” and “Phase 1 underground mining construction project of the Aurora Gold Mine in Guyana” is USD360 million and USD279.892 million, respectively, equivalent to RMB2.559096 billion and RMB1.9896403 billion, respectively, based on the RMB central parity rate (USD1:RMB7.1086) announced by the China Foreign Exchange Trade System on 18 October 2022.

After the proceeds raised in the Issuance of A Share Convertible Corporate Bonds are deposited in the account, the Company will invest the proceeds raised in the abovementioned projects in accordance with the actual need and priority of the projects. If the total investment amount of the projects exceeds the amount of proceeds raised used, the difference shall be self-financed by the Company. If the actual net amount of proceeds raised from the total proceeds raised under the Issuance after deducting the issuance expenses is less than the actual amount of funds required for the investment projects, the Company will make up the shortfall by self-financing.

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Before the proceeds raised in the Issuance of A Share Convertible Corporate Bonds are deposited in the account, the Company will invest in the projects by self-financing first. After the proceeds raised are deposited in the account, the funds that have been invested in the projects shall be replaced according to relevant laws, regulations and procedures.

(XVIII) Rating

A credit rating agency will issue a credit rating report in respect of the A Share Convertible Corporate Bonds under the Issuance.

(XIX) Management and deposit for the proceeds raised

The Company has formulated relevant rules for managing the proceeds raised. The proceeds raised from the Issuance of A Share Convertible Corporate Bonds shall be kept in specific accounts designated by the Board for the management of special deposit. The Board shall determine relevant matters in relation to the establishment of the accounts before the Issuance, and shall disclose the relevant information of the special accounts for the proceeds raised in the issuance announcements of the A Share Convertible Corporate Bonds under the Issuance.

(XX) Guarantee and security

No guarantee or security will be provided in relation to the A Share Convertible Corporate Bonds under the Issuance.

(XXI) Validity period of the resolution of the Issuance

Validity period of the resolution of the Issuance will be twelve months from the date on which the proposal of the Issuance is considered and approved at the Shareholders' General Meetings of the Company.

(XXII) Approval procedures of the Issuance

The relevant matters of the proposed Issuance of A Share Convertible Corporate Bonds were considered and approved at the thirteenth meeting of the seventh term of the Board held on 21 October 2022 and the fifth extraordinary meeting in 2023 of the eighth term of the Board held on 17 February 2023. Pursuant to the stipulations in the relevant laws and regulations, implementation of the proposed Issuance of A Share Convertible Corporate Bonds will be subject to the approval of the State-owned Assets Supervision and Administration Commission of the People's Government of Longyan City, the consideration and approval at the Shareholders' General Meetings, the review and consent of the Shanghai Stock Exchange and the consent on registration at the CSRC.

APPENDIX 1 PLAN OF THE PUBLIC ISSUANCE OF A SHARE CONVERTIBLE CORPORATE BONDS FOR THE YEAR 2022 (REVISED DRAFT)

IV. FINANCIAL AND ACCOUNTING INFORMATION, MANAGEMENT DISCUSSION AND ANALYSIS

(I) Statements of financial position, statements of profit or loss and statements of cash flows for the most recent three years and one period

The financial statements of the Issuer for the years 2019, 2020 and 2021 were audited by Ernst & Young Hua Ming LLP, and unqualified opinion was issued in the auditor's reports. The financial statements for January to September 2022 are unaudited.

1. Statements of financial position

(1) Consolidated statements of financial position

Unit: RMB billion

Item	30 September 2022	31 December 2021	31 December 2020	31 December 2019
Current assets:				
Cash and cash equivalents	21.1533002	14.2217803	11.9553393	6.2251448
Held for trading financial assets	4.3763826	2.9352246	1.9301422	0.6879515
Bills receivables	0.6804306	-	-	-
Trade receivables	8.4122543	2.4452231	1.1414496	0.9441157
Receivables financing	1.9640970	1.9582552	1.5840541	1.3185051
Prepayments	3.6546064	1.7824207	1.4100541	1.3232482
Other receivables	4.1177061	1.3857169	1.1950476	0.8998474
Inventories	30.7091306	19.3088007	18.0641604	14.8865542
Contract assets	1.0468905	-	-	-
Current portion of non-current assets	0.8386975	0.0089240	0.0402551	0.9566929
Other current assets	5.8128424	3.0179481	1.9419016	1.3523364
Total current assets	82.7663380	47.0642934	39.2624039	28.5943961
Non-current assets:				
Debt investments	0.1999779	0.4681362	0.2558113	-
Long-term equity investments	14.7828578	9.6282319	7.0996549	6.9244161
Other equity instrument investments	9.2014924	9.4156461	6.4823264	4.4104417
Other non-current financial assets	-	0.0625000	0.0375000	0.9517794
Investment properties	0.3313876	0.1174729	0.1240709	0.1303734
Fixed assets	70.2066647	55.5971549	48.5456710	38.6247664
Construction in progress	17.3817295	18.5480534	15.2360296	5.8768294
Right-of-use assets	0.3371976	0.2170346	0.2382553	0.3547724
Intangible assets	67.9942190	47.5313498	46.7602440	24.1625085
Goodwill	0.8078555	0.3141496	0.3141496	0.3141496
Long-term deferred assets	1.9770137	1.7245163	1.3019066	1.2058379
Deferred tax assets	1.5564403	1.3256428	1.1829839	0.8366668

APPENDIX 1 PLAN OF THE PUBLIC ISSUANCE OF A SHARE CONVERTIBLE CORPORATE BONDS FOR THE YEAR 2022 (REVISED DRAFT)

Item	30 September 2022	31 December 2021	31 December 2020	31 December 2019
Other non-current assets	19.2272826	16.5804963	15.4722430	11.4440095
Total non-current assets	204.0041186	161.5303847	143.0508465	95.2365511
Total assets	286.7704567	208.5946781	182.3132504	123.8309472
Current liabilities:				
Short-term borrowings	24.0325326	18.2291008	20.7191212	14.4409179
Held for trading financial liabilities	0.8103539	0.1568124	0.6475084	0.3261391
Bills payable	1.4888263	0.3943806	0.9555611	0.4208601
Trade payables	11.7908647	7.4423184	5.5429988	4.3821042
Receipts in advance	0.0888635	-	-	-
Contract liabilities	9.0017716	0.6719552	0.4526959	0.3594536
Employee benefits payable	1.3708961	1.6046714	1.3174672	0.8522979
Taxes payable	3.5841641	4.0403865	1.8802917	0.9851934
Other payables	7.7404590	7.6143967	7.3714037	5.3268498
Current portion of non-current liabilities	3.5326431	9.4703505	7.9757482	5.7688401
Other current liabilities	1.0445317	0.6780883	0.1729049	0.5000000
Total current liabilities	64.4859066	50.3024607	47.0357010	33.3626560
Non-current liabilities:				
Long-term borrowings	62.6975520	36.1268169	29.0828872	13.8262215
Bonds payable	22.9432069	14.2474746	16.1096786	11.9664687
Lease liabilities	0.2333308	0.1841952	0.1727046	0.2823471
Long-term payables	3.1578005	2.3591672	1.9462380	1.2013917
Long-term employee benefits payable	0.0738594	0.0790595	-	-
Provisions	3.8692516	3.6969179	4.1366226	2.9277123
Deferred income	0.7185966	0.3974916	0.4567120	0.4967202
Deferred tax liabilities	6.9061399	6.3421645	6.5438764	2.6878317
Other non-current liabilities	2.0837016	1.9617596	2.2323886	-
Total non-current liabilities	102.6834393	65.3950469	60.6811079	33.3886931
Total liabilities	167.1693459	115.6975076	107.7168089	66.7513492
Equity:				
Share capital	2.6329312	2.6330112	2.5377260	2.5377260
Other equity instruments	-	-	5.3556812	4.9855000
Including: Renewable corporate bonds	-	-	4.4869500	4.9855000
Capital reserve	25.3361258	25.2056425	18.6100841	18.6903424
Less: Treasury shares	0.4523075	0.4757096	-	-
Other comprehensive income	3.9684168	2.2094283	0.8125707	-0.4739292
Special reserve	0.0982656	0.1132815	0.1546865	0.1209522
Surplus reserve	1.3670037	1.3670037	1.3194011	1.3194011
Retained earnings	51.3830684	39.9817103	27.7484046	24.0059725

APPENDIX 1 PLAN OF THE PUBLIC ISSUANCE OF A SHARE CONVERTIBLE CORPORATE BONDS FOR THE YEAR 2022 (REVISED DRAFT)

Item	30 September 2022	31 December 2021	31 December 2020	31 December 2019
Equity attributable to owners				
of the parent	84.3335041	71.0343681	56.5385542	51.1859650
Non-controlling interests	35.2676066	21.8628025	18.0578873	5.8936330
Total equity	119.6011107	92.8971705	74.5964415	57.0795981
Total liabilities and owners' equity	286.7704567	208.5946781	182.3132504	123.8309472

(2) Company statements of financial position

Unit: RMB billion

Item	30 September 2022	31 December 2021	31 December 2020	31 December 2019
Current assets:				
Cash and cash equivalents	5.1393876	2.9717354	4.9789217	2.2430442
Held for trading financial assets	0.0625000	0.0353712	0.1541032	0.0102359
Trade receivables	0.2746030	0.5771213	0.5771706	0.5715037
Receivables financing	0.2834151	0.2481162	0.1417457	0.3210216
Prepayments	0.0140935	0.0139781	0.0262328	0.0460921
Other receivables	11.0084452	8.1903825	9.3486440	10.3929722
Inventories	0.1250550	0.0586478	0.0849588	0.1043665
Other current assets	0.1741092	0.1215974	0.1489734	0.1121977
Total current assets	17.0816087	12.2169499	15.4607502	13.8014338
Non-current assets:				
Debt investments	0.1899778	0.2000000	–	–
Long-term equity investments	62.3436761	54.6741614	45.3793134	36.1679253
Other equity instrument investments	0.2631173	0.2744199	0.2736128	0.2528690
Other non-current financial assets	–	0.0625000	0.0375000	–
Fixed assets	3.4365435	3.3147193	3.2881667	3.3831896
Construction in progress	0.4361259	0.4151599	0.4249615	0.3497835
Right-of-use assets	–	–	0.0040523	0.0054031
Intangible assets	0.2478833	0.2575542	0.2622580	0.2699264
Long-term deferred assets	0.1691454	0.1742682	0.1999390	0.2224904
Deferred tax assets	0.3485307	0.3324195	0.2700816	0.2706864
Other non-current assets	11.2695907	10.8713196	12.4441685	10.6848019
Total non-current assets	78.7045905	70.5765220	62.5840537	51.6070757
Total assets	95.7861992	82.7934720	78.0448038	65.4085095

**APPENDIX 1 PLAN OF THE PUBLIC ISSUANCE OF A SHARE CONVERTIBLE
CORPORATE BONDS FOR THE YEAR 2022 (REVISED DRAFT)**

Item	30 September 2022	31 December 2021	31 December 2020	31 December 2019
Current liabilities:				
Short-term borrowings	5.0073200	7.6742850	8.4216497	5.7091425
Held for trading financial liabilities	0.0540438	0.0012147	–	0.0127170
Bills payable	0.0029121	–	–	–
Trade payables	0.6227424	0.5120853	0.5163400	0.4915591
Contract liabilities	0.2623183	0.0127078	0.0220991	0.2680762
Employee benefits payable	0.3742793	0.4909486	0.3163916	0.1640976
Taxes payable	0.2679075	0.2788091	0.0255355	0.0448313
Other payables	4.7725685	3.1576642	0.5419572	0.4808636
Current portion of non-current liabilities	8.5093836	3.8658891	4.6110411	5.4725461
Other current liabilities	0.6070638	0.5985343	0.0985343	0.5727625
Total current liabilities	20.4805394	16.5921381	14.5535484	13.2165959
Non-current liabilities:				
Long-term borrowings	18.5329925	6.6660775	5.8650382	3.0860749
Bonds payable	19.9701474	13.2820420	15.1177740	9.5403995
Lease liabilities	–	–	0.0027405	0.0042463
Long-term payables	0.2413688	6.4606288	3.9634288	0.2403488
Provisions	0.1632543	0.2156786	0.3075134	0.3334362
Deferred income	0.1342024	0.1461477	0.1589941	0.1725699
Deferred tax liabilities	0.0576262	0.0606404	0.0722207	0.0270968
Other non-current liabilities	0.7316777	0.7316777	0.2262773	0.1771932
Total non-current liabilities	39.8312693	27.5628928	25.7139869	13.5813656
Total liabilities	60.3118087	44.1550309	40.2675353	26.7979615
Equity:				
Share capital	2.6329312	2.6330112	2.5377260	2.5377260
Other equity instruments	–	–	5.3556812	4.9855000
Including: Renewable corporate bonds	–	–	4.4869500	4.9855000
Capital reserve	27.4564803	27.3092232	20.6627508	20.6627508
Less: Treasury shares	0.4523075	0.4757096	–	–
Other comprehensive income	-0.1186840	-0.1135596	-0.1054459	-0.1191606
Surplus reserve	1.3164656	1.3164656	1.2688630	1.2688630
Retained earnings	4.6395048	7.9690103	8.0576934	9.2748689
Total equity	35.4743905	38.6384411	37.7772685	38.6105480
Total liabilities and owners' equity	95.7861992	82.7934720	78.0448038	65.4085095

APPENDIX 1 PLAN OF THE PUBLIC ISSUANCE OF A SHARE CONVERTIBLE CORPORATE BONDS FOR THE YEAR 2022 (REVISED DRAFT)

2. Statements of profit or loss

(1) Consolidated statements of profit or loss

Unit: RMB billion

Item	January to September 2022	Year 2021	Year 2020	Year 2019
I. Operating income	204.1911447	225.1024886	171.5013385	136.0979780
Less: Operating costs	172.3405638	190.3511216	151.0708634	120.5826277
Taxes and surcharges	3.0757867	3.4596799	2.4991954	1.8741414
Selling expenses	0.4914696	0.4122726	0.4276846	0.5744338
Administrative expenses	4.4091910	5.3085363	3.8456106	3.6893269
Research and development expenses	0.7993818	0.7706613	0.5825150	0.4763419
Finance expenses	0.8922992	1.4964757	1.7842436	1.4668495
Including: Interest expenses	2.2873312	2.1119534	2.0565436	1.9278175
Interest income	0.8848165	0.7610831	0.6207677	0.4996759
Add: Impairment losses on assets (loss is represented by "-")	0.0192701	-0.5980224	-0.3571140	-0.3683816
Credit impairment losses (loss is represented by "-")	-0.0553462	0.5780936	0.1306225	-0.0656196
Other income	0.3483491	0.3507715	0.3423121	0.2908395
Investment income (loss is represented by "-")	3.1177401	1.6916011	-0.5220677	0.0344062
Including: Share of profits of associates and joint ventures (loss is represented by "-")	2.6975453	1.6271114	0.2097449	0.0960115
Gains on changes in fair value (loss is represented by "-")	-0.4883426	-0.2318640	0.3423567	-0.0597521
Gains on disposal of non-current assets (loss is represented by "-")	0.0283901	-0.0078158	0.0124070	-0.0236751
II. Operating profit	25.1525132	25.0865052	11.2397425	7.2420742
Add: Non-operating income	0.0538203	0.1780883	0.1387572	0.0500809
Less: Non-operating expenses	0.3296255	0.4707830	0.5324726	0.3178763
III. Profit before tax	24.8767080	24.7938105	10.8460272	6.9742788
Less: Income tax expenses	4.1887993	5.1941721	2.3879882	1.9133741

APPENDIX 1 PLAN OF THE PUBLIC ISSUANCE OF A SHARE CONVERTIBLE CORPORATE BONDS FOR THE YEAR 2022 (REVISED DRAFT)

Item	January to September 2022	Year 2021	Year 2020	Year 2019
IV. Net profit	20.6879087	19.5996384	8.4580390	5.0609047
(I) Classification according to the continuity of operation				
1. Net profit from continuing operations	20.6879087	19.5996384	8.4580390	5.0609047
2. Net profit from discontinued operations	-	-	-	-
(II) Classification according to ownership				
1. Net profit attributable to owners of the parent	16.6671245	15.6728706	6.5085539	4.2839574
2. Net profit attributable to non-controlling interests	4.0207842	3.9267678	1.9494850	0.7769473
V. Other comprehensive (loss)/income, net of tax				
(I) Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods				
1. Changes in fair value of other equity instrument investments	-1.9120493	2.8914073	2.1831734	1.1467663
2. Changes arising from the re-measurement of defined benefit plan	-	-0.0345858	-	-
(II) Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods				
1. Other comprehensive income that may be reclassified to profit or loss in subsequent periods under the equity method	-0.0215607	0.0096858	-	-

APPENDIX 1 PLAN OF THE PUBLIC ISSUANCE OF A SHARE CONVERTIBLE CORPORATE BONDS FOR THE YEAR 2022 (REVISED DRAFT)

Item	January to September 2022	Year 2021	Year 2020	Year 2019
2. Changes in fair value of receivables financing	0.0225618	-0.0196687	-	-
3. Hedging costs – forward elements	0.0781297	-0.0219426	0.0056174	-0.0655059
4. Exchange differences arising from translation of financial statements denominated in foreign currencies	3.5919070	-1.4280382	-0.8721867	0.1231960
Other comprehensive income attributable to owners of the parent	1.7589885	1.3968576	1.3166041	1.2044564
Other comprehensive income/(loss) attributable to non-controlling interests	0.4949917	-0.4547311	-0.5419605	0.0851579
Subtotal of other comprehensive income, net of tax	2.2539802	0.9421266	0.7746436	1.2896143
VI. Total comprehensive income	22.9418890	20.5417649	9.2326826	6.3505190
Total comprehensive income attributable to owners of the parent	18.4261131	17.0697282	7.8251580	5.4884138
Total comprehensive income attributable to non-controlling shareholders	4.5157759	3.4720367	1.4075246	0.8621052
VII. Earnings per share				
(I) Basic earnings per share	0.64	0.60	0.25	0.18
(II) Diluted earnings per share	0.64	0.60	0.25	0.18

APPENDIX 1 PLAN OF THE PUBLIC ISSUANCE OF A SHARE CONVERTIBLE CORPORATE BONDS FOR THE YEAR 2022 (REVISED DRAFT)

(2) Company statements of profit or loss

Unit: RMB billion

Item	January to September 2022	Year 2021	Year 2020	Year 2019
I. Operating income	4.8902455	6.8102986	4.2623945	4.1816746
Less: Operating costs	1.8171715	2.8404444	2.0993266	2.4517202
Taxes and surcharges	0.2726307	0.3418156	0.2505175	0.2423285
Selling expenses	0.0007716	0.0018232	0.0074335	0.0112874
Administrative expenses	0.7123354	1.2759470	0.8007860	0.6244164
Research and development expenses	0.2221814	0.3394512	0.2360389	0.2033498
Finance expenses	0.6200555	0.5908253	0.5540373	0.1529078
Including: Interest expenses	1.3257376	1.4182820	1.1716101	1.0095781
Interest income	0.4233709	0.9026279	0.7699539	0.8335401
Add: Impairment losses on assets (loss is represented by "-")	-0.0000101	0.0036938	-0.0028612	-0.1538800
Credit impairment losses (loss is represented by "-")	0.0003608	-0.0284164	0.0001950	-0.0923194
Other income	0.0311283	0.0352091	0.0359203	0.0491972
Investment income (loss is represented by "-")	0.9560316	2.2689067	1.1656768	1.1925877
Including: Share of profits of associates and joint ventures (loss is represented by "-")	0.7958449	1.1512534	0.2157399	0.1379051
Gains on changes in fair value (loss is represented by "-")	-0.0882003	-0.1199467	0.1655843	-0.0057723
Gains on disposal of non-current assets (loss is represented by "-")	0.0000708	0.0005106	0.0006086	0.0004016
II. Operating profit	2.1444803	3.5799491	1.6793785	1.4858795
Add: Non-operating income	0.0013905	0.0035712	0.0010486	0.0030848
Less: Non-operating expenses	0.0200634	0.0540424	0.0251807	0.0475060
III. Profit before tax	2.1258074	3.5294779	1.6552464	1.4414583
Less: Income tax expenses	0.1895464	0.1785961	0.0762567	0.0219549
IV. Net profit	1.9362610	3.3508818	1.5789897	1.4195034
V. Other comprehensive (loss)/income, net of tax	-0.0051244	-0.0081137	0.0137755	-0.0398769
VI. Total comprehensive income	1.9311366	3.3427681	1.5927653	1.3796265

APPENDIX 1 PLAN OF THE PUBLIC ISSUANCE OF A SHARE CONVERTIBLE CORPORATE BONDS FOR THE YEAR 2022 (REVISED DRAFT)

3. Statements of cash flows

(1) Consolidated statements of cash flows

Unit: RMB billion

Item	January to September 2022	Year 2021	Year 2020	Year 2019
I. Cash flows from operating activities:				
Cash receipts from sale of goods and the rendering of services	217.8670986	236.3458075	178.2956119	143.3411880
Refund of taxes	1.3735726	-	-	-
Other cash receipts relating to operating activities	0.5816338	0.6614915	0.6158253	0.8261044
Subtotal of cash inflows from operating activities	219.8223049	237.0072990	178.9114372	144.1672924
Cash payments for goods purchased and services received	180.0034054	190.5041686	149.6704621	121.9682717
Cash payments to and on behalf of employees	6.3462836	7.1510632	3.9588180	3.7651829
Payments of various types of taxes and surcharges	9.5534430	9.6423772	6.7273203	5.4635390
Other cash payments relating to operating activities	1.9707254	3.6374523	4.2864333	2.3047416
Subtotal of cash outflows from operating activities	197.8738574	210.9350614	164.6430338	133.5017353
Net cash flows from operating activities	21.9484476	26.0722376	14.2684034	10.6655570
II. Cash flows from investing activities:				
Cash receipts from disposals and recovery of investments	2.7579953	1.6598598	0.2688022	0.5743663
Cash receipts from investment income	0.7847501	0.5937743	0.1791659	0.4096620
Net cash receipts from disposals of fixed assets, intangible assets and other non-current assets	0.0753838	0.0173526	0.1004688	0.2091038
Net cash receipts from disposals of subsidiaries and other business units	-	-	-	0.1419065
Other cash receipts relating to investing activities	1.9316178	0.2440364	0.0654014	0.4606850
Subtotal of cash inflows from investing activities	5.5497470	2.5150231	0.6138382	1.7957236

APPENDIX 1 PLAN OF THE PUBLIC ISSUANCE OF A SHARE CONVERTIBLE CORPORATE BONDS FOR THE YEAR 2022 (REVISED DRAFT)

Item	January to September 2022	Year 2021	Year 2020	Year 2019
Cash payments for acquisitions or constructions of fixed assets, intangible assets and other non-current assets	14.3091382	20.1485681	13.8864073	11.8960012
Cash payments for acquisitions of investments	6.9117304	4.5282839	1.2878310	2.2356722
Net cash payments for acquisitions of subsidiaries and other business units	12.3610383	0.0462892	12.1350246	0.2484292
Other cash payments relating to investing activities	2.1046328	1.5568334	2.4790145	1.5184510
Subtotal of cash outflows from investing activities	35.6865398	26.2799746	29.7882774	15.8985536
Net cash flows used in investing activities	-30.1367928	-23.7649515	-29.1744392	-14.1028301
III. Cash flows from financing activities:				
Cash receipts from capital contributions	0.7540247	2.7585636	6.6322837	7.8610713
Including: Cash receipts from capital contributions from non-controlling shareholders of subsidiaries	0.7540247	2.2715864	6.6322837	0.0136433
Cash receipts from borrowings	62.8200924	31.1358225	38.0742226	12.4516417
Cash receipts from issuance of convertible bonds	-	-	5.9702851	-
Cash receipts from the gold leasing business	-	11.2661828	12.6348478	7.2385558
Cash receipts from issuance of bonds and short-term financing bonds	-	6.3000000	5.0697400	6.5000000
Other cash receipts relating to financing activities	0.3132425	0.0972434	1.0308110	0.1355776
Subtotal of cash inflows from financing activities	63.8873596	51.5578123	69.4121903	34.1868464
Cash repayments of borrowings	39.7503278	20.4189505	26.3385139	12.6861693
Cash repayments of the gold leasing business	-	12.8007515	10.6506152	7.7745091
Cash repayments of bonds and ultra short-term financing bonds	-	10.2844793	4.2985500	6.9534690

APPENDIX 1 PLAN OF THE PUBLIC ISSUANCE OF A SHARE CONVERTIBLE CORPORATE BONDS FOR THE YEAR 2022 (REVISED DRAFT)

Item	January to September 2022	Year 2021	Year 2020	Year 2019
Cash payments for distribution of dividends or profits or settlement of interest expenses	9.8477898	7.3368765	5.6713668	5.4909389
Including: Payments for distribution of dividends or profits to non-controlling shareholders of subsidiaries	2.3270946	2.2154615	0.9693698	0.8373550
Other cash payments relating to financing activities	0.7643227	0.6934341	1.5249493	1.6075704
Subtotal of cash outflows from financing activities	50.3624404	51.5344919	48.4839951	34.5126567
Net cash flow from financing activities	13.5249193	0.0233204	20.9281951	-0.3258103
IV. Effect of foreign exchange rate changes on cash and cash equivalents	1.0440810	-0.4860275	-0.3210646	-0.0841634
V. Net increase/(decrease) in cash and cash equivalents	6.3806550	1.8445790	5.7010948	-3.8472467
Add: Opening balance of cash and cash equivalents	13.6312652	11.7866862	6.0855915	9.9328382
VI. Closing balance of cash and cash equivalents	20.0119202	13.6312652	11.7866862	6.0855915

(2) Company statements of cash flows

Unit: RMB billion

Item	January to September 2022	Year 2021	Year 2020	Year 2019
I. Cash flows from operating activities:				
Cash receipts from sale of goods and the rendering of services	5.7713201	7.3817392	4.2127463	4.3596398
Other cash receipts relating to operating activities	4.3686983	0.1731242	0.0562399	0.0738384
Sub-total of cash inflows from operating activities	10.1400184	7.5548635	4.2689862	4.4334782

**APPENDIX 1 PLAN OF THE PUBLIC ISSUANCE OF A SHARE CONVERTIBLE
CORPORATE BONDS FOR THE YEAR 2022 (REVISED DRAFT)**

Item	January to September 2022	Year 2021	Year 2020	Year 2019
Cash payments for goods purchased and services received	1.5046329	2.4208140	1.0318727	1.3021323
Cash payments to and on behalf of employees	0.6194745	0.8857767	0.6877392	0.6574481
Payments of various types of taxes and surcharges	0.6478021	0.7875619	0.5706825	0.5379332
Other cash payments relating to operating activities	0.3243623	0.6941349	0.4875129	0.5400806
Subtotal of cash outflows from operating activities	3.0962719	4.7882875	2.7778073	3.0375941
Net cash flows from operating activities	7.0437465	2.7665759	1.4911789	1.3958841
II. Cash flows from investing activities:				
Cash receipts from disposals and recovery of investments	0.0235845	9.5716892	6.0071001	6.5928544
Cash receipts from investment income	0.5051627	2.2916717	1.4619595	1.1198427
Net cash receipts from disposals of fixed assets, intangible assets and other non-current assets	0.0004850	0.0076670	0.0077714	0.0182163
Net cash receipts from disposals of subsidiaries and other business units	-	-	-	0.1432717
Other cash receipts relating to investing activities	1.0659209	0.0139762	0.4288653	-
Subtotal of cash inflows from investing activities	1.5951531	11.8850041	7.9056963	7.8741851
Cash payments for acquisitions or constructions of fixed assets, intangible assets and other non-current assets	0.5278357	0.5463084	0.5993956	0.6744000
Cash payments for acquisitions of investments	7.1262777	14.9265780	15.6336086	11.1978093
Other cash payments relating to investing activities	6.9211996	0.3250000	0.0026642	0.4049658
Subtotal of cash outflows from investing activities	14.5753130	15.7978864	16.2356684	12.2771750
Net cash flows used in investing activities	-12.9801599	-3.9128823	-8.3299721	-4.4029900

APPENDIX 1 PLAN OF THE PUBLIC ISSUANCE OF A SHARE CONVERTIBLE CORPORATE BONDS FOR THE YEAR 2022 (REVISED DRAFT)

Item	January to September 2022	Year 2021	Year 2020	Year 2019
III. Cash flows from financing activities:				
Cash receipts from capital contributions	-	0.4869773	-	7.8474280
Cash receipts from borrowings	28.8413450	8.7800000	10.2378782	1.5589007
Cash receipts from issuance of convertible bonds	-	-	5.9702851	-
Cash receipts from the gold leasing business	-	7.6742850	7.8701845	0.0127170
Cash receipts from issuance of bonds and ultra short-term financing bonds	-	6.3000000	4.0297149	6.5000000
Other cash receipts relating to financing activities	0.8179400	-	-	-
Subtotal of cash inflows from financing activities	29.6592850	23.2412623	28.1080627	15.9190457
Cash repayments of borrowings	14.6260952	3.5884760	5.4351801	2.8144220
Cash repayments of the gold leasing business	-	7.8701693	4.4842349	1.1642741
Cash repayments of bonds and ultra short-term financing bonds	-	8.0529839	4.2985500	6.9534690
Cash payments for distribution of dividends or profits or settlement of interest expenses	6.5045894	4.5583950	3.8640428	3.5908989
Other cash payments relating to financing activities	0.1822082	0.0576817	0.0316011	0.0127183
Subtotal of cash outflows from financing activities	21.3128927	24.1277059	18.1136088	14.5357823
Net cash flows from/(used in) financing activities	8.3463923	-0.8864437	9.9944539	1.3832634
IV. Effect of foreign exchange rate changes on cash and cash equivalents	0.0553412	-0.0036709	-0.0052209	0.0542947
V. Net increase/(decrease) in cash and cash equivalents	2.4653201	-2.0364209	3.1504399	-1.5695478
Add: Opening balance of cash and cash equivalents	2.6708064	4.7072273	1.5567874	3.1263352
VI. Closing balance of cash and cash equivalents	5.1361265	2.6708064	4.7072273	1.5567874

(II) Changes in the scope of consolidation

1. Changes in the scope of the consolidated financial statements from January to September 2022

(1) Increase in the scope of consolidation

The Company invested RMB1,734,331,295 in cash to acquire 15.02% equity interest in Fujian Longking Co., Ltd. (“Fujian Longking”) in May 2022. At the same time, the transferors agreed to unconditionally, exclusively and irrevocably entrust all the voting rights of the remaining 107,118,761 shares they held (representing 10.02% of the equity interest in Fujian Longking) to the Company for execution. The transaction was completed on 31 May 2022 and Fujian Longking was included in the scope of consolidation during the reporting period.

The Company and 2872122 Ontario Limited (a subsidiary of the Company) invested 959,964,335 Canadian dollars (“CAD”) (equivalent to RMB4,871,051,029) to acquire 100% equity interest in Neo Lithium Corp. (“Neo Lithium”) in cash in January 2022. The transfer of all equity interest under the transaction was completed on 25 January 2022 and Neo Lithium was included in the scope of consolidation during the reporting period.

The Group entered into a cooperation agreement with DunAn Holding Group Co., Ltd. (“DunAn Group”) and China Zheshang Bank Co., Ltd. Hangzhou Branch in April 2022 to acquire four assets held by DunAn Group. Accordingly, Zhejiang Jinshi Mining Co., Ltd., Zhejiang Crestvalue Private Equity Fund Management Co., Ltd., Zhejiang Rushan Hi Tech Venture Capital Co., Ltd. and Zhejiang Rushan Jianying Private Equity Fund Management Co., Ltd. were included in the scope of consolidation during the reporting period.

Katamba Mining SAS was established in Katanga Province, the DR Congo in February 2022. The Company holds 70% equity interest in Katamba Mining SAS. Katamba Mining SAS was included in the scope of consolidation during the reporting period.

Voyage d’Or Société Anonyme was established in Lualaba Province, the DR Congo in April 2022. The Company holds 49% class A equity interest in Voyage d’Or Société Anonyme and has double voting right. Voyage d’Or Société Anonyme was included in the scope of consolidation during the reporting period.

Jinshan Andes SAS was established in Colombia in January 2022. The Company holds 100% equity interest in Jinshan Andes S.A.S. and it was included in the scope of consolidation during the reporting period.

Gold Mountain Ya Mei Construction Inc. was established in the Co-operative Republic of Guyana in January 2022. The Company holds 100% equity interest in Gold Mountain Ya Mei Construction Inc. and it was included in the scope of consolidation during the reporting period.

APPENDIX 1 PLAN OF THE PUBLIC ISSUANCE OF A SHARE CONVERTIBLE CORPORATE BONDS FOR THE YEAR 2022 (REVISED DRAFT)

Zijin Mining Jinli (Xiamen) Trading Partnership Enterprise (Limited Partnership) was established in Xiamen City, Fujian Province in March 2022. The Company holds 100% equity interest in Zijin Mining Jinli (Xiamen) Trading Partnership Enterprise (Limited Partnership) and it was included in the scope of consolidation during the reporting period.

Tibet Zijin Lithium Co., Ltd. was established in Lhasa Economic and Technological Development Zone, Tibet Autonomous Region in April 2022. The Company holds 100% equity interest in Tibet Zijin Lithium Co., Ltd. and it was included in the scope of consolidation during the reporting period.

Zijin Mining Group Southwest Geological Exploration Co., Ltd. was established in Chengdu City, Sichuan Province in March 2022. The Company holds 100% equity interest in Zijin Mining Group Southwest Geological Exploration Co., Ltd. and it was included in the scope of consolidation during the reporting period.

FZU Zijin Hydrogen Power Technology Co., Ltd. was established in Fuzhou City, Fujian Province in February 2022. The Company holds 75% equity interest in FZU Zijin Hydrogen Power Technology Co., Ltd. and it was included in the scope of consolidation during the reporting period.

Fujian Zijin Aquatic Environment Technology Co., Ltd. (“Aquatic Environment Technology”) was established in Longyan City, Fujian Province in March 2022. The Company holds 51% equity interest in Aquatic Environment Technology and it was included in the scope of consolidation during the reporting period.

Zijin Clean Energy (Liancheng) Co., Ltd. was established in Longyan City, Fujian Province in March 2022. The Company holds 100% equity interest in Zijin Clean Energy (Liancheng) Co., Ltd. and it was included in the scope of consolidation during the reporting period.

Zijin Jinhai Logistics (Hainan) Co., Ltd. was established in Dongfang City, Hainan Province in March 2022. The Company holds 100% equity interest in Zijin Jinhai Logistics (Hainan) Co., Ltd. and it was included in the scope of consolidation during the reporting period.

Zijin International Commercial Factoring (Hainan) Co., Ltd. was established in Sanya City, Hainan Province in April 2022. The Company holds 100% equity interest in Zijin International Commercial Factoring (Hainan) Co., Ltd. and it was included in the scope of consolidation during the reporting period.

Fulian Ammonia Hydrogen Energy (Guangdong) Technology Co., Ltd. was established in Foshan City, Guangdong Province in August 2022. The Company holds 51% equity interest in Fulian Ammonia Hydrogen Energy (Guangdong) Technology Co., Ltd. and it was included in the scope of consolidation during the reporting period.

(2) Decrease in the scope of consolidation

Heilongjiang Tongshan Mining Co., Ltd., a former subsidiary of the Company, was deregistered and no longer included in the scope of consolidation during the reporting period.

2. Changes in the scope of the consolidated financial statements in the year 2021

(1) Increase in the scope of consolidation

Xiamen Zixin No. 2 Investment Partnership Enterprise (Limited Partnership) (“Zixin No. 2”) was established in Xiamen City, Fujian Province in February 2021. The Company holds 20.03% equity interest in Zixin No. 2. Pursuant to the partnership agreement of Zixin No. 2, its decision-making committee consists of three members, including two appointed by the Company. The resolutions of the decision-making committee are effective only when approved by more than two-thirds (including two-thirds) of the members. In addition, Zijin Mining Group Capital Investment Co., Ltd. (“Zijin Capital”), a subsidiary of the Company, serves as the executive partner of Zixin No. 2. Zixin No. 2 was included in the scope of consolidation during the reporting period.

Zijin Overseas Investment Co., Ltd. was established in Sanya City, Hainan Province in March 2021. Zijin International Holdings Co., Ltd. (“Zijin International Holdings”), a subsidiary of the Company, holds 100% equity interest in Zijin Overseas Investment Co., Ltd. Zijin Overseas Investment Co., Ltd. was included in the scope of consolidation during the reporting period.

Zijin Mining Ziniu (Xiamen) Industry Investment Fund Partnership Enterprise (Limited Partnership) (“Ziniu Partnership”) was established in Xiamen City, Fujian Province in April 2021. Zijin Mining Equity Investment Management (Xiamen) Co., Ltd., a subsidiary of the Company, holds 92.3318% equity interest in Ziniu Partnership. Ziniu Partnership was included in the scope of consolidation during the reporting period.

Zijin Mining Trading (Hainan) Co., Ltd. was established in Sanya City, Hainan Province in January 2021. Zijin Mining Construction Group (Xiamen) Co., Ltd., a subsidiary of the Company, holds 100% equity interest in Zijin Mining Trading (Hainan) Co., Ltd. Zijin Mining Trading (Hainan) Co., Ltd. was included in the scope of consolidation during the reporting period.

Zijin Gold Technology (Hainan) Co., Ltd. was established in Sanya City, Hainan Province in April 2021. Zijin International Holdings, a subsidiary of the Company, holds 100% equity interest in Zijin Gold Technology (Hainan) Co., Ltd. Zijin Gold Technology (Hainan) Co., Ltd. was included in the scope of consolidation during the reporting period.

Gold Vision International Limited was established in Hong Kong in March 2021. Jinyu (H.K.), a subsidiary of the Company, held 100% equity interest in Gold Vision International Limited. Gold Vision International Limited was included in the scope of consolidation during the reporting period.

Gold Leader Holdings Limited was established in Hong Kong in April 2021. Gold Mountains (H.K.) International Mining Co., Ltd. (“Gold Mountains (H.K.)”), a subsidiary of the Company, held 100% equity interest in Gold Leader Holdings Limited. Gold Leader Holdings Limited was included in the scope of consolidation during the reporting period.

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Zijin Yuehai Industry (Hainan) Co., Ltd. was established in Sanya City, Hainan Province in August 2021. Zijin International Holdings, a subsidiary of the Company, holds 100% equity interest in Zijin Yuehai Industry (Hainan) Co., Ltd. Zijin Yuehai Industry (Hainan) Co., Ltd. was included in the scope of consolidation during the reporting period.

Zijin Mining Zibao (Xiamen) Investment Partnership Enterprise (Limited Partnership) was established in Xiamen City, Fujian Province in January 2021. Zijin Overseas Investment Co., Ltd., a subsidiary of the Company, holds 100% equity interest in Zijin Mining Zibao (Xiamen) Investment Partnership Enterprise (Limited Partnership). Zijin Mining Zibao (Xiamen) Investment Partnership Enterprise (Limited Partnership) was included in the scope of consolidation during the reporting period.

Zijin Overseas Development (Hainan) Co., Ltd. was established in Sanya City, Hainan Province in September 2021. Zijin International Holdings, a subsidiary of the Company, holds 100% equity interest in Zijin Overseas Development (Hainan) Co., Ltd. Zijin Overseas Development (Hainan) Co., Ltd. was included in the scope of consolidation during the reporting period.

Zijin International Financial Leasing (Hainan) Co., Ltd. was established in Sanya City, Hainan Province in December 2021. The Company holds 90% equity interest in Zijin International Financial Leasing (Hainan) Co., Ltd. Zijin International Financial Leasing (Hainan) Co., Ltd. was included in the scope of consolidation during the reporting period.

Fujian Zijin Copper Foil Technology Co., Ltd. was established in Longyan City, Fujian Province in November 2021. Zijin Mining Group South Investment Co., Ltd., a subsidiary of the Company, holds 70% equity interest in Fujian Zijin Copper Foil Technology Co., Ltd. Fujian Zijin Copper Foil Technology Co., Ltd. was included in the scope of consolidation during the reporting period.

Zijin Mining Investment (Shanghai) Co., Ltd. was established in Hongkou District, Shanghai City in November 2021. The Company holds 100% equity interest in Zijin Mining Investment (Shanghai) Co., Ltd. Zijin Mining Investment (Shanghai) Co., Ltd. was included in the scope of consolidation during the reporting period.

Zijin Zhixin (Xiamen) Technology Co., Ltd. was established in Xiamen City, Fujian Province in July 2021. The Company holds 100% equity interest in Zijin Zhixin (Xiamen) Technology Co., Ltd. Zijin Zhixin (Xiamen) Technology Co., Ltd. was included in the scope of consolidation during the reporting period.

Fujian Zijin Lithium Materials Technology Co., Ltd. was established in Longyan City, Fujian Province in November 2021. Zijin Mining South Investment Co., Ltd., a subsidiary of the Company, holds 100% equity interest in Fujian Zijin Lithium Materials Technology Co., Ltd. Fujian Zijin Lithium Materials Technology Co., Ltd. was included in the scope of consolidation during the reporting period.

Zijin Mining Zidun (Xiamen) Investment Partnership Enterprise (Limited Partnership) was established in Xiamen City, Fujian Province in March 2021. The Company holds 100% equity interest in Zijin Mining Zidun (Xiamen) Investment Partnership Enterprise (Limited Partnership). Zijin Mining Zidun (Xiamen) Investment Partnership Enterprise (Limited Partnership) was included in the scope of consolidation during the reporting period.

APPENDIX 1 PLAN OF THE PUBLIC ISSUANCE OF A SHARE CONVERTIBLE CORPORATE BONDS FOR THE YEAR 2022 (REVISED DRAFT)

Zijin Mining Zidi (Xiamen) Investment Partnership Enterprise (Limited Partnership) was established in Xiamen City, Fujian Province in January 2021. The Company holds 100% equity interest in Zijin Mining Zidi (Xiamen) Investment Partnership Enterprise (Limited Partnership). Zijin Mining Zidi (Xiamen) Investment Partnership Enterprise (Limited Partnership) was included in the scope of consolidation during the reporting period.

Zijin Mining Zide (Xiamen) Investment Partnership Enterprise was established in Xiamen City, Fujian Province in March 2021. The Company holds 100% equity interest in Zijin Mining Zide (Xiamen) Investment Partnership Enterprise. Zijin Mining Zide (Xiamen) Investment Partnership Enterprise was included in the scope of consolidation during the reporting period.

Zijin Zhikong (Xiamen) Technology Co., Ltd. was established in Xiamen City, Fujian Province in October 2021. Zijin Zhixin (Xiamen) Technology Co., Ltd., a subsidiary of the Company, holds 51% equity interest in Zijin Zhikong (Xiamen) Technology Co., Ltd. Zijin Zhikong (Xiamen) Technology Co., Ltd. was included in the scope of consolidation during the reporting period.

Heilongjiang Duotong New Energy Co., Ltd. was established in Heihe City, Heilongjiang Province in April 2021. Zijin Environmental Technology Co., Ltd., a subsidiary of the Company, holds 100% equity interest in Heilongjiang Duotong New Energy Co., Ltd. Heilongjiang Duotong New Energy Co., Ltd. was included in the scope of consolidation during the reporting period.

In September 2021, the Company acquired 8.5% equity interest in Sino-Zijin Resources Ltd. (“Sino-Zijin Resources”) held by Beijing Institute of Geology for Mineral Resources Co., Ltd. After completion of the acquisition, the Company holds 50.50% equity interest in Sino-Zijin Resources and obtained the control of Sino-Zijin Resources. Sino-Zijin Resources was included in the scope of consolidation during the reporting period.

(2) Decrease in the scope of consolidation

Fujian Zijin Trade Co., Ltd., a former subsidiary of the Company, was deregistered and was no longer included in the scope of consolidation during the reporting period.

Malipo Jinhua Mining Co., Ltd., a former subsidiary of the Company, was deregistered and was no longer included in the scope of consolidation during the reporting period.

Zijin Jinhang (Shenzhen) E-commerce Co., Ltd., a former subsidiary of the Company, was deregistered and was no longer included in the scope of consolidation during the reporting period.

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Bayannur Zijin Mining & Metallurgy Testing Technology Co., Ltd., a former subsidiary of the Company, was deregistered and was no longer included in the scope of consolidation during the reporting period.

Tibet Juxin Information Technology Co., Ltd., a former subsidiary of the Company, was deregistered and was no longer included in the scope of consolidation during the reporting period.

Fanshi County Yilian Gold Mine Co., Ltd., a former subsidiary of the Company, was deregistered and was no longer included in the scope of consolidation during the reporting period.

3. Changes in the scope of the consolidated financial statements in the year 2020

(1) Increase in the scope of consolidation

In March 2020, Zijin (America) Gold Mining Company Limited (“Zijin America”), a subsidiary of the Company, acquired 100% equity interest in Continental Gold Inc. (“Continental Gold”) at a consideration of CAD1,335,786,131 (equivalent to RMB6,971,584,950). The equity interest acquisition was completed on 5 March 2020. Continental Gold was included in the scope of consolidation during the reporting period.

In July 2020, Tibet Zijin Mining Co., Ltd. (“Tibet Zijin”), a subsidiary of the Company, acquired 50.1% equity interest in Tibet Julong Copper Co., Ltd. (“Julong Copper”) in cash at a consideration of RMB3.88275 billion. The equity interest acquisition was completed on 9 July 2020 and Julong Copper was included in the scope of consolidation during the reporting period.

In August 2020, the Company acquired a total of 12,597,200 common shares of Guyana Goldfields Inc. (“Guyana Goldfields”) at CAD1.85 per share through the open market. On 24 August 2020, the Company paid a cash consideration of CAD299,638,920 (equivalent to RMB1,571,162,610) to acquire the remaining 161,966,984 common shares of Guyana Goldfields. The equity interest acquisition was completed on 25 August 2020 and Guyana Goldfields was included in the scope of consolidation during the reporting period.

Tibet Zijin was established in Lhasa City, Tibet Autonomous Region in May 2020. The Company holds 100% equity interest in Tibet Zijin and it was included in the scope of consolidation during the reporting period.

APPENDIX 1 PLAN OF THE PUBLIC ISSUANCE OF A SHARE CONVERTIBLE CORPORATE BONDS FOR THE YEAR 2022 (REVISED DRAFT)

Zijin Mining Logistics (Xiamen) Co., Ltd. (“Xiamen Logistics”) was established in Xiamen City, Fujian Province in January 2020. Zijin Mining Logistics Co., Ltd. (“Zijin Logistics”), a subsidiary of the Company, holds 100% equity interest in Xiamen Logistics. Xiamen Logistics was included in the scope of consolidation during the reporting period.

Jin Yang (H.K.) Mining Company Limited was established in Hong Kong in March 2020. Heilongjiang Zijin Longxing Mining Co., Ltd. (“Hei Longxing”), a subsidiary of the Company, holds 100% equity interest in Jin Yang (H.K.) Mining Company Limited. Jin Yang (H.K.) Mining Company Limited was included in the scope of consolidation during the reporting period.

Hunchun Zijin Mechanical and Electrical Installation Co., Ltd. was established in Hunchun City, Jilin Province in April 2020. Hunchun Zijin Mining Co., Ltd. (“Hunchun Zijin”), a subsidiary of the Company, holds 100% equity interest in Hunchun Zijin Mechanical and Electrical Installation Co., Ltd. Hunchun Zijin Mechanical and Electrical Installation Co., Ltd. was included in the scope of consolidation during the reporting period.

Fujian Zijin Gold Jewelry Co., Ltd. was established in Shanghang County, Fujian Province in April 2020. Zijin Mining Group Gold Jewelry Co., Ltd., a subsidiary of the Company, holds 100% equity interest in Fujian Zijin Gold Jewelry Co., Ltd. Fujian Zijin Gold Jewelry Co., Ltd. was included in the scope of consolidation during the reporting period.

Fujian Zijin Motor Vehicle Testing Co., Ltd. was established in Shanghang County, Fujian Province in January 2020. Fujian Zijin Shun’an Logistics Co., Ltd., a subsidiary of the Company, holds 100% equity interest in Fujian Zijin Motor Vehicle Testing Co., Ltd. Fujian Zijin Motor Vehicle Testing Co., Ltd. was included in the scope of consolidation during the reporting period.

Zijin Mining Zifeng (Xiamen) Investment Partnership Enterprise (Limited Partnership) (“Zifeng Investment”) was established in Xiamen City, Fujian Province in February 2020. The Company holds 100% equity interest in Zifeng Investment and it was included in the scope of consolidation during the reporting period.

Zijin International Holdings was established in Sanya City, Hainan Province in November 2020. The Company holds 100% equity interest in Zijin International Holdings and it was included in the scope of consolidation during the reporting period.

APPENDIX 1 PLAN OF THE PUBLIC ISSUANCE OF A SHARE CONVERTIBLE CORPORATE BONDS FOR THE YEAR 2022 (REVISED DRAFT)

Zijin International Trading Co., Ltd. (“Zijin International Trading”) was established in Xiamen City, Fujian Province in December 2020. The Company holds 100% equity interest in Zijin International Trading and it was included in the scope of consolidation during the reporting period.

Zijin Environmental Technology Co., Ltd. was established in Shanghang County, Fujian Province in August 2020. The Company holds 100% equity interest in Zijin Environmental Technology Co., Ltd. Zijin Environmental Technology Co., Ltd. was included in the scope of consolidation during the reporting period.

Xiamen Zixin No. 1 Investment Partnership Enterprise (Limited Partnership) (“Zixin No. 1”) was established in Xiamen City, Fujian Province in August 2020. The Company holds 20.02% equity interest in Zixin No. 1. Pursuant to the partnership agreement of Zixin No. 1, the decision-making committee consists of three members, including two appointed by the Company. The resolutions of the decision-making committee are effective only when approved by more than two-thirds (including two-thirds) of the members. In addition, Zijin Capital, a subsidiary of the Company, serves as the executive partner of Zixin No. 1. Zixin No. 1 was included in the scope of consolidation during the reporting period.

Zijin Mining Tongli (Xiamen) Trading Partnership Enterprise (Limited Partnership) (“Tongli Trading”) was established in Xiamen City, Fujian Province in June 2020. The Company and its five subsidiaries including Heilongjiang Duobaoshan Copper Industry Inc. (“Duobaoshan Copper Industry”), Xinjiang Habahe Ashele Copper Co., Ltd., Zijin Capital, Hunchun Zijin and Qinghai West Copper Co., Ltd. hold 29.03%, 36.29%, 15.61%, 10%, 5.44% and 3.63% equity interest in Tongli Trading, respectively. Tongli Trading was included in the scope of consolidation during the reporting period.

Zijin Mining Xinli (Xiamen) Trading Partnership Enterprise (Limited Partnership) (“Xinli Trading”) was established in Xiamen City, Fujian Province in June 2020. Xinjiang Zijin Zinc Co., Ltd., Urad Rear Banner Zijin Mining Co., Ltd. and Zijin Capital, three subsidiaries of the Company, hold 55.38%, 34.62% and 10% equity interest in Xinli Trading, respectively. Xinli Trading was included in the scope of consolidation during the reporting period.

Shanghang Zijin Hotel Co., Ltd. was established in Longyan City, Fujian Province in August 2020. The Company holds 100% of its equity interest. Shanghang Zijin Hotel Co., Ltd. was included in the scope of consolidation during the reporting period.

Xiamen Zixin Mining Co., Ltd. (“Xiamen Zixin”) was established in Xiamen City, Fujian Province in December 2020. The Company holds 55% equity interest in Xiamen Zixin. Xiamen Zixin was included in the scope of consolidation during the reporting period.

(2) Decrease in the scope of consolidation

Shenzhen Zijin Metals Trading Co., Ltd., a former subsidiary of the Company, was deregistered and no longer included in the scope of consolidation during the reporting period.

4. Changes in the scope of the consolidated financial statements in the year 2019

(1) Increase in the scope of consolidation

Jinshan Construction d.o.o. Bor (“Jinshan Bor”) was incorporated in Serbia in June 2019. Zijin Mining Construction Co., Ltd. (“Zijin Construction”), a subsidiary of the Company, holds 100% equity interest in Jinshan Bor. Jinshan Bor was included in the scope of consolidation during the reporting period.

Limited Liability Company “Pamir international industrial” (“Pamir international industrial”) was incorporated in the Republic of Tajikistan in July 2019. Jinfeng (HK) International Mining Company Limited, a subsidiary of the Company, held 100% equity interest in Pamir international industrial. Pamir international industrial was included in the scope of consolidation during the reporting period.

Gold Vale Trading and Logistics (Pty) Ltd. was incorporated in March 2019 in Johannesburg, South Africa. Capco International Mining Company Limited, a subsidiary of the Company, holds 100% equity interest in Gold Vale Trading and Logistics (Pty) Ltd. Gold Vale Trading and Logistics (Pty) Ltd. was included in the scope of consolidation during the reporting period.

Jinzuan International Mining Company Limited was incorporated in Hong Kong in June 2019. Gold Mountains (H.K.), a subsidiary of the Company, holds 100% equity interest in Jinzuan International Mining Company Limited. Jinzuan International Mining Company Limited was included in the scope of consolidation during the reporting period.

Zijin (America) Gold Mining Company Limited (“Zijin America”) was incorporated in Hong Kong in September 2019. Gold Mountains (H.K.), a subsidiary of the Company, held 100% equity interest in Zijin America. Zijin America was included in the scope of consolidation during the reporting period.

APPENDIX 1 PLAN OF THE PUBLIC ISSUANCE OF A SHARE CONVERTIBLE CORPORATE BONDS FOR THE YEAR 2022 (REVISED DRAFT)

Longyan Xinjing Investment Partnership (Limited Partnership) (“Longyan Xinjing”) was incorporated in Longyan City, Fujian Province in December 2019. Zijin Mining Equity Investment and Management (Xiamen) Co., Ltd. and Zijin Mining Group Capital Investment Co., Ltd., two subsidiaries of the Company, held 75% and 25% equity interest in Longyan Xinjing, respectively. Longyan Xinjing was included in the scope of consolidation during the reporting period.

(2) Decrease in the scope of consolidation

The Company originally held 60% equity interest in Hebei Chongli Zijin Mining Co., Ltd. (“Chongli Zijin”). It was sold externally in 2019 and no longer included in the scope of consolidation during the reporting period.

The Company originally held 51% equity interests in Malipo Jinhwei Mining Co., Ltd. and Malipo Jinyuan Mining Co., Ltd., respectively, through Wenshan Malipo Zijin Tungsten Group Co., Ltd., a subsidiary of the Company. The equity interests in the abovementioned two companies were sold externally in 2019. The two companies were no longer included in the scope of consolidation during the reporting period.

Inner Mongolia Aipaike Resources Co., Ltd., a former subsidiary of the Company, was deregistered and was no longer included in the scope of consolidation during the reporting period.

1178179 B.C. LTD., a former subsidiary of the Company, was deregistered and no longer included in the scope of consolidation during the reporting period.

1178180 B.C. LTD., a former subsidiary of the Company, was deregistered and no longer included in the scope of consolidation during the reporting period.

Reservoir Minerals Inc., a former subsidiary of the Company, was deregistered and no longer included in the scope of consolidation during the reporting period.

APPENDIX 1 PLAN OF THE PUBLIC ISSUANCE OF A SHARE CONVERTIBLE CORPORATE BONDS FOR THE YEAR 2022 (REVISED DRAFT)

(III) Major financial indicators of the Company

1. Major financial indicators of the Company for the most recent three years and one period.

Financial indicator	30 September 2022/ January to September 2022 ^{Note 2}	31 December 2021/ Year 2021	31 December 2020/ Year 2020	31 December 2019/ Year 2019
Current ratio (time)	1.28	0.94	0.83	0.86
Quick ratio (time)	0.81	0.55	0.45	0.41
Debt-to-asset ratio (consolidation basis, %)	58.29	55.47	59.08	53.91
Debt-to-asset ratio (company basis, %)	62.97	53.33	51.60	40.97
Total asset turnover (time)	0.82	1.15	1.12	1.15
Trade receivables turnover (time)	32.14	123.83	161.55	137.14
Inventory turnover (time)	6.89	10.19	9.17	8.75
Net cash flows from operating activities per Share (RMB per Share)	0.83	0.99	0.56	0.42
Net cash flows per Share (RMB)	0.24	0.07	0.22	-0.15

Note 1: The calculation formulae of the abovementioned indicators are as follows:

- ① Current ratio = current assets ÷ current liabilities
- ② Quick ratio = (current assets – inventories) ÷ current liabilities
- ③ Debt-to-asset ratio = (total liabilities ÷ total assets) x 100%
- ④ Total asset turnover (time) = operating income ÷ average balance of total assets
- ⑤ Trade receivables turnover = sales income ÷ average balance of trade receivables (contract assets inclusive)
- ⑥ Inventory turnover = cost of sales ÷ average balance of inventories
- ⑦ Net cash flows from operating activities per Share = net cash flows from operating activities ÷ total number of ordinary Shares as at the end of reporting period
- ⑧ Net cash flows per Share = net increase in cash and cash equivalent ÷ total number of ordinary Shares as at the end of reporting period

Note 2: Financial indicators from January to September 2022 are not annualised

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2. Earnings per Share and return on net assets before and after non-recurring profit or loss for the most recent three years

According to the provisions in Accounting Standard for Business Enterprises No. 34 – Earnings Per Share, Information Disclosure and Presentation Rules for Companies Making Public Offering of Securities No. 9 – Calculation and Disclosure of Return on Net Assets and Earnings Per Share (2010 revision) (CSRC Announcement [2010] No. 2) and Explanatory Announcement No. 1 on Information Disclosure and Presentation Rules for Companies Making Public Offering of Securities – Non-recurring Profit or Loss (CSRC Announcement [2008] No. 43) issued by the CSRC, the return on net assets and earnings per Share of the Company for the most recent three years are calculated as follows:

Item	Period	Weighted average return on net assets (%)	Earnings per Share (RMB/Share)	
			Basic	Diluted
Net profit attributable to ordinary shareholders of the Company	Year 2021	23.97	0.60	0.60
	Year 2020	12.19	0.25	0.25
	Year 2019	11.38	0.18	0.18
Net profit attributable to ordinary shareholders of the Company after non-recurring profit or loss	Year 2021	22.45	0.57	0.57
	Year 2020	11.84	0.25	0.25
	Year 2019	10.61	0.17	0.17

(IV) Analysis on the Company’s financial status

1. Asset analysis

During the reporting periods, the composition of the Company’s assets is as follow:

Unit: RMB billion

Assets	30 September 2022		31 December 2021		31 December 2020		31 December 2019	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Current assets:								
Cash and cash equivalents	21.1533002	7.38	14.2217803	6.82	11.9553393	6.56	6.2251448	5.03
Held for trading financial assets	4.3763826	1.53	2.9352246	1.41	1.9301422	1.06	0.6879515	0.56
Bills receivable	0.6804306	0.24	-	-	-	-	-	-

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Assets	30 September 2022		31 December 2021		31 December 2020		31 December 2019	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Trade receivables	8.4122543	2.93	2.4452231	1.17	1.1414496	0.63	0.9441157	0.76
Receivables								
financing	1.9640970	0.68	1.9582552	0.94	1.5840541	0.87	1.3185051	1.06
Prepayments	3.6546064	1.27	1.7824207	0.85	1.4100541	0.77	1.3232482	1.07
Other receivables	4.1177061	1.44	1.3857169	0.66	1.1950476	0.66	0.8998474	0.73
Inventories	30.7091306	10.71	19.30880.07	9.26	18.0641604	9.91	14.8865542	12.02
Contract assets	1.0468905	0.37	–	–	–	–	–	–
Current portion of								
non-current assets	0.8386975	0.29	0.0089240	0.00	0.0402551	0.02	0.9566929	0.77
Other current assets	5.8128424	2.03	3.0179481	1.45	1.9419016	1.07	1.3523364	1.09
Total current assets	82.7663380	28.86	47.0642934	22.56	39.2624039	21.54	28.5943961	23.09
Non-current assets:								
Debt investments	0.1999779	0.07	0.4681362	0.22	0.2558113	0.14	–	–
Long-term equity								
investments	14.7828578	5.15	9.6282319	4.62	7.0996549	3.89	6.9244161	5.59
Other equity								
instrument								
investments	9.2014924	3.21	9.4156461	4.51	6.4823264	3.56	4.4104417	3.56
Other non-current								
financial assets	–	–	0.0625000	0.03	0.0375000	0.02	0.9517794	0.77
Investment properties	0.3313876	0.12	0.1174729	0.06	0.1240709	0.07	0.1303734	0.11
Fixed assets	70.2066647	24.48	55.5971549	26.65	48.5456710	26.63	38.6247664	31.19
Construction in								
progress	17.3817295	6.06	18.5480534	8.89	15.2360296	8.36	5.8768294	4.75
Right-of-use assets	0.3371976	0.12	0.2170346	0.10	0.2382553	0.13	0.3547724	0.29
Intangible assets	67.9942190	23.71	47.5313498	22.79	46.7602440	25.65	24.1625085	19.51
Goodwill	0.8078555	0.28	0.3141496	0.15	0.3141496	0.17	0.3141496	0.25
Long-term deferred								
assets	1.9770137	0.69	1.7245163	0.83	1.3019066	0.71	1.2058379	0.97
Deferred tax assets	1.5564403	0.54	1.3256428	0.64	1.1829839	0.65	0.8366668	0.68
Other non-current								
assets	19.2272826	6.70	16.5804963	7.95	15.4722430	8.49	11.4440095	9.24
Total non-current								
assets	204.0041186	71.14	161.5303847	77.44	143.0508465	78.46	95.2365511	76.91
Total assets	286.7704567	100.00	208.5946781	100.00	182.3132504	100.00	123.8309472	100.00

As at the end of 2019, 2020, 2021 and September 2022, the total assets of the Company amounted to RMB123.8309472 billion, RMB182.3132504 billion, RMB208.5946781 billion and RMB286.7704567 billion, respectively. The asset scale was in a rising trend.

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As at the end of 2020, the Company's total assets increased by RMB58.4823032 billion, representing an increase of 47.23% compared with the end of 2019. It was mainly attributable to the acquisitions of Continental Gold, Guyana Goldfields and Julong Copper by the Company which were included in the scope of consolidation in 2020, and the successful issuance of convertible corporate bonds. As a result, the amounts of cash and cash equivalents, inventories, fixed assets, construction in progress, intangible assets and other assets of the Company had a substantial growth.

As at the end of September 2022, the Company's total assets increased by RMB78.1757786 billion, representing an increase of 37.48% compared with the end of 2021. It was mainly attributable to the acquisition of Fujian Longking by the Company which was included in the scope of consolidation during the reporting period, and the issuance of different types of interest-bearing liabilities to satisfy the increasing financing needs for the funds required for construction and corporate development of the Company.

From the aspect of asset structure, as a mining company, mine infrastructure, fixed assets including the relevant plant and equipment, intangible assets including mining permits and exploration rights and inventories are the important components of the total assets of the Company during the reporting periods, and their proportions were relatively large. It was in line with the actual situation of the Company's production and operation.

2. Liability analysis

During the reporting periods, the composition of the Company's liabilities is as follows:

Unit: RMB billion

Liabilities	30 September 2022		31 December 2021		31 December 2020		31 December 2019	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Current liabilities:								
Short-term borrowings	24.0325326	14.38	18.2291008	15.76	20.7191212	19.23	14.4409179	21.63
Held for trading financial liabilities	0.8103539	0.48	0.1568124	0.14	0.6475084	0.60	0.3261391	0.49
Bills payable	1.4888263	0.89	0.3943806	0.34	0.9555611	0.89	0.4208601	0.63
Trade payables	11.7908647	7.05	7.4423184	6.43	5.5429988	5.15	4.3821042	6.56
Receipts in advance	0.0888635	0.05	-	-	-	-	-	-
Contract liabilities	9.0017716	5.38	0.6719552	0.58	0.4526959	0.42	0.3594536	0.54
Employee benefits payable	1.3708961	0.82	1.6046714	1.39	1.3174672	1.22	0.8522979	1.28
Taxes payable	3.5841641	2.14	4.0403865	3.49	1.8802917	1.75	0.9851934	1.48
Other payables	7.7404590	4.63	7.6143967	6.58	7.3714037	6.84	5.3268498	7.98

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Liabilities	30 September 2022		31 December 2021		31 December 2020		31 December 2019	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Current portion of non-current liabilities	3.5326431	2.11	9.4703505	8.19	7.9757482	7.40	5.7688401	8.64
Other current liabilities	1.0445317	0.62	0.6780883	0.59	0.1729049	0.16	0.5000000	0.75
Total current liabilities	64.4859066	38.58	50.3024607	43.48	47.0357010	43.67	33.3626560	49.98
Non-current liabilities:								
Long-term borrowings	62.6975520	37.51	36.1268169	31.23	29.0828872	27.00	13.8262215	20.71
Bonds payable	22.9432069	13.72	14.2474746	12.31	16.1096786	14.96	11.9664687	17.93
Lease liabilities	0.2333308	0.14	0.1841952	0.16	0.1727046	0.16	0.2823471	0.42
Long-term payables	3.1578005	1.89	2.3591672	2.04	1.9462380	1.81	1.2013917	1.80
Long-term employee benefits payable	0.0738594	0.04	0.0790595	0.07	–	–	–	–
Provisions	3.8692516	2.31	3.6969179	3.20	4.1366226	3.84	2.9277123	4.39
Deferred income	0.7185966	0.43	0.3974916	0.34	0.4567120	0.42	0.4967202	0.74
Deferred tax liabilities	6.9061399	4.13	6.3421645	5.48	6.5438764	6.08	2.6878317	4.03
Other non-current liabilities	2.0837016	1.25	1.9617596	1.70	2.2323886	2.07	–	–
Total non-current liabilities	102.6834393	61.42	65.3950469	56.52	60.6811079	56.33	33.3886931	50.02
Total liabilities	167.1693459	100.00	115.6975076	100.00	107.7168089	100.00	66.7513492	100.00

As at the end of 2019, 2020, 2021 and September 2022, the total liabilities of the Company amounted to RMB66.7513492 billion, RMB107.7168089 billion, RMB115.6975076 billion and RMB167.1693459 billion, respectively, which was in an overall rising trend. As at the end of 2020, the Company's liabilities increased by RMB40.9654598 billion, representing an increase of 61.37% compared with the end of 2019. It was mainly attributable to the acquisitions of Continental Gold, Guyana Goldfields and Julong Copper by the Company, which were included in the scope of consolidation during the reporting period and thereby increased the asset and liability scales, and the increase in liabilities due to increase in corporate financing demands. As at the end of September 2022, the Company's liabilities increased by RMB51.4718383 billion, representing an increase of 44.49% compared with the end of 2021. It was mainly attributable to the acquisition of Longking by the Company, which was included in the scope of consolidation during the reporting period and increased the liabilities of the Company by RMB19.6186794 billion, and the increase in the Company's financing needs which increased the liabilities. It was consistent with the growth in the Company's asset scale.

**APPENDIX 1 PLAN OF THE PUBLIC ISSUANCE OF A SHARE CONVERTIBLE
CORPORATE BONDS FOR THE YEAR 2022 (REVISED DRAFT)**

From the aspect of liability structure, the Company's current liabilities were mainly composed of short-term borrowings, bills payable, trade payables, other payables and current portion of non-current liabilities. Its non-current liabilities were mainly composed of long-term borrowings and bonds payable, accounting for more than 80.00% of the Company's total liabilities. The proportion of non-current liabilities to total liabilities was slightly higher than that of the current liabilities. Among which, the proportion of non-current liabilities to total liabilities in 2020 increased compared with the end of 2019. The major reasons were the consolidation of the newly acquired subsidiaries and the increase in long-term borrowings due to the expansion of financing scale. The proportion of non-current liabilities to total liabilities as at the end of September 2022 increased compared with the end of 2021, which was mainly because certain long-term borrowing contracts matured and the new long-term borrowing contracts signed during the period, resulting in the decrease in current portion of non-current liabilities and the increase in long-term borrowings.

As a mining enterprise, the Company had a comparatively large pressure in capital expenditure for acquisition of mining rights, exploration and mine construction. Therefore, the Company obtained funds required for corporate development and construction through different types of interest-bearing borrowings, and therefore the outstanding balances of short-term borrowings, long-term borrowings and bonds payable maintained at a comparatively high level during the reporting periods. Although the Company's production scale during the reporting periods gradually expanded, the outstanding balances of bills payable and trade payables did not increase substantially following the expansion of production scale as the Company is at the upstream of industrial chain and it had a good control on the outstanding balances of bills payable and trade payables.

3. Debt repayment ability analysis

During the reporting periods, the indicators of debt repayment ability of the Company are as follows:

Item	30 September 2022	31 December 2021	31 December 2020	31 December 2019
Debt-to-asset ratio (consolidation basis, %)	58.29	55.47	59.08	53.91
Debt-to-asset ratio (company basis, %)	62.97	53.33	51.60	40.97
Current ratio (time)	1.28	0.94	0.83	0.86
Quick ratio (time)	0.81	0.55	0.45	0.41

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During the reporting periods, the Company maintained a stable current ratio. Among the Company's current assets, the proportion of inventories that are relatively easy to realise with a short payback period is comparatively high. Therefore, the quality of current assets was relatively good and the Company had a considerable ability to repay current liabilities. The Company's quick ratio was relatively low, mainly because: (1) the proportion of inventories in current assets was relatively high; (2) the balances of the Company's interest-bearing liabilities such as bank borrowings were comparatively high, resulting in certain pressure on repaying principals and paying interests. There is an urgent need to improve the financial status by adjusting the capital structure. During the reporting periods, the Company's debt-to-asset ratio under the consolidated financial statements remained in the range between 50% and 60%, and the debt ratio was relatively reasonable.

4. Operating ability analysis

During the reporting periods, the major indicators on operating ability of the Company are as follows:

Item	January to	Year 2021	Year 2020	Year 2019
	September^{Note}			
	2022			
Inventory turnover (time)	6.89	10.19	9.17	8.75
Trade receivables turnover (time)	32.14	123.83	161.55	137.14
Total assets turnover (time)	0.82	1.15	1.12	1.15

Note: Financial indicators from January to September 2022 are not annualised.

The Company's main products are bulk commodities. According to industry practice, settlements are usually carried out with cash payment or prepayment. Therefore, the balances of trade receivables were relatively low while trade receivables turnover remained at a high level. The market for bulk commodities is stable and open. Therefore, turnover time of products is short and inventory turnover is high. During the reporting periods, the Company's inventory turnover showed an upward trend, indicating that the Company's inventories had a strong liquidity, and the inventories and capital occupied by inventories had a fast turnover rate. From January to September 2022, due to the consolidation of Longking, the Company's trade receivables increased, and the trade receivables turnover decreased.

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5. Profitability analysis

Unit: RMB billion

Item	January to September 2022	Year 2021	Year 2020	Year 2019
Operating income	204.1911447	225.1024886	171.5013385	136.0979780
Operating profit margin	31.8505809	34.7513670	20.4304751	15.5153503
Taxes and surcharges	3.0757867	3.4596799	2.4991954	1.8741414
Expenses during the reporting periods	6.5923416	7.9879459	6.6400538	6.2069521
Operating profit	25.1525132	25.0865052	11.2397425	7.2420742
Profit before tax	24.8767080	24.7938105	10.8460272	6.9742788
Net profit attributable to owners of the parent	16.6671245	15.6728706	6.5085539	4.2839574
Net profit attributable to owners of the parent after non-recurring profit or loss	15.9230775	14.6805342	6.3219664	3.9967572

During the reporting periods, the Company continuously increased the number of projects acquired, and certain infrastructure and technological upgrade projects have completed construction and commenced normal production and operation, the subsidiaries which were in operation continuously raised their production capacities through technological upgrade. Meanwhile, the sales prices of major products increased steadily. These allowed the business scale of the Company continued to increase, and the operating income showed an upward trend.

During the reporting periods, the Company had a better control over the growth in expenses during the process of active promotion of the strategic layout of new businesses, therefore, the stability of operating results was generally maintained. The Company's operating profit increased steadily, indicating that the Company has a relatively strong profitability.

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V. USE OF THE PROCEEDS RAISED FROM THE ISSUANCE OF A SHARE CONVERTIBLE CORPORATE BONDS

The total amount of proceeds proposed to be raised from the Issuance of A Share Convertible Corporate Bonds will not exceed RMB10 billion (RMB10 billion inclusive). Such amount is based on the total amount of proceeds originally proposed to be raised (i.e., not exceeding RMB13.3945 billion), and factors including deduction of new and potential financial investments made from six months before the date of the Board resolution in relation to the Issuance to the date of the Issuance are also taken into account. The net amount of the proceeds raised after deducting the issuance expenses is proposed to be used for the following projects:

Unit: RMB billion

Project name	Total investment amount	Original proposed amount of proceeds raised to be invested	Actual proposed amount of proceeds raised to be invested
Acquisition of 30% interest in the Haiyu Gold Mine in Shandong	3.9845	3.9845	3.9845
Acquisition of the Shapinggou Molybdenum Mine in Anhui	5.91	5.91	2.5155
Acquisition of the Rosebel Gold Mine Project in Suriname ^{Note}	2.559096	2.5	2.5
Phase 1 underground mining construction project of the Aurora Gold Mine in Guyana ^{Note}	1.9896403	1	1
Total	14.4432363	13.3945	10

Note: The total investment amount in “Acquisition of the Rosebel Gold Mine Project in Suriname” and “Phase 1 underground mining construction project of the Aurora Gold Mine in Guyana” is USD360 million and USD279.892 million, respectively, equivalent to RMB2.559096 billion and RMB1.9896403 billion, respectively, based on the RMB central parity rate (USD1:RMB7.1086) announced by the China Foreign Exchange Trade System on 18 October 2022.

After the proceeds raised in the Issuance of A Share Convertible Corporate Bonds are deposited in the account, the Company will invest the proceeds raised in the abovementioned projects in accordance with the actual need and priority of the projects. If the total investment amount of the projects exceeds the amount of proceeds raised used, the difference shall be self-financed by the Company. If the actual net amount of proceeds raised from the total proceeds raised under the Issuance after deducting the issuance expenses is less than the actual amount of funds required for the investment projects, the Company will make up the shortfall by self-financing.

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Before the proceeds raised in the Issuance of A Share Convertible Corporate Bonds are deposited in the account, the Company will invest in the projects by self-financing first. After the proceeds raised in the Public Issuance of A Share Convertible Corporate Bonds are deposited in the account, the funds that have been invested in the projects shall be replaced according to relevant laws, regulations and procedures.

For details of the Projects to be Invested by the Proceeds Raised, please refer to Feasibility Report on the Use of Proceeds Raised in the Public Issuance of A Share Convertible Corporate Bonds for the Year 2022 of Zijin Mining Group Co., Ltd.*

VI. FORMULATION AND EXECUTION OF PROFIT DISTRIBUTION POLICIES OF THE COMPANY

(I) Profit distribution policies of the Company

According to the “Regulatory Guidelines of Listed Companies No. 3 – Cash Dividends of Listed Companies” issued by the CSRC and the relevant requirements for a sound cash dividend system issued by the CSRC Fujian Bureau, taking into account the actual situation of the Company, and after being considered and approved at the Company’s shareholders’ general meeting, the Company’s profit distribution policies are as follows:

1. Principles of profit distribution

The Company shall fully regard reasonable returns to investors as an important matter in profit distribution, while taking into account the sustainable development of the Company and maintaining the continuity and stability of the profit distribution policies, which shall comply with the provisions of the relevant laws and regulations. The profits distributed by the Company shall not exceed the amount of accumulated distributable profits, and shall not damage the Company’s capacity in sustainable operation. The Company shall actively promote distribution of cash dividends.

2. Form of profit distribution

The Company may distribute dividends in cash, bonus shares or by other means as allowed by laws and regulations. Among the above means of profit distribution, the Company shall take distribution of cash dividends as the preferential means.

3. Conditions of profit distribution in cash

In accordance with the Company Law of the PRC, other relevant laws and regulations and the provisions of the Articles of Association, when the distributable profit of the Company which includes the current year’s net realised profit after deducting losses, full provisions of statutory reserve and discretionary reserve is positive, and the audit body has issued a standard and unqualified audit report for the Company’s annual financial report (financial report in relation to interim profit distribution in cash can be unaudited), the Company shall make a cash dividend distribution plan except in special circumstances (such as material investment plans or material cash expenditures, etc.).

When the Company meets the above conditions of profit distribution in cash but does not distribute cash dividends for special reasons, the Board shall give detailed reasons for not distributing cash dividends and the use of undistributed profits. After the independent Directors have provided their opinion, it shall be tabled to the shareholders' general meeting for consideration.

4. The Board shall comprehensively take into account factors including the characteristics of the industry of the Company, the Company's development stage, own business model, profitability, and if there are any substantial capital expenditure arrangements, etc., to categorise the Company's situation into the followings and propose a differentiated cash dividend distribution policy according to the procedures as stipulated in the Articles of Association.

- (1) If the Company's development is in maturity stage without substantial capital expenditure arrangement, during profit distribution, the proportion of cash dividends of the profit distribution shall not be less than 80%;
- (2) If the Company's development is in maturity stage with substantial capital expenditure arrangements, during profit distribution, the proportion of cash dividends of the profit distribution shall not be less than 40%;
- (3) If the Company's development is in growth stage with substantial capital expenditure arrangements, during profit distribution, the proportion of cash dividends of the profit distribution shall not be less than 20%;

If the development stage of the Company cannot be easily identified but there are substantial capital expenditure arrangements, it can be carried out in accordance with the preceding paragraph.

5. Intervals and proportion of profit distribution

Subject to the premise of fulfilling the profit distribution conditions under the provisions of the Articles of Association, the Company shall at least carry out profit distribution once a year. The Board can propose to distribute interim cash dividends according to the operating conditions and capital requirements of the Company.

On satisfaction of the abovementioned conditions to distribute cash dividends, the Company's accumulative profit distribution in cash for the last 3 years shall not be less than 60% of the average annual distributable profits realised for the last 3 years, that is: (the accumulative profit distribution in cash for the last 3 years \geq (sum of the annual distributable profit realised in the last 3 consecutive years) \div 3 \times 60%). In principle, the Company's annual distribution of cash dividends shall not be less than 15% of the realised distributable profits for the year (excluding the undistributed profits of last year).

6. Conditions for distribution of bonus shares

The Board of the Company may consider adopting methods such as distribution of bonus shares and conversion of capital reserves into issued capital for distribution. The Company shall consider the scale of the existing share capital before distribution of bonus shares, and pay attention to simultaneous growth in share capital and operating performance.

7. Formulation procedures of profit distribution plan

According to the provisions of the Articles of Association, the Board may, after fully considering a variety of factors such as the Company's profitability, cash flow conditions, reproduction and investment needs of the Company together with the requests of Shareholders (especially minority shareholders), and the opinion of independent Directors and Supervisors, propose an annual or interim profit distribution plan for the Board's consideration.

The profit distribution plan shall be approved by more than half of the Board at the Board meeting, and by more than half of the voting rights held by the Shareholders attending the shareholders' general meeting. If the shareholders' general meeting considers the proposal of dividend distribution by bonus shares or conversion of capital reserves into issued capital for distribution, the proposal shall be approved by more than two-thirds of the voting rights held by the Shareholders attending the shareholders' general meeting.

When formulating cash dividend distribution proposal, the Board of the Company shall actively communicate and exchange views with Shareholders, especially minority shareholders through various channels (including but not limited to telephone, fax and mail communication, etc.), to fully listen to their views and requests, and provide timely responses to minority shareholders' concerns. Independent Directors shall deliver independent opinion on the dividend distribution proposal.

8. Amendment procedures of profit distribution policies

If there are material changes in the external environment or the Company's own operating conditions, where amendments of the profit distribution policies are necessary, protection for the interest of minority shareholders of the Company shall be fully taken into account. The amended profit distribution policies shall not violate the requirements of relevant laws, regulations and regulatory documents. The proposal for amendment of profit distribution policies shall be considered at the Board meeting and the shareholders' general meeting. The proposal for amendment of profit distribution policies shall be approved by more than two-thirds of the Board at the Board meeting, and independent Directors shall provide independent opinion. The proposal for amendment of profit distribution policies shall be approved by more than two-thirds of the voting rights held by the Shareholders attending the shareholders' general meeting.

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When considering amendment of profit distribution policies, especially profit distribution in cash, the Board shall fully listen to the opinion of Shareholders especially minority shareholders of the Company), independent Directors and Supervisors.

9. **The Company's Shareholders, independent Directors and Supervisory Committee shall supervise the execution progress and decision-making procedures of the Company's profit distribution policies executed by the Board and management.**
10. **During the implementation of profit distribution proposal, if there is any misappropriation of the Company's capital by any Shareholder of the Company, the Company shall deduct the cash dividends allocated to such Shareholder in order to repay the amount of the misappropriated capital.**
11. **With respect to executing the right to confiscating unclaimed dividends, the right cannot be executed until the relevant effective period expires.**
12. **When formulating, considering and executing a specific profit distribution proposal, the Board shall comply with profit distribution policies as stipulated in applicable laws, administrative regulations, administrative rules of governmental departments, regulatory documents and the provisions of the Articles of Association.**
13. **The Company shall disclose the execution status of distribution proposal and cash dividend distribution policies in its regular reports and indicate if it is compliant with laws and regulations.**

(II) The Company's cash dividend distribution for the most recent three years

As at the date of this Plan, the Company's cash dividend distribution under the profit distribution plan or proposal for the most recent three years (including the amount listed company used as cash consideration, repurchase of shares by means of offer and centralised bidding) are as follows:

Unit: RMB billion

Year of profit distribution	Amount of cash dividend (tax included)	Amount of cash repurchase (excluding commission and other expenses)	Net profit attributable to Shareholders of listed company in the consolidated financial statements	Percentage of dividends to net profit attributable to shareholders of the listed company in the consolidated financial statements
2021	5.2658624	–	15.6728706	33.60%
2020	3.1593123	–	6.5085539	48.54%
2019	2.5377260	–	4.2839574	59.24%
The proportion of accumulated cash dividend for the most recent three years to the average net profit for the last three years				124.27%

(III) The use of undistributed profit of the Company in the most recent three years

From 2019 to 2021, after the Company made provisions for statutory reserve and profit distributions to the Shareholders with the net profit attributable to owners of the listed company realised by the Company, the remaining undistributed profits were reserved for the next years, which were mainly used for the daily production and operation of the Company.

(IV) Proposal in relation to Profit Distribution and Return Plan for the Next Three Years (Year 2020-2022)

In order to further specify the provisions in relation to decision-making procedures of profit distribution policies and allocation policies in the Articles of Association and enhance the transparency and practicability of cash dividend distribution, for the purpose of supervision of investors on the operation and profit distribution of the Company, pursuant to Notice in relation to Further Implementing Cash Dividend Distribution of Listed Companies (Zheng Jian Fa [2012] No. 37), Regulatory Guidelines of Listed Companies No. 3 – Cash Dividends of Listed Companies (Zheng Jian Fa [2013] No. 43) as well as Notice in relation to Further Implementing Cash Dividend Distribution issued by the CSRC Fujian Branch (Min Zheng Jian Gong Si Zi [2012] No. 28), following the principles of refining the profit distribution decisions and supervision of the Company, giving consideration to the production, operation and sustainable development of the Company and offering reasonable return to investors, the Company formulated the Profit Distribution and Return Plan for the Next Three Years (Year 2020-2022) (the “Profit Distribution and Return Plan”), which was passed at the twelfth extraordinary meeting in 2020 of the seventh term of the Board and the second extraordinary general meeting in 2020 of the Company. Major contents of the plan are as follows:

“1. Principles of the formulation of the profit distribution

The Company shall fully regard reasonable returns to investors as an important matter in profit distribution, while taking into account the sustainable development of the Company and maintaining the continuity and stability of the profit distribution policies, which shall comply with the provisions of the relevant laws and regulations. The profits distributed by the Company shall not exceed the amount of accumulated distributable profits, and shall not damage the Company’s capacity in sustainable operation. The Company shall actively promote distribution of cash dividends.

2. Details of profit distribution and return plan of the Company for the next three years (Year 2020-2022)

(1) Forms of profit distribution

The Company may distribute dividends in cash, bonus shares or by other means as allowed by laws and regulations. Among the above means of profit distribution, the Company shall take distribution of cash dividends as the preferential means.

(2) Conditions of profit distribution in cash

In accordance with the Company Law of the PRC, other relevant laws and regulations and the provisions of the Articles of Association, when the distributable profit of the Company which includes the current year's net realised profit after deducting losses, full provisions of statutory reserve and discretionary reserve is positive, and the audit body has issued a standard and unqualified audit report for the Company's annual financial report (financial report in relation to interim profit distribution in cash can be unaudited), the Company shall make a cash dividend distribution plan except in special circumstances (such as material investment plans or material cash expenditures, etc.).

When the Company meets the above conditions of profit distribution in cash but does not distribute cash dividends for special reasons, the Board shall give special explanation for the matters including detailed reasons for not distributing cash dividends and the use of undistributed profits. After the independent Directors have provided their opinion, it shall be tabled to the shareholders' general meeting for consideration.

(3) The Board shall comprehensively take into account factors including the characteristics of the industry of the Company, the Company's development stage, own business model, profitability, and if there are any substantial capital expenditure arrangements, etc., to categorise the Company's situation into the followings and propose a differentiated cash dividend distribution policy according to the procedures as stipulated in the Articles of Association:

- ① If the Company's development is in maturity stage without substantial capital expenditure arrangement, during profit distribution, the proportion of cash dividends of the profit distribution shall not be less than 80%;
- ② If the Company's development is in maturity stage with substantial capital expenditure arrangements, during profit distribution, the proportion of cash dividends of the profit distribution shall not be less than 40%;
- ③ If the Company's development is in growth stage with substantial capital expenditure arrangements, during profit distribution, the proportion of cash dividends of the profit distribution shall not be less than 20%.

If the development stage of the Company cannot be easily identified but there are substantial capital expenditure arrangements, it can be carried out in accordance with the preceding paragraph.

(4) Intervals and proportion of profit distribution

Subject to the premise of fulfilling the profit distribution conditions under the provisions of the Articles of Association, the Company shall at least carry out profit distribution once a year. The Board can propose to distribute interim cash dividends according to the operating conditions and capital requirements of the Company.

On satisfaction of the abovementioned conditions to distribute cash dividends, the Company's accumulative profit distribution in cash for the last 3 years shall not be less than 90% of the average annual distributable profits realised for the last 3 years, that is: (the accumulative profit distribution in cash for the last 3 years \geq (sum of the annual distributable profit realised in the last 3 consecutive years) \div 3 x 90%). In principle, the Company's annual distribution of cash dividends shall not be less than 30% of the realised distributable profits for the year (excluding the undistributed profits of last year).

(5) Conditions for distribution of bonus shares

The Board may consider adopting methods such as distribution of bonus shares and conversion of capital reserves into issued capital for distribution. The Company shall consider the scale of the existing share capital before distribution of bonus shares, and pay attention to simultaneous growth in share capital and operating performance.

(6) Formulation procedures of profit distribution plan

According to the provisions of the Articles of Association, the Board may, after fully considering a variety of factors such as the Company's profitability, cash flow conditions, reproduction and investment needs of the Company together with the requests of Shareholders (especially minority shareholders), and the opinion of independent Directors and Supervisors, propose an annual or interim profit distribution plan for the Board's consideration.

The profit distribution plan shall be approved by more than half of the Board at the Board meeting, and by more than half of the voting rights held by the Shareholders attending the shareholders' general meeting. If the shareholders' general meeting considers the proposal of dividend distribution by bonus shares or conversion of capital reserves into issued capital for distribution, the proposal shall be approved by more than two-thirds of the voting rights held by the Shareholders attending the shareholders' general meeting.

When formulating cash dividend distribution proposal, the Board shall actively communicate and exchange views with Shareholders, especially minority shareholders through various channels (including but not limited to telephone, fax and mail communication, etc.), to fully listen to their views and requests, and provide timely responses to minority shareholders' concerns. Independent Directors shall deliver independent opinion on the dividend distribution proposal.

(7) Amendment procedures of profit distribution policies

If there are material changes in the external environment or the Company's own operating conditions, where amendments of the profit distribution policies are necessary, protection for the interest of minority shareholders of the Company shall be fully taken into account. The amended profit distribution policies shall not violate the requirements of relevant laws, regulations and regulatory documents. The proposal for amendment of profit distribution policies shall be considered at the Board meeting and the shareholders' general meeting. The proposal for amendment of profit distribution policies shall be approved by more than two-thirds of the Board at the Board meeting, and independent Directors shall provide independent opinion. The proposal for amendment of profit distribution policies shall be approved by more than two-thirds of the voting rights held by the Shareholders attending the shareholders' general meeting.

When considering amendment of profit distribution policies, especially profit distribution in cash, the Board shall fully listen to the opinion of shareholders (especially minority shareholders of the Company), independent Directors and Supervisors.

(8) The Company's Shareholders, independent Directors and Supervisory Committee shall supervise the execution progress and decision-making procedures of the Company's profit distribution policies executed by the Board and management.

(9) During the implementation of profit distribution proposal, if there is any misappropriation of the Company's capital by any Shareholder of the Company, the Company shall deduct the cash dividends allocated to such Shareholder in order to repay the amount of misappropriated capital.

(10) With respect to executing the right to confiscating unclaimed dividends, the right cannot be executed until the relevant effective period expires.

(11) When formulating, considering and executing a specific profit distribution proposal, the Board shall comply with profit distribution policies as stipulated in applicable laws, administrative regulations, administrative rules of governmental departments, regulatory documents and the provisions of the Articles of Association.

(12) The Company shall disclose the execution status of distribution proposal and cash dividend distribution policies in its regular reports and indicate if it is compliant with the laws and regulations.

**APPENDIX 1 PLAN OF THE PUBLIC ISSUANCE OF A SHARE CONVERTIBLE
CORPORATE BONDS FOR THE YEAR 2022 (REVISED DRAFT)**

3. Mechanism for the Profit Distribution and Return Plan to take effect

This Profit Distribution and Return Plan shall be interpreted by the Board and take effect after being considered and approved by the Shareholders of the Company at the shareholders' general meeting.”

Zijin Mining Group Co., Ltd.*
Board of Directors
17 February 2023

* *The English name of the Company is for identification purpose only*

Should there be any discrepancy, the Chinese text of this appendix shall prevail.



**Zijin Mining Group Co., Ltd.*
Feasibility Report on the Use of
Proceeds Raised in the Public Issuance of
A Share Convertible Corporate Bonds
for the Year 2022
(Revised Draft)**

February 2023

DEFINITIONS

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

Definition for frequently-used and professional terms

Issuer, Zijin Mining or Company	Zijin Mining Group Co., Ltd.* (紫金礦業集團股份有限公司)
Issuance, Public Issuance, Public Issuance of A Share Convertible Corporate Bonds	the act of Public Issuance of A Share Convertible Corporate Bonds convertible to Renminbi-denominated ordinary shares (A Shares) of Zijin Mining Group Co., Ltd.* in the PRC
Report or Feasibility Report	Feasibility Report on the Use of Proceeds Raised in the Public Issuance of A Share Convertible Corporate Bonds for the Year 2022 of Zijin Mining Group Co., Ltd.*
Projects to be Invested by the Proceeds Raised	the projects to be invested by the proceeds raised from the Public Issuance of A Share Convertible Corporate Bonds, i.e., acquisition of 30% interest in the Haiyu Gold Mine in Shandong, acquisition of the Shapinggou Molybdenum Mine in Anhui, acquisition of the Rosebel Gold Mine Project in Suriname and phase 1 underground mining construction project of the Aurora Gold Mine in Guyana
RMB	Renminbi
USD	United States dollar, the lawful currency of the United States of America
Ruiyin Mining	Shandong Ruiyin Mining Industry Development Company Limited
Ruihai Mining	Laizhou Ruihai Mining Co., Ltd.
Haiyu Gold Mine	the Haiyu Gold Mine in northern Sanshandao
Bowen Mining	Shandong Bowen Mining Co., Ltd.

Target of acquisition of 30% interest in the Haiyu Gold Mine in Shandong	the 30% equity interest in Ruiyin Mining held by Shandong Bowen Mining Co., Ltd.
Jinsha Molybdenum	Anhui Jinsha Molybdenum Co., Ltd.
Target of acquisition of the Shapinggou Molybdenum Mine in Anhui	the 84% equity interest in Jinsha Molybdenum held by Anhui Jinmu Geology and Mineral Resources Investment Co., Ltd.
RGM	Rosebel Gold Mines N.V., a company in Suriname
IAMGOLD, IMG	IAMGOLD Corporation (IAMGOLD), a listed company in Canada
Target of acquisition of the Rosebel Gold Mine Project	the 95% class A Shares and 100% class B Shares of Rosebel Gold Mines N.V. held by IAMGOLD Corporation
National Development and Reform Commission	The National Development and Reform Commission of the PRC
Ministry of Commerce	The Ministry of Commerce of the PRC
Resource	according to the JORC Code, resource is the material of economic interest in or on the Earth's crust which are sub-divided, in order of increasing geological confidence, into inferred, indicated and measured categories
Reserve	according to the JORC Code, reserve is the economically mineable part of a measured and/or indicated mineral resource (includes diluting materials and allowances for losses, which may occur when the material is mined or extracted)

I. GENERAL INFORMATION OF THE PROCEEDS TO BE RAISED

The total amount of proceeds proposed to be raised from the Issuance of A Share Convertible Corporate Bonds will not exceed RMB10 billion (RMB10 billion inclusive). Such amount is based on the total amount of proceeds originally proposed to be raised (i.e., not exceeding RMB13.3945 billion), and factors including deduction of new and potential financial investments made from six months before the date of the Board resolution in relation to the Issuance to the date of the Issuance are also taken into account. The net amount of the proceeds raised after deducting the issuance expenses is proposed to be used for the following projects:

Unit: RMB billion

Project name	Total investment amount	Original proposed amount of proceeds raised to be invested	Actual proposed amount of proceeds raised to be invested
Acquisition of 30% interest in the Haiyu Gold Mine in Shandong	3.9845	3.9845	3.9845
Acquisition of the Shapinggou Molybdenum Mine in Anhui	5.91	5.91	2.5155
Acquisition of the Rosebel Gold Mine Project in Suriname ^{Note}	2.559096	2.5	2.5
Phase 1 underground mining construction project of the Aurora Gold Mine in Guyana ^{Note}	1.9896403	1	1
Total	14.4432363	13.3945	10

Note: The total investment amount in “Acquisition of the Rosebel Gold Mine Project in Suriname” and “Phase 1 underground mining construction project of the Aurora Gold Mine in Guyana” is USD360 million and USD279.892 million, respectively, equivalent to RMB2.559096 billion and RMB1.9896403 billion, respectively, based on the RMB central parity rate (USD1:RMB7.1086) announced by the China Foreign Exchange Trade System on 18 October 2022.

After the proceeds raised in the Issuance of A Share Convertible Corporate Bonds are deposited in the account, the Company will invest the proceeds raised in the abovementioned projects in accordance with the actual need and priority of the projects. If the total investment amount of the projects exceeds the amount of proceeds raised used, the difference shall be self-financed by the Company. If the actual net amount of proceeds raised from the total proceeds raised under the Issuance after deducting the issuance expenses is less than the actual amount of funds required for the investment projects, the Company will make up the shortfall by self-financing.

Before the proceeds raised in the Issuance of A Share Convertible Corporate Bonds are deposited in the account, the Company will invest in the projects by self-financing first. After the proceeds raised are deposited in the account, the funds that have been invested in the projects shall be replaced according to relevant laws, regulations and procedures.

II. BACKGROUND AND OBJECTIVES OF THE PUBLIC ISSUANCE OF A SHARE CONVERTIBLE CORPORATE BONDS

(I) Background of the Public Issuance of A Share Convertible Corporate Bonds

Zijin Mining is a sizeable multinational mining group dedicated to exploration and development, engineering technology application and research of mineral resources including copper, gold, lead, zinc, other base metals and new energy minerals with high technology and efficiency. It is principally engaged in the exploration, mining, refining and processing of copper, gold, lead and zinc and new energy minerals, and sales of related products.

1. Business operation of the Company

The Company's operating results has maintained a continuous and rapid growth. In 2021, the Company realised an operating income of RMB225.102 billion, representing an increase of 31.25% compared with the same period last year; profit before tax was RMB24.794 billion, representing an increase of 128.60% compared with the same period last year; among which, net profit attributable to owners of the listed company was RMB15.673 billion, representing an increase of 140.80% compared with the same period last year.

As at the end of 2021, the total assets of the Company amounted to RMB208.595 billion, representing an increase of 14.42% compared with the same period last year. Resources/reserves as well as output of major mineral products continued to be at the top in the Chinese metal mining industry.

In terms of output, the Company produced 584,000 tonnes of mine-produced copper in 2021, representing an increase of 28.83% compared with the same period last year; mined-produced gold was 47.5 tonnes, representing an increase of 17.16% compared with the same period last year; mine-produced zinc (lead) was 434,000 tonnes, representing an increase of 14.86% compared with the same period last year; mine-produced silver was 309 tonnes, representing an increase of 3.38% compared with the same period last year; iron ore was 4.25 million tonnes, representing an increase of 9.82% compared with the same period last year.

In terms of resources, as at the end of 2021, the Company owned 62.77 million tonnes of copper, 2,373 tonnes of gold, 9.62 million tonnes of zinc and the newly added 7.63 million tonnes of lithium carbonate.

2. Main competitive advantages of the Company

The Company gradually formed several competitive advantages during the development process, including:

(1) Advantage in excellent corporate system and governance

The Company is one of the first Chinese mining companies that underwent mixed-ownership reform and completed the most successful corporate governance system reform. The Company operates under a separation of ownership and management, with high efficiency in decision-making and flexible operation mechanism. The Company's Party Committee, Board, Supervisory Committee and senior management are well-organised, with clear duties and responsibilities, high efficiency and coordination. With clear strategic goal and orientation, the Company operates in a consistent and firm manner. The Company's management team has a reasonable composition, in which the majority of the management personnel are industry experts who can view from a higher perspective and wider horizon. They have strong senses of responsibility and mission and are dedicated, professional and loyal when discharging their duties. The Company continues to deepen reforms and optimise the operation management and governance systems which are highly adaptable.

(2) Advantage in vast resources base

The Company is a large-scale mining company that controls the largest non-ferrous metallic mineral resources in China. As at the end of 2021, the resources of the Company consisted of 62.77 million tonnes of copper, 2,373 tonnes of gold, 9.62 million tonnes of zinc and 7.63 million tonnes of lithium carbonate, in which its copper reserves represent around 75% of the total reserves in China.

The Company possesses a batch of world-class, high-quality mineral resources around the world. For example, the Kamoá Copper Mine in the DR Congo, with 43.59 million tonnes of copper resources, is the world's fourth largest high-grade copper mine; the Qulong Copper Mine in Tibet is the largest porphyry copper deposit that has ever been discovered in China, with prospective reserves of over 20 million tonnes; the Čukaru Peki Copper (Gold) Mine in Serbia has about 16 million tonnes of copper resources; and the Buriticá Gold Mine in Colombia has about 320 tonnes of gold resources grading 6.93 grammes/tonne in average, which is much higher than the average grade of primary gold ores in the world; the Tres Quebradas Salar project in Argentina is one of the highest quality lithium salt lake resources in the world.

(3) Advantage in fast-growing production capacity

The Company operates around 30 key mining projects and a batch of world-class volume increment projects across the globe, which are primarily designed, constructed, operated and managed by itself. A highly efficient, highly profitable and low-cost “Zijin Model” is hereby created. There is an explosive growth momentum in the Company’s copper production capacity. The gold production capacity is continuously rising, the mine-produced zinc and mine-produced silver segments possess a leading advantage in the domestic market. The constructions of the new energy and new material projects have fully and substantively commenced, and the production capacity of battery-grade lithium carbonate is expected to form within a comparatively short time. The Company’s diversified product portfolio comprising existing products such as copper, gold, zinc, and lithium carbonate in the new energy segment offers effective protection against fluctuations of metal prices in different cycles and enhances the Company’s risk resistance capability and profitability.

(4) Advantage in the self-initiated whole-process engineering technologies

The Company pioneers and continuously deepens the application of the mining engineering management model of “five-stage life-of-mine project management procedure by in-house capabilities”, which follows ore treatment process and realises coordinated research on five procedures of geological prospecting, mining, processing, metallurgy and environmental protection as well as full process control, enabling maximisation of economic and social benefits. The Company possesses abundant practical experience and industry-leading technologies in geological prospecting, hydrometallurgy, comprehensive recovery and utilisation of low-grade refractory resources, large-scale engineering development and other aspects. The Company has founded the only State Key Laboratory of Comprehensive Utilisation of Low-grade Refractory Gold Ores in the domestic gold industry, and established institutions for system technology, engineering research, design and application, including a batch of design and construction entities with grade-A qualifications. These create a supporting system in which industry, academia and research integrate deeply with informatisation.

(5) Advantage in leading low-cost operation

The Company’s cost of obtaining mineral resources is generally low. On one hand, relying on industry-leading geological exploration technologies and capability, the Company steps up self-initiated exploration and prospecting globally and lays out geological prospecting breakthroughs at important metallogenic belts, as a result of which around 50% of the Company’s resources are obtained from self-initiated exploration. On the other hand, with systematic engineering, mining

economic concept and professional analysis and decision-making ability, the Company timely implements mergers and acquisitions of high-quality medium and large-scale mining assets, which has consolidated the Company's mineral resources advantages in a low-cost and high-efficiency way. Relying on the self-developed technologies in mining engineering for research, design, construction and development and the Company's own platform, the Company has continuously improved its mine development capacity, optimised the development plans of crucial construction projects, reduced investment costs, shortened construction cycles and realised favourable overall efficacy. The Company has formulated a development strategy of "one policy for one entity", effectively pushed for comprehensive utilisation of low-grade, refractory resources, which further increase its competitiveness in production and operational costs. Furthermore, the Company has relatively low financing costs and sufficient lines of credit.

(6) Advantage in professional team and corporate culture

The Company has a highly loyal and responsible team of professional management and technical personnel. From their years of practice, the Zijin spirit of "perseverance, entrepreneurship and innovation" has been developed, providing strong support to the Company's leaping development. The Company actively ushers in the principles of global operation and management, continuously promotes cross-cultural integration, upholds the value of "create wealth in harmony, balance development of the corporation, the employees and the society" and the common development concept of "mining for a better society", upholds green, high-quality and sustainable development as the guiding spirits and action standards for the enterprise.

(II) The purposes and implications of the Public Issuance of A Share Convertible Corporate Bonds

1. Help the Company grasp merger and acquisition opportunities of high-quality medium and large mining assets with great strategic significance

Over the past twenty years, Zijin Mining has allocated its resources globally and achieved remarkable results in mergers, acquisitions and development of resources. Among the leading global copper enterprises, Zijin Mining has the fastest growth rate and highest production increment. The growth of gold output of the Company is also obvious. The Company's asset scale continued to grow, and the level of profitability increased significantly. Major economic indicators of the Company ranked top among the industry in China and top ten in the world. The Company has become an important producer of gold, copper and zinc in the global context, and has built world-class copper mines such as the Kamo-a-Kakula Copper Mine in the DR Congo, the Čukaru Peki Copper and Gold Mine in Serbia and the Julong Copper Mine in Tibet.

The Issuance of A Share Convertible Corporate Bonds will help the Company grasp merger and acquisition opportunities of high-quality medium and large mining assets with great strategic significance. At the same time, it will further strengthen the Company's traditional advantages in geological exploration and continuously increase the reserves of important mineral resources, which is of great significance to the Company's strategic goal of catching up with the world's top metal mining companies.

Resource volume is the future potential and room for development of a mining enterprise. After the completion of the acquisition of the Shapinggou Molybdenum Mine in Anhui, the Company will own the largest molybdenum mine in Asia, and molybdenum will become an important product category of the Company. The molybdenum resources owned by the Company will increase by 1.96 million tonnes on equity basis. After the completion of the acquisition of 30% interest in the Haiyu Gold Mine in Shandong and the Rosebel Gold Mine Project in Suriname, the gold resources of the Company will increase by 169 tonnes and 191 tonnes on equity basis, respectively. The gold resources owned by the Company on equity basis is expected to reach approximately 2,800 tonnes. The competitiveness of the Company in the global gold mining industry will be further enhanced.

2. Help the Company expand the production scale of gold mines, give full play to the synergy effect and enhance the Company's core competitiveness

Through the Issuance, the Company will acquire the Rosebel Gold Mine in Suriname and develop the phase 1 underground mining construction project of the Aurora Gold Mine in Guyana. Since the Rosebel Gold Mine commenced production in 2004, its average annual gold output has exceeded 10 tonnes; after the phase 1 underground mining construction project of the Aurora Gold Mine in Guyana commences production, it is expected that the annual output of mine-produced gold will increase by 4.5 tonnes. The realised gold production capacity of the Company will be pulled up quickly. Meanwhile, with the rich technological and management experience the Company accumulated over the years, it is expected that the mining process of the Rosebel Gold Mine will be optimised, and the mining and stripping costs will be reduced, resulting in a further increase of efficiency.

Therefore, through the Issuance, the Company can make full use of its existing competitive advantages to further expand the Company's production scale of mine-produced gold, increase the Company's efficiency, enhance the Company's competitiveness and international industry status in the global gold mining industry.

3. Meet the capital demand and optimise financial structure

As at 30 September 2022, the debt-to-asset ratio of the Company (on consolidation basis) was 58.29%. The total investment amount of the Projects to be Invested by the Proceeds Raised is approximately RMB14.443 billion, and the amount of proceeds raised proposed to be used will not exceed RMB10 billion.

After the proceeds raised in the Issuance of A Share Convertible Corporate Bonds are deposited in the account, the Company will invest the proceeds raised in the abovementioned projects in accordance with the actual need and priority of the projects. After the Bondholders convert the A Share Convertible Corporate Bonds into A Shares, the Company's share capital will increase, the capital strength will be enriched, the business scale will be expanded, and the Company's financial structure will be improved.

III. BASIC INFORMATION OF THE PROJECTS TO BE INVESTED BY THE PROCEEDS RAISED

(I) Acquisition of 30% interest in the Haiyu Gold Mine in Shandong

1. Overview of the transaction

The target of acquisition of 30% interest in the Haiyu Gold Mine in Shandong is the 30% equity interest in Shandong Ruiyin Mining Industry Development Company Limited ("Ruiyin Mining") held by Shandong Bowen Mining Co., Ltd. ("Bowen Mining").

The Company proposed to acquire 30% equity interest in Ruiyin Mining held by Bowen Mining in cash. Ruiyin Mining holds 100% equity interest in Laizhou Ruihai Mining Co., Ltd. ("Ruihai Mining"). Ruihai Mining holds 100% interest in the Haiyu Gold Mine in northern Sanshandao, Laizhou City, Shandong Province (the "Haiyu Gold Mine"). Through the acquisition, the Company will have an additional 169 tonnes of gold resources (on equity basis).

After the completion of the acquisition, the Company holds 30% interest in the Haiyu Gold Mine via Zijin Mining Group South Investment Co., Ltd. ("South Investment"), a wholly-owned subsidiary of the Company. On 10 November 2022, the Company obtained 20% equity interest in Zhaojin Mining. As a result, the Company indirectly holds 14% interest in the Haiyu Gold Mine via its shareholding in Zhaojin Mining, and the total interest in the Haiyu Gold Mine held by the Company is 44%. The transaction does not constitute a material asset restructuring.

2. Basic information about the target company

Company name: Shandong Ruiyin Mining Industry Development Company Limited
 Unified social credit code: 91370685792602092K
 Legal representative: Wang Chunguang
 Registered capital: RMB1.4411696 billion
 Date of registration: 30 August 2006
 Registered address: No. 118 Wenquan Road, Zhaoyuan City, Shandong Province
 Business scope: Wholesale and retail of metal materials, iron ore and iron ore powder; research and development of mineral product technology.

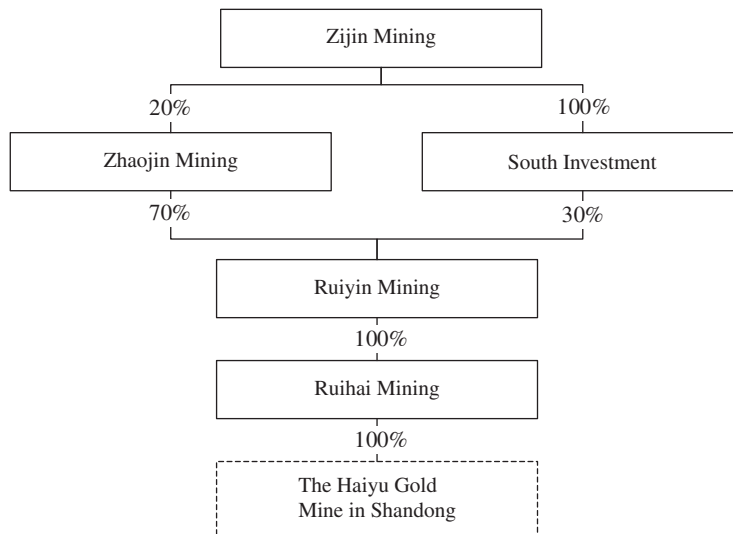
3. Shareholding structure of the target company

Prior to the transfer of equity interest, the shareholding structure of Ruiyin Mining was as follows:

Number	Shareholder	Shareholding proportion	Subscribed capital contribution (RMB million)
1	Zhaojin Mining Industry Company Limited (“Zhaojin Mining”)	63.86%	920.3309
2	Bowen Mining	36.14%	520.8387
Total		100.00%	1,441.1696

Through the transfer of equity interest, South Investment obtained the 30% equity interest in Ruiyin Mining held by Bowen Mining. Zhaojin Mining at the same time acquired the remaining 6.14% equity interest in Ruiyin Mining held by Bowen Mining.

As at the issuance date of this Report, the change in industrial and commercial registration related to the abovementioned equity transfer has been completed. In addition, the Company obtained 20% equity interest in Zhaojin Mining on 10 November 2022. After the completion of the transactions, the Company directly holds 30% interest in the Haiyu Gold Mine, and indirectly holds 14% interest in the Haiyu Gold Mine via its shareholding in Zhaojin Mining, and the total interest in the Haiyu Gold Mine held by the Company is 44%. The shareholding structure of Ruiyin Mining is as follows:



4. Subsidiary of the target company

Company name: Laizhou Ruihai Mining Co., Ltd.

Unified social credit code: 913706836944407550

Legal representative: Li Jianzhi

Registered capital: RMB1.8 billion

Date of registration: 14 September 2009

Registered address: No. 2203 Haigang Road, Sanshandao Subdistrict, Laizhou City, Yantai, Shandong Province

Business scope: Technological development and sales of metallic mineral products; geological exploration technological services; sales: stone materials.

5. Details of the main business of Ruiyin Mining

(1) Overview of the main business of Ruiyin Mining

Ruiyin Mining was established in August 2006. Its main asset is a mining right held through its wholly-owned subsidiary, Ruihai Mining, i.e., the Haiyu Gold Mine. The Haiyu Gold Mine is the largest gold mine discovered in China in recent years.

(2) Specific details of the Haiyu Gold Mine**① Information about the geographical location and infrastructure**

The Haiyu Gold Mine is located in northern Laizhou City, Shandong Province, 26 kilometres away from the town area. It is adjacent to the Sanshandao Gold Mine in the southwest and the Laizhou Port. The mining area is located in the Bohai Bay, with low and flat nearshore and seabed. It belongs to the coastal plain sedimentary landform. There are many large and medium-sized gold mines nearby, including Sanshandao, Cangshang, Sizhuang, Xincheng and Jiaojia, and the surrounding infrastructure is well-established. Water and land transportation can be conveniently accessed and the power supply is sufficient.

② Specific information about mining right permit of the Haiyu Gold Mine

In July 2021, Ruihai Mining obtained the mining right permit for the Haiyu Gold Mine, which was approved and issued by the Department of Natural Resources of Shandong Province. The production scale is 3.96 million tonnes per year. The mining right covers an area of 5.828 square kilometres and underground mining method will be adopted. The mining depth is from -60 metres to -1,956 metres. The mining right is valid from 21 July 2021 to 21 July 2036.

③ Information about the resources of the Haiyu Gold Mine

According to the Exploration Report of the Haiyu Gold Mine Area in Northern Sanshandao, Laizhou City, Shandong Province filed with the Ministry of Land and Resources on 20 April 2016, the identified gold resources of the Haiyu Gold Mine were 459.43 tonnes grading 4.23 grammes/tonne in average. In addition, there were 5.61 tonnes of low-grade gold resources grading 1.60 grammes/tonne in average.

In 2018, Ruihai Mining carried out a supplementary exploration in the mining area, and the reserves enhanced significantly. According to Zhaojin Mining's 2021 annual report, under the JORC Code, the accumulated measured (retained) ore resources of the Haiyu Gold Mine were 134 million tonnes, and the gold resources were 562 tonnes. Among which, the proportion of resources at measured + indicated level accounted for 44%. The average gold grade was 4.20 grammes/tonne.

The Haiyu Gold Mine is the largest standalone gold mine in China. The orebody is thick and of high grade. There are many extra-large and large to medium-sized gold deposits nearby. The mining area has superior metallogenic conditions. The deep part of the main orebody within the exploration range has not been closed. There are certain potentials for future exploration.

(3) Approvals involved in project development

The project approval, environmental impact assessment, energy saving and safety facility design have been reviewed or approved. Details are as follows:

On 27 October 2020, the Shandong Development and Reform Commission issued the Reply on the Approval of the Haiyu Gold Mine Project in Northern Sanshandao of Laizhou Ruihai Mining Co., Ltd., which agreed on the construction of the Haiyu Gold Mine mining and processing development project in northern Sanshandao;

On 21 December 2020, the Department of Water Resources of Shandong Province issued the Decision on the Approval of the Water and Soil Conservation Plan of the Haiyu Gold Mine Project in Northern Sanshandao of Laizhou Ruihai Mining Co., Ltd. (Lu Shui Xu Ke Zi [2020] No. 228), which granted administrative permission to the water and soil conservation plan;

On 31 March 2021, the Yantai Ecology and Environmental Protection Bureau Laizhou Branch issued the Reply on the Environmental Impact Assessment Report of the Haiyu Gold Mine Project in Northern Sanshandao of Laizhou Ruihai Mining Co., Ltd. (Lai Huan Shen [2021] No. 28), which approved the construction plan of the project;

On 25 May 2022, the Development and Reform Commission issued the Opinion on the Review of Energy Conservation Report of the Haiyu Gold Mine Project in Northern Sanshandao of Laizhou Ruihai Mining Co., Ltd. (Lu Fa Gai Xiang Shen [2022] No. 312), which approved the relevant energy saving report;

On 16 August 2022, the National Mine Safety Administration issued the Opinion on the Review of Safety Facilities of the Mining and Processing Project of the Haiyu Gold Mine in Northern Sanshandao of Laizhou Ruihai Mining Co., Ltd. (Mine Safety Non-coal Project Shen Zi [2022] No. 29), which agreed to approve the design on safety facilities of the Haiyu Gold Mine.

(4) Major financial data

The major consolidated financial data of Ruiyin Mining for the year 2021 and from January to September 2022 is as follows:

Item	As at 30 September 2022/ From January to September 2022	As at 31 December 2021/ Year 2021
Total assets (RMB billion)	4.2912506	4.1474168
Net assets (RMB billion)	0.6675695	-0.3205533
Operating income (RMB billion)	–	–
Net loss (RMB billion)	-0.0272274	-0.0501676

Note: The above financial data was audited by Ernst & Young Hua Ming LLP. Ernst & Young Hua Ming LLP issued an auditor's report (Ernst & Young Hua Min (2022) Shen Zi No. 61864538_B01) with an unqualified opinion for such matter.

The major asset of Ruiyin Mining is the Haiyu Gold Mine, which is currently under construction, and no income has been generated yet. The major assets of Ruiyin Mining are intangible assets (mainly mining right), construction in progress and other non-current assets formed by exploration expenditure for the gold mine. Its major liabilities are loans from Zhaojin Mining and royalty payables for mining right which shall be paid in installments.

6. The pricing basis for the acquisition

The Company has conducted due diligence on Ruiyin Mining in terms of technology, financial status, legal compliance, etc. The consideration of the transaction, i.e., RMB3.9845 billion, is based on the Company's due diligence and several prudent assessments on the asset value of Ruiyin Mining, and arrived at through fair negotiation and under normal commercial terms.

7. Feasibility of the project

The Haiyu Gold Mine, which is the major asset of Ruiyin Mining, is the largest standalone gold mine in China. It has rich retained gold resources, amounted to 562 tonnes grading 4.20 grammes/tonne in average. After the acquisition, the gold resources of the Company will increase by 169 tonnes on equity basis. The acquisition will help increase the Company's resources and output of mine-produced gold, which can enhance the Company's profitability.

According to the proposal of the Preliminary Design of the Mining and Processing Project of the Haiyu Gold Mine in Northern Sanshandao of Laizhou Ruihai Mining Co., Ltd., the total investment of the project construction would be approximately RMB6 billion. Up to now, approximately RMB1.4 billion has been invested. The project is expected to complete construction and commence production in 2025. After the project reaches its designated production capacity, the average annual total unit ore mining and processing cost will be RMB340 per tonne. Significant economic benefits are expected. The mining of the high-grade orebody (about 6 grammes/tonne) in the early stage will provide better profits. After the project reaches its designated production capacity, the annual gold output is expected to be approximately 15-20 tonnes, with a service life of 23 years.

In conclusion, the project has a relatively good feasibility.

8. Project implementation entity

The project implementation entity is Zijin Mining Group South Investment Co., Ltd. The Company intends to inject the proceeds raised into the project implementation entity in the form of capital increase or loan to complete the acquisition.

9. Main contents of the acquisition agreement

Zijin Mining Group Co., Ltd.* (Party A) and Shandong Bowen Mining Co., Ltd. (Party B) entered into an equity interest transfer agreement on 11 October 2022. The main contents are as follows:

(1) Target equity interest

Party A shall acquire 30% of the equity interest and all the rights and interests thereunder of the target company legally held by Party B. South Investment, a wholly-owned subsidiary of Party A, is designated as the subject of acquiring the target equity interest.

(2) The consideration for the transfer of the target equity interest and the payment method

- ① The consideration for the transfer of the target equity interest to be paid by Party A is RMB3.9845 billion. Party A shall pay all of the said consideration to the account designated by Party B in cash.
- ② Payment method
 - i. Within three working days from the signing date of the agreement, Party B shall pledge its 30% equity interest in Ruiyin Mining to South Investment. Party A shall pay Party B a deposit for the transaction.

- ii. The consideration of the transaction shall be settled in four installments:

The first installment: Party B shall change the registration of 30% equity interest in Ruiyin Mining held by Party B as stipulated in the agreement to South Investment before 27 October 2022. Party A shall cooperatively release the pledge of the 30% equity interest. Within one working day from the date the registration of the aforementioned 30% equity interest is changed to South Investment, Party A shall pay Party B the first installment of RMB1 billion for the transfer of equity interest. Party B shall return the deposit simultaneously.

The second installment: After both parties confirm that the first installment has been paid and the return of deposit has been completed, Party A shall pay Party B the second installment of RMB2.5045 billion for the transfer of equity interest.

The third installment: Within 45 days from the date after Party B has changed the registration of all the 30% equity interest in the target company to South Investment, Party A shall pay Party B the third installment for the transfer of equity interest, i.e., RMB380 million.

The fourth installment: Within 45 days from the date after Party B has changed the registration of all the 30% equity interest in the target company to South Investment, Party A shall deposit the remaining consideration of RMB100 million for the equity interest transfer into a bank account jointly managed by both parties. This special fund shall be used to settle the remaining exploration cooperation compensation of RMB100 million to be paid for the development of the Haiyu Gold Mine project in northern Sanshandao incurred by an affiliated company of Party B.

(3) Taxes and fees

- ① All parties shall pay the taxes and fees involved in the transfer of equity interest in a timely manner in accordance with the relevant laws and regulations.
- ② All parties shall bear the expenses incurred in the negotiation, preparation and completion of the transaction on their own.

(4) Handover

- ① Within 30 days from the date of completing the change of registration of the equity interest, Party B shall coordinate with the target company and the controlling shareholder of the target company to hand over positions to Party A. These positions include but not limited to the directors, supervisors and senior management appointed by Party B to the target company and its subsidiaries.
- ② Within 30 days from the date of completing the change of registration of the equity interest, Party B shall coordinate with the financial controllers of the target company and its subsidiaries to complete the handover of work in respect of finance and the handover of financial information to the personnel appointed by Party A.

(5) Representations, warranties and undertakings

- ① Party A undertakes that it shall pay the consideration of the equity interest transfer to the bank account designated by Party B on time and in full in accordance with the stipulations of the agreement.
- ② Party B undertakes that it has obtained the written consent of the other shareholder of the target company to waive its respective right of first refusal for the target equity interest to be transferred to Party A.

(6) The agreement shall take effect after the legal representative or authorised representative of each party sign and affix the official seal on the agreement.**(7) Others**

The agreement also stipulates the terms of commitment and arrangement during the transition period, and the confidentiality, notification and delivery, application of law and dispute resolution, liability for breach of contract and termination of the agreement.

10. Progress of the transaction and the filing and approval status

On 11 October 2022, upon consideration and approval at the fourteenth extraordinary meeting in 2022 of the seventh term of the Board of the Company, the Company had entered into an equity interest transfer agreement with Bowen Mining. No further decision-making or approval procedures are required.

On 26 October 2022, the registration of the transfer of the 30% equity interest in Ruiyin Mining to South Investment was completed.

(II) Acquisition of the Shapinggou Molybdenum Mine in Anhui**1. Overview of the transaction**

The target of acquisition of the Shapinggou Molybdenum Mine in Anhui is the 84% equity interest in Anhui Jinsha Molybdenum Co., Ltd. (“Jinsha Molybdenum”) held by Anhui Jinmu Geology and Mineral Resources Investment Co., Ltd. (“Jinmu Geology and Mineral Resources”).

The Company acquired 84% equity interest in Jinsha Molybdenum held by Jinmu Geology and Mineral Resources through public tender on the platform of the Anhui Assets and Equity Exchange. The transaction does not constitute a material asset restructuring. Jinsha Molybdenum holds the exploration right of the Shapinggou Molybdenum and Polymetallic Mine in Jinzhai County, Anhui Province (the “Shapinggou Molybdenum Mine Exploration Right” or “Exploration Right”). At present, the procedure of converting the Exploration Right to a mining right is in progress.

After the completion of acquisition, the Company will hold 84% interest in the Shapinggou Molybdenum Mine in Anhui. The molybdenum metal resources owned by the Company will increase by 1.96 million tonnes on equity basis.

2. Basic information about the target company

Company name: Anhui Jinsha Molybdenum Co., Ltd.

Unified social credit code: 91341524584586753M

Legal representative: Zhan Shuangqing

Registered capital: RMB200 million

Date of registration: 28 October 2011

Registered address: Xincheng District, Meishan Town, Jinzhai County, Liuan City,
Anhui Province (within the County Development and Reform
Commission)

Business period: From 28 October 2011 and no fixed term

Business scope: Under preparation (exploration, mining, milling, processing and
sales of molybdenum ore)

3. Shareholding structure of the target company

The shareholding structure of Jinsha Molybdenum is as follows:

Number	Shareholder	Shareholding proportion	Subscribed capital contribution (RMB million)
1	Anhui Jinmu Geology and Mineral Resources Investment Co., Ltd.	84.00%	168
2	Jinduicheng Molybdenum Co., Ltd.	10.00%	20
3	Jinzhai Urban Development Investment Co., Ltd.	6.00%	12
Total		100.00%	200

4. Details of the main business of Jinsha Molybdenum

(1) Overview of the main business of Jinsha Molybdenum

Jinsha Molybdenum holds the Shapinggou Molybdenum Mine Exploration Right in Jinzhai County, Anhui Province. At present, the procedure of converting the Exploration Right to a mining right is in progress. The Shapinggou Molybdenum Mine is a world-class, super-large porphyry molybdenum and polymetallic deposit yet to be developed. It is currently the largest molybdenum deposit in Asia.

(2) Information about the natural and geographical environment and infrastructure

The Shapinggou Molybdenum Mine is located in Guanmiao Township, Jinzhai County, Anhui Province, about 50 kilometres from the county seat of Jinzhai County. High-speed railways and expressways pass through the southern part of the mining area. There are also roads connecting the mining area with highways of the county and township. The transportation is convenient. The mining area is located in the hinterland of Dabie Mountain, which has sufficient water resources. Power grid covers the mining area, and the ancillary facilities are well-developed.

(3) Information about the Exploration Right of Jinsha Molybdenum

Jinsha Molybdenum holds the Shapinggou Molybdenum Mine Exploration Right, which covers an exploration area of 2.93 square kilometres. The Exploration Right is valid until 22 December 2022. At present, the procedure of converting the Exploration Right to a mining right is in progress. The application thereof has been reviewed by the natural resources management authority of Anhui Province, and is pending final approval from the Ministry of Natural Resources of the PRC.

According to the Geological Report for the Exploration of the Shapinggou Molybdenum Mine in Jinzhai County, Anhui Province filed to the Department of Land and Resources of Anhui Province in 2013, the estimated reserves of resources within the area of the Shapinggou Molybdenum Mine Exploration Right were 1.63 billion tonnes of ores, containing 2.3378 million tonnes of molybdenum metal grading 0.143% in average.

(4) Major financial data

The major financial data of Jinsha Molybdenum for the year 2021 and from January to September 2022 is as follows:

Unit: RMB million

Financial data	As at 30 September 2022/ From January to September 2022	As at 31 December 2021/ Year 2021
Total assets	278.4231	279.2737
Net assets	276.6249	277.4226
Operating income	–	–
Net profit	-0.7977	-1.3185

Note: The above financial data was audited by Grant Thornton Certified Public Accountants LLP. Grant Thornton Certified Public Accountants LLP issued audit report of Anhui Jinsha Molybdenum Co., Ltd. for the year 2021 and the period from January to September 2022 (Grant Thornton Shen Zi (2022) No. 351C025515).

At present, Jinsha Molybdenum is still under the process of converting the Exploration Right to a mining right, and the construction has not yet commenced. Its main assets are exploration right and the relevant exploration expenditure.

5. The pricing basis for the acquisition

After the tender procedure of the Anhui Assets and Equity Exchange platform, the final consideration for the acquisition of 84% equity interest in Jinsha Molybdenum was determined to be RMB5.91 billion.

6. Feasibility of the project

The main asset of Jinsha Molybdenum is the Shapinggou Molybdenum Mine in Anhui. It has rich retained molybdenum metal resources, which is amounted to 2.34 million tonnes grading 0.143% in average. After the acquisition, the molybdenum metal resources owned by the Company will increase by 1.96 million tonnes on equity basis. The acquisition will help increase the Company's resources and output of mine-produced molybdenum, which can enhance the Company's profitability.

According to the Development and Utilisation Plan of the Mineral Resources of the Shapinggou Molybdenum Mine of Anhui Jinsha Molybdenum Co., Ltd., the designed ore mining and processing capacity of the Shapinggou Molybdenum Mine in Anhui is 10 million tonnes per year. The construction period of the project is 4.5 years, and the total investment is estimated to be RMB7.2 billion. Among which, the construction investment is RMB6.4 billion. After the completion of construction and reaching the designated production capacity, the average annual output will be molybdenum concentrate containing 27,200 tonnes of molybdenum. Based on the product sales price of molybdenum concentrate of RMB150,000/tonne (tax included), the average annual profit before tax is RMB1 billion, the investment internal rate of return of the project is 12.48%, and the investment payback period is 10.4 years (including construction period of 4.5 years).

In conclusion, the project has a relatively good feasibility.

7. Project implementation entity

The project implementation entity is Zijin Mining.

8. Main contents of the acquisition agreement

Anhui Jinmu Geology and Mineral Resources Investment Co., Ltd. (the “Transferor”) and Zijin Mining Group Co., Ltd.* (the “Transferee”) entered into a property interest transfer agreement on 21 October 2022. Main contents of the agreement are as follows:

(I) The target company and the consideration

The Company shall acquire 84% equity interest in Jinsha Molybdenum held by Jinmu Geology and Mineral Resources at a consideration of RMB5.91 billion. The payment shall be made in cash. As it is uncertain that whether it is required to pay the transfer fee of mining right for the Shapinggou Molybdenum Mine, both parties to the agreement agreed that: if it is required to pay the transfer fee of mining right, the amount shall be borne by the Transferor.

(II) Payment of the consideration

The Company shall make a prepayment of RMB2 billion (including a deposit for the transaction of RMB600 million) within five working days from the signing date of the agreement. The Transferor agreed to pledge the 84% equity interest in the target company it held as a pledged security for the prepayment. Both parties shall enter into a pledge agreement. After the property interest transfer agreement becomes effective, the prepayment shall become part of the payment of the consideration. Within five working days from the effective date of the agreement, the Company shall settle the remaining balance of the consideration in a lump sum. The pledged security shall be released within three working days.

(III) Representations and warranties

The Transferor undertakes that other shareholders of the target company have expressed their consents on the transfer of the equity interest and waived their right of first refusal.

(IV) Taxes and fees for the property transfer

Taxes incurred for the property transfer shall be paid by Party A and Party B to the transaction pursuant to the relevant regulations of the state.

(V) Execution of the agreement

The agreement shall become established after signing and affixing the official seal of Party A and Party B to the transaction, and become effective on the date the application for the mining right permit of the Shapinggou Molybdenum Mine is successful, and the agreement shall be filed to the Anhui Assets and Equity Exchange at the same time.

(VI) Other terms

The agreement also stipulates the terms of representations and warranties, creditors' rights, assumption of liabilities, transfer of the property right, arrangements for the transition period, notification and delivery, modification and termination of the agreement, liabilities for breach of contract, dispute resolution, etc.

9. Progress of the transaction and the filing and approval status

On 21 October 2022, upon consideration and approval at the thirteenth meeting of the seventh term of the Board of the Company, the Company entered into an acquisition agreement with Anhui Jinmu Geology and Mineral Resources Investment Co., Ltd.

(III) Acquisition of the Rosebel Gold Mine Project in Suriname**1. Overview of the transaction**

The target of acquisition of the Rosebel Gold Mine Project in Suriname is the 95% class A shares and 100% class B shares of Rosebel Gold Mines N.V. ("RGM") held by IAMGOLD Corporation ("IMG"). At the same time, pursuant to the agreement, IMG is entitled to the outstanding principal and accumulated interest payables ("IMG Debt") owed by RGM as at the date of completion of the transaction.

On 18 October 2022, the Company entered into a share purchase agreement with IMG. The Company proposed to invest USD360 million (based on the RMB central parity rate (USD1:RMB7.1086) announced by the China Foreign Exchange Trade System on 18 October 2022, approximately equivalent to RMB2.559096 billion) to acquire 95% class A shares and 100% class B shares of RGM held by IMG, and IMG is entitled to the right of IMG Debt owed by RGM. The transaction does not constitute a material asset restructuring. The core asset of RGM is the Rosebel Gold Mine Project in Suriname, South America. The project includes the Rosebel mine and the Saramacca mine.

Upon the completion of this acquisition, the Company will hold 95% of the issued and outstanding class A shares and 100% of the issued and outstanding class B shares of RGM. The gold resources owned by the Company will increase by approximately 191 tonnes on equity basis.

2. Basic information about the target company

RGM was incorporated on 8 May 2002 with its place of registration in the Republic of Suriname. It is mainly engaged in the exploration, mining, processing and sales of gold and other minerals.

3. Shareholding structure of the target company

RGM has issued class A shares and class B shares. IMG owned 950 class A shares and 7,999,000 class B shares in the capital of RGM, representing 95% of the issued and outstanding class A shares and 100% of the issued and outstanding class B shares. The Suriname government owns the remaining 5% of the class A shares of RGM.

4. Information on the target company's subsidiaries

RGM holds 100% interest in the Rosebel mine.

RGM has established an unincorporated joint venture structure ("UJV") with Staatsolie Maatschappij Suriname N.V., a wholly-owned subsidiary of the Suriname government. UJV holds a concession in the Saramacca mine. RGM, through UJV, has a 70% participation interest in the Saramacca mine and the Suriname government, through UJV, has the remaining 30% interest in the Saramacca mine.

5. Details of the main business of RGM

(1) Overview of the main business of RGM

The core assets of RGM are the Rosebel Gold Mine and Saramacca Gold Mine in northern Suriname. As at 31 December 2021, the measured, indicated and inferred resources of RGM amounted to 196 million tonnes of ore, with about 217 tonnes metal at an average grade of 1.11 g/t Au.

(2) Information about the mining rights

RGM owns 2 exploitation permits and 9 exploration permits.

① Exploitation permits

i. Exploitation permit of the Rosebel mining area

RGM was granted a right of exploitation (ROE) for the Rosebel concession in 2002. The valid period is 25 years, covering an area of 170 square kilometres. The ROE for the Rosebel concession will expire in December 2027. According to the Mineral Agreement, the ROE for the Rosebel concession shall be extended for a period of 15 years from its current expiration date.

ii. Exploitation permit of the Saramacca mining area

RGM obtained the ROE in Saramacca concession in May 2019, covering an area of 49.75 square kilometres. It is valid until May 2044.

② **Exploration permits**

RGM owns nine exploration permits, covering a total area of 788.49 square kilometres. Among which, 7 rights of exploration have expired in August 2020. The target company has filed an extension application. According to Suriname's mining regulations, these exploration permits held by the target company remain valid until the mining authority comes up with an extension decision.

(3) **Key financial data**

The key financial data of RGM for the most recent year and period is as follows:

Unit: RMB billion

Financial data	As at 30 September 2022/ From January to September 2022	As at 31 December 2021/ Year 2021
Total assets	4.6296772	4.5082495
Net assets	2.1738659	2.1604759
Revenue	1.8665760	1.7880649
Net profit	-0.2158709	-0.9119071

Note: The above financial data was audited by KPMG Huazhen LLP. KPMG Huazhen LLP issued an auditor's report (KPMG Huazhen Shen Zi No. 2208059) on the financial statements of Rosebel Gold Mines N.V. for the year 2021 and the nine months ended 30 September 2022.

RGM is a mining enterprise that has been in operation for many years. Its major assets are fixed assets, inventories, right-to-use assets formed from leasing of production equipment and mining rights; its major liabilities are provisions for environmental rehabilitation and restoration of mines, trade payables and loan from shareholders.

The main reason for RGM's losses for the most recent year and period was provision for impairment losses on assets. As at the end of 2021, due to failure to meet the expected earnings, RGM conducted impairment tests on the asset groups based on the future operation and recognised an impairment loss on assets of RMB910 million; As at the end of September 2022, RGM determined the recoverable amount based on the amount of consideration of the transaction under the share purchase agreement between Zijin Mining and IMG as the fair value of the asset groups. An impairment loss on assets of RMB479 million was provided.

6. The pricing basis for the acquisition

The Company has conducted due diligence on RGM in terms of technologies, financial status, legal compliance, etc. The final consideration of the transaction, i.e., USD360 million, is based on the Company's due diligence and several prudent assessments on the asset value of RGM, and arrived at through fair negotiation and under normal commercial terms.

7. Feasibility of the project

The core assets of RGM are the Rosebel Gold Mine and the Saramacca Gold Mine. It has rich retained gold metal resources. The acquisition will add 191 tonnes of gold metal resources to the Company's portfolio. The acquisition will help increase the Company's resources and output of mine-produced gold, which can enhance the Company's profitability.

According to the life of mine plan published by IMG in February 2022, the operational mine life of the Rosebel Gold Mine is 12 years (2022 to 2033), and the average output is 277,000 ounces (about 8.6 tonnes) of gold per year, with a total forecast production of 3.327 million ounces of gold (about 103.5 tonnes). Among which, between 2024 and 2032, the average production of gold will be 312,000 ounces per year (about 9.7 tonnes).

In conclusion, the project has a relatively good feasibility.

8. Project implementation entity

The project implementation entity is Silver Source Group Limited, a wholly-owned subsidiary of the Company. The Company intends to inject the proceeds raised into the project implementation entity in the form of capital increase or loan to complete the acquisition.

9. Main contents of the acquisition agreement

- (1) IMG (the “Vendor”), Silver Source Group Limited (the “Purchaser”) and Zijin Mining Group Co., Ltd.* (the “Purchaser Parent”) entered into a share purchase agreement on 18 October 2022.

① Purchase and sales of the shares

In accordance with the terms and conditions stipulated in the agreement, the Vendor agrees to sell, and the Purchaser agrees to purchase:

- 1) 950 class A shares and 7,999,000 class B shares in the capital of Rosebel Gold Mines N.V. (the “target company”) which are legally and beneficially held by the Vendor, representing collectively, 95% of the issued and outstanding class A shares and 100% of the issued and outstanding class B shares of the Target Company (the “Purchased Shares”);
- 2) The Vendor’s right title and interest in and to the mineral agreement (the “Related Interests”); and
- 3) All outstanding principal and accrued but unpaid interest of the intercorporate loan agreement as at the closing date (the “IMG Debt”) which the Target Company owes to the Vendor.

② Purchase price

The base purchase price (the “Base Purchase Price”) for the purchase of the Purchased Shares, the Related Interests and the IMG Debt is USD360,000,000. At the closing, the Purchaser shall pay the USD360,000,000 Base Purchase Price to an account designated by the Vendor, subject to cash balances and working capital adjustments, according to the mechanism agreed in the agreement. After the closing, both parties shall calculate the net closing cash and closing working capital adjustment amount according to the procedures and mechanisms agreed in the agreement, and adjust the total aggregate purchase price.

③ Conditions precedent

Major conditions precedent to the closing include:

- 1) Key regulatory approvals shall have been obtained, including the approvals, filings or registrations from the National Development and Reform Commission, Ministry of Commerce and State Administration of Foreign Exchange of the PRC, the consent from the Suriname government, etc.;
- 2) Receipt of closing documentation from both parties, including documents for discharging all encumbrances against the Purchased Shares and assets of the target company, consents from the counterparties under the financing contract and commercial contracts, resolutions of the board of directors of the target company approving the entering into the transaction, assignment and assumption agreement with respect to the IMG Debt, etc.;
- 3) There is no order or law or proceedings that could prevent or restrict the closing of the transaction; and
- 4) There is no material adverse effect.

The outside date is three months from the signing date of the agreement. If the key regulatory approvals are not obtained within the abovementioned three months, any of the parties shall have the right to postpone the outside date for up to an additional 60 days.

Besides, the agreement also stipulates terms such as representations and warranties, indemnification, termination, covenants for the transition period, governing laws, arbitration etc.

- (2) There are unresolved litigations relating to logging activities in the mining area of RGM. Such matters did not affect the normal production and operation of the target company. In order to protect the interests of both parties to the transaction and facilitate the smooth implementation of the transaction, the Vendor, the Purchaser and the Purchaser Parent entered into a supplementary agreement on 31 January 2023, which set out the terms of waiver and protective measures for the relevant litigation matters:

- ① The supplementary agreement waived the conditions precedent of “there are no litigations or proceedings which restrict or prevent the completion of the transaction” in the original share purchase agreement.

- ② The parties to the transaction reached the following protection measures for the Purchaser and the Purchaser Parent at the same time:
- A. The Vendor shall deposit two guarantees of approximately USD1,862,000 in total into a third party institution. The amount is designated for the compensations relating to the losses incurred as a result of the abovementioned litigations. The Vendor shall bear unlimited responsibilities for the extra amount;
 - B. The Vendor shall fully compensate the loss of the Purchaser and the Purchaser Parent incurred as a result of the abovementioned litigations;
 - C. The parties to the transaction shall cooperate to implement subsequent counter-measures for the abovementioned litigations.

10. Progress of the transaction and the filing and approval status

Necessary approval procedures for the project have been completed. There is no outstanding procedure to be carried out. The completed approval procedures are as follows:

On 18 October 2022, the Company entered into a share purchase agreement with IMG after the consideration and approval at the fifteenth extraordinary meeting in 2022 of the seventh term of the Board of the Company.

On 20 November 2022, the Department of Commerce of Fujian Province issued Enterprise Overseas Investment Certificate (Enterprise Overseas Investment Certificate No. N3500202200107).

On 16 December 2022, the Office of the National Development and Reform Commission issued Notice on Filing of Overseas Project (Fa Gai Ban Wai Zi Wei [2022] No. 1086).

On 26 January 2023, the Issuer obtained a letter of consent from the Suriname government.

On 29 January 2023, the Issuer obtained a certificate of registration of the business of external capital contribution obligation by ODI Chinese shareholder (business number: 353508233201304128572).

On 1 February 2023, the transfer of the equity interest in the target company was completed.

(IV) Phase 1 underground mining construction project of the Aurora Gold Mine in Guyana**1. Basic information about the project**

The Aurora Gold Mine is situated at approximately 170 kilometres west of Georgetown, the capital of Guyana. Open pit mining is being conducted in the Aurora Gold Mine at present. In order to extend the service life and ensure the sustainable development of the mine, the Aurora Gold Mine proposed to invest in the underground mining construction project of the Aurora Gold Mine in Guyana. Underground mining will be implemented in three phases. This project is the phase 1 underground mining project, mining will be conducted at the main deposit + the satellite deposits above -800m. During the joint open-pit mining + underground mining period, the underground mining scale will be approximately 300 thousand tonnes/year. After the end of the opening-pit mining, the underground mining scale will be expanded to 1.98 million tonnes/year. The service life of phase 1 underground mining of the Aurora Gold Mine will be approximately 12 years.

2. Background of the project construction

The Aurora Gold Mine was originally the major asset of the Guyana Goldfields Inc., a company then listed on the Toronto Stock Exchange. In August 2020, the Company acquired 100% equity interest in Guyana Goldfields Inc. in cash. After completion, Guyana Goldfields Inc. was delisted from the Toronto Stock Exchange. Joint open-pit mining + underground mining shall be adopted for the overall Aurora Gold Mine. Open-pit mining + underground mining at the smaller satellite deposits will be carried out first. The mining scale will be 2.50 million tonnes/year. After the end of the open-pit mining, the mine will turn into underground mining. The open-pit mining scale will be 2.20 million tonnes/year with a life of mine of 6 years. Underground mining will be implemented in three phases. During phase 1, mining will be conducted at the main deposit + the satellite deposits above -800m. During the joint open-pit mining + underground mining period, the underground mining scale will be approximately 300 thousand tonnes/year. After the end of the opening-pit mining, the underground mining scale will be expanded to 1.98 million tonnes/year. The service life of mine of phase 1 underground mining will be approximately 12 years. Open-pit mining is being conducted in the Aurora Gold Mine at present. The Company proposed to carry out underground mining in the Aurora Gold Mine by investing in this project.

3. Feasibility of the project

According to the feasibility report, based on the cut-off grade of underground mining of gold at 1.4 grammes/tonne, the retained resources outside the open-pit mining boundary are 54.41Mt grading 2.89 grammes/tonne in average, the volume of gold metal is 157 tonnes. Among which, the volume of ore over indicated grade is 29.82Mt grading 3.28 grammes/tonne Au in average, the volume of gold metal is 98 tonnes, accounting for 54.8% of the total volume of ore. According to estimation, the after-tax financial internal rate of return of the project is 16.94%, and the investment payback period of the project is 8.36 years (including the construction period). Relatively high economic benefit is expected.

4. Project implementation entity and implementation method

The project implementation entity is AGM Inc., a subsidiary of the Company, 100% equity interest of which is held by the Company. The Company intends to inject the proceeds raised into the project implementation entity in the form of capital increase or loan to implement the project.

5. Investment scale of the project

The total investment amount of the project is estimated to be USD279.8920 million, including construction fees of USD130.0570 million, acquisitions of equipment and tools of USD53.2120 million, installation fees of USD11.8850 million, other expenses of USD47.0570 million and preparation fees of USD37.6810 million.

6. Project construction schedule

According to the content of the construction project, the construction period of the project is 56 months.

7. Project investment return

According to the feasibility report, assuming that the benchmark price of gold is USD1,450 per ounce, phase 1 underground mining construction project of the Aurora Gold Mine is expected to achieve an average annual operating income of USD240.895 million, an average annual profit before tax of USD108.907 million, and an average annual net profit of USD82.739 million. The project discount rate is 10%, the after-tax financial internal rate of return is 16.94%, and the investment payback period of the project is 8.36 years (including the construction period), which has a relatively good economic feasibility.

8. Project approvals and environmental protection

On 10 May 2022, the Fujian Development and Reform Commission issued the Notice on Filing of Overseas Investment Project (Min Fa Gai Ban Wai Jing Bei [2022] No. 27), which agreed the filing of the Company's investment in the phase 1 underground mining construction project of the Aurora Gold Mine in Guyana.

On 20 April 2022, the Department of Commerce of Fujian Province issued the Enterprise Overseas Investment Certificate (Enterprise Overseas Investment Certificate No. N3500202200034).

The Company has obtained the business registration certificate issued by the State Administration of Foreign Exchange Shanghang County Subbranch (business number: 35350823201304128572), and completed the foreign exchange management registration.

On 14 July 2021, the Ministry of Environmental Protection of Guyana issued the environmental permit (No. 20090114-GGIOO(B)), which agreed AGM Inc. to conduct underground mining at the Aurora Gold Mine.

IV. IMPACT OF THE USE OF THE PROCEEDS RAISED ON THE OPERATION, MANAGEMENT AND FINANCIAL STATUS

(I) Impact on the operation and management of the Company

The Company's main business is mineral resource prospecting and development. The proceeds raised from the Public Issuance shall be fully invested in the Company's main business, which is in line with the comprehensive strategic development and direction of the Company in the future. After the completion of the implementation of the projects to be invested by the proceeds raised, the profitability of the Company's main business can be enhanced, and the capabilities in risk resistance and sustainable development can be effectively improved.

(II) Impact on the financial status of the Company

The Public Issuance can help the Company expand its mineral resources and reserves, enlarge the asset and business scales, as well as optimise the financial structure. The construction and implementation of the projects to be invested by the proceeds raised can steadily increase the revenue and profitability of the Company.

After the acquisition of 30% interest in the Haiyu Gold Mine in Shandong is completed, the gold resources owned by the Company will increase by approximately 169 tonnes on equity basis. After the acquisition of the Rosebel Gold Mine Project in Suriname is completed, the gold resources owned by the Company will increase by approximately 191 tonnes on equity basis. After the acquisition of the Shapinggou Molybdenum Mine is completed, the molybdenum resources owned by the Company will increase by approximately 1.96 million tonnes on equity basis. After phase 1 underground mining construction project of the Aurora Gold Mine in Guyana reaches its designated production capacity, it is capable of reaching a mining scale of 1.98 million tonnes of ore per annum, achieving average annual revenue of USD240.9 million and average annual net profit of USD82.74 million.

Following the smooth implementation of the Projects to be Invested by the Proceeds Raised, the resources, reserves and production scale of the Company will increase and new growth drivers for profit will be added to the Company. The net asset scale will be expanded, and the debt-to-asset ratio will further decrease. The Company's capabilities in resistance to financial risks and indirect financing shall be elevated. It is beneficial to the further expansion of operation scale and increase of profit of the Company in the future. The financial status of the Company will be further optimised.

V. CONCLUSION ON THE FEASIBILITY OF THE PROJECTS TO BE INVESTED BY THE PROCEEDS RAISED

To conclude, the Public Issuance of A Share Convertible Corporate Bonds is in line with the strategic position of the Company to focus on the main business of gold and copper mineral development. It is a significant measure of the Board to fully implement a new round of development strategy characterised by “internationalisation, project upsizing and asset securitisation”. The overall competitiveness of the Company will be improved, so as to safeguard the fundamental interests of general investors.

Zijin Mining Group Co., Ltd.*
Board of Directors
17 February 2023

* *The English name of the Company is for identification purpose only*

Should there be any discrepancy, the Chinese text of this appendix shall prevail.

Zijin Mining Group Co., Ltd.*
Recovery Measures and Undertakings by Relevant Parties in relation to Dilutive Impact on Immediate Returns of the Public Issuance of A Share Convertible Corporate Bonds of the Company
(Revised Draft)

Relevant matters of the public issuance of A Share Convertible Corporate Bonds (the “Issuance” or “Public Issuance of A Share Convertible Corporate Bonds”) of Zijin Mining Group Co., Ltd.* (the “Company”) were considered and approved at the thirteenth meeting of the seventh term of the Board and the fifth extraordinary meeting in 2023 of the eighth term of the Board of the Company, which are still subject to the approvals of the shareholders’ general meeting of the Company, the review and consent of the Shanghai Stock Exchange and the consent on registration of the China Securities Regulatory Commission (the “CSRC”). In accordance with the requirements under the relevant provisions of regulatory documents including Opinions of the General Office of the State Council on Further Strengthening the Work of Protection of the Lawful Rights and Interests of Small and Medium Investors in the Capital Market (Guo Ban Fa [2013] No. 110), Certain Opinions of the State Council on Further Promoting the Sound Development of the Capital Market (Guo Fa [2014] No. 17) and the Guiding Opinions on Matters Relating to Dilution of Immediate Return in Initial Public Offering, Refinancing and Material Asset Restructuring” (CSRC Announcement [2015] No. 31), the Company conscientiously analysed the dilutive impact on immediate returns of the Public Issuance of A Share Convertible Corporate Bonds and formulated the specific recovery measures on the diluted impact on immediate returns. The relevant parties also made undertakings in relation to fully executing the recovery measures of the Company, the details of which are as follows:

I. NECESSITY AND RATIONALITY OF THE ISSUANCE

(I) Meet the capital demand and optimise financial structure

As at 30 September 2022, the debt-to-asset ratio of the Company (on a consolidation basis) was 58.29%. The total investment amount of the projects to be invested by the proceeds raised (the “Projects to be Invested by the Proceeds Raised”) is approximately RMB14.443 billion, and the total amount of proceeds proposed to be raised from the Issuance of A Share Convertible Corporate Bonds will not exceed RMB10 billion. After the proceeds raised in the Public Issuance of A Share Convertible Corporate Bonds are deposited in the account, the Company will invest the proceeds in the projects in accordance with the actual need and priority of the projects. After the conversion of the A Share Convertible Corporate Bonds into A Shares by the Bondholders, the Company’s share capital will increase, the capital strength will be enriched, the business scale will be expanded, and the Company’s financial structure will be improved.

(II) Select the optimal financing instruments to meet the needs of the Company and investors

As optimal financing instruments, convertible bonds have the advantages of being “offensive yet defensive” for both issuers and investors. For issuers, the requirements for issuing A Share convertible corporate bonds are high. It has higher requirements for the Company’s profitability and compliance. At the same time, the financing cost of convertible bonds is relatively low, which can meet the Company’s financing needs. For investors, convertible bonds are “the stocks with guaranteed principal”. If the Company’s future operating results are favourable and the stock price rises, investors can convert the convertible bonds into the underlying stocks, obtain income from selling the stocks or receive dividends, so as to share the extra return brought by the increasing stock price. On the contrary, investors can hold the convertible bonds to the maturity to obtain stable principal and coupon interest income, or exercise the sell back rights, and receive the guaranteed interest compensation.

(III) Help the Company grasp merger and acquisition opportunities of high-quality medium and large mining assets with great strategic significance

Over the past twenty years, Zijin Mining has allocated its resources globally and achieved remarkable results in the mergers, acquisitions and development of resources. Among the leading global copper enterprises, Zijin Mining has the fastest growth rate and highest production increment. The growth of gold output of the Company is also obvious. The Company’s asset scale continued to grow, and the level of profitability increased significantly. Major economic indicators of the Company ranked top among the industry in China and top ten in the world. The Company has become an important producer of gold, copper and zinc in the global context, and has built world-class copper mines such as the Kamo-a-Kakula Copper Mine in the DR Congo, the Čukaru Peki Copper and Gold Mine in Serbia and the Julong Copper Mine in Tibet.

The Issuance of A Share Convertible Corporate Bonds will help the Company grasp merger and acquisition opportunities of high-quality medium and large mining assets with great strategic significance. At the same time, it will further strengthen the Company’s traditional advantages in geological exploration and continuously increase the reserves of important mineral resources, which is of great significance to the Company’s strategic goal of catching up with the world’s top metal mining companies.

Resources volume is the future potential and room for development of a mining enterprise. After the completion of the acquisition of the Shapinggou Molybdenum Mine in Anhui, the Company will own the largest molybdenum mine in Asia, and molybdenum will become an important product category of the Company. The molybdenum resources owned by the Company will increase by 1.96 million tonnes on equity basis. After the completion of the acquisition of 30% interest in the Haiyu Gold Mine in Shandong and the Rosebel Gold Mine Project in Suriname, the gold resources of the Company will increase by 169 tonnes and 191

tonnes on equity basis, respectively. The gold resources owned by the Company on equity basis is expected to reach approximately 2,800 tonnes. The competitiveness of the Company in the global gold mining industry will be further enhanced.

(IV) Help the Company expand the production scale of gold mines and enhance the Company's core competitiveness

Through the Issuance, the Company will acquire the Rosebel Gold Mine in Suriname and develop the phase 1 underground mining construction project of the Aurora Gold Mine in Guyana. Since the Rosebel Gold Mine commenced production in 2004, its average annual gold output has exceeded 10 tonnes; after the phase 1 underground mining construction project of the Aurora Gold Mine in Guyana commences production, it is expected that the annual output of mine-produced gold will increase by 4.5 tonnes. The realised gold production capacity of the Company will be pulled up quickly. Meanwhile, with the rich technological and management experience the Company accumulated over the years, it is expected that the mining process of the Rosebel Gold Mine will be optimised, and the mining and stripping costs will be reduced, resulting in a further increase of efficiency.

Therefore, through the Issuance, the Company can make full use of its existing competitive advantages to further expand the Company's production scale of mine-produced gold, increase the Company's efficiency, enhance the Company's competitiveness and international industry status in the global gold mining industry.

II. RELATIONSHIP BETWEEN THE PROJECTS TO BE INVESTED BY THE PROCEEDS RAISED AND THE EXISTING BUSINESS OF THE COMPANY, THE HUMAN RESOURCES, TECHNOLOGICAL AND MARKET RESERVES OF THE COMPANY FOR THE PROJECTS TO BE INVESTED BY THE PROCEEDS RAISED

The Issuance can enhance the Company's capital strength and business operation capacity, increase its resources and reserves, raise its productivity in mine-produced gold and net asset scale, optimise its asset structure and help to improve its capabilities in risk resistance and sustainable development. The Issuance will not lead to any material changes in the main business of the Company.

III. IMPACT OF THE PUBLIC ISSUANCE OF A SHARE CONVERTIBLE CORPORATE BONDS ON THE MAJOR FINANCIAL INDICATORS OF THE COMPANY

(I) Main assumptions and prerequisites

1. The Company's net profit attributable to owners of the parent for the year 2021 was RMB15.6728706 billion. The net profit attributable to owners of the parent after non-recurring profit or loss was RMB14.6805342 billion. Assuming that the net profits for the years 2022 and 2023 (including the net profit attributable to owners of the parent and the net profit attributable to owners of the parent after non-recurring profit or loss) are the same as, increase by 10% or increase by 20% compared with that of the previous year, respectively.
2. Assuming that the Public Issuance of A Share Convertible Corporate Bonds is completed at the end of June 2023, the conditions for conversion of the bonds are fulfilled at the end of December 2023 and all of the A Share Convertible Corporate Bonds are converted (i.e., conversion rate of 100% with a one-off conversion of all A Share Convertible Corporate Bonds to A Shares) and none of the A Share Convertible Corporate Bonds are converted (i.e., conversion rate of 0%) as at the end of December 2023, respectively. The abovementioned completion times of implementation of the plan of the Issuance and bond conversion are solely for the purpose of calculating and assessing the impact of diluted immediate returns of the Issuance on the major financial indicators. The final and actual issuance time after receiving the consent on registration of the CSRC shall prevail.
3. Assuming that the amount of proceeds raised from the Public Issuance of A Share Convertible Corporate Bonds is RMB10 billion. The actual scale of proceeds raised to be deposited in the account shall be determined according to the review of regulatory authorities, subscription under the Issuance, issuance expenses and so on.
4. Assuming the conversion price of the A Share Convertible Corporate Bonds under the Public Issuance is RMB11.61 per A Share, i.e. not lower than the higher of the average trading price of A Shares for the 20 trading days preceding the convention date of the Board meeting in relation to the Public Issuance of A Share Convertible Corporate Bonds (i.e., 17 February 2023) and the average trading price for the preceding trading day, and not lower than the audited net asset value per Share for the latest period and the face value of the Share of the Company. Such conversion price is solely used for the purpose of calculating and assessing the impact of diluted immediate returns of the Issuance on the major financial indicators. The final conversion price shall be determined by the Board of the Company based on market situation prior to the Issuance, in accordance with the authorisation of the Shareholders' General Meetings, subject to possible ex-rights, ex-dividend adjustment or downward adjustment.

5. Assuming that the amount of cash dividends for the years 2022 and 2023 will be the same as that of the year 2021, both of which will be completed in June of the respective years; no bonus share; no capital reserve is converted into share capital; excluding the impact of dividend distribution on the conversion price (the assumption above is for the sole purpose of calculating and assessing the impact of diluted immediate returns of the Issuance on the major financial indicators. The final completion time of implementation is subject to the consideration and approval of the Shareholders' General Meetings and actual completion time of implementation).
6. Assuming that after completion of the Issuance, the A Share Convertible Corporate Bonds will be classified as liabilities in full amount in the financial statements (the assumption is for the sole purpose of simulating, calculating and assessing financial indicators. The specific details are subject to the actual accounting treatment after the completion of the Issuance). In addition, the impacts of bank interest income generated before the use of the proceeds raised and interest expenses of the A Share Convertible Corporate Bonds are not taken into consideration.
7. In calculating the number of outstanding issued ordinary Shares, the calculation is based on the Company's share capital as at the end of 2022, only the impact of the Issuance on the total share capital is considered, without taking into account any repurchases and cancellations of Shares, conversion of capital reserve into share capital and other circumstances that will result in any changes in share capital.
8. After the proceeds raised from the Public Issuance of A Share Convertible Corporate Bonds are deposited in the account, the impact on the production, operation and financial status of the Company (e.g. finance expenses, investment income) is not taken into consideration.
9. When presuming the equity attributable to owners of the parent of the Company after the Issuance, the impact on net assets from factors other than the proceeds raised, net profit and profit distribution is not taken into consideration.
10. Assuming that no material adverse change occurs in the macroeconomic environment, industrial policies, industrial development, product market and other aspects.

The abovementioned assumptions and analysis do not constitute the profit forecast or dividend commitment of the Company. Investors should not make any investment decisions based on such information. Where losses arise from the investment decisions made by investors based on such information, the Company will not bear any compensation responsibilities.

**APPENDIX 3 RECOVERY MEASURES AND UNDERTAKINGS BY RELEVANT PARTIES IN RELATION
TO DILUTIVE IMPACT ON IMMEDIATE RETURNS OF THE PUBLIC ISSUANCE OF
A SHARE CONVERTIBLE CORPORATE BONDS OF THE COMPANY (REVISED DRAFT)**

(II) Impact on the major financial indicators of the Company

Based on the abovementioned assumptions, the details of the dilutive impact on immediate returns of the Public Issuance of A Share Convertible Corporate Bonds to the Shareholders are as follows:

Item	Amount
Total amount of proceeds to be raised (RMB billion)	10
Total number of Shares converted (billion)	0.8613264
Cash dividends for the year 2021 (RMB billion)	5.2658624

Item	Year 2021/ 31 December 2021	Year 2022/ 31 December 2022	Year 2023/31 December 2023	
			No A Share Convertible Corporate Bonds are converted into A Shares as at 31 December 2023	All A Share Convertible Corporate Bonds are converted into A Shares as at 31 December 2023
Total number of Shares at the end of the period (billion)	26.3301122	26.3293122	26.3293122	27.1906387

APPENDIX 3 RECOVERY MEASURES AND UNDERTAKINGS BY RELEVANT PARTIES IN RELATION TO DILUTIVE IMPACT ON IMMEDIATE RETURNS OF THE PUBLIC ISSUANCE OF A SHARE CONVERTIBLE CORPORATE BONDS OF THE COMPANY (REVISED DRAFT)

Assumption 1: Assuming that the net profits for the years 2022 and 2023 (including the net profit attributable to the Shareholders of ordinary Shares of listed company and the net profit attributable to the Shareholders of ordinary Shares of listed company after non-recurring profit or loss) are the same as that of the year 2021

Item	Year 2021/ 31 December 2021	Year 2022/ 31 December 2022	Year 2023/31 December 2023	
			No A Share Convertible Corporate Bonds are converted into A Shares as at 31 December 2023	All A Share Convertible Corporate Bonds are converted into A Shares as at 31 December 2023
Equity attributable to owners of the parent at the beginning of the period (RMB billion)	56.5385542	71.0343681	81.4413763	81.4413763
Net profit attributable to owners of the parent (RMB billion)	15.6728706	15.6728706	15.6728706	15.6728706
Net profit attributable to owners of the parent after non-recurring profit or loss (RMB billion)	14.6805342	14.6805342	14.6805342	14.6805342
Equity attributable to owners of the parent at the end of the period (RMB billion)	71.0343681	81.4413763	91.8483845	101.8483845
Basic earnings per Share (RMB) (before non-recurring profit or loss)	0.60	0.60	0.60	0.60
Basic earnings per Share (RMB) (after non-recurring profit or loss)	0.57	0.56	0.56	0.56
Weighted average return on net assets	23.97%	20.56%	18.09%	18.09%
Weighted average return on net assets after non-recurring profit or loss	22.45%	19.38%	17.04%	17.04%

APPENDIX 3 RECOVERY MEASURES AND UNDERTAKINGS BY RELEVANT PARTIES IN RELATION TO DILUTIVE IMPACT ON IMMEDIATE RETURNS OF THE PUBLIC ISSUANCE OF A SHARE CONVERTIBLE CORPORATE BONDS OF THE COMPANY (REVISED DRAFT)

Assumption 2: Assuming that the net profits for the years 2022 and 2023 (including the net profit attributable to the Shareholders of ordinary Shares of listed company and the net profit attributable to the Shareholders of ordinary Shares of listed company after non-recurring profit or loss) increase by 10% compared with that of the year 2021

Item	Year 2021/ 31 December 2021	Year 2022/ 31 December 2022	Year 2023/31 December 2023	
			No A Share Convertible Corporate Bonds are converted into A Shares as at 31 December 2023	All A Share Convertible Corporate Bonds are converted into A Shares as at 31 December 2023
Equity attributable to owners of the parent at the beginning of the period (RMB billion)	56.5385542	71.0343681	83.0086634	83.0086634
Net profit attributable to owners of the parent (RMB billion)	15.6728706	17.2401577	18.9641734	18.9641734
Net profit attributable to owners of the parent after non-recurring profit or loss (RMB billion)	14.6805342	16.1485876	17.7634464	17.7634463
Equity attributable to owners of the parent at the end of the period (RMB billion)	71.0343681	83.0086634	96.7069744	106.7069744
Basic earnings per Share (RMB) (before non-recurring profit or loss)	0.60	0.65	0.72	0.72
Basic earnings per Share (RMB) (after non-recurring profit or loss)	0.57	0.61	0.67	0.67
Weighted average return on net assets	23.97%	22.38%	21.10%	21.10%
Weighted average return on net assets after non-recurring profit or loss	22.45%	21.12%	19.90%	19.90%

APPENDIX 3 RECOVERY MEASURES AND UNDERTAKINGS BY RELEVANT PARTIES IN RELATION TO DILUTIVE IMPACT ON IMMEDIATE RETURNS OF THE PUBLIC ISSUANCE OF A SHARE CONVERTIBLE CORPORATE BONDS OF THE COMPANY (REVISED DRAFT)

Assumption 3: Assuming that the net profits for the years 2022 and 2023 (including the net profit attributable to the Shareholders of ordinary Shares of listed company and the net profit attributable to the Shareholders of ordinary Shares of listed company after non-recurring profit or loss) increase by 20% compared with that of the year 2021

Item	Year 2021/ 31 December 2021	Year 2022/ 31 December 2022	Year 2023/31 December 2023	
			No A Share Convertible Corporate Bonds are converted into A Shares as at 31 December 2023	All A Share Convertible Corporate Bonds are converted into A Shares as at 31 December 2023
Equity attributable to owners of the parent at the beginning of the period (RMB billion)	56.5385542	71.0343681	84.5759504	84.5759504
Net profit attributable to owners of the parent (RMB billion)	15.6728706	18.8074447	22.5689337	22.5689337
Net profit attributable to owners of the parent after non-recurring profit or loss (RMB billion)	14.6805342	17.6166410	21.1399692	21.1399692
Equity attributable to owners of the parent at the end of the period (RMB billion)	71.0343681	84.5759504	101.8790217	111.8790217
Basic earnings per Share (RMB) (before non-recurring profit or loss)	0.60	0.71	0.86	0.86
Basic earnings per Share (RMB) (after non-recurring profit or loss)	0.57	0.67	0.80	0.80
Weighted average return on net assets	23.97%	24.17%	24.21%	24.21%
Weighted average return on net assets after non-recurring profit or loss	22.45%	22.82%	22.85%	22.85%

Notes:

1. The calculations of earnings per Share and return on net assets in the abovementioned indicators are based on the provisions in Information Disclosure and Presentation Rules for Companies Making Public Offering of Securities No. 9 – Calculation and Disclosure of Return on Net Assets and Earnings Per Share.
2. The above equities attributable to owners of the parent at the beginning of and at the end of the period for the calculation of return on net assets exclude perpetual bonds.

IV. SPECIAL RISK WARNING ON THE DILUTIVE IMPACT ON IMMEDIATE RETURNS OF THE ISSUANCE

The proposed Projects to be Invested by the Proceeds Raised under the Public Issuance of A Share Convertible Corporate Bonds may gradually bring economic benefits to the Company during the term of the A Share Convertible Corporate Bonds, and there is a risk that the expected benefits cannot be achieved.

After the Issuance, if the investors convert the A Share Convertible Corporate Bonds into the A Shares, the earnings and return on net assets per Share may be diluted to a certain extent. Therefore, the Company is subject to the risk of dilution on the earnings and return on net assets per Share during the conversion period. Besides, there is a term of downward adjustment to conversion price for the A Share Convertible Corporate Bonds to be issued. If such term is triggered, the Company may apply for downward adjustment to conversion price, which will result in the increase in total share capital due to the conversion of the A Share Convertible Corporate Bonds, and the potential dilutive impact on the existing ordinary Shareholders due to the conversion of the A Share Convertible Corporate Bonds to be issued is hence expanded.

The Issuance of A Share Convertible Corporate Bonds of the Company has the risk of dilution to the immediate returns. Investors are advised to pay attention to such risk.

V. RECOVERY MEASURES IN RELATION TO DILUTIVE IMPACT ON IMMEDIATE RETURNS OF THE ISSUANCE

(I) The Company's business operation status, development trend, major risks and improvement measures

The Company is one of the sizable mining companies generating the best efficacy, controlling the largest volume of metal resources reserves, possessing the largest production volumes and having the best competitiveness in the Chinese mining industry. The production volumes and profits of mine-produced gold, mine-produced copper and mine-produced zinc of the Company are in the leading position among other similar companies listed in the PRC. At present, the Company is one of the largest gold producing enterprises in the PRC, one of the leading mine-produced copper producers in the PRC, the largest producer of mine-produced zinc in the PRC and an important producer of silver, iron and other metals.

In Forbes' Global 2000 of 2021, the Company ranked 398th among the global listed companies, 3rd among the global gold corporations and 9th among the global metal corporations on the list. It also ranked 486th in Fortune 500 list of companies in 2021 and 67th in Fortune China 500 in the same year.

The Company's current sources of funds are mainly retained earnings and debt financing. After the successful implementation of the Public Issuance of A Share Convertible Corporate Bonds, on one hand, the Company's capital strength will be further improved, which is conducive to the rational use of financial leverage, optimisation of the capital structure, and the increase of the Company's competitiveness. On the other hand, with the implementation of the Projects to be Invested by the Proceeds Raised, the Company will further expand its production capacity, increase resources and reserves, raise the position in the industry, and enhance its sustainable profitability and risk resistance.

(II) Measures to improve daily operating efficiency, reduce operating costs and enhance operating results of the Company

1. Optimising the financial structure, enhancing the overall risk resistance capability and further enhancing the overall profitability

As at 30 September 2022, the debt-to-asset ratio of the Company (on a consolidation basis) was 58.29%. The total amount of proceeds proposed to be raised from the Issuance of A Share Convertible Corporate Bonds will not exceed RMB10 billion. After the proceeds raised in the Issuance of A Share Convertible Corporate Bonds are deposited in the account, the Company will invest the proceeds in the projects in accordance with the actual need and priority of the projects. After the conversion of the A Share Convertible Corporate Bonds into A Shares by the Bondholders, the Company's share capital will increase, the capital strength will be enriched, the business scale will be expanded, and the Company's financial structure will be improved, which will strengthen the Company's profitability and risk resistance capability.

2. Strengthening management and use of the proceeds raised

In order to regulate management and use of the proceeds raised and to ensure that the proceeds raised will be used exclusively for the Projects to be Invested by the Proceeds Raised, in accordance with the requirements of the Company Law of the PRC, the Securities Law of the PRC, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange and other laws, regulations and regulatory documents, taking into account the Company's actual situation, the Company has formulated and revised the Proceeds Management Policy, which was considered and approved at the ninth meeting of the fifth term of the Board. The Company will strictly manage the use of proceeds raised, deposit the proceeds raised into special accounts, and use the special funds exclusively to ensure that the proceeds raised are fully and effectively used according to their intended uses.

3. Speeding up the progress of the projects to be invested by the proceeds raised to increase the utilisation efficiency of funds

The Company has thoroughly carried out preliminary feasibility analysis on the projects to be invested by the proceeds raised, conducted an in-depth understanding and analysis on the industry involved in the projects, taking into account the industry trends, market capacity, technological level, the Company's own production capacity and other basic conditions to finalise the project plan. After the proceeds raised from the Public Issuance of A Share Convertible Corporate Bonds are deposited in the account, the Company will ensure the construction progress of the projects to be invested by the proceeds raised to be on schedule, accelerate the implementation of the projects to be invested by the proceeds raised, and strive to realise the expected benefits as soon as possible.

4. All-round cost reduction to realise the expected benefits of the projects to be invested by the proceeds raised

The Company's cost of obtaining mineral resources is generally low. On one hand, by way of conducting comprehensive self-initiated exploration and prospecting, the Company has attained fruitful results in mineral exploration and reserve increment in recent years. On the other hand, the Company closely adhered to the national strategy and worked on counter-cyclical acquisitions to precisely obtain mineral resources at relatively low costs. Based on the self-owned design platform, the Company optimised the design plans of several crucial construction projects. Under the premise of guaranteeing the project quality, the Company substantially lowered the investment costs, shortened the construction period and realised overall favourable efficacy. The Company has formulated a targeted development strategy of "one policy for one entity", highlighting comprehensive development and use of large-scale, low-grade resources. The competitiveness in production and operation costs was further invigorated. The Company will strive to execute all-round cost reduction in development, construction, production and operation of the mines to ensure that the projects to be invested by the proceeds raised will realise the expected benefits.

5. Strictly implementing cash dividend distribution policies and strengthening return mechanism for investors

According to the relevant requirements of Opinions of the General Office of the State Council on Further Strengthening the Work of Protection of the Lawful Rights and Interests of Small and Medium Investors in the Capital Market (Guo Ban Fa [2013] No. 110), Notice in relation to Further Implementing Cash Dividend Distribution of Listed Companies and Regulatory Guidelines of Listed Companies No. 3 – Cash Dividends of Listed Companies issued by the CSRC, the Company will strictly implement cash

dividend distribution policies specified in the Articles of Association and implement the Profit Distribution and Return Plan for the Next Three Years (Year 2020-2022) of Zijin Mining Group Co., Ltd.* to provide investors with sustained and stable returns.

VI. UNDERTAKINGS MADE BY THE RELEVANT PARTIES

(I) Undertakings made by all Directors and senior management of the Company in relation to fully executing the recovery measures on the dilutive impact on immediate returns

According to the relevant requirements in laws, regulations and regulatory documents including the Opinions of the General Office of the State Council on Further Strengthening the Work of Protection of the Lawful Rights and Interests of Small and Medium Investors in the Capital Market (Guo Ban Fa [2013] No. 110), Certain Opinions of the State Council on Further Promoting the Sound Development of the Capital Markets (Guo Fa [2014] No. 17) and the Guiding Opinions on Matters Relating to Dilution of Immediate Return in Initial Public Offering, Refinancing and Material Asset Restructuring (CSRC Announcement [2015] No. 31) issued by the CSRC, for the purpose of protecting the legitimate rights and interests of the Company and all Shareholders, the Directors and senior management of the Company have made undertakings to fully execute the recovery measures on the dilutive impact on immediate returns. The details are as follows:

1. I undertake to perform my duties as a Director and/or a senior management of the Company and uphold the legitimate rights and interests of the Company and all Shareholders faithfully and diligently.
2. I undertake not to convey any benefits to other entities or individuals for free or under unfair terms or otherwise jeopardise the interests of the Company.
3. I undertake to limit my spending when discharging my duties as a Director and/or a senior management.
4. I undertake not to use the assets of the Company in making investments or expenditures not relating to the discharge of my duties.
5. Within my duties and scope of my lawful authorisation, I undertake to procure that the remuneration system formulated by the Board or the nomination and remuneration committee of the Board will correspond to the implementation of the recovery measures of the Company, and I will vote in favour of the relevant proposals considered by the Board and the shareholders' general meeting (if voting rights are applicable).

6. If the Company adopts any share incentive scheme in the future, within my duties and scope of my lawful authorisation, I undertake to fully procure that the conditions for the exercise of the right of the share incentive scheme will correspond to the implementation of the recovery measures of the Company, and I will vote in favour of the relevant proposals considered by the Board and at the shareholders' general meetings (if voting rights are applicable).
7. From the date of this undertaking letter to the completion of implementation of the Public Issuance of A Share Convertible Corporate Bonds of the Company, if the CSRC promulgates other new regulatory provisions on the recovery measures and the relevant undertakings, and the above undertakings cannot satisfy such new regulatory provisions as promulgated by the CSRC, I undertake to issue supplementary undertakings then according to the latest stipulations of the CSRC.
8. I undertake to fully execute the relevant recovery measures formulated by the Company and each undertaking I made in relation to recovery measures. If I breach such undertakings and cause any loss to the Company and investors, I am willing to bear the compensation responsibility to the Company and investors in accordance with the laws.
9. As one of the relevant responsible parties of recovery measures, if I breach or refuse to execute the abovementioned undertakings, I agree to accept the related penalties and take on regulatory responsibilities as defined by the regulations, rules as stipulated or announced by the CSRC, Shanghai Stock Exchange and other securities supervision institutions. If I cause any loss to the Company or the Shareholders, I am willing to bear the corresponding compensation responsibility pursuant to the laws.

(II) Undertakings made by the Substantial Shareholder and actual controller of the Company

According to the relevant requirements in the laws, regulations and regulatory documents including the Opinions of the General Office of the State Council on Further Strengthening the Work of Protection of the Lawful Rights and Interests of Small and Medium Investors in the Capital Market (Guo Ban Fa [2013] No. 110), Certain Opinions of the State Council on Further Promoting the Sound Development of the Capital Markets (Guo Fa [2014] No. 17) and the Guiding Opinions on Matters Relating to Dilution of Immediate Return in Initial Public Offering, Refinancing and Material Asset Restructuring (CSRC Announcement [2015] No. 31) issued by the CSRC, for the purpose of protecting the legitimate rights and interests of the Company and all Shareholders, Minxi Xinghang State-owned Assets Investment Company Limited (the "Undertaker"), the Substantial Shareholder of the Company, made undertakings to fully execute the measures on the dilutive impact on immediate returns of the Company. The details are as follows:

1. The Undertaker undertakes to exercise shareholder's rights in accordance with the relevant laws, regulations and the Articles of Association of Zijin Mining Group Co., Ltd.*, and not to preside over the authorisation and intervene the operating and management activities of the Company or jeopardise the interests of the Company.

APPENDIX 3 RECOVERY MEASURES AND UNDERTAKINGS BY RELEVANT PARTIES IN RELATION TO DILUTIVE IMPACT ON IMMEDIATE RETURNS OF THE PUBLIC ISSUANCE OF A SHARE CONVERTIBLE CORPORATE BONDS OF THE COMPANY (REVISED DRAFT)

2. The Undertaker undertakes to fully execute the relevant recovery measures formulated by Zijin Mining and each undertaking made by the Undertaker in relation to the recovery measures. If the Undertaker breaches such undertakings and causes any loss to Zijin Mining or investors, the Undertaker will bear the compensation responsibility to Zijin Mining and investors in accordance with the laws.
3. From the date of this undertaking letter to the completion of implementation of the Public Issuance of A Share Convertible Corporate Bonds of the Company, if the CSRC promulgates other new regulatory provisions on the recovery measures and the relevant undertakings, and the above undertakings cannot satisfy such new regulatory provisions as promulgated by the CSRC, the Undertaker undertakes to issue supplementary undertakings then according to the latest stipulations of the CSRC.

Zijin Mining Group Co., Ltd.*
Board of Directors
20 February 2023

* *The English name of the Company is for identification purpose only*

Should there be any discrepancy, the Chinese text of this appendix shall prevail.

Zijin Mining Group Co., Ltd.*
Rules for A Share Convertible Corporate Bondholders' Meetings
(Draft)

Chapter I General Provisions

Article 1 In order to regulate the organisation and decision-making behaviours of meetings of holders of A Share Convertible Corporate Bonds (“Bondholders’ Meeting(s)”) under the public issuance of A Share Convertible Corporate Bonds (the “Public Issuance of A Share Convertible Corporate Bonds”) of Zijin Mining Group Co., Ltd.* (the “Company” or “Issuer”), specify the rights and obligations of the Bondholders’ Meetings and protect the legitimate rights and interests of the holders of the A Share Convertible Corporate Bonds (the “Bondholders”), these rules (the “Rules”) have been formulated pursuant to the requirements under the relevant laws, regulations, rules and regulatory documents including the Company Law of the People’s Republic of China (2018 Amendments), the Securities Law of the People’s Republic of China (2019 Amendments), the Administrative Measures for the Issuance of Securities by Listed Companies (2020 Amendments) and the Measures for the Administration of Convertible Corporate Bonds promulgated by the China Securities Regulatory Commission (the “CSRC”), the Rules Governing the Listing of Stocks on Shanghai Stock Exchange (January 2022 Amendments) and the Detailed Implementation Rules of the Shanghai Stock Exchange for Issuance of Convertible Corporate Bonds of Listed Companies (2018 Amendments) issued by the Shanghai Stock Exchange, the articles of association of Zijin Mining Group Co., Ltd.* (the “Articles of Association”) with reference to the actual conditions of the Company and the A Share Convertible Corporate Bonds.

Article 2 The convertible corporate bonds under the Rules shall be the A Share Convertible Corporate Bonds (the “A Share Convertible Corporate Bonds”) agreed to be issued by the Company pursuant to the Offering Document for the Public Issuance of Renminbi-denominated Ordinary Share (A Share) Convertible Corporate Bonds for the year 2022 of Zijin Mining Group Co., Ltd.* (the “A Share Convertible Corporate Bonds Offering Document”). Bondholders shall refer to the investors who acquire the A Share Convertible Corporate Bonds through subscription, purchase or other legitimate means.

For the basic elements and material covenants of the A Share Convertible Corporate Bonds, including the bond abbreviation and code, issue date, redemption date, interest rate at the issuance, size of the issuance, formulation of right-containing clauses and investor protection clauses, the contents stipulated in the A Share Convertible Corporate Bonds Offering Document shall prevail.

The Company will engage the underwriter of the A Share Convertible Corporate Bonds or other institutions recognised by the CSRC as the trustee of the A Share Convertible Corporate Bonds (the “Bond Trustee”).

Article 3 The Bondholders' Meetings shall be composed of all Bondholders who have a share in the outstanding A Share Convertible Corporate Bonds under the Rules starting from the completion of the Issuance of the A Share Convertible Corporate Bonds, and shall be dissolved after termination of the creditor-debtor relationship in relation to the A Share Convertible Corporate Bonds. The Bondholders' Meetings shall be convened and held according to the procedures stipulated in the Rules to consider and vote for the matters within the extents of authority stipulated in the Rules according to laws.

Article 4 The resolutions considered and passed at the Bondholders' Meetings under the Rules shall be equally binding on all Bondholders (including those who are present at the meetings, not present at the meetings, vote against the resolutions or abstain from voting, holders of the A Share Convertible Corporate Bonds with no voting right and the Bondholders who become the holders of the A Share Convertible Corporate Bonds through transfer after the relevant resolutions are passed).

Article 5 Investors who subscribe for, hold or being transferred the A Share Convertible Corporate Bonds are deemed to agree on all provisions of the Rules and are bound by the Rules.

Chapter II Rights and Obligations of the Bondholders

Article 6 Rights of the Bondholders are as follows:

- (1) to receive agreed interests with reference to the amount of the A Share Convertible Corporate Bonds held during the period;
- (2) to convert the A Share Convertible Corporate Bonds held into the A Shares of the Company according to the agreed conditions as stipulated in the A Share Convertible Corporate Bonds Offering Document;
- (3) to exercise the sale back rights on agreed conditions as stipulated in the A Share Convertible Corporate Bonds Offering Document;
- (4) to transfer, grant or pledge the A Share Convertible Corporate Bonds held by the Bondholders in accordance with the stipulations of the laws, regulations and the Articles of Association;
- (5) to receive relevant information in accordance with the stipulations of the laws and the Articles of Association;
- (6) to request the Company to repay the principal and interest of the A Share Convertible Corporate Bonds within the agreed period and in an agreed manner as stipulated in the A Share Convertible Corporate Bonds Offering Document;

- (7) to attend the Bondholders' Meetings, either in person or by proxy, and vote in accordance with relevant stipulations under the laws, regulations, the Rules, etc.; and
- (8) other rights as creditors of the Company prescribed by the applicable laws, regulations and the Articles of Association.

Article 7 Obligations of the Bondholders are as follows:

- (1) to abide by the relevant terms of the Issuance of A Share Convertible Corporate Bonds by the Company;
- (2) for those who obtained the A Share Convertible Corporate Bonds by subscription, to pay the subscription amount in accordance with the amount of A Share Convertible Corporate Bonds subscribed for;
- (3) to abide by the effective resolutions approved at the Bondholders' Meetings;
- (4) not to request the Company to prepay the principal and interest of the A Share Convertible Corporate Bonds in advance, unless otherwise required by applicable laws and regulations, or otherwise agreed in the A Share Convertible Corporate Bonds Offering Document; and
- (5) other obligations to be undertaken by the Bondholders prescribed by the applicable laws, regulations and the Articles of Association.

Chapter III Extents of Authority of the Bondholders' Meetings

Article 8 The extents of authority of the Bondholders' Meetings are as follows:

- (1) to resolve whether to approve the Company's proposal of modifying the plan contained in the A Share Convertible Corporate Bonds Offering Document, but the Bondholders' Meetings shall not resolve to approve the Company not to pay the principal and interest of the A Share Convertible Corporate Bonds, modify the interest rate and term of the bonds or cancel the terms of redemption or sale back contained in the A Share Convertible Corporate Bonds Offering Document;
- (2) to resolve whether to approve the relevant solutions on the failure to pay the principal and interest of the A Share Convertible Corporate Bonds on time by the Company; to resolve whether to enforce the repayment of the principal and interest of the A Share Convertible Corporate Bonds by the Company and the guarantors (if any) through litigation and other procedures; to resolve whether to participate in the legal proceedings of the Company including rectification, reconciliation, restructuring or bankruptcy;

- (3) to resolve whether to accept the Company's proposals in relation to a capital reduction (except for capital reduction due to share buy-backs under employee stock ownership scheme, share incentive, compensation for operating results commitment or those necessary for protecting the Company's value and rights and interests of its shareholders (the "Shareholders")), receivership, consolidation, division, dissolution or filing for bankruptcy, and to resolve on the plans of exercising the rights entitled to the Bondholders according to laws;
- (4) to resolve on the plan of exercising the rights of the Bondholders according to laws in case any material adverse change occurs to the guarantors (if any) or the collaterals (if any);
- (5) to resolve on the plan of exercising the rights of the Bondholders according to laws in case any event having a material impact on the interests of the Bondholders happens;
- (6) proposed changes in the Bond Trustee or the main contents of the Bond Trustee agreement;
- (7) to resolve on the amendments to the Rules as permitted by the laws; and
- (8) other circumstances which shall be resolved at a Bondholders' Meeting in accordance with the laws, regulations, rules and regulatory documents.

Chapter IV Convention and Notice of the Bondholders' Meetings

Article 9 A Bondholders' Meeting shall be convened upon the occurrence of any of the following events during the term of the A Share Convertible Corporate Bonds:

- (1) the Company proposes to change the terms of the A Share Convertible Corporate Bonds Offering Document;
- (2) the Company is unable to pay the principal and interests of the A Share Convertible Corporate Bonds for the current period on time;
- (3) it is proposed to amend the Rules for A Share Convertible Corporate Bondholders' Meetings;
- (4) the Company undertakes a capital reduction (except for capital reduction due to share buy-backs under employee stock ownership scheme, share incentive, compensation for operating results commitment or those necessary for protecting the Company's value and rights and interests of the Shareholders), receivership, consolidation, division, dissolution or filing for bankruptcy;

- (5) any material adverse changes occur to guarantors (if any), collaterals (if any) or other compensation or protection measures;
- (6) the Company's management is unable to discharge their duties in a normal manner, which leads to severe uncertainties in the debt repayment capability of the Company, and actions are required to be taken according to laws;
- (7) the Company proposes a debt restructuring plan;
- (8) a resolution in relation to a change in or dismissal of the Bond Trustee is made;
- (9) other matters that will have material and substantial impact on the interests of the Bondholders occur; and
- (10) other matters which shall be considered and approved at a Bondholders' Meeting, according to provisions of the laws, regulations, rules, regulatory documents, the CSRC, the Shanghai Stock Exchange and the Rules for A Share Convertible Corporate Bondholders' Meetings.

The following entities or persons may propose to convene a Bondholders' Meeting:

- (1) the board of the Company (the "Board");
- (2) the Bondholders holding over 10% of the total nominal value of the outstanding A Share Convertible Corporate Bonds separately or in aggregate through a proposal in a written form;
- (3) the Bond Trustee; and
- (4) other entities or persons prescribed by the laws, regulations and the CSRC through a proposal in a written form.

Article 10 Convention of the Bondholders' Meetings:

- (1) The Bondholders' Meetings shall be convened by the Board of the Company or the Bond Trustee;
- (2) The Board or the Bond Trustee shall convene a Bondholders' Meeting within 30 days from the date of submitting a proposal or receiving a proposal to convene a Bondholders' Meeting. The notice of the meeting shall be issued to all Bondholders and relevant attendees 15 days before the meeting, and shall be announced on the media designated by the Company for information disclosure.

Article 11 Within 15 days after the events mentioned in article 9 of the Rules occur, in the event that the Board of the Company or the Bond Trustee fails to discharge its duties under the Rules, the Bondholders holding 10% or more of the total nominal value of the outstanding A Share Convertible Corporate Bonds separately or in aggregate are entitled to publish a notice to convene a Bondholders' Meeting in the form of an announcement.

Article 12 After a notice of Bondholders' Meeting is published, no change shall be made to the meeting time or the proposals stated in the notice and the meeting shall not be cancelled unless there is a force majeure. In the event that there is a change in the meeting time or the proposals stated in the notice or the meeting is cancelled due to force majeure, the convenor shall notify all Bondholders with reasons provided in the form of an announcement within at least 5 trading days prior to the original date of convening such Bondholders' Meeting. However, no change shall be made to the record date of the Bondholders.

After a notice of Bondholders' Meeting is given, where the proposal to be approved at the Bondholders' Meeting to be convened is cancelled, the convenor shall publish a notice of cancellation of convening the Bondholders' Meeting in the form of an announcement and provide the reasons for such cancellation.

Article 13 The convenor of a Bondholders' Meeting shall publish a notice of Bondholders' Meeting in the media designated by the CSRC and the website of the Shanghai Stock Exchange. The notice of Bondholders' Meeting shall comprise the following contents:

- (1) the time, venue, convenor and way of voting of the meeting;
- (2) matters to be considered at the meeting;
- (3) explicit text stating that all Bondholders are entitled to attend and vote at the Bondholders' Meeting, either in person or by proxy;
- (4) the record date on which to determine the Bondholders who are entitled to attend the Bondholders' Meeting;
- (5) necessary documents and formalities required for attending the meeting, including but not limited to the power of attorney authorising the proxy to attend the meeting on behalf of the Bondholders;
- (6) the name of the convenor and the names and telephone numbers of the contact persons for the affairs of the meeting; and
- (7) other matters required to be notified by the convenor.

Article 14 The record date of a Bondholders' Meeting shall not be earlier than 10 days prior to the date of convening the Bondholders' Meeting and shall not be later than 3 days prior to the date of convening the Bondholders' Meeting. The holders of the outstanding A Share Convertible Corporate Bonds whose names appear in the depository register of China Securities Depository and Clearing Corporation Limited or of other institutions approved under applicable laws at the close of the record date shall be entitled to attend the Bondholders' Meeting.

Article 15 On-site Bondholders' Meetings shall in principle be held at the domicile of the Company. The venue shall be provided by the Company or the convener of the Bondholders' Meetings.

Article 16 An institution or a person who issues a notice of Bondholders' Meeting under the Rules is the convener of such meeting.

Article 17 When convening a Bondholders' Meeting, the convener shall engage lawyers to issue legal opinions in relation to the following matters:

- (1) whether the procedures for convening and holding the meeting are in compliance with laws, regulations and the Rules;
- (2) whether the qualifications of the attendees and the convener are lawful and valid;
- (3) whether the voting procedures at the meeting and the voting results are lawful and valid; and
- (4) other legal opinions to be issued in relation to other relevant matters at the request of the convener.

Chapter V Proposals, Participants and their Rights of Bondholders' Meetings

Article 18 The proposals to be tabled to the Bondholders' Meetings for consideration shall be drafted by the convener. The content of the proposals shall be in compliance with the laws and regulations as permitted within the extents of authority of the Bondholders' Meetings with clear subject matters and specific items to be resolved.

Article 19 The matters to be considered at the Bondholders' Meetings shall be decided by the convener according to articles 8 and 9 of the Rules.

Bondholders holding 10% or more of the total nominal value of the outstanding A Share Convertible Corporate Bonds separately or in aggregate may submit a provisional proposal to a Bondholders' Meeting. The Company and its connected persons may attend the Bondholders' Meeting and submit a provisional proposal. The provisional proposal, provided with complete details, shall be submitted to the convener no later than 10 days prior to the date of convening

the Bondholders' Meeting. The convenor shall issue a supplemental notice of Bondholders' Meeting within 5 days after receiving the provisional proposal and publish an announcement containing the name of the Bondholder who proposed such proposal, the percentage of the outstanding A Share Convertible Corporate Bonds held by such Bondholder and the particulars of such provisional proposal. The supplemental notice shall be published in the same designated media in which the notice of meeting was published.

Unless otherwise provided above, the convenor shall not amend the proposals set out in the notice of Bondholders' Meeting, or add new proposals after the notice of meeting is issued. No voting shall take place and no resolutions shall be resolved at the Bondholders' Meeting on the proposals which are not set out in the notice of the meeting (including the supplemental notice of adding provisional proposals) or do not meet the requirements under the Rules.

Article 20 Bondholders are entitled to attend the Bondholders' Meetings in person or by proxy and exercise the voting rights. The travelling, catering, accommodation and other expenses incurred by the Bondholders and their proxies for attending the Bondholders' Meetings shall be borne by the Bondholders.

The Company may attend the Bondholders' Meetings, but has no voting rights. If the Bondholders are Shareholders holding above 5% of the A Shares of the Company, or the connected persons of such Shareholders, the Company and the guarantors (if any), then these Bondholders can express their opinion in the meetings but have no voting rights, and the number of the A Share Convertible Corporate Bonds held by them shall not be included in the total number of the A Share Convertible Corporate Bonds having voting rights when passing a resolution at the Bondholders' Meetings. The record date of determining the aforementioned Shareholders of the Company shall be the record date of the Bondholders' Meetings.

Upon the approval from the chairman of the meeting, the guarantors (if any) or other important relevant parties of the A Share Convertible Corporate Bonds may attend the Bondholders' Meetings and have the right to explain relevant matters, but have no voting right.

Article 21 A Bondholder who attends a Bondholders' Meeting shall present his/her/its own identity document and stock account card holding the outstanding A Share Convertible Corporate Bonds or other supporting documents as required by the applicable laws. A legal representative or responsible person who attends a Bondholders' Meeting on behalf of the Bondholder shall present his/her own identity document, valid proof of his/her qualification as a legal representative or responsible person and stock account card holding the outstanding A Share Convertible Corporate Bonds or other supporting documents as required by the applicable laws.

A proxy who attends a Bondholders' Meeting on behalf of the Bondholder shall present his/her own identity document, power of attorney issued by such Bondholder (or his/her/its legal representative or responsible person) according to laws, identity document of such Bondholder, stock account card holding the outstanding A Share Convertible Corporate Bonds of such Bondholder or other supporting documents as required by the applicable laws.

Article 22 The power of attorney issued by a Bondholder to appoint another person to attend a Bondholders' Meeting shall contain the following particulars:

- (1) the name and identity card number of the proxy;
- (2) the extents of authority of the proxy, including but not limited to the right to vote;
- (3) the instructions to vote for or against, or to abstain from voting on, each matter set out on the agenda of the Bondholders' Meeting;
- (4) the date of issue and validity of the power of attorney; and
- (5) the signature or stamp of such attorney.

The power of attorney shall contain a statement that, in the absence of specific instructions from the Bondholder, whether the proxy can vote at his/her/its discretion. The power of attorney shall be made available to the convener of the Bondholders' Meeting at least 24 hours prior to the meeting.

Article 23 The convener and the lawyer shall jointly verify the qualifications and legitimacy of the Bondholders attending the meeting based on the register of the Bondholders provided by the securities registration and clearing institution after the close of trading on the record date, and record the names of Bondholders and their proxies attending the Bondholders' Meeting and the number of A Share Convertible Corporate Bonds held by them with voting rights.

The aforementioned register of Bondholders shall be obtained by the Company from the securities registration and clearing institution and shall be provided to the convener free of charge.

Chapter VI Holding of the Bondholders' Meetings

Article 24 Bondholders' Meetings may be held in the form of on-site meetings, telecommunication or other methods.

Article 25 The chairman of a Bondholders' Meeting shall be an authorised representative of the Board, who shall preside at the Bondholders' Meeting. In the event that the Board cannot fulfill its duty, a Bondholder (or a proxy of the Bondholder) elected by the Bondholders representing at least 50% (exclusive) of voting rights of the A Share Convertible Corporate

Bonds shall be the chairman of the meeting and preside at the meeting. If the chairman of the meeting cannot be nominated in accordance with the aforementioned provisions within 1 hour after the commencement of the meeting, a Bondholder (or his/her/its proxy) with the largest total number of voting rights of the outstanding A Share Convertible Corporate Bonds present at the meeting shall be the chairman of the meeting and preside at the meeting.

At the Bondholders' Meetings, the chairman of the meetings shall announce the meeting procedures and matters needing attention in accordance with the prescribed procedures, determine and announce the scrutineer. The proposals are then read out by the chairman of the meetings, voted on after discussion, and resolutions of the Bondholders' Meetings shall be formed after being witnessed by the lawyer.

Article 26 As requested by the convenor or the Bondholders holding over 10% of the total nominal value of the outstanding A Share Convertible Corporate Bonds separately or in aggregate, the Company shall appoint its Directors, Supervisors or senior management to attend the Bondholders' Meetings. Save for the trade secrets of the Company or those as restricted by the applicable laws and the information disclosure requirements of the listed companies, the Directors, Supervisors or senior management of the Company who attend at the meetings shall answer to or explain for the enquiries and suggestions from the Bondholders.

Article 27 The convenor of the meeting shall produce a signature book of the attendees. The signature book shall contain the name of the Bondholders attending the meeting, the name of the proxies attending the meeting and their identity card numbers, the total nominal value of the outstanding A Share Convertible Corporate Bonds with voting rights held or represented by them, the stock account card numbers, the relevant information on the identity documents applicable under the laws, etc.

Meeting registration shall be terminated before the chairman of the meeting announces the number of Bondholders and proxies physically present at the meeting as well as the total number of A Share Convertible Corporate Bonds held or represented.

Article 28 The Directors, Supervisors and senior management of the Company may present at the Bondholders' Meetings.

Article 29 As agreed at the meeting, the chairman of the meeting has the right to adjourn and resume the meeting or change the venue of the meeting. As requested at the meeting by way of resolution, the chairman of the meeting shall change the time and venue of the meeting based on such resolution. The resumed meeting after adjournment shall not resolve any resolutions to the matters beyond the extents of the proposals at the original meeting.

Chapter VII Voting, Resolution and Minutes of the Bondholders' Meetings

Article 30 Every proposal submitted to the Bondholders' Meetings shall be voted by the Bondholders who have the right to attend the Bondholders' Meetings or their duly appointed proxies at the meeting. Every outstanding bond (nominal value of RMB100) shall have one vote.

Article 31 Different proposals or different juxtaposed matters on the same proposal of the Bondholders' Meetings stated in the meeting notice shall be considered and voted item by item. Except for special reasons such as force majeure that result in suspension of a meeting or failure to resolve any resolution, no proposal set forth in the notice of the meeting shall be shelved or not be voted at the meeting. In the event that there are different proposals on the same matter, they shall be voted and resolved in chronological order of proposing such proposals.

No voting shall be conducted and no resolution shall be resolved for the matters not announced at the Bondholders' Meetings. When considering the matters to be considered at the Bondholders' Meetings, no change shall be made to the matters to be considered. Any change to the matters to be considered shall be deemed as a new matter to be considered and shall not be voted at such meeting.

Article 32 Voting at the Bondholders' Meetings shall take place by way of open ballot.

When the Bondholders or their proxies vote for the matters to be considered, they shall only vote for or against or abstain.

The un-filled, wrongly-filled, illegible votes shall be considered as spoilt votes and the corresponding voting number for such votes shall not be included in the voting results. Unvoted votes shall be deemed as the voters' surrender of voting rights and shall not be included in the voting results.

Article 33 The following Bondholders may attend the Bondholders' Meetings and express their opinions thereon but have no voting rights, and the number of A Share Convertible Corporate Bonds represented by them shall not be included in the number of A Share Convertible Corporate Bonds in the attendance of the Bondholders' Meetings:

- (1) The issuer;
- (2) Bondholders who are the Shareholders holding over 5% of the A Shares in the Company; and
- (3) the connected persons of the above Shareholders of the Company, the Company and the guarantors (if any).

Article 34 There shall be one vote counter and one scrutineer at the meeting, who are responsible for counting votes and scrutinising voting respectively. The vote counter and scrutineer shall be recommended by the chairman of the meeting and shall be served by Bondholders (or proxies of Bondholders) attending the meeting. Bondholders who have connected relationships with the Company and their proxies shall not serve as the vote counter or the scrutineer.

When voting for each of the matters for consideration, the votes shall be counted by at least two Bondholders (or proxies of Bondholders) and an authorised representative of the Company, who shall announce the voting results on the spot. The lawyer shall be responsible for witnessing the voting procedures.

Article 35 The chairman of the meeting shall confirm whether the resolutions at the Bondholders' Meeting are passed based on the voting results and announce the voting results at the meeting. The voting results for the resolutions shall be included in the minutes of the meeting.

Article 36 In the event that the chairman of the meeting has any doubt to the voting results of the resolution, he/she may recount the casted votes. In the event that the chairman of the meeting does not propose to recount the votes but the Bondholders (or proxies of Bondholders) who attend the meeting disagree on the results announced by the chairman of the meeting, they shall have the right to request a recounting of the votes immediately upon the announcement of voting results, and the chairman of the meeting shall arrange to recount the votes immediately.

Article 37 Unless otherwise stipulated in the Rules, the following resolutions passed at the Bondholders' Meetings shall be valid only with the consent of the Bondholders (or proxies of Bondholders) holding more than two-thirds of the voting rights of the outstanding A Share Convertible Corporate Bonds attending the meetings:

- (1) it is proposed to agree that a third party shall undertake the repayment obligations of the A Share Convertible Corporate Bonds;
- (2) the Company lowers the coupon rate, except that the Company has the corresponding unilateral decision-making right as clearly stipulated in the A Share Convertible Corporate Bonds Offering Document;
- (3) the Company or other third party with repayment obligations proposes to reduce, exempt or postpone the principal repayment and interest payment of the A Share Convertible Corporate Bonds, except that the Company has the corresponding unilateral decision-making right as clearly stipulated in the A Share Convertible Corporate Bonds Offering Document;

- (4) it is proposed to reduce, exempt or postpone the monetary payment obligations of credit enhancement entities or other third parties with compensatory obligations;
- (5) it is proposed to reduce the number or value of collaterals (if any) under mortgages, pledges, etc. which will result in the value of the remaining collaterals under mortgages, pledges, etc. being insufficient to cover all outstanding principal and interest of the A Share Convertible Corporate Bonds;
- (6) it is proposed to amend the A Share Convertible Corporate Bonds Offering Document or the relevant covenants under the Rules in order to realise items (1) to (5) of this article directly or indirectly; and
- (7) it is proposed to amend the relevant covenants on the scope of authority of the Bondholders' Meeting as stipulated in the Rules.

Except for the material matters stipulated in the preceding paragraphs of this article, when the Bondholders' Meetings resolve resolutions on other matters within the scope stipulated in article 8 of the Rules, such resolutions will become effective only with the consent of the Bondholders (or Bondholders' proxies) representing more than half of the voting rights present at the meeting.

Article 38 The resolutions passed at the Bondholders' Meetings shall be effective from the date of passing such resolutions. Those needed to be approved by the authorities shall be effective from the date of approval or the date otherwise determined by the relevant approval. Pursuant to the relevant laws, regulations, A Share Convertible Corporate Bonds Offering Document and the Rules, the resolutions passed at the Bondholders' Meetings by voting shall be legally binding on all Bondholders (including those who do not attend the meeting and those who have expressed different views).

In the event that any resolutions in relation to the A Share Convertible Corporate Bonds cause any change in the rights and obligations between the Issuer and the Bondholders, in addition to those made by the Bondholders being binding on the Company as clearly stated in laws, regulations, rules and the A Share Convertible Corporate Bonds Offering Document:

- (1) If such resolutions are resolved based on a proposal from the Bondholders, they shall be legally binding on the Company and all Bondholders after being passed at the Bondholders' Meetings by voting and obtaining a written consent of the Company;
- (2) If such resolutions are resolved based on a proposal from the Company, they shall be legally binding on the Company and all Bondholders after being passed at the Bondholders' Meetings by voting.

Article 39 The convenor of a Bondholders' Meeting shall make an announcement of the resolutions within 2 trading days after the resolutions are passed at a Bondholders' Meeting on the media designated by the regulatory authorities. The announcement shall contain the date, time, venue, method, convenor and chairman of the meeting, the number of Bondholders and proxies attending the meeting, the number of A Share Convertible Corporate Bonds with voting rights represented by Bondholders and proxies attending the meeting and its percentage to the total number of the A Share Convertible Corporate Bonds, the voting results of each of the matters considered and the details of each of the resolutions passed.

Article 40 Minutes shall be prepared for the Bondholders' Meetings and shall contain the following particulars:

- (1) time, venue and agenda of the meetings and the name of convenor;
- (2) name of the chairman of the meetings, persons who attend or present at the meetings and witnessing lawyer, vote counter, scrutineer and vote checker of the meetings;
- (3) number of Bondholders and proxies attending the meetings, the number of A Share Convertible Corporate Bonds with voting rights represented by them and its percentage to the total number of the A Share Convertible Corporate Bonds;
- (4) the main points for each of the matters considered;
- (5) the voting results of each of the matters voted for;
- (6) the enquiries and suggestions from the Bondholders and the reply and explanation from the Directors, Supervisors or senior management of the Company; and
- (7) any other particulars considered to be necessary to be included in the minutes of the Bondholders' Meetings according to the laws, regulations and regulatory documents.

Article 41 The convenor and chairman of the meetings shall guarantee the truthfulness, accuracy and completeness of the minutes of the Bondholders' Meetings. The minutes shall be signed by the chairman, convenor (or his/her/its representative), recorder, vote counter and scrutineer who attend the meetings. The Board of the Company shall keep the minutes, casted votes, signature books of attendees, power of attorney, legal opinions issued by lawyers and other documents and information in relation to the Bondholders' Meetings for ten years.

Article 42 The convenor shall guarantee the proceeding of the Bondholders' Meetings until a final resolution is formed. In the event that the meetings are interrupted, cannot proceed normally or are unable to resolve a resolution due to special reasons such as force majeure and unexpected events, necessary measures shall be taken to resume or directly terminate the meetings as soon as possible and an announcement shall be made for such circumstances. At the same time, the convenor shall report to the branch of the CSRC in where the Company operates and the Shanghai Stock Exchange.

Measures shall be taken to stop the behaviours which interrupt the meeting, provoke troubles and infringe the legitimate rights of the Bondholders, and a report shall be made to the relevant authorities for investigation and punishment in a timely manner.

Article 43 The Board of the Company shall execute the resolutions passed at the Bondholders' Meetings in a strict manner, communicate with the relevant parties on behalf of the Bondholders with respect to the relevant resolutions in a timely manner and procure the concrete implementation of the resolutions passed at the Bondholders' meetings.

Chapter VIII Supplemental Provisions

Article 44 If there are any specific provisions on the Rules for A Share Convertible Corporate Bondholders' Meetings in the laws, regulations, rules and regulatory documents, such provisions shall be complied with. Without the consent of the Company and being resolved and passed at a Bondholders' Meeting, no change shall be made to the Rules.

Article 45 The matters to be announced under the Rules shall be announced on the website of the Shanghai Stock Exchange and the statutory media designated by the Company for information disclosure.

Article 46 In the Rules, the expressions of "above" and "within" shall be inclusive of the stated figure while the expressions of "over", "lower than" and "more than" shall be exclusive of the stated figure.

Article 47 The "outstanding A Share Convertible Corporate Bonds" mentioned in the rules refers to all issued A Share Convertible Corporate Bonds other than the following A Share Convertible Corporate Bonds:

- (1) the A Share Convertible Corporate Bonds of which principal and interest have been settled;
- (2) the A Share Convertible Corporate Bonds which falls due for principal and interest with such payment being paid by the Company to the payment agent and becoming available to pay principal and interest to the Bondholders. The payment shall comprise any interest and principal of such A Share Convertible Corporate Bonds payable under the terms of the A Share Convertible Corporate Bonds as at the date of payment;
- (3) the A Share Convertible Corporate Bonds which have been converted to the A Shares of the Company; and
- (4) the A Share Convertible Corporate Bonds which have been repurchased and cancelled by the Company as agreed.

Article 48 Any disputes arising from the legitimacy and validity of the convening, holding, voting procedures and resolutions of Bondholders' Meetings shall be resolved through litigation at the People's Court having the right of jurisdiction in where the Company's domicile is located.

Article 49 The Rules shall be effective from the date of issuing the A Share Convertible Corporate Bonds upon the consideration and approval at a shareholders' general meeting of the Company.

Article 50 The Rules shall be interpreted by the Board of the Company.

Zijin Mining Group Co., Ltd.*
Board of Directors
21 October 2022

* *The English name of the Company is for identification purpose only*

Should there be any discrepancy, the Chinese text of this appendix shall prevail.

Zijin Mining Group Co., Ltd.***Proposal in relation to the Satisfaction of the Conditions for the Public Issuance of
A Share Convertible Corporate Bonds of the Company**

To all Shareholders,

For the purposes of maintaining sustainable and stable development, securing the smooth implementation of project plans and broadening the financing channels of the Company, Zijin Mining Group Co., Ltd.* (the “Company”) proposed to apply for public issuance (the “Issuance” or “Public Issuance”) of Renminbi-denominated ordinary share (A Share) convertible corporate bonds (the “A Share Convertible Corporate Bonds”) in the People’s Republic of China (the “PRC”).

Pursuant to the Company Law of the PRC (2018 Amendments) (the “Company Law”), the Securities Law of the PRC (2019 Amendments) (the “Securities Law”), the Administrative Measures on the Issuance of Securities by Listed Companies (2020 Amendments) (the “Administrative Measures”) and the Detailed Implementation Rules of the Shanghai Stock Exchange for Issuance of Convertible Corporate Bonds of Listed Companies (2018 Amendments) (Shang Zheng Fa (2018) No. 115) issued by the China Securities Regulatory Commission (the “CSRC”) and other relevant laws, regulations and regulatory documents, the Board has conducted examination item by item and careful verification on the Company’s actual status and the relevant issues in accordance with the relevant qualifications and conditions for public issuance of A Share convertible corporate bonds of listed companies. The Board considered that the Company meets the various provisions and requirements for listed companies’ public issuance of A Share convertible corporate bonds according to the stipulations in the relevant laws, regulations and regulatory documents, and the Company has the qualification for public issuance of A Share convertible corporate bonds. Details are as follows:

I. THE COMPANY’S ORGANISATION IS SOUND AND WELL-FUNCTIONED

- (1) The Company’s Articles of Association is lawful and valid, and the shareholders’ general meeting, the Board, the Supervisory Committee and the independent Directors are in a sound system and can discharge their duties effectively according to laws;
- (2) The Company has a sound internal control system, which can effectively guarantee the efficiency of the Company’s operation, legal compliance and the reliability of financial statements; there is no material defect in the completeness, rationality and effectiveness of the Company’s internal control system;

- (3) The current Directors, Supervisors and senior management of the Company are qualified to discharge their duties faithfully and diligently. They are not in violation of articles 147 and 148 of the Company Law, have not received any administrative penalties from the CSRC in the last 36 months, and have not been publicly censured by stock exchanges in the last 12 months;
- (4) The personnel, assets and finance of the Company are separated from those of the controlling shareholder or actual controller. The Company's organisations and business are independent, and they are under independent operation and self-management;
- (5) The Company has not provided guarantees for external parties which are in violation of any regulations in the last 12 months.

II. THE COMPANY'S PROFITABILITY IS SUSTAINABLE

- (1) The Company has recorded profits continuously for the most recent three financial years (based on the lower of net profits before and after non-recurring profit or loss);
- (2) The Company's business and sources of profit are relatively stable, and there is no heavy reliance on the controlling shareholder or actual controller;
- (3) The Company's current main business or investment direction is sustainable, with stable business model and investment plan, good market prospects of major products or services, and there are no realistic or foreseeable material adverse changes in the operating environment of the industry and market demand;
- (4) The Company's senior management and core technical personnel are stable, and no material adverse changes have occurred in the last 12 months;
- (5) The Company's major assets, core technologies or other material interests are obtained in a legitimate manner and can be used continuously. There are no realistic or foreseeable material adverse changes;
- (6) There are no guarantees, litigations, arbitrations or other significant matters which may seriously affect the Company's continuing operations;
- (7) The Company publicly issued securities in November 2020 (i.e., within the last 24 months) and there was no decrease in operating profit by 50% during the year of issuance compared with the previous year.

III. THE COMPANY HAS A GOOD FINANCIAL POSITION

- (1) The Company's basic accounting work is regulated and in strict compliance with the uniform accounting system of the PRC;
- (2) With respect to the financial statements for the most recent three years, no certified public accountant has issued an auditor's report with qualified opinion, adverse opinion or disclaimer of opinion, and no certified public accountant has issued an unqualified auditor's report with emphasis of matters;
- (3) The Company's assets are of good quality and there are no non-performing assets that have a material adverse effect on the Company's financial position;
- (4) The Company's business outcomes are genuine and its cash flows are normal. It has strictly complied with the relevant accounting standards for business enterprises of the PRC to account for its operating income, costs and expenses. It has made adequate and reasonable provisions for impairment on assets in the recent three years, and there is no manipulation of operating results;
- (5) The accumulated amount of profits distributed in cash in the most recent three years are not less than 30% of the average annual distributable profits realised in the most recent three years.

IV. THE COMPANY HAS MADE NO FALSE STATEMENT IN ITS FINANCIAL AND ACCOUNTING DOCUMENTS WITHIN THE LAST 36 MONTHS AND HAS NOT COMMITTED ANY OF THE FOLLOWING SERIOUS ILLEGAL ACTS:

- (1) Violation of securities laws, administrative regulations or rules which leads to administrative penalties from the CSRC or criminal punishment;
- (2) Violation of industrial and commercial regulations, tax law, land rules, environmental protection regulations, customs law, administrative regulations or rules which leads to administrative penalties in serious nature or criminal punishment;
- (3) Violation of other laws and administrative regulations of the PRC in serious nature.

V. THE AMOUNT AND USE OF THE PROCEEDS RAISED BY THE COMPANY ARE IN COMPLIANCE WITH THE REGULATIONS

- (1) The amount of proceeds raised does not exceed the amount required for the projects;
- (2) The use of proceeds raised is in compliance with national industrial policies, relevant laws and administrative regulations on environmental protection, land management, etc.;

- (3) The projects to be invested by the proceeds raised do not hold any held for trading financial assets or available-for-sale investments, will not be used for lending to other parties, will not involve in entrusted wealth management or other financial investments, and will not be directly or indirectly invested in any companies principally engaging in buying and selling of marketable securities;
- (4) The implementation of the projects to be invested by the proceeds raised will neither lead to competition within the same industry with controlling shareholder or actual controller, nor affect the independence of the Company's production and operation;
- (5) The Company has established a system for specific deposit of proceeds raised, and the proceeds raised will be deposited in the special accounts assigned by the Board;
- (6) There were no financial investments such as held for trading financial assets and available-for-sale investments in large amounts and for long periods, loans to others or entrusted wealth management at the end of the latest period.

VI. THE COMPANY DOES NOT HAVE ANY OF THE FOLLOWING CIRCUMSTANCES:

- (1) The application documents for the Issuance contain any false or misleading statements or material omissions;
- (2) Unauthorised change in the use of proceeds raised from previous public issuance of securities which is not rectified;
- (3) The Company has been publicly censured by any stock exchanges in the most recent 12 months;
- (4) The Company and its controlling shareholder or actual controller failed to fulfill the undertakings publicly made to investors in the most recent 12 months;
- (5) The Company, its current Directors and senior management have been the subject of any investigation by the judicial authority due to any suspected criminal offense or any investigation by the CSRC due to any suspected violation of laws and regulations;
- (6) Other circumstances where the lawful rights and interests of investors and public interests are severely impaired.

VII. THE COMPANY MEETS THE FOLLOWING REQUIREMENTS

- (1) The weighted average return on net assets for the most recent three financial years (based on the lower of net profits before and after non-recurring profit or loss) is not lower than 6%;
- (2) The accumulated outstanding amount of the Company's bonds after the Issuance will not exceed 40% of the amount of net assets as at the end of the most recent financial period;
- (3) The amount of annual average distributable profit realised in the most recent three financial years is not lower than the amount of bond interest of the Company for one year.

VIII. THE COMPANY HAS NO VIOLATION OF THE FOLLOWING REQUIREMENTS

- (1) Default of publicly issued corporate bonds or other debts or delay in payment of principals and interests and the default/delay is still on-going;
- (2) Violation of the provisions of the Securities Law and change in the use of proceeds raised from public issuance of the Company's bonds.

The abovementioned proposal was considered and approved at the thirteenth meeting of the seventh term of the Board, and is hereby tabled to the shareholders' general meeting for Shareholders' consideration.

Zijin Mining Group Co., Ltd.*
Board of Directors
25 April 2023

* *The English name of the Company is for identification purpose only*

Should there be any discrepancy, the Chinese text of this appendix shall prevail.

Zijin Mining Group Co., Ltd.*
Specific Report on the Use of Proceeds Previously Raised

According to the Guidelines for the Application of Regulatory Rules – Issuance No. 7 issued by the China Securities Regulatory Commission (“CSRC”) and other related laws, regulations and regulatory documents, Zijin Mining Group Co., Ltd.* (the “Company”) prepared the special report on the use of proceeds previously raised as at 31 December 2022 (the “Report”).

I. STATUS OF RAISING AND DEPOSITS OF THE PROCEEDS PREVIOUSLY RAISED

(I) Proceeds previously raised in the non-public issuance in 2016

Pursuant to the approval under the Reply in relation to the Approval for Non-public Issuance of A Shares of Zijin Mining Group Co., Ltd.* (Zhengjian Xuke [2017] No. 289) issued by the CSRC, the Company had non-publicly issued 1,490,475,241 Renminbi-denominated ordinary shares (A Shares) at an issuance price of RMB3.11 per A Share in May 2017. The total amount of proceeds raised was RMB4,635,377,999.51. After deduction of issuance expenses of RMB38,458,040.59, the actual net amount of proceeds raised was RMB4,596,919,958.92.

As verified by the verification report issued by Ernst & Young Hua Ming LLP (Ernst & Young Hua Ming (2017) Yanzi No. 60468092_H02), the abovementioned proceeds raised of RMB4,596,919,958.92 was deposited in the Company’s special account for proceeds raised in Industrial and Commercial Bank of China Shanghang Branch (“ICBC Shanghang Branch”) (account number: 1410030129002098997) on 23 May 2017. As at 31 December 2022, the outstanding balance of the proceeds raised in the non-public issuance in 2016 was RMB0. The relevant special account for proceeds raised was closed.

(II) Proceeds previously raised in the public issuance in 2018

Pursuant to the approval under the Reply in relation to the Approval for Public Issuance of A Shares of Zijin Mining Group Co., Ltd.* (Zhengjian Xuke [2019] No. 1942) issued by the CSRC, the Company issued not more than 3,400,000,000 Renminbi-denominated ordinary shares (A Shares) to the public in November 2019 through the Shanghai Stock Exchange. As at 21 November 2019, the Company issued 2,346,041,055 Renminbi-denominated ordinary shares (A Shares) at an issuance price of RMB3.41 per A Share. The total amount of proceeds raised was RMB7,999,999,997.55. After deduction of issuance expenses of RMB152,572,030.12, the actual net amount of proceeds raised was RMB7,847,427,967.43.

As verified by the verification report issued by Ernst & Young Hua Ming LLP (Ernst & Young Hua Ming (2019) Yanzi No. 60468092_H01), the abovementioned proceeds raised of RMB7,847,427,967.43 was deposited in the Company’s special accounts for proceeds raised in National Development Bank Fujian Branch (account number: 35101560031992820000), ICBC Shanghang Branch (account number: 1410030129002134021) and China Construction Bank Corporation Shanghang Branch (“CCB Shanghang Branch”) (account number: 35050169730700000950), respectively, on 21 November 2019. As at 31 December 2022, the outstanding balance of the proceeds raised in the public issuance in 2018 was RMB0. The relevant special accounts for proceeds raised were closed.

(III) Public Issuance of convertible corporate bonds for the year 2020

Pursuant to the approval under the Reply in relation to the Approval for Public Issuance of A Share Convertible Corporate Bonds of Zijin Mining Group Co., Ltd.* (Zhengjian Xuke [2020] No. 2613) issued by the CSRC, the Company issued A Share convertible corporate bonds with a total face value of RMB6 billion and a term of 5 years to the public through the Shanghai Stock Exchange. The total amount of proceeds raised from this public issuance of convertible corporate bonds was RMB6,000,000,000.00. After deduction of underwriting and sponsor fee of RMB27,000,000.00, the actual proceeds received from the subscription of convertible corporate bonds amounted to RMB5,973,000,000.00. After deduction of solicitor fee, accountant fee, registration fee, credit rating fee, information disclosure fee and other issuance expenses of RMB4,486,970.48 and adding the deductible value-added tax input from sponsor fee, solicitor fee, accountant fee, registration fee, credit rating fee, information disclosure fee and other issuance expenses of RMB1,772,037.73 in total, the actual net amount of proceeds raised was RMB5,970,285,067.25.

As verified by the verification report issued by Ernst & Young Hua Ming LLP (Ernst & Young Hua Ming (2020) Yanzi No. 60468092_H01), the abovementioned proceeds raised of RMB5,970,285,067.25 was deposited in the Company’s special account for proceeds raised in ICBC Shanghang Branch (account number: 1410030129002143672) on 9 November 2020. As at 31 December 2022, the outstanding balance of the proceeds raised in the public issuance of convertible corporate bonds in 2020 was RMB1.1142391 billion.

(IV) As at 31 December 2022, details of deposit and actual use of the proceeds raised in the non-public issuance in 2016 of the Company are as follows:

Unit: RMB billion

Account name	Bank and branch	Account number	Initial amount of the special account for proceeds raised	Balance of the special account for proceeds raised	Note
Zijin Mining Group Co., Ltd.*	ICBC Shanghang Branch	1410030129002098997	–	–	Account closed
Zijin Copper Co., Ltd. (“Zijin Copper”)	Industrial and Commercial Bank of China Limited Longyan Gujiao Branch	1410030329100009793	0.1051022	–	Account closed
Zijin Mining Group Co., Ltd.*	Agricultural Bank of China Limited Shanghang Branch (“ABC Shanghang Branch”)	13740101040016314	1.8703821	–	Account closed

APPENDIX 6 SPECIFIC REPORT ON THE USE OF PROCEEDS PREVIOUSLY RAISED

Unit: RMB billion

Account name	Bank and branch	Account number	Initial amount of the special account for proceeds raised	Balance of the special account for proceeds raised	Note
Gold Mountains (H.K.) International Mining Company Limited (“Gold Mountains (H.K.)”)	ABC Shanghai Branch	13740114048400059	0.3813275	–	Account closed
La Campagnie Minière de Musonoie Global Société par Actions Simplifiée (“COMMUS”)	ABC Shanghai Branch	13740114048400042	0.9794725	–	Account closed
Zijin Mining Group Co., Ltd.*	Industrial Bank Co., Ltd. Shanghai Branch (“Industrial Bank Shanghai Branch”)	175010100100093303	1.2610307	–	Account closed
Zijin International Mining Co., Ltd. (“Zijin International”)	ICBC Shanghai Branch	1410030119002111021	–	–	Account closed
Heilongjiang Duobaoshan Copper Industry Inc. (“Duobaoshan Copper Industry”)	ICBC Shanghai Branch	1410030119002111145	–	–	Account closed
Heilongjiang Zijin Copper Co., Ltd. (“Heilongjiang Zijin Copper”)	ICBC Shanghai Branch	1410030129002110601	–	–	Account closed
Total			4.5973150	–	

Note: The total initial amount of the special accounts for proceeds raised, i.e., RMB4,597,315,000, differed by RMB395,000 from the original net amount of the proceeds raised, i.e., RMB4,596,920,000, as issuance expenses of RMB395,000 were paid to intermediaries by using funds not from the proceeds raised before the receipt of the proceeds raised from non-public issuance. Such issuance expenses were deducted from the initial net amount of the proceeds raised but not from special accounts for proceeds raised. As at 31 December 2022, all of the abovementioned proceeds raised were used, and the abovementioned special accounts were closed.

APPENDIX 6 SPECIFIC REPORT ON THE USE OF PROCEEDS PREVIOUSLY RAISED

(V) As at 31 December 2022, details of deposit and actual use of the proceeds raised in the public issuance in 2018 of the Company are as follows:

Unit: RMB billion

Account name	Bank and branch	Account number	Initial amount of the special account for proceeds raised	Balance of the special account for proceeds raised	Note
Zijin Mining Group Co., Ltd.*	National Development Bank Fujian Branch	35101560031992820000	3.5	–	Account closed
Zijin Mining Group Co., Ltd.*	ICBC Shanghang Branch	1410030129002134021	3.5	–	Account closed
Zijin Mining Group Co., Ltd.*	CCB Shanghang Branch	35050169730700000950	0.844	–	Account closed
Total			7.844	–	

Note: The total initial amount of the special accounts for proceeds raised, i.e., RMB7,844,000,000, differed by RMB3,428,000 from the original net amount of the proceeds raised, i.e. RMB7,847,428,000, as (1) other issuance expenses (value-added tax excluded) except for underwriting and sponsor fees were not paid from the initial amount in the special accounts for proceeds raised; (2) issuance expenses of RMB943,400 (value-added tax excluded) were paid to sponsor by using funds not from the proceeds raised before the receipt of the proceeds raised from the public issuance. Such issuance expenses were deducted from the net amount of the proceeds raised but not from special accounts for the proceeds raised; and (3) the underwriting fee and value-added tax arising from the outstanding sponsor fee were deducted from the initial amount in the special accounts for the proceeds raised. When calculating the net amount of the proceeds raised, the amount of value-added tax was not deducted. As at 31 December 2022, all of the abovementioned proceeds raised were used, and the abovementioned special accounts were closed.

(VI) As at 31 December 2022, details of deposit and actual use of the proceeds raised in the public issuance of A Share convertible corporate bonds for the year 2020 of the Company are as follows:

Unit: RMB billion

Account name	Bank and branch	Account number	Initial amount of the special account for proceeds raised	A	Amount transferred to the special account for proceeds raised as at 31 December 2022	B	Amount transferred out from the special accounts for proceeds raised as at 31 December 2022	C	Amount invested in the project invested by the proceeds raised as at 31 December 2022	D	Interest income, exchange with difference with handling fees deducted	E	Remaining balance of the special account for proceeds raised	F=A+B-C-D+E
Zijin Mining Group Co., Ltd.*	ICBC Shanghai Branch	1410030129002143672	5.9730000	5.9730000	5.8464486	-	5.8464486	-	-	-	0.0094429	0.0094429	0.1359943	0.1359943
Gold Mountains (H.K.) (Note 1)	ICBC Shanghai Branch	1410030129900046452	-	-	0.106023	2.9864486	0.106023	0.106023	2.3487866	2.3487866	0.0634911	0.0634911	0.5960301	0.5960301
Zijin Mining Group Co., Ltd.*	ABC Shanghai Branch	13740101040020985	-	-	2.1800000	2.1800000	2.1935503	2.1935503	-	-	0.0135503	0.0135503	-	-
Gold Mountains (H.K.) (Note 1)	ABC Shanghai Branch	13740114048400117	-	-	2.1935503	2.1935503	1.8312705	1.8312705	0.3622815	0.3622815	0.0000046	0.0000046	0.0000029	0.0000029
Čukaru Peki B.V. (Note 1)	Bank of China (Luxembourg) S.A. Rotterdam Branch	NL13BKCH2002504369	-	-	1.8312705	1.8312705	1.8312687	1.8312687	-	-	(0.0000018)	(0.0000018)	-	-

Unit: RMB billion

Account name	Bank and branch	Account number	Initial amount of the special account for the special proceeds raised	Amount transferred to the special account for proceeds raised as at 31 December 2022	Amount transferred out from the special accounts for proceeds raised as at 31 December 2022	Amount invested in the project invested by the proceeds raised as at 31 December 2022	Interest income, exchange with difference with handling fees deducted	Remaining balance of the special account for proceeds raised
			A	B	C	D	E	F=A+B-C-D+E
Serbia Zijin Mining Doo (Note 1)	Bank of China Srbija A.D.	RS35385020205000382591	-	1.8312687	-	1.8312686	(0.0000001)	-
Zijin Mining Group Co., Ltd.*	Industrial Bank Shanghai Branch	175010100100154112	-	0.6800000	0.6566528	0.0233472	0.0068539	0.0068539
Heilongjiang Zijin Mining Co., Ltd.	Industrial Bank Shanghai Branch	175010100100154743	-	0.6566528	0.6566528	-	0.0000329	0.0000329
Heilongjiang Tongshan Mining Co., Ltd.	Industrial Bank Shanghai Branch	175010100100154356	-	0.6566528	0.6090095	0.0579775	0.0103342	-
Duobaoshan Copper Industry	Industrial Bank Shanghai Branch	175010100100175908	-	0.6090095	-	0.2584815	0.0045257	0.3550537
AGM Inc. ("AGM Inc.") (Note 1)	ICBC Shanghai Branch	1410030129900077347	-	0.1060230	-	0.0860096	0.0002579	0.0202713
Total (Note 2)			5.9730000	13.7308762	13.7308762	4.9681525	0.1093916	1.1142391

Note 1: The special accounts for proceeds raised of Gold Mountains (H.K.), Ćukaru Peki B.V., Serbia Zijin Mining Doo and AGM Inc. are USD accounts. The Company purchased USD with the proceeds raised in RMB to increase the capital of Gold Mountains (H.K.), based on the exchange rate of USD1:RMB6.4674. As at 31 December 2022, the remaining balance of the special account for proceeds raised of Gold Mountains (H.K.) in ICBC Shanghai Branch was USD85,579,900, equivalent to RMB596,030,100; the remaining balance of the special account for proceeds raised of Gold Mountains (H.K.) in ABC Shanghai Branch was USD400, equivalent to RMB2,900. The account balance of the special accounts for proceeds raised of Ćukaru Peki B.V. and Serbia Zijin Mining Doo in the Bank of China was nil. The account balance of the special account for proceeds raised of AGM Inc. in ICBC Shanghai Branch was USD2,9106 million, equivalent to RMB20,2713 million.

Note 2: The total initial amount of the special accounts for proceeds raised, i.e., RMB5,973,000,000, differed by RMB2,714,900 from the initial net amount of the proceeds raised, RMB5,970,285,100, which was due to: (1) other issuance expenses of RMB4,487,000 (value-added tax included) except for underwriting and sponsor fees of RMB27,000,000 (value-added tax included) were not paid from the initial amount in the special accounts for proceeds raised; (2) the VAT-deductible input tax of the initial amount of the special accounts for proceeds raised before the deduction of underwriting and sponsor fees and other issuance expenses was RMB1.7721 million. When calculating the net amount of the proceeds raised, the amount of VAT-deductible input tax had been deducted.

II. THE ACTUAL USE OF THE PROCEEDS PREVIOUSLY RAISED

The actual use of the proceeds previously raised as at 31 December 2022 is set out below:

(I) Comparison table of the proceeds previously raised (the proceeds raised in the non-public issuance in 2016)

No.	Investment project	Committed investment project	Project actually invested	Total amount of investment with the proceeds raised		Accumulated amount of proceeds raised invested as at 31 December 2022 (the "Cut-off Date")		Difference between amount of actual investment and amount committed of investment after fund-raising	Date of the project for reaching the designated usable stage (or progress of construction of the project as at the Cut-off Date)
				Amount of committed investment before fund-raising	Amount of actual investment	Amount of committed investment before fund-raising	Amount of actual investment		
	Total amount of proceeds raised:			4,597,315.0		Total accumulated amount of proceeds raised used:			Unit: RMB billion
	Total amount of proceeds raised with change in usage:			0.7879000		2017:	4,684,002.9		
	Proportion of total amount of proceeds raised with change in usage:			17.14%		2018:	2,261,836.8		
						2019:	1,302,006.4		
						1 January 2020 to 31 December 2022:	1,120,159.7		
							-		
1	I. The Kolwezi Copper Mine construction project in the DR Congo	I. The Kolwezi Copper Mine construction project in the DR Congo	I. The Kolwezi Copper Mine construction project in the DR Congo	3,231,182.1	2,521,990.3	3,231,182.1	2,521,990.3	0.0787082	30 June 2019
2	II. Zijin Copper's capacity expansion project for comprehensive recovery of end materials in production	II. Zijin Copper's capacity expansion project for comprehensive recovery of end materials in production	II. Zijin Copper's capacity expansion project for comprehensive recovery of end materials in production	0.1051022	0.0684640	0.1051022	0.0684640		30 June 2018
3	III. Supplementing working capital	III. Supplementing working capital	III. Supplementing working capital	1,261,030.7	1,261,934.3	1,261,030.7	1,261,934.3	0.0009036	Not applicable
4	IV. Heilongjiang Zijin Copper Co., Ltd. copper refining project (Note 1)	IV. Heilongjiang Zijin Copper Co., Ltd. copper refining project (Note 1)	IV. Heilongjiang Zijin Copper Co., Ltd. copper refining project (Note 1)	-	0.7938207	-	0.7938207	0.0059207	18 August 2019
5	V. Perpetual supplementing working capital	V. Perpetual supplementing working capital	V. Perpetual supplementing working capital	-	0.0377936	-	0.0377936	0.0011554	Not applicable
	Total			4,597,315.0	4,684,002.9	4,597,315.0	4,684,002.9	0.0866879	

Note 1: Please refer to “III. Changes in the proceeds previously raised” for the changes in projects;

Note 2: The difference between total amount of actual investment of the projects invested by proceeds previously raised and the amount of committed investment after fund-raising was due the interest generated from the deposits of the special accounts for proceeds raised and the investment income of wealth management generated from cash management of the idle proceeds raised.

(II) Comparison table of the proceeds previously raised (the proceeds raised in the public issuance in 2018)

		Unit: RMB billion	
Total amount of proceeds raised:		7,847,4280	Total accumulated amount of proceeds raised used: 7,847,7768
Total amount of proceeds raised with change in usage:		-	Total amount of proceeds raised used for the year: 7,847,7768
Proportion of total amount of proceeds raised with change in usage:		-	2019: 7,847,7768
		1 January 2020 to 31 December 2022: -	

No.	Committed investment project	Investment project		Total amount of investment with the proceeds raised		Accumulated amount of proceeds raised invested as at 31 December 2022 (the “Cut-off Date”)		Difference between amount of actual investment and designated useable amount of stage (or progress) committed of construction of investment after the project as at the Cut-off Date)
		Amount of committed investment before fund-raising	Amount of committed investment after fund-raising	Amount of committed investment before fund-raising	Amount of committed investment after fund-raising	Amount of actual investment before fund-raising	Amount of actual investment after fund-raising	
1	All cash takeover of 100% interest of Nevsun Resources Ltd.	7,847,4280	7,847,4280	7,847,4280	7,847,4280	7,847,4280	7,847,7768	0,0003488 Not applicable
	Project actually invested							
	All cash takeover of 100% interest of Nevsun Resources Ltd.							

Note: The difference between total amount of actual investment of the project invested by proceeds previously raised and the amount of committed investment after fund-raising was due to the interest generated from the deposits of the special accounts for proceeds raised and the investment income of wealth management generated from cash management of the idle proceeds raised.

(III) Comparison table of the proceeds previously raised (the proceeds raised in the public issuance of A Share convertible corporate bonds for the year 2020)

No.	Investment project	Project actually invested	Total amount of investment with the proceeds raised		Amount of actual investment	Accumulated amount of the proceeds raised invested as at 31 December 2022 (the "Cut-off Date")		Difference between amount of actual investment and amount of committed investment after fund-raising (Note 2)	Date of the project for reaching the amount of designated useable stage (or progress of construction of the project as at the Cut-off Date)
			Amount of committed investment before fund-raising	Amount of committed investment after fund-raising		Amount of committed investment before fund-raising	Amount of committed investment after fund-raising		
Total amount of proceeds raised:									
			5.9702851	Total accumulated amount of proceeds raised used:		4.9681525		Unit: RMB billion	
			0.7704530	Total amount of proceeds raised used for the year:		4.9681525			
			12.90%	2020:		1.8427718			
				2021:		2.7021665			
				2022:		0.4232142			
Total amount of proceeds raised with change in usage:									
Proportion of total amount of proceeds raised with change in usage:									
Total amount of proceeds raised with change in usage:									
Proportion of total amount of proceeds raised with change in usage:									
Total amount of proceeds raised with change in usage:									
Proportion of total amount of proceeds raised with change in usage:									
Total									

Note 1: Please refer to “III. Changes in the proceeds previously raised” for the changes in projects.

Note 2: The difference between the total amount of actual investment and the amount of committed investment after fund-raising of the Kamao-Kakula Copper Mine project of Kamao Holding Limited in the DR Congo and the Mining and processing project in the Upper Zone of the Timok Copper and Gold Mine of Serbia Zijin Mining Doo is the interest generated from the deposits of the special accounts of proceeds raised and the effects of exchange difference; Mining project in the Tongshan Mine of Heilongjiang Tongshan Mining Co., Ltd. and the phase 1 of underground mining project of the Aurora Gold Mine in Guyana were invested successively with the proceeds raised according to the projects' construction progress.

Note 3: Rakita Exploration d.o.o. Bor in Serbia was renamed as Serbia Zijin Mining Doo.

III. Changes in the proceeds previously raised

The seventh meeting of the sixth term of the Board and the seventh meeting of the sixth term of the Supervisory Committee convened on 23 March 2018 and the 2017 annual general meeting convened on 17 May 2018 considered and approved the proposal in relation to the change in the use of a portion of the proceeds raised in the non-public issuance of A Shares in 2016. For the purpose of maximising the utilisation efficiency of the proceeds raised, the Company proposed to change the use of the remaining proceeds raised for the Kolwezi Copper Mine construction project, which was estimated to be RMB740,403,500, and interest income of RMB47,496,500, totalled RMB787,900,000. The amount was invested in the “Heilongjiang Zijin Copper Co., Ltd. copper refining project” by way of capital increase to the Company’s wholly-owned subsidiaries level by level. The specific methods were as follows: the Company increased the capital of Zijin International, a wholly-owned subsidiary of the Company, and afterwards Zijin International increased the capital of Duobaoshan Copper Industry, its wholly-owned subsidiary, and finally Duobaoshan Copper Industry increased the capital of Heilongjiang Zijin Copper, its wholly-owned subsidiary. Essence Securities, sponsor of the Company, issued the Verification Opinions on the Change in the Use of a Portion of the Proceeds Raised in the Non-public Issuance of A Shares in 2016 of Zijin Mining Group Co., Ltd.* on 23 March 2018, and agreed on the change in the abovementioned project to be invested by the proceeds raised.

The twelfth extraordinary meeting in 2021 of the seventh term of the Board and the third extraordinary meeting in 2021 of the seventh term of the Supervisory Committee convened on 22 November 2021 considered and approved the proposal in relation to the absorption and merger of Tongshan Mining by Duobaoshan Copper Industry and the change in the main implementation entity of one of the projects to be invested by the proceeds raised. It was agreed that the main implementation entity of “Mining project in the Tongshan Mine of Heilongjiang Tongshan Mining Co., Ltd.” (one of the projects to be invested by the proceeds raised in the public issuance of A Share convertible corporate bonds for the year 2020 of the Company) would be changed from Heilongjiang Tongshan Mining Co., Ltd. (a wholly-owned subsidiary of the Company) to Duobaoshan Copper Industry (a wholly-owned subsidiary of the Company). Other matters of the project remain unchanged. Essence Securities, sponsor of the Company, issued the Verification Opinion of Essence Securities Co., Ltd. on Absorption and Merger of Subsidiaries and Change in the Main Implementation Entity of One of the Projects to be Invested by the Proceeds Raised of Zijin Mining Group Co., Ltd.* on 23 November 2021 and agreed on the change in the implementation entity of the abovementioned project to be invested by the proceeds raised.

The eleventh meeting of the seventh term of the Board and the eleventh meeting of the seventh term of the Supervisory Committee convened on 11 April 2022 and the 2021 annual general meeting convened on 17 May 2022 considered and approved the proposal in relation to change in one of the projects to be invested by the proceeds raised. It was agreed the outstanding balance of the unutilised proceeds, i.e., RMB0.770453 billion (including interest) of “The Kamo-Kakula Copper Mine project of Kamo Holding Limited in the DR Congo” shall change to “phase 1 underground mining project of the Aurora Gold Mine in Guyana”. The

implementation entity of the new project to be invested by the proceeds raised was AGM Inc. Essence Securities, sponsor of the Company, issued the Verification Opinion of Essence Securities Co., Ltd. on the Change in One of the Projects to be Invested by the Proceeds Raised of Zijin Mining Group Co., Ltd.* on 11 April 2022 and agreed on the change in the abovementioned project to be invested by the proceeds raised.

IV. Status of transfer and substitution of projects invested by the proceeds previously raised invested with self-financed funds in advance

(I) Status of transfer of projects invested by the proceeds previously raised invested with self-financed funds in advance

There was no transfer of projects invested by the proceeds previously raised invested with self-financed funds in advance.

(II) Status of substitution of the proceeds previously raised

I. Status of substitution of the proceeds raised in the non-public issuance in 2016

Before the proceeds previously raised in the non-public issuance was deposited in the account, the Company invested in the projects to be invested by the proceeds raised with self-financed funds in advance according to the actual situation. As at 31 May 2017, the actual self-financed funds of the Company invested in the projects invested by the proceeds raised in advance amounted to RMB556.2197 million.

Relevant matters with respect to the substitution of the Company's self-financed funds invested in the projects to be invested by the proceeds raised in advance were considered and approved at the eleventh extraordinary meeting in 2017 of the sixth term of the Board and the second extraordinary meeting in 2017 of the sixth term of the Supervisory Committee convened on 21 July 2017, respectively, at which all the independent Directors of the Company provided clear approval opinion as well. Ernst & Young Hua Ming LLP conducted specific verification on the use of self-financed funds to invest in the projects to be invested by the proceeds raised in advance as at 31 May 2017 and issued "Specific Verification Report on Projects to be Invested by the Proceeds Raised Invested with Self-financed Funds in Advance of Zijin Mining Group Co., Ltd.*" (Ernst & Young Hua Ming (2017) Zhuan Zi No. 60468092_H03) on 21 July 2017. As at 27 September 2017, the implementation of the substitution was completed.

Details of substitution of self-financed funds invested in advance by the proceeds previously raised are as follows:

Unit: RMB billion

No.	Project name	Total amount of investment	Proposed amount to be invested by the proceeds raised	Amount invested by self-financed funds	Amount substituted by the proceeds raised
1	The Kolwezi Copper Mine construction project in the DR Congo	3.8618809	3.2311821	0.5256034	0.5256034
2	Zijin Copper's capacity expansion project for comprehensive recovery of end materials in production	0.2283914	0.1051022	0.0306163	0.0306163
Total		4.0902723	3.3362843	0.5562197	0.5562197

Note: The self-financed funds invested in advance in the Kolwezi Copper Mine construction project in the DR Congo were settled in USD. The total amount was USD76.5817 million, equivalent to RMB525.6034 million based on the RMB central parity rate of USD1:RMB6.8633 on 31 May 2017.

2. Status of substitution of the proceeds raised in the public issuance in 2018

Before the proceeds previously raised in the public issuance was deposited in the account, the Company invested in the project to be invested by the proceeds raised with self-financed funds in advance according to the actual situation. As at 22 November 2019, the actual self-financed funds of the Company invested in the project invested by the proceeds raised in advance amounted to RMB9.363306 billion.

Relevant matters with respect to the substitution of the Company's self-financed funds invested in the project to be invested by the proceeds raised in advance were considered and approved at the fourteenth extraordinary meeting in 2019 of the sixth term of the Board and the third extraordinary meeting in 2019 of the sixth term of the Supervisory Committee convened on 22 November 2019, respectively. Ernst & Young Hua Ming LLP conducted specific verification on the use of self-financed funds to invest in the project to be invested by the proceeds raised in advance as at 22 November 2019 and issued "Specific Verification Report on Project to be Invested by the Proceeds Raised Invested with Self-financed Funds in Advance of Zijin Mining Group Co., Ltd.*" (Ernst & Young Hua Ming (2019) Zhuan Zi No. 60468092_H06) on 22 November 2019.

Details of substitution of self-financed funds invested in advance by the proceeds previously raised are as follows:

Unit: RMB billion

No.	Project name	Total amount of investment	Proposed amount to be invested by the proceeds raised	Amount invested by self-financed funds	Amount substituted
					by the proceeds raised
1	All cash takeover of 100% interest of Nevsun Resources Ltd.	9.3633060	7.8474280	9.3633060	7.8474280

Note: Pursuant to the pre-acquisition agreement entered into between the Company and Nevsun Resources Ltd. in September 2018, the consideration for acquiring 100% interest in Nevsun Resources Ltd. was CAD1.8584994 billion, equivalent to approximately RMB9.3633060 billion (based on the RMB central parity rate of CAD1:RMB5.0381 announced by the China Foreign Exchange Trade System on 29 December 2018).

3. Status of substitution of the proceeds raised in the public issuance of A Share convertible corporate bonds for the year 2020

Before the proceeds previously raised in the public issuance was deposited in the account, the Company invested in the projects to be invested by the proceeds raised with self-financed funds in advance according to the actual situation. As at 9 November 2020, the actual self-financed funds of the Company invested in the projects invested by the proceeds raised in advance amounted to RMB1.2513952 billion.

Relevant matters with respect to substitution of the Company’s self-financed funds invested in the projects to be invested by the proceeds raised in advance were considered and approved at the twenty-third extraordinary meeting in 2020 of the seventh term of the Board and the third extraordinary meeting in 2020 of the seventh term of the Supervisory Committee convened on 12 November 2020, respectively. Ernst & Young Hua Ming LLP conducted specific verification on the use of self-financed funds to invest in the projects to be invested by the proceeds raised in advance as at 9 November 2020 and issued “Specific Verification Report on Projects to be Invested by the Proceeds Raised Invested with Self-financed Funds in Advance of Zijin Mining Group Co., Ltd.*” (Ernst & Young Hua Ming (2020) Zhuan Zi No. 60468092_H07) on 12 November 2020.

APPENDIX 6 SPECIFIC REPORT ON THE USE OF PROCEEDS PREVIOUSLY RAISED

Details of substitution of self-financed funds invested in advance by the proceeds previously raised are as follows:

Unit: RMB billion

No.	Project name	Total amount of investment	Proposed amount to be invested by the proceeds raised	Amount invested by self-financed funds	Amount substituted by the proceeds raised
1	The Kamo-a-Kakula Copper Mine project of Kamo-a Holding Limited in the DR Congo	5.1635074	3.1102851	0.8726650	0.8726650
2	Mining and processing project in the Upper Zone of the Timok Copper and Gold Mine of Rakita Exploration d.o.o. Bor in Serbia	3.3619773	2.1800000	0.3553830	0.3553830
3	Mining project in the Tongshan Mine of Heilongjiang Tongshan Mining Co., Ltd.	0.9475115	0.6800000	0.0233472	0.0233472
Total		9.4729962	5.9702851	1.2513952	1.2513952

Note: The self-financed funds invested in advance in the Kamo-a-Kakula Copper Mine project of Kamo-a Holding Limited in the DR Congo were settled in USD. The total amount was USD131.976 million, equivalent to RMB872.665 million based on the RMB central parity rate of USD1:RMB6.61 announced by the China Foreign Exchange Trade System under the authorisation of the People's Bank of China on 9 November 2020. The self-financed funds invested in advance in the Mining and processing project in the Upper Zone of the Timok Copper and Gold Mine of Rakita Exploration d.o.o. Bor in Serbia were settled in USD. The total amount was USD53.7458 million, equivalent to RMB355.3830 million based on the RMB central parity rate of USD1:RMB6.61 announced by the China Foreign Exchange Trade System under the authorisation of the People's Bank of China on 9 November 2020.

V. Realised benefits of the projects invested by the proceeds previously raised in the most recent three years

As at 31 December 2022, the realised benefits of the projects invested by the proceeds previously raised in the most recent three years are as follows:

(I) Comparison table of the realised benefits of the projects invested by the proceeds previously raised (the proceeds raised in the non-public issuance in 2016)

Number	Project actually invested Name of project	Accumulative utilisation rate of production capacity of the project as at the Cut-off Date (Note 1)	Committed benefits	Actual benefits for the most recent three years (Note 2)			Accumulative realised benefits as at the Cut-off Date	Whether the expected benefits were met	Unit: RMB billion
				2020	2021	2022			
1	I. The Kolwezi Copper Mine construction project in the DR Congo	100%	Average annual net profit after tax of USD78.1390 million after reaching the designated capacity	1,038,2464	2,423,5367	1,801,7211	6,383,3168	Yes	
2	II. Zijin Copper 's capacity expansion project for comprehensive recovery of end materials in production	83%	Annual net profit of RMB71.8675 million after completion of expansion of the project and reaching anode slime processing capacity of 5,000 tonnes/annum	0,0613557	0,0757488	0,0911064	0,3590162	Yes	
3	III. Supplementing working capital	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	
4	IV. Heilongjiang Zijin Copper Co., Ltd. copper refining project	99%	Average annual profit before tax of RMB475.2870 million	0,0666530	0,3199639	0,4885214	0,8182582	No (Note 3)	
5	V. Perpetual supplementing working capital	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	

Note 1: Accumulative utilisation rate of production capacity of the project as at the Cut-off Date refers to the ratio of the actual output of the investment projects to the designed production capacity during the period from the time the investment projects reaching the designated useable stage to the Cut-off Date.

Note 2: In the comparison tables of the realised benefits of the projects invested by the proceeds previously raised, the basis and calculation method of the realised benefits are the same as those of the committed benefits.

Note 3: Heilongjiang Zijin Copper Industry Co., Ltd. copper refining project commenced commissioning and trial production in September 2019. The initial processing scale has reached the designated production capacity since the start of production. Affected by the health policy in 2020 and 2021, the supply of copper concentrate powder in China was insufficient, and the quantity of imported copper concentrates increased. Affected by fluctuations in the international copper concentrate price, the profit of cathodes produced from imported copper concentrates was relatively low. As a result, the actual benefits of the project was lower than the committed benefits. In 2022, the project had reached the designated production capacity.

(II) Comparison table of the realised benefits of the projects invested by the proceeds previously raised (the proceeds raised in the public issuance of A Share convertible corporate bonds for the year 2020)

Unit: RMB billion

Project actually invested Number	Name of project	Accumulative utilisation rate of production capacity of the project as at the Cut-off Date (Note 3)	Committed benefits	Actual benefits for the most recent three years			Accumulative realised benefits as at the Cut-off Date	Whether the expected benefits were met
				2020	2021	2022		
1	The Kamao-Kakula Copper Mine project of Kamao Holding Limited in the DR Congo	98%	Average annual income of USD1.4136260 billion and average annual net profit of USD0.6186230 billion after reaching the designated production capacity	Not applicable	1.7615933	4.6459137	6.4075070	Yes (Note 4)
2	Mining and processing project in the Upper Zone of the Timok Copper and Gold Mine of Rakitia Exploration d.o.o. Bor in Serbia (Note 1)	65%	Average annual income of USD0.5435060 billion and average annual net profit of USD0.2714860 billion after reaching the designated production capacity	Not applicable	2.3720438	4.3360670	6.7081128	Yes (Note 1)

Unit: RMB billion

Project actually invested Number	Name of project	Accumulative utilisation rate of production capacity of the project as at the Cut-off Date (Note 3)	Committed benefits	Actual benefits for the most recent three years			Accumulative realised benefits as at the Cut-off Date	Whether the expected benefits were met
				2020	2021	2022		
3	Mining project in the Tongshan Mine of Heilongjiang Tongshan Mining Co., Ltd. (Note 2)	Not applicable	Average annual income of RMB0.423 billion and average annual net profit of RMB0.1222718 billion after reaching the designated production capacity	Not applicable	Not applicable	Not applicable	Not applicable (Note 2)	
4	Phase 1 of underground mining project of the Aurora Gold Mine in Guyana	Not applicable	Average annual realised operating income of USD0.2408950 billion and average annual net profit of USD0.0827390 billion after reaching the designated production capacity	Not applicable	Not applicable	Not applicable	Not applicable (Note 5)	

Note 1: Rakita Exploration d.o.o. Bor in Serbia was renamed as Serbia Zijin Mining Doo. Mining and processing project in the Upper Zone of the Timok Copper and Gold Mine of Serbia Zijin Mining Doo has reached the designated useable stage in October 2021. In 2022, the project produced 111,000 tonnes of copper and 4.73 tonnes of gold.

Note 2: Mining project in the Tongshan Mine of Heilongjiang Tongshan Mining Co., Ltd. is currently under project construction period. It is expected that the project can reach the designated useable stage before the end of the first quarter of 2024.

Note 3: Accumulative utilisation rate of production capacity of the project as at the Cut-off Date refers to the ratio of the actual output of the investment project to the designed production capacity during the period from the time the investment projects reaching the designated useable state to the Cut-off Date.

Note 4: The Kamoia-Kakula Copper Mine project of Kamoia Holding Limited in the DR Congo has reached the designated useable stage in May 2021. In 2022, the project produced 333,500 tonnes of copper.

Note 5: The consideration and approval procedures for changing the remaining balance of the proceeds raised of the Kamoia-Kakula Copper Mine project of Kamoia Holding Limited in the DR Congo into phase 1 underground mining project of the Aurora Gold Mine in Guyana were completed. It is expected that phase 1 underground mining project of the Aurora Gold Mine in Guyana will reach the designated useable stage in July 2026.

VI. Operation of relevant assets concerned in the previous issuances involving the subscription of shares with assets

There is no operation of relevant assets concerned in the previous issuances involving the subscription of shares with assets.

VII. Use of idle proceeds raised

In order to enhance the utilisation efficiency of the proceeds raised by the Company and protect the interests of the Company and the Shareholders, the Company convened the ninth extraordinary meeting in 2017 of the sixth term of the Board and the first extraordinary meeting in 2017 of the sixth term of the Supervisory Committee on 14 June 2017, respectively, at which the proposal in relation to cash management of the temporarily idle proceeds raised by the Company was considered and approved. It was agreed that cash management will be conducted on a portion of the temporarily idle proceeds raised under the non-public issuance in 2016, subject to a maximum amount of RMB1.9 billion (RMB1.9 billion inclusive). The approval was valid for a period of 12 months from the date of consideration and approval of the Board. Independent Directors and the sponsor provided opinion on approval for cash management of a portion of the temporarily idle proceeds raised by the Company, respectively. For details, please refer to the announcement published on the websites of the Shanghai Stock Exchange and the Company on 15 June 2017 (announcement number: Lin 2017-033).

After the expiration of the abovementioned authorisation, the Company convened the ninth meeting of the sixth term of the Board and the ninth meeting of the sixth term of the Supervisory Committee on 24 August 2018, respectively, at which the proposal in relation to cash management of the temporarily idle proceeds raised by the Company was considered and approved. It was agreed that cash management will be conducted on a portion of the temporarily idle proceeds raised under the non-public issuance in 2016, subject to a maximum amount of RMB1.5 billion (RMB1.5 billion inclusive). The approval was valid for a period of 12 months from the date of consideration and approval of the Board. Independent Directors and the sponsor provided opinion on approval for cash management of a portion of the temporarily idle proceeds raised by the Company, respectively. For details, please refer to the announcement published on the websites of the Shanghai Stock Exchange and the Company on 25 August 2018 (announcement number: Lin 2017-047).

As at 31 December 2022, there was no investment or wealth management not yet expired.

VIII. Remaining balance of the proceeds previously raised and the use of the remaining proceeds raised

Zijin Copper's capacity expansion project for comprehensive recovery of end materials in production reached the designated useable stage on 30 June 2018. The project's special account for proceeds raised had a balance of RMB37.6473 million (interest included); Zijin Mining Group Co., Ltd.*'s special account for proceeds raised in ICBC Shanghang Branch had a balance of interest income of RMB146.3 thousand. As the committed projects to be invested

by the proceeds raised completed, at the sixteenth extraordinary meeting in 2019 of the Board of the Company, it was considered and approved that the remaining proceeds raised would be used to perpetual supplement working capital. The remaining proceeds raised represented 0.82% of the net amount of proceeds raised, which was lower than 5% of the net amount of proceeds raised.

IX. CONCLUSION

The Board is of the view that the Company used the proceeds previously raised according to the plans for use of the proceeds raised disclosed in the previous offering documents. The Company has discharged the disclosure obligations truthfully in disclosing the use and progress of the proceeds previously raised in accordance with the Guidelines for the Application of Regulatory Rules – Issue No. 7 issued by the CSRC.

The Board and all Directors hereby warrant that there are no false representations or misleading statements contained in, or material omissions from this report, and jointly and severally bear legal responsibility for the truthfulness, accuracy and completeness for the contents.

Zijin Mining Group Co., Ltd.*
Board of Directors
25 March 2023

* *The English name of the Company is for identification purpose only*

Should there be any discrepancy, the Chinese text of this appendix shall prevail.



Zijin Mining Group Co., Ltd.*
Demonstration and Analysis Report in
relation to the Proposal on the
Public Issuance of A Share Convertible Corporate Bonds

February 2023

Special reminder

The relevant arrangements of the Public Issuance of A Share Convertible Corporate Bonds are formulated with reference to Administrative Measures for Registration of Issuance of Securities by Listed Companies (Exposure Draft). As the Administrative Measures for Registration of Issuance of Securities by Listed Companies (Exposure Draft) by the CSRC is still in the consultation stage, if the relevant arrangements of the Public Issuance of A Share Convertible Corporate Bonds conform to the Administrative Measures for Registration of Issuance of Securities by Listed Companies which is officially promulgated and effectuated in the future, the Administrative Measures for Registration of Issuance of Securities by Listed Companies which is officially promulgated and effectuated will be automatically applicable on the Public Issuance of A Share Convertible Corporate Bonds. If there are any differences between the relevant arrangements of the Public Issuance of A Share Convertible Corporate Bonds and the Administrative Measures for Registration of Issuance of Securities by Listed Companies which is officially promulgated and effectuated in the future, the Company will table the relevant arrangements of the Issuance which are adjusted by the Board pursuant to the laws to the shareholders' general meeting for consideration, or the Board will adjust the relevant arrangements of the Issuance within the scope of authorisation granted at the Shareholders' General Meetings pursuant to the laws, so that the Issuance will comply with the relevant provisions of the Administrative Measures for Registration of Issuance of Securities by Listed Companies.

**Chapter I Background and purposes of
implementing the Issuance**

Zijin Mining Group Co., Ltd.* (“Zijin Mining” or the “Company”) proposed to raise funds by the means of Public Issuance of A Share Convertible Corporate Bonds (the “A Share Convertible Corporate Bonds”) pursuant to the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of the People’s Republic of China (the “Securities Law”), the Administrative Measures for Registration of Issuance of Securities by Listed Companies (Exposure Draft) (the “Administrative Measures for Registration”), other laws, regulations and regulatory documents and taking into account its own situation.

I. Background of the Public Issuance of A Share Convertible Corporate Bonds

Zijin Mining is a sizable multinational mining group dedicated to exploration and development, engineering technology application and research of mineral resources including copper, gold, lead, zinc, other base metals and new energy minerals with high technology and efficiency. It is principally engaged in the exploration, mining, refining and processing of copper, gold, lead, zinc and new energy minerals, and sales of related products.

(I) Business operation of the Company

The Company’s operating results has maintained a continuous and rapid growth. In 2021, the Company realised an operating income of RMB225.102 billion, representing an increase of 31.25% compared with the same period last year; profit before tax was RMB24.794 billion, representing an increase of 128.60% compared with the same period last year; among which, net profit attributable to owners of the listed company was RMB15.673 billion, representing an increase of 140.80% compared with the same period last year.

As at the end of 2021, the total assets of the Company amounted to RMB208.595 billion, representing an increase of 14.42% compared with the same period last year. Resources/reserves as well as output of major mineral products continued to be at the top in the Chinese metal mining industry.

In terms of output, the Company produced 584,000 tonnes of mine-produced copper in 2021, representing an increase of 28.83% compared with the same period last year; mined-produced gold was 47.5 tonnes, representing an increase of 17.16% compared with the same period last year; mine-produced zinc (lead) was 434,000 tonnes, representing an increase of 14.86% compared with the same period last year; mine-produced silver was 309 tonnes, representing an increase of 3.38% compared with the same period last year; iron ore was 4.25 million tonnes, representing an increase of 9.82% compared with the same period last year.

In terms of resources, as at the end of 2021, the Company owned 62.77 million tonnes of copper, 2,373 tonnes of gold, 9.62 million tonnes of zinc and the newly added 7.63 million tonnes of lithium carbonate in 2021.

(II) Main competitive advantages of the Company

The Company gradually formed several competitive advantages during the development process, including:

1. Advantage in excellent corporate system and governance

The Company is one of the first Chinese mining companies that underwent mixed-ownership reform and completed the most successful corporate governance system reform. The Company operates under a separation of ownership and management, with high efficiency in decision-making and flexible operation mechanism. The Company's Party Committee, Board, Supervisory Committee and senior management are well-organised, with clear duties and responsibilities, high efficiency and coordination. With clear strategic goal and orientation, the Company operates in a consistent and firm manner. The Company's management team has a reasonable composition, in which the majority of the management personnel are industry experts who can view from a higher perspective and wider horizon. They have strong senses of responsibility and mission and are dedicated, professional and loyal when discharging their duties. The Company continues to deepen reforms and optimise the operation management and governance systems which are highly adaptable.

2. Advantage in vast resources base

The Company is a large-scale mining company that controls the largest non-ferrous metallic mineral resources in China. As at the end of 2021, the resources of the Company consisted of 62.77 million tonnes of copper, 2,373 tonnes of gold, 9.62 million tonnes of zinc and 7.63 million tonnes of lithium carbonate, in which its copper reserves represent around 75% of the total reserves in China.

The Company possesses a batch of world-class, high-quality mineral resources around the world. For example, the Kamoia Copper Mine in the DR Congo, with 43.59 million tonnes of copper resources, is the world's fourth largest high-grade copper mine; the Qulong Copper Mine in Tibet is the largest porphyry copper deposit that has ever been discovered in China, with prospective reserves of over 20 million tonnes; the Čukaru Peki Copper (Gold) Mine in Serbia has about 16 million tonnes of copper resources; and the Buriticá Gold Mine in Colombia has about 320 tonnes of gold resources grading 6.93 grammes/tonne in average, which is much higher than the average grade of primary gold ores in the world; the Tres Quebradas Salar project in Argentina is one of the highest quality lithium salt lake resources in the world.

3. Advantage in fast-growing production capacity

The Company operates around 30 key mining projects and a batch of world-class volume increment projects across the globe, which are primarily designed, constructed, operated and managed by itself. A highly efficient, highly profitable and low-cost “Zijin Model” is hereby created. There is an explosive growth momentum in the Company’s copper production capacity. The gold production capacity is continuously rising, the mine-produced zinc and mine-produced silver segments possess a leading advantage in the domestic market. The constructions of the new energy and new material projects have fully and substantively commenced, and the production capacity of battery-grade lithium carbonate is expected to form within a comparatively short time. The Company’s diversified product portfolio comprising existing products such as copper, gold, zinc, and lithium carbonate in the new energy segment offers effective protection against fluctuations of metal prices in different cycles and enhances the Company’s risk resistance capability and profitability.

4. Advantage in the self-initiated whole-process engineering technologies

The Company pioneers and continuously deepens the application of the mining engineering management model of “five-stage life-of-mine project management procedure by in-house capabilities”, which follows ore treatment process and realises coordinated research on five procedures of geological prospecting, mining, processing, metallurgy and environmental protection as well as full process control, enabling maximisation of economic and social benefits. The Company possesses abundant practical experience and industry-leading technologies in geological prospecting, hydrometallurgy, comprehensive recovery and utilisation of low-grade refractory resources, large-scale engineering development and other aspects. The Company has founded the only State Key Laboratory of Comprehensive Utilisation of Low-grade Refractory Gold Ores in the domestic gold industry, and established institutions for system technology, engineering research, design and application, including a batch of design and construction entities with grade-A qualifications. These create a supporting system in which industry, academia and research integrate deeply with informatisation.

5. Advantage in leading low-cost operation

The Company’s cost of obtaining mineral resources is generally low. On one hand, relying on industry-leading geological exploration technologies and capability, the Company steps up self-initiated exploration and prospecting globally and lays out geological prospecting breakthroughs at important metallogenic belts, as a result of which around 50% of the Company’s resources are obtained from self-initiated exploration. On the other hand, with systematic engineering, mining economic concept and professional analysis and decision-making ability, the Company timely implements mergers and acquisitions of high-quality medium and large-scale mining assets, which has

consolidated the Company's mineral resources advantages in a low-cost and high-efficiency way. Relying on the self-developed technologies in mining engineering for research, design, construction and development and the Company's own platform, the Company has continuously improved its mine development capacity, optimised the development plans of crucial construction projects, reduced investment costs, shortened construction cycles and realised favourable overall efficacy. The Company has formulated a development strategy of "one policy for one entity", effectively pushed for comprehensive utilisation of low-grade, refractory resources, which further increase its competitiveness in production and operational costs. Furthermore, the Company has relatively low financing costs and sufficient lines of credit.

6. Advantage in professional team and corporate culture

The Company has a highly loyal and responsible team of professional management and technical personnel. From their years of practice, the Zijin spirit of "perseverance, entrepreneurship and innovation" has been developed, providing strong support to the Company's leaping development. The Company actively ushers in the principles of global operation and management, continuously promotes cross-cultural integration, upholds the value of "create wealth in harmony, balance development of the corporation, the employees and the society" and the common development concept of "mining for a better society", upholds green, high-quality and sustainable development as the guiding spirits and action standards for the enterprise.

II. The purposes and implications of the Public Issuance of A Share Convertible Corporate Bonds

(I) Help the Company grasp merger and acquisition opportunities of high-quality medium and large mining assets with great strategic significance

Over the past twenty years, Zijin Mining has allocated its resources globally and achieved remarkable results in mergers, acquisitions and development of resources. Among the leading global copper enterprises, Zijin Mining has the fastest growth rate and highest production increment. The growth of gold output of the Company is also obvious. The Company's asset scale continued to grow, and the level of profitability increased significantly. Major economic indicators of the Company ranked top among the industry in China and top ten in the world. The Company has become an important producer of gold, copper and zinc in the global context, and has built world-class copper mines such as the Kamoa-Kakula Copper Mine in the DR Congo, the Čukaru Peki Copper and Gold Mine in Serbia and the Julong Copper Mine in Tibet.

The Issuance of A Share Convertible Corporate Bonds will help the Company grasp merger and acquisition opportunities of high-quality medium and large mining assets with great strategic significance. At the same time, it will further strengthen the Company's traditional advantages in geological exploration and continuously increase the reserves of important mineral resources, which is of great significance to the Company's strategic goal of catching up with the world's top metal mining companies.

Resource volume is the future potential and room for the development of a mining enterprise. After the completion of the acquisition of the Shapinggou Molybdenum Mine in Anhui, the Company will own the largest molybdenum mine in Asia, and molybdenum will become an important product category of the Company. The molybdenum resources owned by the Company will increase by 1.96 million tonnes on equity basis. After the completion of the acquisition of 30% interest in the Haiyu Gold Mine in Shandong and the Rosebel Gold Mine Project in Suriname, the gold resources of the Company will increase by 169 tonnes and 191 tonnes on equity basis, respectively. The gold resources owned by the Company on equity basis is expected to reach approximately 2,800 tonnes. The competitiveness of the Company in the global gold mining industry will be further enhanced.

(II) Help the Company expand the production scale of gold mines, give full play to the synergy effect and enhance the Company's core competitiveness

Through the Issuance, the Company will acquire the Rosebel Gold Mine in Suriname and develop the phase 1 underground mining construction project of the Aurora Gold Mine in Guyana. Since the Rosebel Gold Mine commenced production in 2004, its average annual gold output has exceeded 10 tonnes; after the phase 1 underground mining construction project of the Aurora Gold Mine in Guyana commences production, it is expected that the annual output of mine-produced gold will increase by 4.5 tonnes. The realised gold production capacity of the Company will be pulled up quickly. Meanwhile, with the rich technological and management experience the Company accumulated over the years, it is expected that the mining process of the Rosebel Gold Mine will be optimised, and the mining and stripping costs will be reduced, resulting in a further increase of efficiency.

Therefore, through the Issuance, the Company can make full use of its existing competitive advantages to further expand the Company's production scale of mine-produced gold, increase the Company's efficiency, enhance the Company's competitiveness and international industry status in the global gold mining industry.

(III) Meet the capital demand and optimise financial structure

As at 30 September 2022, the debt-to-asset ratio of the Company (on consolidation basis) was 58.29%. The total investment amount of the projects to be invested by the proceeds raised (the "Projects to be Invested by the Proceeds Raised") is approximately RMB14.443 billion, and the amount of proceeds raised proposed to be used will not exceed RMB10 billion.

After the proceeds raised in the Issuance of A Share Convertible Corporate Bonds are deposited in the account, the Company will invest the proceeds raised in the abovementioned projects in accordance with the actual need and priority of the projects. After the Bondholders convert the A Share Convertible Corporate Bonds into A Shares, the Company's share capital will increase, the capital strength will be enriched, the business scale will be expanded, and the Company's financial structure will be improved.

Chapter II Necessity of the Issuance and selecting such type of securities to be issued

I. Type of securities to be issued

The type of securities to be issued is convertible corporate bonds which can be converted into the A Shares of the Company. The A Share Convertible Corporate Bonds and the A Shares of the Company to be converted in the future will be listed on the Shanghai Stock Exchange.

II. The necessity of selecting such type of securities to be issued

(I) Meeting the capital demand of the Projects to be Invested by the Proceeds Raised and optimising financial structure

The Issuance of A Share Convertible Corporate Bonds will help the Company grasp merger and acquisition opportunities of high-quality medium and large mining assets with great strategic significance, expand the production scale of gold mines, give full play to the synergy effect and enhance the Company's core competitiveness, which is in line with the Company's strategic development. The total investment amount of the Projects to be Invested by the Proceeds Raised is approximately RMB14.443 billion, which is relatively large.

As at 30 September 2022, the debt-to-asset ratio of the Company (on a consolidation basis) was 58.29%. After the Bondholders convert the A Share Convertible Corporate Bonds into A Shares, the Company's share capital will increase, the capital strength will be enriched, the business scale will be expanded, and the Company's financial structure will be improved.

(II) Limitation of financing through bank borrowings by the Company

The Company's financing costs of financing through bank borrowings is relatively high, and the scale of financing is relatively limited. If the Company relies on bank borrowings for its subsequent operation development, on one hand, the debt-to-asset ratio of the Company will become higher, increasing the Company's financial risk; on the other hand, higher interest expenses will be incurred, which will generate adverse effects on the Company's profitability and is unfavourable to the Company's stable development.

(III) Issuance of convertible corporate bonds is a suitable means of financing under the Company's current status

The A Share Convertible Corporate Bonds to be issued this time can be converted into the A Shares of the Company if the conditions are met, which is equivalent to attaching an option to corporate bonds. Therefore, the A Share Convertible Corporate Bonds have both equity nature and debt nature. Convertible corporate bonds usually have relatively lower coupon rates, which can lower the Company's financing costs. Through the Issuance, the Company is able to raise its debt level, optimise its capital structure in a suitable manner, as well as fully utilising debt leverage to raise the return on assets and raise the profit return of the investors.

In summary, it is necessary for the Company to select the Public Issuance of A Share Convertible Corporate Bonds for financing.

Chapter III The appropriateness of selection range, number and criteria of target subscribers**I. Appropriateness of selection range of target subscribers**

It is proposed that the Shareholders to authorise the Board or its authorised persons at the Shareholders' General Meetings to determine the specific method of the Issuance of A Share Convertible Corporate Bonds upon negotiation with the sponsor (the lead underwriter).

The target subscribers of the A Share Convertible Corporate Bonds are natural persons, legal persons, securities investment funds and other investors in compliance with legal requirements who have maintained securities accounts in the China Securities Depository and Clearing Corporation Limited Shanghai Branch (excluding those prohibited by the PRC laws and regulations).

The existing A Shareholders are entitled to the right to subscribe for the A Share Convertible Corporate Bonds in priority. The existing A Shareholders have the right to surrender such right. The specific proportion of subscription in priority by the existing A Shareholders shall be determined by the Board or its authorised persons in accordance with the conditions upon the Issuance, subject to the authorisation by the Shareholders at the Shareholders' General Meetings, and shall be disclosed in the issuance announcements of the A Share Convertible Corporate Bonds. The A Share Convertible Corporate Bonds which are not subject to the abovementioned priority in subscription by existing A Shareholders and are not subscribed by the existing A Shareholders in priority will be offered to institutional investors offline or issued by way of online pricing through the trading system of the Shanghai Stock Exchange, and the remaining balance will be underwritten by the underwriters.

The selection range of target subscribers complies with the regulations of the relevant laws, regulations and regulatory documents of the CSRC and the Shanghai Stock Exchange. The selection range is appropriate.

II. The appropriateness of number of target subscribers

The target subscribers of the A Share Convertible Corporate Bonds are natural persons, legal persons, securities investment funds and other investors in compliance with legal requirements who have maintained securities accounts in the China Securities Depository and Clearing Corporation Limited Shanghai Branch (excluding those prohibited by the PRC laws and regulations).

The criteria of target subscribers complies with the regulations of the relevant laws, regulations and regulatory documents of the CSRC and the Shanghai Stock Exchange. The number of target subscribers is appropriate.

III. The appropriateness of criteria of target subscribers

The target subscribers of the A Share Convertible Corporate Bonds shall have certain risk identification ability and risk tolerance ability, and have the corresponding financial strength.

The criteria of target subscribers complies with the regulations of the relevant laws, regulations and regulatory documents of the CSRC and the Shanghai Stock Exchange. The criteria of target subscribers is appropriate.

Chapter IV Reasonableness of the principles, basis, methods and procedures of determination of the issuance price

I. The principles of determination of the issuance price are reasonable

The Company will determine the time of the Issuance upon negotiation with the sponsor (the lead underwriter) after the approval in relation to the Issuance of the CSRC is obtained. The principles of determination of the issuance price are as follows:

(I) Coupon rate of the A Share Convertible Corporate Bonds

It is proposed that the Shareholders to authorise the Board or its authorised persons at the Shareholders' General Meetings to determine the determination method of coupon rate of the A Share Convertible Corporate Bonds and the final interest rate for every interest accrual year upon negotiation with the sponsor (the lead underwriter) in accordance with national policies, market conditions and the actual conditions of the Company, prior to the Issuance.

(II) Determination and adjustment of the conversion price

1. Basis for determining the initial conversion price

The initial conversion price shall not be lower than the average trading price of A Shares for the 20 trading days preceding the publication date of the Offering Document (in the event that the A Share price was adjusted due to ex-right and ex-dividend in the preceding 20 trading days, the average trading price of A Shares for the trading days prior to the adjustment shall be calculated based on the price after such ex-right and ex-dividend) and the average trading price for the preceding trading day. That is, initial conversion price shall not be lower than the higher of the average trading price of A Shares for the 20 trading days preceding the publication date of the Offering Document and the average trading price for the preceding trading day. The actual initial conversion price shall be determined by the Board or its authorised persons upon negotiation with the sponsor (the lead underwriter) prior to the Issuance in accordance with the market conditions pursuant to the authorisation from the Shareholders at the Shareholders' General Meetings. At the same time, the initial conversion price shall not be lower than the audited net asset value per Share for the latest period and the face value of the Share of the Company.

In which, the average trading price of A Shares for the preceding 20 trading days = total trading amount of A Shares for the preceding 20 trading days/total trading volume of A Shares for such 20 trading days; the average trading price of A Shares for the preceding trading day = total trading amount of A Shares for the preceding trading day/total trading volume of A Shares for such trading day.

2. Method of adjustments and calculation formula to the conversion price

The conversion price is subject to adjustment upon the Issuance in case of certain events which affect the Shares of the Company, such as distribution of share dividends, conversion or increase of share capital, issuance of new shares, rights issue or distribution of cash dividends (excluding any increase in the share capital as a result of conversion of the A Share Convertible Corporate Bonds). The Company shall adjust the conversion price accumulatively based on the order of occurrence of the abovementioned scenarios (round off to two decimal places). The details of the adjustment are as follows:

Distribution of share dividends or conversion or increase of share capital:
 $P_1 = P_0/(1 + n)$;

Issuance of new shares or rights issue: $P_1 = (P_0 + A \times k)/(1 + k)$;

The above two events occur concurrently: $P_1 = (P_0 + A \times k)/(1 + n + k)$;

Distribution of cash dividends: $P_1 = P_0 - D$;

The above three events occur concurrently: $P_1 = (P_0 - D + A \times k)/(1 + n + k)$.

Where: “ P_0 ” denotes the conversion price before adjustment; “ n ” denotes the rate of distribution of share dividends or conversion or increase of share capital this time; “ k ” denotes the rate of issuance of new shares or rights issue this time; “ A ” denotes the price of issuance of new shares or rights issue this time; “ D ” denotes the cash dividend per Share this time; “ P_1 ” denotes the adjusted effective conversion price.

Upon the occurrence of any of the abovementioned changes in the Shares and/or owners’ equity, the Company shall adjust the conversion price based on the order of the occurrence, and publish an announcement in relation to the adjustment of the conversion price on the media designated by the CSRC for information disclosure of listed companies. Such announcement shall indicate the date of adjustment to the conversion price, adjustment method and suspension period of share conversion (if necessary). If the conversion price adjustment date is on or after the date on which a Bondholder applies for conversion of its/his/her A Share Convertible Corporate Bonds but before the record date of the A Shares to be issued upon conversion, such conversion shall then be executed based on the conversion price adjusted by the Company.

In the event that the creditor’s interests or the interests derived from the share conversion of the Bondholders are affected by the change in the Company’s share class, quantity and/or owners’ equity due to any possible share repurchase, consolidation, division or any other circumstances, the Company shall adjust the conversion price based on the actual situations and in accordance with the principles of fairness, justice and equality so as to fully protect the interests of the Bondholders. The details of adjustment to the conversion price and its implementation measures shall be determined in accordance with the relevant PRC laws, regulations, rules and the relevant requirements of the securities regulatory authorities.

(III) Terms of downward adjustment to conversion price

1. Authorisation and magnitude of adjustment

If, during the term of the A Share Convertible Corporate Bonds, the closing prices of A Shares of the Company on at least 15 trading days out of any 30 consecutive trading days are lower than 75% of the prevailing conversion price, the Board is entitled to propose a downward adjustment to the conversion price and submit it to the shareholders’ general meetings for the Shareholders’ consideration and approval.

The abovementioned proposal shall be implemented only if it is approved by more than two-thirds of the Shareholders with voting rights who attend the shareholders' general meetings. Shareholders who hold the A Share Convertible Corporate Bonds shall abstain from voting at the shareholders' general meetings. The adjusted conversion price shall be no less than the higher of the average trading price of A Shares for the 20 trading days preceding the date of such shareholders' general meetings for consideration and approval of the aforementioned proposal and the average trading price of A Shares for the trading day preceding the date of such meetings. At the same time, the adjusted conversion price shall be no less than the audited net asset value per Share for the latest period and the face value of the Share of the Company.

In the event that there is an adjustment to the conversion price during the aforementioned 30 consecutive trading days, in respect of the trading days prior to the adjustment to the conversion price, the calculation shall be based on the unadjusted conversion price and the closing price of the A Shares on each such day, and in respect of the days on which adjustment to the conversion price is made and the trading days afterwards, the calculation shall be based on the adjusted conversion price and the closing price of the A Shares on each such day.

2. Procedures of adjustment

In the event that the Company decides to adjust the conversion price downwards, the Company shall publish an announcement on the media designated by the CSRC for information disclosure of listed companies. Such announcement shall include information including the magnitude of the adjustment, the record date, the suspension period of share conversion and other relevant information. Application for conversion at adjusted conversion price shall be resumed upon the first trading day after the record date, i.e., the conversion price adjustment date. If the conversion price adjustment date is on or after the date on which a Bondholder applies for conversion of its/his/her A Share Convertible Corporate Bonds but before the record date of the A Shares to be issued upon conversion, such conversion shall then be executed based on the adjusted conversion price.

II. The reasonableness of the basis of determination of the issuance price

The initial conversion price of the A Share Convertible Corporate Bonds under the Issuance shall not be lower than the higher of the average trading price of A Shares for the 20 trading days preceding the publication date of the Offering Document and the average trading price for the preceding trading day. The actual initial conversion price shall be determined by the Board or its authorised persons upon negotiation with the sponsor (the lead underwriter) prior to the Issuance in accordance with the market conditions pursuant to the authorisation from the Shareholders at the Shareholders' General Meetings.

In the event that the A Share price was adjusted due to ex-right and ex-dividend in the preceding 20 trading days, the average trading price of A Shares for the trading days prior to the adjustment shall be calculated based on the price after such ex-right and ex-dividend.

In which, the average trading price of A Shares for the preceding 20 trading days = total trading amount of A Shares for the preceding 20 trading days/total trading volume of A Shares for such 20 trading days; the average trading price of A Shares for the preceding trading day = total trading amount of A Shares for the preceding trading day/total trading volume of A Shares for such trading day.

The basis of determination of the issuance price complies with the relevant provisions of the Administrative Measures for Registration and other laws and regulations. The basis of determination of the issuance price is reasonable.

III. The methods and procedures of determination of the issuance price are reasonable

Pursuant to the relevant provisions of the Administrative Measures for Registration and other laws and regulations, the methods and procedures of determination of the issuance price shall be considered and approved at the Board meeting and the relevant announcements shall be disclosed on the websites of the stock exchange and the media designated by the CSRC, and shall be tabled to the shareholders' general meeting for consideration.

The methods and procedures of determination of the issuance price comply with the relevant provisions of the Administrative Measures for Registration and other laws and regulations. The methods and procedures for determination of the issuance price are reasonable.

In summary, all of the principles, basis, methods and procedures of determination of the issuance price comply with the requirements of the relevant laws and regulations, and are compliant and reasonable.

Chapter V Feasibility of the method of the Issuance**I. The method of the Issuance is lawful and compliant****(I) The Issuance complies with the relevant provisions of the Securities Law on the issuance of corporate bonds to non-specific investors**

1. Having a sound and well-operating organisational structure

In strict accordance with the requirements of the Company Law, the Securities Law and other relevant laws, regulations and regulatory documents, the Company has established the shareholders' general meeting, the Board, the Supervisory Committee and the related operating organisations, and has a sound corporate governance structure. The Company has established and improved the management system of each department. The shareholders' general meeting, the Board, the Supervisory Committee, etc. exercise their rights and discharge their obligations respectively in accordance with the provisions of the Company Law, the Articles of Association and the Company's various work systems.

The Company complies with the provisions of (1) of paragraph 1 of article 15 of the Securities Law.

2. The average distributable profit over the recent three years is sufficient to cover interest of the corporate bonds for one year

In 2019, 2020 and 2021, the net profits attributable to owners of the parent in the Company's consolidated financial statements were RMB4.2839574 billion, RMB6.5085539 billion, and RMB15.6728706 billion, respectively, and the average distributable profit realised over the recent three years was RMB8.821794 billion; the par value of the A Share Convertible Corporate Bonds to be issued this time shall not exceed RMB10 billion. Assuming that the coupon rate does not exceed 3%, the annual interest incurred will not exceed RMB300 million, and the average distributable profit of the Company over the recent three years is sufficient to cover interest of the corporate bonds for one year.

The Company complies with the provisions of (2) of paragraph 1 of article 15 of the Securities Law.

3. The proceeds raised from the public issuance of convertible corporate bonds shall be used in accordance with the use of proceeds raised set forth in the offering document. Any changes in the use of proceeds raised shall be resolved by a resolution at a bondholders' meeting. The proceeds raised from the public issuance of convertible corporate bonds shall not be used to cover any losses or non-production expenditures.

The total amount of proceeds raised from the Company's Public Issuance of A Share Convertible Corporate Bonds will not exceed RMB10 billion (RMB10 billion inclusive). After deducting the issuance expenses, all proceeds raised will be used to develop its main business and will not use to cover any losses or non-production expenditures, which complies with the provisions of paragraph 2 of article 15 of the Securities Law.

4. Having sustainable operation capacity

The Group is a sizeable multinational mining group dedicated on exploration and development, engineering technology application and research of mineral resources including copper, gold, lead, zinc, other base metals and new energy materials with high technology and efficiency. It is mainly engaged in the exploration, mining, refining and processing of copper, gold, lead and zinc and new energy minerals, and sales of related products. The Company is one of the sizable mining companies generating the best efficacy, controlling the highest metal resources reserve volume, having the highest production volumes and performing most competitively in Chinese mining industry. The Company ranked 325th among the global listed companies, 7th among the global metal corporations and 1st among the global gold corporations on Forbes' Global 2000 of 2022. It also ranked 407th in Fortune 500 list of companies in 2022 and 53rd in Fortune China 500 in the same year. Up to now, the Company is the largest producer of mine-produced gold, mine-produced copper and mine-produced zinc in China, and a leading producer of mine-produced silver in China. The Company has a relatively strong capacity in sustainable operation.

The Company complies with the provisions of article 15 of the Securities Law: "Where a listed company publicly offers convertible corporate bonds, it shall comply with the provisions of paragraph 2 of article 12 of this law in addition to the provisions of paragraph 1".

5. There is no circumstance under article 17 of the Securities Law that public offering of corporate bonds shall not be made

The Company does not have any defaults or delays in payment of principal and interest on publicly offered corporate bonds or other debts, and such situation still continues; or any change in the use of the funds raised from public offering of corporate bonds in violation of the provisions of the Securities Law.

The Company has no circumstance under article 17 of the Securities Law that public offering of corporate bonds shall not be made.

(II) Complying with the provisions of article 13 of the Administrative Measures for Registration

1. Having a sound and well-operating organisational structure;

In strict accordance with the requirements of the Company Law, Securities Law and other relevant laws, regulations and regulatory documents, the Company has established the shareholders' general meeting, the Board, the Supervisory Committee and the related operating organisations, and has a sound corporate governance structure. The Company has established and improved the management system of each department. The shareholders' general meeting, the Board, the Supervisory Committee, etc. exercise their rights and discharge their obligations respectively in accordance with the provisions of the Company Law, Articles of Association and the Company's various work systems.

The Company complies with the provisions of (1) of article 13 of the Administrative Measures for Registration.

2. The average distributable profit over the recent three years is sufficient to cover interest of the corporate bonds for one year;

In 2019, 2020 and 2021, the net profits attributable to owners of the parent in the Company's consolidated financial statements were RMB4.2839574 billion, RMB6.5085539 billion, and RMB15.6728706 billion, respectively, and the average distributable profit realised over the recent three years was RMB8.821794 billion; the par value of the A Share Convertible Corporate Bonds to be issued this time shall not exceed RMB10 billion. Assuming that the coupon rate does not exceed 3%, the annual interest incurred will not exceed RMB300 million, and the average distributable profit of the Company over the recent three years is sufficient to cover interest of the corporate bonds for one year.

The Company complies with the provisions of (2) of article 13 of the Administrative Measures for Registration Law.

3. Having a reasonable asset-liability structure and normal cash flows;

As at 30 September 2022, the debt-to-asset ratio of the Company on a consolidation basis was 58.29%, which was in line with the Company's industry characteristics and within a reasonable range; from 2019 to January-September 2022, the Company's net cash flows from operating activities increased steadily year by year

following the growth of net profit, amounting to RMB10.665557 billion, RMB14.2684034 billion, RMB26.0722376 billion and RMB21.9484476 billion, respectively. The Company has a relatively strong capacity to generate cash through operating activities.

The Company complies with the provisions of (3) of article 13 of the Administrative Measures for Registration.

4. Companies listed on the main board of stock exchange that issue convertible bonds to non-specific investors shall have generated profits in the recent three financial years, and the weighted average return on net assets in the recent three financial years shall not be less than 6%; the net profit shall be calculated based on the lower of net profits before and after non-recurring profit or loss.

From 2019 to 2021, the Company's weighted average return on net assets is as follows:

Calculation base	Year 2021	Year 2020	Year 2019
Net profit attributable to ordinary Shareholders of the Company	23.97%	12.19%	11.38%
Net profit attributable to ordinary Shareholders of the Company after non-recurring profit or loss	22.45%	11.84%	10.61%

The weighted average return on net assets of the Company in the recent three financial years is not less than 6% (the lower of net profits before and after non-recurring profit or loss as the calculation basis for the weighted average return on net assets).

The Company complies with the provisions of (4) of article 13 of the Administrative Measures for Registration.

5. In addition to the above provisions, listed companies that issue convertible bonds to non-specific investors shall comply with the provisions of (2) to (5) of article 9 and article 10 of the Administrative Measures for Registration; for those issue convertible bonds to specific investors, they shall also comply with the provisions of article 11 of the Administrative Measures for Registration, excluding listed companies which issue corporate bonds to replace their shares under plans for issuing corporate bonds.

- (1) Complying with the provisions of (2) to (5) of article 9 of the Administrative Measures for Registration:

- ① The current directors, supervisors and senior management shall meet the qualifications stipulated in the laws and administrative regulations;

The current Directors, Supervisors and senior management of the Company own the qualifications for their jobs. They can discharge their duties faithfully and diligently. There are no violations of the behaviours prescribed in articles 147 and 148 of the Company Law, and they have not been subject to any administrative penalties from the CSRC in the recent 36 months and any public censure from any stock exchanges in the recent 12 months. They meet the qualifications stipulated in the laws and administrative regulations.

The Company complies with the provisions of (2) of article 9 of the Administrative Measures for Registration.

- ② Having a complete business system and the ability to operate independently and directly in the market, and there are no circumstances that would lead to any material adverse impacts on the continuing operation;

The Company is principally engaged in the exploration, development, refining and processing of copper, gold, lead, zinc and new energy minerals, and sales of related products. The main businesses have not changed since the Company's establishment. The sources of profit are relatively stable and the profits are mainly generated from the main businesses. The Company has a complete business system and the ability to operate independently and directly in the market, and there are no circumstances that the Company is heavily dependent on its Controlling Shareholder or actual controller.

The Company complies with the provisions of (3) of article 9 of the Administrative Measures for Registration.

- ③ The fundamental accounting work shall be standardised, the internal control system shall be sound and effectively implemented, the preparation and disclosure of financial statements shall follow the provisions of the Accounting Standards for Business Enterprises ("ASBE") and relevant information disclosure provisions, the financial statements shall fairly reflect the financial position, operating results and

cash flows of the listed company in all material aspects, and auditor's reports with standard unqualified opinion shall be issued for the financial accounting reports for the recent three years;

The Company's fundamental accounting work is standardised and strictly follows the provisions of the uniform accounting standards in China. The Company has established an internal control system in strict compliance with the requirements of the Company Law, the Securities Law and other relevant laws, regulations and regulatory documents.

The financial statements of the Company for the years 2019 to 2021 have been audited by Ernst & Young Hua Ming LLP. Auditor's reports (Ernst & Young Hua Ming (2020) Shen Zi No. 60468092_H01, Ernst & Young Hua Ming (2021) Shen Zi No. 60468092_H01 and Ernst & Young Hua Ming (2022) Shen Zi No. 60468092_H01) with standard unqualified opinion were issued. It was confirmed that the preparation and disclosure of the Company's financial statements followed the requirements of the ASBE and relevant disclosure provisions, and the financial statements have fairly reflected the financial positions, operating results and cash flows of the listed company in all material aspects.

The Company complies with the provisions of (4) of article 9 of the Administrative Measures for Registration.

- ④ There shall be no financial investments of material amounts at the end of the latest period, except for financial enterprises;

As at 30 September 2022, the Company had no financial investments of material amounts.

The Company complies with the provisions of (5) of article 9 of the Administrative Measures for Registration.

- (2) There shall be no circumstances set out in article 10 of the Administrative Measures for Registration

- ① Unauthorised change in the use of proceeds previously raised without rectification, or without approval at a shareholder's general meeting;

Ernst & Young Hua Ming LLP has issued the Verification Report on the Use of Proceeds Previously Raised as at 30 September 2022. The Company has no unauthorised change in the use of proceeds previously raised without rectification.

- ② The listed company or its current directors, supervisors and senior management have been subject to administrative penalties by the CSRC in the recent three years, or have been publicly censured by any stock exchanges in the recent year, or are under investigation of judicial authorities for suspected crimes or the CSRC for suspected violations of laws and regulations;

The Company and its current Directors, Supervisors and senior management have not been subject to any administrative penalties by the CSRC in the recent three years, have not been publicly censured by any stock exchanges in the recent year, and are not under investigation of judicial authorities for suspected crimes or the CSRC for suspected violations of laws and regulations.

- ③ The listed company, its controlling shareholder or actual controller fail to perform any public undertakings made to investors in the recent year.

The Company, its Controlling Shareholder and actual controller have not failed to perform any public undertakings made to investors in the recent year.

- ④ The listed company, its controlling shareholder or actual controller have committed any criminal offences including corruption, bribery, infringement and misappropriation of property or undermining the socialist market economic order, or major breaches of laws that have seriously damaged the interests of the listed company, the legitimate rights and interests of investors or the public interest of the society in the recent three years;

The Company, its Controlling Shareholder and actual controller have not committed any criminal offences including corruption, bribery, infringement and misappropriation of property or undermining the socialist market economic order, or major breaches of laws that have seriously damaged the interests of the listed company, the legitimate rights and interests of investors or the public interest of the society in the recent three years.

In summary, there are no circumstances which securities cannot be issued to non-specific investors set out in article 10 of the Administrative Measures for Registration.

(III) The issuance of convertible bonds by a listed company shall have no circumstances set out in article 14 of the Administrative Measures for Registration

1. There is any default or delay in the payment of principal and interest of a corporate bond that has been publicly issued or other debts and the situation is still continuing;
2. There is any violation of the provisions of the Securities Law to change the use of proceeds raised from the public issuance of corporate bonds.

There are no circumstances that the Company has a default or delay in the payment of principal and interest of a corporate bond that has been publicly issued or other debts and the situation is still continuing, and there are no violations of the provisions of the Securities Law to change the use of proceeds raised from the public issuance of corporate bonds as set out in article 14 of the Administrative Measures for Registration.

(IV) Complying with the provisions of articles 12 and 15 of the Administrative Measures for Registration

1. Complying with national industrial policies and the provisions of the laws and administrative regulations in relation to environmental protection and land management;

The net amount of the proceeds raised of the Company is proposed to be used for the acquisition of 30% interest in the Haiyu Gold Mine in Shandong, acquisition of the Shapinggou Molybdenum Mine in Anhui, acquisition of the Rosebel Gold Mine Project in Suriname and Phase 1 underground mining construction project of the Aurora Gold Mine in Guyana. The use of proceeds is in line with the national industrial policies and the provisions of the laws and administrative regulations in relation to environmental protection and land management.

The Company complies with the provisions of (1) of article 12 of the Administrative Measures for Registration.

2. Except for financial enterprises, the proceeds raised shall not be used to hold financial investments, or directly or indirectly invest in companies with purchase or sale of marketable securities as the principal business;

The proceeds raised from the A Share Convertible Corporate Bonds will be used in the acquisition of 30% interest in the Haiyu Gold Mine in Shandong, acquisition of the Shapinggou Molybdenum Mine in Anhui, acquisition of the Rosebel Gold Mine Project in Suriname and Phase 1 underground mining construction project of the Aurora Gold Mine in Guyana, which is not for the purposes of holding held for trading financial assets and available-for-sale investments, lending to others and

investing in entrusted wealth management and other financial investments. The Company does not directly or indirectly invest in companies with purchase or sale of marketable securities as the principal business.

The Company complies with the provisions of (2) of article 12 of the Administrative Measures for Registration.

3. After the completion of the implementation of the projects to be invested by the proceeds raised, there shall be no additional competitions within the same industry with the controlling shareholder, actual shareholder and the entities under their control which will constitute significant adverse impact, connected transactions that are obviously unfair and substantial impact on the independence of the company's production and operation;

The Projects to be Invested by the Proceeds Raised of the Company are the acquisition of 30% interest in the Haiyu Gold Mine in Shandong, acquisition of the Shapinggou Molybdenum Mine in Anhui, acquisition of the Rosebel Gold Mine Project in Suriname and Phase 1 underground mining construction project of the Aurora Gold Mine in Guyana. The implementation of the Projects to be Invested by the Proceeds Raised will not result in additional competitions within the same industry between the Company and its Controlling Shareholder, actual shareholder and the entities under their control, connected transactions and impact on the independence of the Company's production and operation.

The Company complies with the provisions of (3) of article 12 of the Administrative Measures for Registration.

4. Proceeds raised from the issuance of shares by companies listed on the Science and Technology Innovation Board shall be invested in the fields of innovative science and technologies.

The Company is a listed company on the main board of the Shanghai Stock Exchange. The provisions of (4) of article 12 of the Administrative Measures for Registration is not applicable to the Company.

5. The proceeds raised of the Company is not used to cover any losses or non-production expenditures. The Company complies with the provisions of article 15 of the Administrative Measures for Registration.

(V) The Issuance complies with the relevant provisions of articles 61, 62 and 64 of the Administrative Measures for Registration

1. Convertible bonds shall have the elements of term, face value, coupon rate, rating, rights of bondholders, conversion price and the principles of adjustment, redemption and sale back, downward adjustment of conversion price, etc. Coupon rate of convertible bonds that is issued to non-specific investors shall be determined upon negotiation with the sponsor.

- (1) Term

The term of the A Share Convertible Corporate Bonds under the Issuance will be six years from the date of the Issuance.

- (2) Par value and issue price

The A Share Convertible Corporate Bonds under the Issuance will be issued at par with a nominal value of RMB100 each.

- (3) Coupon rate

It is proposed that the Shareholders to authorise the Board or its authorised persons at the Shareholders' General Meetings to determine the determination method of coupon rate of the A Share Convertible Corporate Bonds and the final interest rate for every interest accrual year upon negotiation with the sponsor (the lead underwriter) in accordance with national policies, market conditions and the actual conditions of the Company, prior to the Issuance.

- (4) Rating

A qualified credit rating agency will be entrusted to carry out credit rating and follow-up ratings for the A Share Convertible Corporate Bonds under the Issuance. The credit rating agency will publish a follow-up credit rating report at least once a year.

- (5) Bondholders' rights

The Board has formulated the Rules for A Share Convertible Corporate Bondholders' Meetings of Zijin Mining Group Co., Ltd.*, which stipulates the methods to protect the interests of the Bondholders, rights, procedures and conditions to effectuate the resolutions of the Bondholders' Meetings, and convention of the Bondholders' Meetings.

(6) Conversion price and the principles of adjustment

The proposal of the Issuance has confirmed that the initial conversion price shall not be lower than the average trading price of A Shares for the 20 trading days preceding the publication date of the Offering Document (in the event that the A Share price was adjusted due to ex-right and ex-dividend in the preceding 20 trading days, the average trading price of A Shares for the trading days prior to the adjustment shall be calculated based on the price after such ex-right and ex-dividend) and the average trading price for the preceding trading day.

The proposal of the Issuance has confirmed the principles and method of adjustments to the conversion price. Upon the completion of the Issuance, in case of certain events which affect the Shares of the Company, such as distribution of share dividends, conversion or increase of share capital, issuance of new shares, rights issue or distribution of cash dividends (excluding any increase in the share capital as a result of conversion of the A Share Convertible Corporate Bonds), the Company shall adjust the conversion price at the same time.

(7) Terms of redemption

The proposal of the Issuance has confirmed the terms of redemption, stipulating that the Company is entitled to redeem the A Share Convertible Corporate Bonds not converted according to the conditions and prices agreed in advance.

(8) Terms of sale back

The proposal of the Issuance has confirmed the terms of sale back, stipulating that Bondholders are entitled to sell back the A Share Convertible Corporate Bonds they hold to the Company according to the conditions and prices agreed in advance. It is also stipulated that in the case of a change in the use of proceeds raised by the Company, the Bondholders shall be entitled to a one-off sale back right.

(9) Terms of downward adjustment to conversion price

The proposal of the Issuance has confirmed the terms of downward adjustment to conversion price, stipulating that the proposal for a downward adjustment to conversion price shall be submitted to the shareholders' general meetings for the Shareholders' approval. It shall be approved by more than two-thirds of the Shareholders with voting rights who attend the shareholders' general meetings. Shareholders who hold the A Share Convertible Corporate Bonds shall abstain

from voting at the shareholders' general meetings. The adjusted conversion price shall be no less than the higher of the average trading price of the A Shares for the 20 trading days preceding the date of such shareholders' general meetings for consideration and approval of the aforementioned proposal and the average trading price of A Shares for the trading day preceding the date of such meetings. At the same time, the adjusted conversion price shall be no less than the audited net asset value per Share for the latest period and the face value of the Share of the Company.

In summary, the Company complies with the provisions of article 61 of the Administrative Measures for Registration.

2. The conversion of the convertible bonds to shares of the company shall only be carried out after the expiry of the six-month period after the date of the issuance. The conversion period shall be determined by the company based on the term of the convertible bonds and the financial position of the company. Bondholders have the option to convert or not to convert, they will become the shareholders of the listed company on the day following the conversion.

The conversion period of the A Share Convertible Corporate Bonds under the Issuance shall commence on the first trading day immediately following the expiry of the six-month period after the date of the Issuance of the A Share Convertible Corporate Bonds, and end on the maturity date of the A Share Convertible Corporate Bonds. Bondholders have the option to convert or not to convert, and they will become the Shareholders of the Company on the day following the conversion.

The Issuance complies with the provisions of article 62 of the Administrative Measures for Registration.

3. The conversion price of the convertible bonds issued to non-specific investors shall not be lower than the average trading price of shares of the listed company for the 20 trading days preceding the publication date of the offering document and the average trading price of shares for the preceding trading day.

The proposal of the Public Issuance of A Share Convertible Corporate Bonds has stipulated that the initial conversion price shall not be lower than the average trading price of A Shares of the Company for the 20 trading days preceding the publication date of the Offering Document (in the event that the A Share price was adjusted due to ex-right and ex-dividend in the preceding 20 trading days, the average trading price of A Shares on the trading days prior to the adjustment shall be calculated based on the price after such ex-right and ex-dividend) and the average trading price of A Shares for the preceding trading day.

In the event that the A Share price was adjusted due to ex-right and ex-dividend in the preceding 20 trading days, the average trading price of A Shares on the trading days prior to the adjustment shall be calculated based on the price after such ex-right and ex-dividend.

In which, the average trading price of A Shares for the preceding 20 trading days = total trading amount of A Shares for the preceding 20 trading days/total trading volume of A Shares for such 20 trading days; the average trading price of A Shares for the preceding trading day = total trading amount of A Shares for the preceding trading day/total trading volume of A Shares for such trading day.

The Issuance complies with the provisions of article 64 of the Administrative Measures for Registration.

(VI) The Issuance complies with the relevant provisions of the Questions and Answers on Issuance Supervision – Regulatory Requirements for Guiding and Regulating the Financing Behaviour of Listed Companies (Revised in February 2020)

1. Listed companies shall comprehensively take into account the current cash and cash equivalents, asset and liability structure, operating scale and trend of changes and the future demand for working capital to reasonably determine the scale of proceeds raised to be used in supplementing working capital and repaying debts. If the proceeds are raised by the means of rights issue, issuance of preference shares or issuance of shares to target subscribers confirmed by the board of directors, the entire amount of the proceeds raised can be used to supplement working capital and repay debts. If the proceeds are raised by other means, no more than 30% of the proceeds raised can be used to supplement working capital and repay debts. For enterprises with light assets and high investment in research and development, if the proportion of supplementary working capital and debt repayment exceeds the abovementioned proportion, the reasonableness of such proportion shall be fully justified.

The total amount of proceeds (including issuance expenses) proposed to be raised from the Issuance of A Share Convertible Corporate Bonds to non-specific investors will not exceed RMB10 billion (RMB10 billion inclusive). The net amount of the proceeds raised after deducting the issuance expenses is proposed to be used in the acquisition of 30% interest in the Haiyu Gold Mine in Shandong, acquisition of the Shapinggou Molybdenum Mine in Anhui, acquisition of the Rosebel Gold Mine Project in Suriname and Phase 1 underground mining construction project of the Aurora Gold Mine in Guyana. The proportion of the proceeds raised to be used to supplement working capital and repay debts will not exceed 30% of the total amount of proceeds raised, which complies with the provisions of this article.

2. In the case that the listed companies apply for issuance of shares, rights issue or non-public issuance of shares, the date of the board resolution shall not be earlier than 18 months from the date the proceeds previously raised have been deposited in the account in principle. If the proceeds previously raised have been basically used up or the proceeds raised have been invested as planned without any changes in the use, the abovementioned restriction is not applicable. However, the corresponding interval shall not be less than six months in principle. Proceeds previously raised include initial issuance, issuance of new shares, rights issue and non-public issuance of shares. This article is not applicable to the issuance of convertible bonds and preference shares by listed companies and small and rapid financing on ChiNext Market.

The Issuance is a public issuance of A Share Convertible Corporate Bonds, which is not subject to the provisions of this article.

3. Except for financial enterprises, when listed companies apply for refinancing, in principle they shall not hold any held for trading financial assets, available-for-sale investments, lending to others and entrusted wealth management in relatively large amounts and for long periods at the end of the latest period.

The Company did not hold any held for trading financial assets, available-for-sale investments, lending to others and entrusted wealth management in relatively large amount and for long periods at the end of the latest period, which complies with the provisions of this article.

In summary, the Issuance complies with the relevant stipulations of the Questions and Answers on Issuance Supervision – Regulatory Requirements for Guiding and Regulating the Financing Behaviour of Listed Companies.

(VII) The Company is not a general dishonest enterprise or a dishonest enterprise determined by the customs

The Company does not fall into the scope of enterprises subject to punishment under the Memorandum of Cooperation in relation to Implementation of Joint Punishment against Defaulted Executives and the Memorandum of Cooperation in relation to the Implementation of Joint Punishment against Dishonest Enterprises Identified by the Customs, and is not a general dishonest enterprise or a dishonest enterprise identified by the customs.

In summary, the Company complies with the relevant provisions of the Securities Law and the Administrative Measures for Registration. The method of the Issuance complies with the requirements of the relevant laws and regulations, which is lawful, compliant and feasible.

II. The procedures to determine the method of the Issuance are lawful and compliant

The relevant matters of the proposed Issuance of A Share Convertible Corporate Bonds were considered and approved at the thirteenth meeting of the seventh term of the Board held on 21 October 2022 and the fifth extraordinary meeting in 2023 of the eighth term of the Board held on 17 February 2023, and will be tabled to the Shareholders' General Meetings for consideration. Relevant documents will be disclosed on the designated information disclosure websites and the media designated by the CSRC for information disclosure. The proposal of the Issuance is still subject to the consideration and approval at the Shareholders' General Meetings, the review and approval of the Shanghai Stock Exchange and the consent of registration of the CSRC.

In summary, the procedures for consideration of the Issuance are lawful and compliant.

Chapter VI Fairness and reasonableness of the proposal of the Issuance

The proposal of the Issuance was adopted by the Board of the Company after prudent study. The implementation of the proposal of the Issuance will benefit the expansion of the Company's business scale and the enhancement of its comprehensive competitiveness, increasing the rights and interests of all Shareholders.

The proposal on the Public Issuance of A Share Convertible Corporate Bonds and the related documents have been disclosed on the websites of stock exchanges and media which meet the conditions prescribed by the securities regulatory authorities under the State Council to ensure the right to information of all Shareholders.

The Company will convene the Shareholders' General Meetings to consider the proposal of the Issuance. Shareholders will vote fairly and *pari passu* on the Company's Public Issuance of A Share Convertible Corporate Bonds. Resolutions of the matters in relation to the Public Issuance of A Share Convertible Corporate Bonds at the Shareholders' General Meetings shall be approved by more than two-thirds of the Shareholders with voting rights who attend the Shareholders' General Meetings. The votes of minority Shareholders shall be counted separately. Meanwhile, the Shareholders of the Company may exercise their shareholders' rights by way of on-site or online voting.

In summary, the proposal of the Public Issuance has been studied prudently by the Board. The Board is of the view that the proposal is in the interests of all Shareholders. Relevant disclosure procedures have been carried out on the proposal of the Issuance, the right to information of the Shareholders is secured. In addition, the proposal of the Public Issuance will be voted fairly by the Shareholders at the Shareholders' General Meetings, which is fair and reasonable.

**Chapter VII Dilutive impact of the Issuance on the equity of the original Shareholders
or immediate returns and the specific recovery measures**

There is a risk that the Company's immediate returns will be diluted after the Public Issuance of A Share Convertible Corporate Bonds. The Company proposes to prevent the risk of dilution of immediate returns through various measures to recover the returns to the Shareholders, achieve sustainable development of the Company and enhance the Company's sustainable return capability. The Company proposes to adopt the following recovery measures: actively and steadily promoting the construction of the Projects to be Invested by the Proceeds Raised and enhancing the operating efficiency and profitability; strengthening the management of the proceeds raised to ensure the proceeds raised will be used in a standardised and effectively manner; strengthening the operation management and internal control; maintaining a stable profit distribution system and strengthening the return mechanism for investors; strengthening the talent team development; and continuously improving the corporate governance to provide institutional protection for the Company's development.

The Board has conducted careful demonstration, analysis and review on the impact of the Issuance on the dilution of the equity of the original Shareholders or immediate returns as well as the specific recovery measures. In order to ensure that the recovery measures will be effectively implemented, the Controlling Shareholder, actual controller, Directors and senior management of the Company have also made the relevant undertakings. For details, please refer to the Announcement in relation to Recovery Measures and Undertakings by Relevant Parties in relation to Dilutive Impact on Immediate Returns on the Public Issuance of A Share Convertible Corporate Bonds of the Company (Revised Draft).

Chapter VIII Conclusion

In summary, the proposal on the Public Issuance of A Share Convertible Corporate Bonds is fair and reasonable. The implementation of the proposal on the Public Issuance of A Share Convertible Corporate Bonds will be conducive to enhancing the sustainable profitability and comprehensive strength of the Company, in line with the Company's development strategy and in the interests of the Company and all Shareholders.

Zijin Mining Group Co., Ltd.*
Board of Directors
17 February 2023

* *The English name of the Company is for identification purpose only*

Should there be any discrepancy, the Chinese text of this appendix shall prevail.

Zijin Mining Group Co., Ltd.***Proposal in relation to a General Mandate to Issue Debt Financing Instruments**

To all Shareholders,

In order to meet the needs for domestic and overseas production and operation, projects' infrastructure investment, supplementing working capital, replacement of due loans, lowering capital costs and adjusting the debt structure of the Company, the Company proposes to issue debt financing instruments on an one-off basis or by tranches within and outside the PRC. In order to grasp the favourable market opportunities in a timely manner, it is proposed that the shareholders' general meeting considers to grant a general mandate to the Board of Directors in relation to the Company's issuance of debt financing instruments. Details are as follows:

I. ISSUANCE AMOUNT, SUBJECT AND TYPE

It is proposed that the shareholders' general meeting unconditionally authorises the Board of Directors with a general mandate to make specific arrangements for the issuance of debt financing instruments of the Company. For onshore debt financing instruments, the Company or its subsidiaries would be the issuance body; for offshore debt financing instruments, the Company or its overseas subsidiaries would be the issuance body. The debt financing instruments include but not limited to enterprise bonds, shelf offering of corporate bonds, offshore bonds, ultra short-term commercial papers, short-term commercial papers, mid-term notes, perpetual mid-term notes, asset-backed notes, private placement of debt financing instruments and other onshore or offshore debt financing instruments denominated in Renminbi or foreign currencies approved by regulatory authorities for issuance.

As at 16 March 2023, the total outstanding balance of the Company's debt financing instruments was equivalent to RMB27.5 billion, including mid-term notes amounted to RMB13.7 billion, ultra-short term commercial papers amounted to RMB1.5 billion, corporate bonds amounted to RMB9.0 billion, carbon neutral bonds amounted to RMB0.3 billion and asset-backed notes amounted to RMB3.0 billion.

The Company intends to apply for issuing onshore and offshore debt financing instruments with an aggregate outstanding balance (including the outstanding balance of the Company's existing debt financing instruments) of not exceeding RMB45 billion or the equivalent amount in foreign currencies (based on the outstanding balance to be repaid after issuance; for issuance denominated in foreign currencies, based on the central parity rate as announced by the People's Bank of China on the issuance date).

II. MAJOR TERMS OF THE ISSUANCE

- (1) Size of issuance: the accumulated outstanding balance of the issued debt financing instruments shall not exceed RMB45 billion (RMB45 billion inclusive) or the equivalent amount in foreign currencies within the effective period of the authorisation.

- (2) Maturities and types: Not more than 10 years at maximum, can be a single maturity or a combination of various maturities. The specific composition of the maturities and the issuance size of each type and maturity shall be determined by the Board of Directors with reference to the relevant regulations and market conditions.
- (3) Use of proceeds raised: the proceeds raised from the newly issued debt financing instruments are expected to be used for satisfying production and operational needs, domestic and overseas projects' infrastructure development, supplementing working capital, project investment, replacement of due loans, etc.

III. ISSUANCE AUTHORISATION

- (I) It is proposed that the shareholders' general meeting unconditionally authorises Ms. Lin Hongying, the vice-president of the Company, with a general mandate to decide and deal with the specific matters regarding the issuance of debt financing instruments according to the Company's particular needs and other market conditions.
 1. To determine the issuance of debt financing instruments, the issuance types, specific types, specific terms, conditions and other matters (including but not limited to specific issuance number, actual total amount, currency, issuance price, interest rate or its determination method, issuance location, timing of issuance, maturity, whether to issue in tranches and the number of tranches to be issued, whether to set sell-back terms and redemption terms, rating arrangements, guarantee matters (if necessary), terms of principal repayment and interest payment, and determination of the specific arrangements of raising proceeds, specific placing arrangements, underwriting arrangements and all other matters regarding the issuance).
 2. Take all necessary and supplementary actions and steps for the issuance of debt financing instruments (including but not limited to engaging intermediary institutions, applying to the relevant regulatory authorities and handling the relevant approvals, registrations, filing procedures, etc. for the issuance on behalf of the Company, executing all necessary legal documents relating to the issuance, selecting bond trustees for the issuance, formulating bondholders' meeting rules and handling all other matters regarding the issuance and trading of the debt financing instruments).
 3. If there are any changes in the regulatory policies or market conditions, except for the matters for which re-voting at a shareholders' general meeting is necessary as stipulated in the relevant laws, regulations and the Articles of Association, corresponding adjustments can be made to the relevant matters of the specific proposal of issuance according to the advice from regulatory authorities or market conditions, within the scope of authorisation granted at a shareholders' general meeting.

4. To determine and handle the relevant matters for listing the debt financing instruments issued after completion of the issuance.
 5. Implement specific matters in relation to issuance of debt financing instruments in accordance with the Company's specific needs, other market conditions, etc.
- (II) Authorise Mr. Zheng Youcheng, the secretary to the Board, to approve, sign and distribute relevant documents and publish announcements, and make relevant information disclosures according to the applicable regulatory rules at the listing places of the Company.

IV. DETERMINATION OF THE EFFECTIVE PERIOD OF THE AUTHORISATION TO BE GRANTED AT SHAREHOLDERS' GENERAL MEETING

The authorisation for matters relating to the issuance of debt financing instruments will be effective from the date of approval at the 2022 annual general meeting to the convention date of the 2023 annual general meeting.

The abovementioned proposal was considered and approved at the second meeting of the eighth term of the Board, and is hereby tabled to the shareholders' general meeting for shareholders' consideration.

Zijin Mining Group Co., Ltd.*
Board of Directors
25 April 2023

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

Should there be any discrepancy, the Chinese text of this appendix shall prevail.

Zijin Mining Group Co., Ltd.*

Proposal in relation to the Arrangement of Guarantees for the Year 2023

To all Shareholders,

For the purpose of satisfying the capital needs of business development, project construction, production and operation and mergers and acquisitions, providing replacement of funding for the existing loans as they fall due of the subsidiaries and associates (collectively, the “Guarantee Recipient(s)”) of Zijin Mining Group Co., Ltd.* (the “Company”) and improving the efficiency of decision-making, the Company and its subsidiaries propose to provide guarantees to the Guarantee Recipients for the year 2023. Details are as follows:

I. OVERVIEW OF THE GUARANTEES

(1) Details of the guarantees

Unit: RMB billion

Guarantor	Guarantee Recipient	Proportion of shareholding held by the guarantor	Debt ratio of the Guarantee Recipient for the latest accounting period	Outstanding guarantee balance at present	New guarantee amount this time	The ratio of the new guarantee amount to the net assets of the listed company in the latest period	Expected validation period of the guarantee	Is it a connected guarantee	Is there any counter-guarantee
I. Expected guarantee to subsidiaries									
1. Subsidiaries with debt ratio over 70%									
Zijin Mining	Zijin International Capital Company Limited	100%	96.97%	1.68130	3.45260	3.88%	From the date of consideration and approval at the shareholders' general meeting to the convention date of the 2023 annual general meeting	No	No
Zijin Mining	Zijin (Singapore) International Capital Pte. Ltd.	100%	82.94%	0.27808	1.38104	1.55%		No	No
Zijin Mining	Jinping (Singapore) Mining Pte. Ltd.	100%	132.42%	–	0.31073	0.35%		No	No
Zijin Mining	Liex S.A.	100%	101.31%	–	0.69052	0.78%		No	No
Zijin Mining	Tibet Julong Copper Co., Ltd.	50.10%	71.41%	5.5	12.2	13.72%		No	No
Zijin Mining	Tibet Ngari Lakkor Resources Co., Ltd.	70%	99.04%	–	2.3	2.59%		No	No
2. Subsidiaries with debt ratio below 70%									
Zijin Mining	Gold Mountains (H.K.) International Mining Company Limited	100%	49.01%	18.96521	6.90520	7.76%	From the date of consideration and approval at the shareholders' general meeting to the convention date of the 2023 annual general meeting	No	No
Zijin Mining	Zijin International Commercial Factoring (Hainan) Co., Ltd.	100%	0.43%	–	0.3	0.34%		No	No
Zijin Mining	All subsidiaries within the scope of consolidation (including newly incorporated subsidiaries)	–	–	–	6	6.75%		No	No
II. Expected guarantee to associates and joint ventures									

Guarantor	Guarantee Recipient	Proportion of shareholding held by the guarantor	Debt ratio of the Guarantee Recipient for the latest accounting period	Outstanding guarantee balance at present	New guarantee amount this time	The ratio of the new guarantee amount to the net assets of the listed company in the latest period	Expected validation period of the guarantee	Is it a connected guarantee	Is there any counter-guarantee
1. Associates and joint ventures with debt ratio over 70%									
Zijin Mining	Laizhou Ruihai Mining Co., Ltd.	30%	93.74%	0.3	1.65	1.86%	From the date of consideration and approval at the shareholders' general meeting to the convention date of the 2023 annual general meeting	No	No
Zijin Mining	Xinjiang Huajian Investment Co., Ltd.	49%	74.53%	0	0.098	0.11%	From the date of consideration and approval at the shareholders' general meeting to the convention date of the 2023 annual general meeting	No	No
III. Expected guarantee of Longking to its subsidiaries									
(I) Expected guarantee to wholly-owned and non-wholly owned subsidiaries									
1. Wholly-owned and non-wholly owned subsidiaries with debt ratio over 70%									
Longking-Coalogix	Jiangsu Longking-Coalogix Environmental Protection Technology Co., Ltd.	100%	88%	–	0.015	0.02%	From the date of consideration and approval at the shareholders' general meeting to the convention date of the 2023 annual general meeting	No	No
Longking, Dechang Environmental Protection	Pinghu Lingang Energy Co., Ltd.	99.79%	78.67%	0.36	0.4	0.45%		No	No
Longking	Longyan Longking Environmental Protection Machinery Co., Ltd.	100%	86.64%	–	0.2	0.22%		No	No
Longking	Fujian Longking Desulphurisation & Denitrification Engineering Co., Ltd.	100%	85.66%	–	0.2	0.22%		No	No
Longking	Dongying Jinyuan Environmental Protection Technology Co., Ltd.	100%	82.21%	–	0.1	0.11%		No	No

Guarantor	Guarantee Recipient	Proportion of shareholding held by the guarantor	Debt ratio of the Guarantee Recipient for the latest accounting period	Outstanding guarantee balance at present	New guarantee amount this time	The ratio of the new guarantee amount to the net assets of the listed company in the latest period	Expected validation period of the guarantee	Is it a connected guarantee	Is there any counter-guarantee
Longking	Longking Energy Development Co., Ltd.	100%	98.56%	–	0.1	0.11%	From the date of consideration and approval at the shareholders' general meeting to the convention date of the 2023 annual general meeting	No	No
Longking	Covanta (Shijiazhuang) New Energy Technology Co., Ltd.	82.05%	76.1%	0.11	0.11	0.12%		No	No
Longking	Fujian Longking Power Storage Technology Co., Ltd.	85%	103.32%	–	1.5	1.69%		No	No
Longking	Fujian Zijin New Energy Co., Ltd.	60%	70.26%	–	0.3	0.34%		No	No
Longking	Zijin Longking Clean Energy Co., Ltd.	100%	74.36%	–	0.15	0.17%		No	No
Longking	Heilongjiang Duotong New Energy Co., Ltd.	100%	73.37%	–	1	1.12%		No	No
Longking	Longking Green Energy (Longyan Xinluo) Co., Ltd.	65%	100%	–	0.1	0.11%		No	No
2. Wholly-owned and non-wholly owned subsidiaries with debt ratio below 70%									
Longking	Xian Longking Co., Ltd.	98%	68.52%	–	0.05	0.06%	From the date of consideration and approval at the shareholders' general meeting to the convention date of the 2023 annual general meeting	No	No
Longking	Fujian Newland EnTech Co., Ltd.	100%	46.75%	0.0086077	0.05	0.06%		No	No
Longking	Fujian Longking Aquatic Environment Technology Development Co., Ltd.	100%	0.19%	–	0.1	0.11%		No	No
Longking	Taizhou Dechang Environmental Protection Co., Ltd.,	100%	43.15%	0.088	0.1	0.11%		No	No
Longking	Fujian Longking SVOLT Power Storage Technology Co., Ltd.	60%	1.47%	–	0.4	0.45%		No	No
Longking	Zijin Clean Energy (Liancheng) Co., Ltd.	100%	2.88%	–	0.05	0.06%		No	No
Longking	Zijin Longking Clean Energy (Wuqia County) Co., Ltd.	100%	No operation yet	–	0.1	0.11%		No	No
(II) Estimated guarantee for issuance of letters of guarantee of all subsidiaries within the scope of consolidation									
Longking	All subsidiaries within the scope of consolidation	–	–	–	0.5	0.56%	From the date of consideration and approval at the shareholders' general meeting to the convention date of the 2023 annual general meeting	No	No

The abovementioned guarantee amounts are the expected total guarantee amount of the Company for the year 2023. Within the expected total guarantee amount for 2023, the guarantee amounts to be provided to the subsidiaries (including newly incorporated subsidiaries or subsidiaries newly included in the scope of consolidation during the authorisation period) can be adjusted among themselves. Among which, the subsidiaries with debt ratio over 70% can only obtain guarantees from the subsidiaries with debt ratio over 70% at the moment of the shareholders' general meeting.

The abovementioned guarantees include the following circumstances:

- (1) The amount of a single guarantee exceeds 10% of the audited net assets for the latest reporting period;
- (2) The guarantee(s) provided after the total amount of the guarantees reaches or exceeds 50% of the audited net assets for the latest reporting period;
- (3) Any guarantee(s) provided after the total amount of the guarantees reaches or exceeds 30% of the audited total assets for the latest reporting period;
- (4) The guarantee amount exceeds 30% of the Company's audited total assets for the latest reporting period for 12 consecutive months;
- (5) The guarantee(s) provided to a Guarantee Recipient with debt ratio exceeding 70%; and
- (6) Other guarantees stipulated by laws and regulations, stock exchanges or the Articles of Association.

The above guarantees shall be tabled to the shareholders' general meeting of the Company for consideration. The effective period of the guarantee arrangement is from the date of approval at the shareholders' general meeting to the convention date of the annual general meeting for the next year. A Director and vice-president of the Company, Ms. Lin Hongying, or a person authorised by Ms. Lin (including chairman of subsidiaries) will be authorised to handle all the matters relating to the guarantee arrangement after the shareholders' general meeting considers and approves the proposal, including the determination of the specific guarantee amounts, signing of guarantee documents, determination of the adjustment of use of the guarantee within the scope of the total guarantees.

II. BASIC INFORMATION OF THE GUARANTEE RECIPIENTS

Please refer to the attachment.

III. MAJOR CONTENT OF THE GUARANTEES

The Company has not yet entered into any guarantee contracts for the abovementioned guarantees yet. The actual guarantee amounts and periods shall be determined based on the negotiation between the Guarantee Recipients and the financial institutions under the authorisation scope of the shareholders' general meeting. The specific type, method, amount, period, etc. of the guarantees are subject to the relevant final documents executed.

IV. THE NECESSITY AND REASONABLENESS OF THE GUARANTEES

The matters in relation to the estimated guarantee amounts and authorisation are for the purposes of meeting the business development and production and operation needs of the subsidiaries and ensuring a sustainable and steady development of the businesses, which are in line with the overall interests and development strategy of the Company. For the Guarantee Recipients which are subsidiaries of the Company, the Company is able to effectively control the risks and decisions of the daily operation activities of the subsidiaries, and can know their credit status in a timely manner. There is no prejudice to the interests of the Company and its Shareholders. If the Guarantee Recipients are associates of the Company, other Shareholders will also provide guarantees in the same proportion.

V. THE ACCUMULATED GUARANTEE AMOUNTS AND OVERDUE GUARANTEE AMOUNTS PROVIDED BY THE COMPANY

As at 31 March 2023, the accumulated total amount of guarantees actually provided by the Group (including guarantees provided to the Company's wholly-owned and non-wholly owned subsidiaries) was RMB40.5932811 billion (including RMB38.6608727 billion provided to the Company's wholly-owned and non-wholly owned subsidiaries, representing 95.24% of the amount), representing approximately 45.64% of the audited net assets attributable to owners of the parent of the Company as at the end of 2022. There was no overdue guarantee.

The abovementioned proposal was considered and approved at the second meeting of the eighth term of the Board and the seventh extraordinary meeting in 2023 of the eighth term of the Board, and is hereby tabled to the shareholders' general meeting for Shareholders' consideration.

Zijin Mining Group Co., Ltd.*
Board of Directors
25 April 2023

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

Should there be any discrepancy, the Chinese text of this appendix shall prevail

Attachment: Basic information of the Guarantee Recipients and principal debtors

Number	Guarantee Recipient	Relationship with the Company	Place of registration	Legal representative	Scope of business	As at 31 December 2022/Year 2022 (Unit: RMB billion)				Shareholding proportion	
						Total assets	Total liabilities	Net assets	Net profit		Debt ratio
1	Zijin International Capital Company Limited	Subsidiary	Hong Kong	Liu Zhizhou	Treasury business within the Group	10.0028195	9.699694	0.3031255	0.1207819	96.97%	100.00%
2	Zijin (Singapore) International Capital Pte. Ltd.		Singapore	Wang Chao	Treasury centre	0.22334	0.18524	0.0381	-0.00396	82.94%	100.00%
3	Jinping (Singapore) Mining Pte. Ltd.		Singapore	Wang Chao	Investment holding	0.02122	0.0281	-0.00688	-0.00001	132.42%	100.00%
4	Liex S.A.		Mendoza, Argentina	Tomas de pablo	Mining	2.3055982	2.209172	0.0964262	0.0642851	95.82%	100.00%
5	Tibet Julong Copper Co., Ltd.		Maizhokunggar County, Lhasa City, Tibet Autonomous Region	Gao Feng	Mining, milling, refining, processing and sales of products of non-ferrous metals	22.6504234	16.5998863	6.0505371	2.3551154	73.29%	50.10%
6	Tibet Ngari Lakkor Resources Co., Ltd.		Huimin District, Luren Road, Gertse County	Gao Jianneng	Development, processing and sales of mineral products	0.4076967	0.403781	0.0039156	-0.0171386	99.04%	70.00%

Number	Guarantee Recipient	Relationship with the Company	Place of registration	Legal representative	Scope of business	As at 31 December 2022/Year 2022 (Unit: RMB billion)				Shareholding proportion	
						Total assets	Total liabilities	Net assets	Net profit		Debt ratio
7	Gold Mountains (H.K.) International Mining Company Limited	Subsidiary	Hong Kong	Wang Chun	Investment holding and trading	66.1980869	32.4997857	33.6983012	3.1363584	49.09%	100.00%
8	Zijin International Commercial Factoring (Hainan) Co., Ltd.		Sanya Central Business District, Tianya District, Sanya City, Hainan Province	Xu Zhiwei	Commercial factoring business	0.1008421	0.000437	0.1004052	0.0004052	0.43%	100.00%
9	Laizhou Ruihai Mining Co., Ltd.	Associate	No. 2203, Haigang Road, Sanshandao Street, Laizhou City, Yantai, Shandong	Li Jianzhi	Technological development and sales of metallic mineral products	4.3698446	4.0964562	0.2733884	-0.0690365	93.74%	30.00%
10	Xinjiang Huajian Investment Co., Ltd.		Hejing County, Bayingolin Mongol Autonomous Prefecture, Xinjiang	Zou Yanping	Mining of mineral resources (non-coal mine)	1.6268028	1.2124905	0.4143123	-0.0035477	74.53%	49%

Number	Guarantee Recipient	Relationship with the Company	Place of registration	Legal representative	Scope of business	As at 31 December 2022/Year 2022 (Unit: RMB billion)				Shareholding proportion	
						Total assets	Total liabilities	Net assets	Net profit		Debt ratio
11	Xian Longking Co., Ltd.	Subsidiary	High-tech Zone, Xian City	Chen Guifu	Air pollution control; water pollution control, etc.	1.7370086	1.1901249	0.5468837	0.0457054	68.52%	98.00%
12	Jiangsu Longking-Coalogix Environmental Protection Technology Co., Ltd.		Tinghu District, Yancheng, Jiangsu	Chen Guifu	Manufacturing of specific environmental protection equipment; air pollution control, etc.	0.6653419	0.5854948	0.0798471	0.0234163	88.00%	100.00%
13	Fujian Newland EnTech Co., Ltd.		Mawei District, Fuzhou City	Li Shaojun	Research, testing and development of engineering and technologies; manufacturing of specific environmental protection equipment, etc.	0.4722315	0.2207534	0.2514781	0.0704904	46.75%	100.00%

Number	Guarantee Recipient	Relationship with the Company	Place of registration	Legal representative	Scope of business	As at 31 December 2022/Year 2022 (Unit: RMB billion)				Shareholding proportion	
						Total assets	Total liabilities	Net assets	Net profit		Debt ratio
14	Fujian Longking Aquatic Environment Technology Development Co., Ltd.	Subsidiary	Fuzhou, Fujian Province	Zheng Jinlang	Environmental protection monitoring; water resources management; water conservancy related consultation service; water pollution control, etc.	0.3389248	0.0006409	0.3382839	0.0007308	0.19%	100.00%
15	Pinghu Lingang Energy Co., Ltd.		Pinghu City, Jiaxing City, Zhejiang Province	Zhong Xiangyang	Power generation by waste incineration; operational cleaning, collection, transfer and disposal services for urban domestic waste including food waste and waste cooking oil; landfill and disposal of fly ash, etc.	1.3610503	1.0706887	0.2903616	-0.0057318	78.67%	99.79%

Number	Guarantee Recipient	Relationship with the Company	Place of registration	Legal representative	Scope of business	As at 31 December 2022/Year 2022 (Unit: RMB billion)				Shareholding proportion	
						Total assets	Total liabilities	Net assets	Net profit		Debt ratio
16	Longyan Longking Environmental Protection Machinery Co., Ltd.	Subsidiary	Xinluo District, Longyan City	Zhong Dequan	Manufacturing, design, sales and installation of fume denitrification equipment and transmission equipment, dust-removing equipment, air pollution prevention and control equipment	0.509707	0.441635	0.068072	0.0002097	86.64%	100.00%

Number	Guarantee Recipient	Relationship with the Company	Place of registration	Legal representative	Scope of business	As at 31 December 2022/Year 2022 (Unit: RMB billion)				Shareholding proportion	
						Total assets	Total liabilities	Net assets	Net profit		Debt ratio
17	Fujian Longking Desulphurisation & Denitrification Engineering Co., Ltd.	Subsidiary	Torch High-tech Zone, Xiamen	Lin Chunyuan	Air pollution control; manufacturing of specific environmental protection equipment; sales of specific environmental protection equipment; air and environmental pollution prevention and control services, etc.	2.6717919	2.2886528	0.3831391	0.1707673	85.66%	100.00%

Number	Guarantee Recipient	Relationship with the Company	Place of registration	Legal representative	Scope of business	As at 31 December 2022/Year 2022 (Unit: RMB billion)				Shareholding proportion	
						Total assets	Total liabilities	Net assets	Net profit		Debt ratio
18	Dongying Jinyuan Environmental Protection Technology Co., Ltd.	Subsidiary	Chenzhuang Industrial Park, Lijin County, Dongying City, Shandong Province	Zheng Feng	Promotion service of environmental protection and energy saving technologies; disposal of hazardous waste; disposal of solid waste; operation and maintenance of resource recovery and utilisation facilities, etc.	0.2295835	0.1887315	0.0408521	-0.0002865	82.21%	100.00%
19	Taizhou Dechang Environmental Protection Co., Ltd.		Linhai Block, Chemical Raw Material Base, Zhejiang Province	Bai Liqing	Collection, storage, utilisation and disposal of hazardous waste, etc.	0.5119839	0.2209019	0.2910819	0.0411149	43.15%	100.00%
20	Longking Energy Development Co., Ltd.		Torch High-tech Zone, Xiamen	Luo Rusheng	Operational services for urban domestic waste, etc.	0.1953331	0.1925294	0.0028036	-0.0224749	98.56%	100.00%

Number	Guarantee Recipient	Relationship with the Company	Place of registration	Legal representative	Scope of business	As at 31 December 2022/Year 2022 (Unit: RMB billion)				Shareholding proportion	
						Total assets	Total liabilities	Net assets	Net profit		Debt ratio
21	Covanta (Shijiazhuang) New Energy Technology Co., Ltd.	Subsidiary	Zhao County, Shijiazhuang City, Hebei Province	Wu Jianjun	Technological development, service and consultation for new energy, renewable energy, environmental protection facilities and refusal treatment, etc.	0.7240516	0.551022	0.1730296	-0.011742	76.10%	82.50%
22	Fujian Longking SVOLT Power Storage Technology Co., Ltd.		Xinluo District, Longyan City, Fujian Province	Xiao Degui	Research, testing and development of engineering and technologies; power storage technological service; manufacturing of specific electronic equipment, etc.	0.101358	0.0149281	0.0998652	-0.0001348	14.73%	60.00%

Number	Guarantee Recipient	Relationship with the Company	Place of registration	Legal representative	Scope of business	As at 31 December 2022/Year 2022 (Unit: RMB billion)					Shareholding proportion
						Total assets	Total liabilities	Net assets	Net profit	Debt ratio	
23	Fujian Longking Power Storage Technology Co., Ltd.	Subsidiary	Xinluo District, Longyan City, Fujian Province	Zhong Zhiliang	Research, testing and development of engineering and technologies; power storage technological service; research and development of advanced material technologies, etc.	0.0048418	0.0050028	-0.000161	-0.000161	103.33%	85.00%
24	Fujian Zijin New Energy Co., Ltd.		Shanghang County, Longyan City, Fujian Province	Liu Wei	Wind power technological service; solar power technological service, etc.	0.1978259	0.1389874	-0.0007678	0.0588384	70.26%	60.00%

Number	Guarantee Recipient	Relationship with the Company	Place of registration	Legal representative	Scope of business	As at 31 December 2022/Year 2022 (Unit: RMB billion)				Shareholding proportion	
						Total assets	Total liabilities	Net assets	Net profit		Debt ratio
25	Zijin Longking Clean Energy Co., Ltd.	Subsidiary	Xinluo District, Longyan City, Fujian Province	Zhang Jin	Power generation, transmission and supply businesses; design of construction project; construction of geological disaster management projects; general contracting of housing construction and municipal infrastructure projects, etc.	0.1904109	0.1415846	0.0488263	-0.0011737	74.36%	100.00%
26	Heilongjiang Duotong New Energy Co., Ltd.		Neijiang City, Heihe City, Heilongjiang Province	Zhang Jin	Service, development, consultation, exchange, transfer and promotion of wind power and solar power technologies, etc.	0.0265705	0.0194941	0.0070763	-0.0001633	73.37%	100.00%

Number	Guarantee Recipient	Relationship with the Company	Place of registration	Legal representative	Scope of business	As at 31 December 2022/Year 2022 (Unit: RMB billion)				Shareholding proportion	
						Total assets	Total liabilities	Net assets	Net profit		Debt ratio
27	Zijin Clean Energy (Liancheng) Co., Ltd.	Subsidiary	Liancheng County, Longyan City, Fujian Province	Wu Zhanheng	Technological service for wind power; leasing of photovoltaic electricity generation equipment; manufacturing of photovoltaic equipment and components; technology promotion and application services, etc.	0.0017347	0.000005	0.0016847	-0.00000622	2.88%	100.00%
28	Zijin Longking Clean Energy (Wuqia County) Co., Ltd. (Note 1)		Wuqia County, Kizilsu Kyrgyz Autonomous Prefecture, Xinjiang	Liu Wei	Power generation, transmission, supply (distribution) businesses, etc.	-	-	-	-	-	100.00%

Number	Guarantee Recipient	Relationship with the Company	Place of registration	Legal representative	Scope of business	As at 31 December 2022/Year 2022 (Unit: RMB billion)				Shareholding proportion	
						Total assets	Total liabilities	Net assets	Net profit		Debt ratio
29	Longking Green Energy (Longyan Xinluo) Co., Ltd. (Note 2)	Subsidiary	Xinluo District, Longyan City, Fujian Province	Liu Jianchao	Power generation, transmission, supply (distribution) businesses; power supply business, etc.	-	-	-	-	-	65.00%

Note 1: Zijin Longking Clean Energy (Wuqia County) Co., Ltd. had not yet commenced business in 2022

Note 2: Longking Green Energy (Longyan Xinluo) Co., Ltd. was incorporated on 5 January 2023

Should there be any discrepancy, the Chinese text of this attachment shall prevail.

1. DISCLOSURE OF INTERESTS

(a) Interests and short positions of the Directors, Supervisors and chief executive under Hong Kong laws and regulations

As at the Latest Practicable Date, the interests and short positions of the Directors, Supervisors and chief executive of the Company in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the Directors, Supervisors and chief executive of the Company are taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO to be recorded in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, to be notified to the Company and the Hong Kong Stock Exchange are as follows:

Name	Position	Class of Shares	Long/Short positions	Capacity	Number of Shares	Approximate percentage of shareholding in the same class of securities	Approximate percentage of shareholding in the total number of issued Shares
Chen Jinghe	Director	A Share	Long	Beneficial owner	65,100,000	0.32%	0.25%
		H Share	Long	Beneficial owner	20,000,000	0.35%	0.08%
		Total	Long	Beneficial owner	85,100,000		0.32%
Zou Laichang	Director	A Share	Long	Beneficial owner	2,723,050	0.01%	0.01%
Lin Hongfu	Director	A Share	Long	Beneficial owner	1,728,938	0.01%	0.01%
Lin Hongying	Director	A Share	Long	Beneficial owner	977,000	0.01%	0.01%
Xie Xionghui	Director	A Share	Long	Beneficial owner	905,571	0.01%	0.01%
Wu Jianhui	Director	A Share	Long	Beneficial owner	510,000	0.01%	0.01%
Lin Shuiqing	Supervisor	A Share	Long	Beneficial owner	300,000	0.01%	0.01%
Cao Sanxing	Supervisor	A Share	Long	Beneficial owner	124,000	0.01%	0.01%
Liu Wenhong	Supervisor	A Share	Long	Beneficial owner	26,450	0.01%	0.01%
		H Share	Long	Beneficial owner	10,000	0.01%	0.01%
		Total	Long	Beneficial owner	36,450		0.01%

(b) Directors' and Supervisors' positions in other companies

As at the Latest Practicable Date, as far as the Company is aware, the following Director(s) and Supervisor(s) are employed by the following company which has interests or short positions in the Shares or underlying Shares of the Company which are required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO:

Name of Director	Position held in the specific company
Li Jian	Chairman of Minxi Xinghang

(c) Substantial Shareholders' and other persons' interests and short positions in the Shares and underlying Shares under Hong Kong laws and regulations

So far as the Directors are aware, as at the Latest Practicable Date, the interests and short positions of the Shareholders (other than the Directors, Supervisors and chief executive of the Company) in the Shares or underlying Shares of the Company which will be required, pursuant to Section 336 of the SFO, to be recorded in the register referred to therein, or required to be notified to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO are as follows:

Name of Shareholder	Class of Shares	Long/Short positions	Capacity	Number of Shares	Approximate percentage of shareholding in the same class of securities	Approximate percentage of shareholding in the total number of issued Shares
Minxi Xinghang	A Share	Long	Beneficial owner	6,083,517,704	29.54%	23.11%
Citigroup Inc.	H Share	Long	Interest of controlled corporation	30,964,083 (Note 1)	0.54%	0.11%
	H Share	Long	Approved lending agent	481,548,120 (Note 1)	8.39%	1.82%
	H Share	Short	Interest of controlled corporation	7,779,709 (Note 1)	0.13%	0.03%
State Street Bank & Trust Company	H Share	Long	Approved lending agent	459,816,199	8.02%	1.74%
GIC Private Limited	H Share	Long	Investment manager	453,128,000	7.90%	1.72%

Name of Shareholder	Class of Shares	Long/Short positions	Capacity	Number of Shares	Approximate percentage of shareholding in the same class of securities	Approximate percentage of shareholding in the total number of issued Shares
BlackRock, Inc.	H Share	Long	Interest of controlled corporation	375,112,651 (Note 2)	6.54%	1.42%
	H Share	Short	Interest of controlled corporation	982,000 (Note 2)	0.02%	0.01%
Van Eck Associates Corporation	H Share	Long	Investment manager	365,346,985 (Note 3)	6.37%	1.38%
Brown Brothers Harriman & Co.	H Share	Long	Approved lending agent	345,575,957	6.02%	1.31%
VanEck ETF – VanEck Gold Miners ETF	H Share	Long	Beneficial owner	297,234,000	5.18%	1.12%

Note 1: Citigroup Inc. had a long position in 512,512,203 H Shares (in which 5,930,000 H Shares were held through cash settled unlisted derivatives and 434,435 H Shares were held through physically settled unlisted derivatives), a short position in 7,779,709 H Shares (in which 2,619,000 H Shares were held through cash settled unlisted derivatives and 434,435 H Shares were held through physically settled unlisted derivatives) and a lending pool of 481,548,120 H Shares by virtue of its direct or indirect control over a number of wholly-owned and non-wholly owned subsidiaries.

Note 2: BlackRock, Inc. had a long position in 375,112,651 H Shares (in which 3,298,000 H Shares were held through cash settled unlisted derivatives) and a short position in 982,000 H Shares by virtue of its direct or indirect control over a number of wholly-owned and non-wholly owned subsidiaries.

Note 3: VanEck ETF – VanEck Gold Miners ETF is managed by Van Eck Associates Corporation. Van Eck Associates Corporation is deemed to be interested in 365,346,985 H Shares (long position).

Save as disclosed above and so far as the Directors are aware, as at the Latest Practicable Date, no other person (other than the Directors, Supervisors or chief executive of the Company) had an interest or short position in the Company's Shares, underlying Shares or debentures (as the case may be) which would need to be notified to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under Section 336 of the SFO, or was otherwise a Substantial Shareholder (as defined in the Listing Rules) of the Company.

2. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or their respective close associates had engaged in or had any interest in any business which competes or may compete, either directly or indirectly, with the businesses of the Group.

3. DIRECTORS' AND SUPERVISORS' INTERESTS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE GROUP

As at the Latest Practicable Date, none of the Directors or Supervisors had any direct or indirect interest in any assets which had since 31 December 2022, being the date to which the latest published audited accounts of the Group were made up, been acquired or disposed of by or leased to, or proposed to be acquired or disposed of by or leased to, any member of the Group.

As at the Latest Practicable Date, none of the Directors or Supervisors was materially interested, either directly or indirectly, in any contract or arrangement entered into by any member of the Group which was subsisting at the Latest Practicable Date and was significant to the business of the Group.

4. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors or Supervisors had entered into a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

5. EXPERT AND CONSENT

Goldlink Capital (Corporate Finance) Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter dated 25 April 2023, and references to its name included in the form and context in which they appear.

The following is the qualification of the expert who has given an opinion or advice, which is contained in this circular:

Name	Qualification
Goldlink Capital (Corporate Finance) Limited	a licensed corporation to carry out type 6 (advising on corporate finance) regulated activity under the SFO

As at the Latest Practicable Date, Goldlink Capital (Corporate Finance) Limited did not have any shareholding, directly or indirectly, in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, Goldlink Capital (Corporate Finance) Limited was not interested, directly or indirectly, in any assets which had since 31 December 2022, being the date to which the latest published audited accounts of the Group were made up, been acquired or disposed of by or leased to, or proposed to be acquired or disposed of by or leased to, any member of the Group.

6. MATERIAL ADVERSE CHANGE

Save as publicly disclosed by the Company on the HKEXnews website on or before the date of this circular, as at the Latest Practicable Date, the Directors confirmed that they were not aware of any material adverse change in the financial or trading positions of the Group since 31 December 2022, being the date to which the latest published audited accounts of the Group were made up.

7. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the website of the Company (www.zjky.cn) for a period of 14 days from the date of this circular (both days inclusive):

- (a) the letter from the Independent Board Committee dated 25 April 2023, the text of which is set out on pages 41 to 42 of this circular;
- (b) the letter from the Independent Financial Adviser dated 25 April 2023, the text of which is set out on pages 43 to 76 of this circular;
- (c) the consent letter from Goldlink Capital (Corporate Finance) Limited referred to in the paragraph headed “Expert and Consent” in this Appendix; and
- (d) this circular.

8. GENERAL

- (a) The registered office of the Company is situated at No. 1 Zijin Road, Shanghang County, Fujian Province, the PRC.
- (b) The H Share Registrar, Computershare Hong Kong Investor Services Limited is situated at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong.

* *The English name of the Company is for identification purpose only.*

Should there be any discrepancy, the Chinese text of this appendix shall prevail.

NOTICE OF 2022 ANNUAL GENERAL MEETING

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this notice, make no representation as to its accuracy or completeness and expressly disclaim any liabilities whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this notice.



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)

Notice of 2022 Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the annual general meeting for the year ended 31 December 2022 (the “AGM”) of Zijin Mining Group Co., Ltd.* (the “Company”) will be held at 9 a.m. on Thursday, 25 May 2023, at the conference room at 21/F., Zijin Headquarters, No. 1 Zijin Road, Shanghang County, Fujian Province, the People’s Republic of China (the “PRC”) to consider, approve and authorise the following matters:

RESOLUTIONS

1. Ordinary Resolution: “To consider and approve the Report of the Board of Directors of the Company for 2022”;
2. Ordinary Resolution: “To consider and approve the Report of the Independent Directors of the Company for 2022”;
3. Ordinary Resolution: “To consider and approve the Report of the Supervisory Committee of the Company for 2022”;
4. Ordinary Resolution: “To consider and approve the Company’s 2022 annual report and its summary report”;
5. Ordinary Resolution: “To consider and approve the Company’s financial report for the year ended 31 December 2022”;
6. Ordinary Resolution: “To consider and approve the profit distribution proposal of the Company for the year ended 31 December 2022”;

NOTICE OF 2022 ANNUAL GENERAL MEETING

7. Ordinary Resolution: “To consider and approve the calculation and distribution proposal for the remuneration of the Executive Directors and Chairman of the Supervisory Committee of the seventh term for the year ended 31 December 2022”;
8. Ordinary Resolution: “To consider and approve the proposal in relation to reappointment of auditor for the year ending 31 December 2023”;
9. Special Resolution: “To consider and approve the proposal in relation to a general mandate to issue debt financing instruments”;
10. Special Resolution: “To consider and approve the proposal in relation to the arrangement of guarantees for the year 2023”;
11. Ordinary Resolution: “To consider and approve the proposal in relation to the satisfaction of the conditions for the public issuance of A Share Convertible Corporate Bonds of the Company”;
12. Special Resolution: “To consider and approve the Proposal on the Public Issuance of A Share Convertible Corporate Bonds for the Year 2022 of the Company” (the following resolutions to be voted item by item);
 - 12.01 Type of securities to be issued;
 - 12.02 Size of the issuance;
 - 12.03 Par value and issue price;
 - 12.04 Term of the A Share Convertible Corporate Bonds;
 - 12.05 Coupon rate of the A Share Convertible Corporate Bonds;
 - 12.06 Timing and method of principal repayment and interest payment;
 - 12.07 Conversion period;
 - 12.08 Determination and adjustment of the conversion price;
 - 12.09 Terms of downward adjustment to conversion price;
 - 12.10 Method for determining the number of A Shares to be converted and treatment for remaining balance of the A Share Convertible Corporate Bonds which is insufficient to be converted into one A Share;

NOTICE OF 2022 ANNUAL GENERAL MEETING

- 12.11 Terms of redemption;
 - 12.12 Terms of sale back;
 - 12.13 Entitlement to dividend in the year of conversion;
 - 12.14 Method of the issuance and target subscribers;
 - 12.15 Subscription arrangement for the existing A Shareholders;
 - 12.16 Relevant matters of the bondholders' meetings;
 - 12.17 Use of proceeds raised;
 - 12.18 Rating;
 - 12.19 Management and deposit for the proceeds raised;
 - 12.20 Guarantee and security;
 - 12.21 Validity period of the resolution of the issuance;
- 13. Special Resolution: "To consider and approve the Demonstration and Analysis Report in relation to the Proposal on the Public Issuance of A Share Convertible Corporate Bonds of the Company";
 - 14. Special Resolution: "To consider and approve the Plan of the Public Issuance of A Share Convertible Corporate Bonds of the Company (Revised Draft)";
 - 15. Ordinary Resolution: "To consider and approve the Feasibility Report on the Use of Proceeds Raised in the Public Issuance of A Share Convertible Corporate Bonds of the Company (Revised Draft)";
 - 16. Ordinary Resolution: "To consider and approve the Report on the Use of Proceeds Previously Raised of the Company";
 - 17. Ordinary Resolution: "To consider and approve the Recovery Measures and Undertakings by Relevant Parties in relation to Dilutive Impact on Immediate Returns of the Public Issuance of A Share Convertible Corporate Bonds of the Company (Revised Draft)";

NOTICE OF 2022 ANNUAL GENERAL MEETING

18. Ordinary Resolution: “To consider and approve the proposal in relation to formulation of Rules for A Share Convertible Corporate Bondholders’ Meetings of the Company”;
19. Special Resolution: “To consider and approve the proposal in relation to the possible connected transactions of subscriptions of A Share Convertible Corporate Bonds under the public issuance by the Company’s connected persons”; and
20. Special Resolution: “To consider and approve the proposal to the shareholders’ general meetings in relation to the authorisation to the board of directors or its authorised persons to handle all the matters relating to the public issuance of A Share Convertible Corporate Bonds of the Company”.

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

25 April 2023, Fujian, the PRC

NOTICE OF 2022 ANNUAL GENERAL MEETING

Notes:

- (A) **The Company's register of H Shares members will be closed from 19 May 2023 (Friday) to 25 May 2023 (Thursday) (both days inclusive), during such period no transfer of H Shares will be registered. Holders of H Shares whose names appear on the H Share register of members on 25 May 2023 (Thursday, being the record date) will be entitled to attend and vote at the AGM to be convened on 25 May 2023 (Thursday) at the conference room at 21/F., Zijin Headquarters, No. 1 Zijin Road, Shanghang County, Fujian Province, the PRC. In order to be qualified for attending and voting at the AGM, all documents on transfers of H Shares must be lodged with the Registrar of H Shares of the Company no later than 4:30 p.m. on 18 May 2023 (Thursday).**

The address of the Hong Kong Registrar of H Shares is:

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

- (B) Holders of H Shares who intend to attend the AGM must complete and return the reply slip for the AGM in writing to the Secretariat of the Board of Directors or Registrar of H Shares of the Company – Computershare Hong Kong Investor Services Limited, the address is: 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong on or before 23 May 2023 (Tuesday).

Details of the office of the Secretariat of the Board of Directors are as follows:

41/F., Tower B, Zhonghang Zijin Plaza,
No.1811 Huandao Road East, Siming District,
Xiamen City, Fujian Province,
the People's Republic of China
Tel: (86)592-2933650
Fax: (86)592-2933580

- (C) Holders of H Shares who have the right to attend and vote at the AGM are entitled to appoint one or more proxies (whether or not a member) in writing to attend and vote on their behalf. For those shareholders who appoint more than one proxy, such proxies can only exercise their voting rights by way of polls. Shareholders who intend to appoint one or more proxies should first read the Company's 2022 annual report.
- (D) The instrument appointing a proxy must be in writing and signed by the appointer or his attorney duly authorised in writing. In the event that such instrument is signed by an attorney of the appointer, an authorisation instrument that authorises such signatory shall be notarised.
- (E) To be valid, the proxy form (and if the proxy form is signed by a person under a power of attorney or other authority on behalf of the appointer, then together with such power of attorney or other authority) must be deposited at the Registrar of H Shares of the Company – Computershare Hong Kong Investor Services Limited no later than 24 hours before the specified time for the holding of the AGM (i.e., no later than 9 a.m. on 24 May 2023 (Wednesday), Hong Kong time). The address is: 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (F) If a proxy is appointed to attend the AGM on behalf of a shareholder, the proxy must indicate its identification document and the authorisation instrument with the date of issue and duly signed by the proxy and its legal representative, and in the case of legal representative of legal person shareholders, such legal representative must show its own identification document and valid document to identify its identity as legal representative. If a legal person shareholder appoints a company's representative other than its legal representative to attend the AGM, such representative must show its own identification document and the authorisation instrument bearing the company chop of the legal person shareholder and duly signed by its legal representative.
- (G) Completion and delivery of the proxy form will not preclude a holder of H Shares from attending and voting in person at the AGM if he/she so wishes.
- (H) The AGM is expected to last for a half day, and shareholders attending the AGM will be responsible for their own travelling and accommodation expenses.

NOTICE OF 2022 ANNUAL GENERAL MEETING

EXPECTED TIMETABLE

Year 2023 (*Note*)

Latest time for lodging documents on transfer of shares	18 May (Thursday) 4:30 p.m.
Book closure period (both days inclusive)	19 May (Friday) to 25 May (Thursday)
Record date	25 May (Thursday)
AGM	25 May (Thursday)
Announcement on results of the AGM	25 May (Thursday)
Register of members re-opens	29 May (Monday)
Cum-rights date, ex-rights date, book closure period and delivery of dividends	To be announced

Note: All times refer to Hong Kong local times

As at the date of this notice, 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.

* *The English name of the Company is for identification purpose only*

Should there be any discrepancy, the Chinese text of this notice shall prevail.

NOTICE OF THE FIRST H SHAREHOLDERS' CLASS MEETING IN 2023

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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)

Notice of the First H Shareholders' Class Meeting in 2023

NOTICE IS HEREBY GIVEN THAT the first H Shareholders' class meeting in 2023 (the "**First H Shareholders' Class Meeting**") of Zijin Mining Group Co., Ltd.* (the "**Company**") will be held at 10:30 a.m. on Thursday, 25 May 2023, at the conference room at 21/F., Zijin Headquarters, No. 1 Zijin Road, Shanghang County, Fujian Province, the People's Republic of China (the "**PRC**") to consider, approve and authorise the following matters:

SPECIAL RESOLUTIONS

1. To consider and approve the Proposal on the Public Issuance of A Share Convertible Corporate Bonds for the Year 2022 of the Company (the following resolutions to be voted item by item);
 - 1.01 Type of securities to be issued;
 - 1.02 Size of the issuance;
 - 1.03 Par value and issue price;
 - 1.04 Term of the A Share Convertible Corporate Bonds;
 - 1.05 Coupon rate of the A Share Convertible Corporate Bonds;
 - 1.06 Timing and method of principal repayment and interest payment;
 - 1.07 Conversion period;
 - 1.08 Determination and adjustment of the conversion price;

NOTICE OF THE FIRST H SHAREHOLDERS' CLASS MEETING IN 2023

- 1.09 Terms of downward adjustment to conversion price;
- 1.10 Method for determining the number of A Shares to be converted and treatment for remaining balance of the A Share Convertible Corporate Bonds which is insufficient to be converted into one A Share;
- 1.11 Terms of redemption;
- 1.12 Terms of sale back;
- 1.13 Entitlement to dividend in the year of conversion;
- 1.14 Method of the issuance and target subscribers;
- 1.15 Subscription arrangement for the existing A Shareholders;
- 1.16 Relevant matters of the bondholders' meetings;
- 1.17 Use of proceeds raised;
- 1.18 Rating;
- 1.19 Management and deposit for the proceeds raised;
- 1.20 Guarantee and security;
- 1.21 Validity period of the resolution of the issuance;
2. To consider and approve the Plan of the Public Issuance of A Share Convertible Corporate Bonds of the Company (Revised Draft); and
3. To consider and approve the proposal to the shareholders' general meetings in relation to the authorisation to the board of directors or its authorised persons to handle all the matters relating to the public issuance of A Share Convertible Corporate Bonds of the Company.

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

25 April 2023, Fujian, the PRC

NOTICE OF THE FIRST H SHAREHOLDERS' CLASS MEETING IN 2023

Notes:

- (A) **The Company's register of H Shares members will be closed from 19 May 2023 (Friday) to 25 May 2023 (Thursday) (both days inclusive), during such period no transfer of H Shares will be registered. Holders of H Shares whose names appear on the H Share register of members on 25 May 2023 (Thursday, being the record date) will be entitled to attend and vote at the First H Shareholders' Class Meeting to be convened on 25 May 2023 (Thursday) at the conference room at 21/F., Zijin Headquarters, No. 1 Zijin Road, Shanghang County, Fujian Province, the PRC. In order to be qualified for attending and voting at the First H Shareholders' Class Meeting, all documents on transfers of H Shares must be lodged with the Registrar of H Shares of the Company no later than 4:30 p.m. on 18 May 2023 (Thursday).**

The address of the Hong Kong Registrar of H Shares is:

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

- (B) Holders of H Shares who intend to attend the First H Shareholders' Class Meeting must complete and return the reply slip for the First H Shareholders' Class Meeting in writing to the Secretariat of the Board of Directors or Registrar of H Shares of the Company – Computershare Hong Kong Investor Services Limited, the address is: 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong on or before 23 May 2023 (Tuesday).

Details of the office of the Secretariat of the Board of Directors are as follows:

41/F., Tower B, Zhonghang Zijin Plaza,
No.1811 Huandao Road East, Siming District,
Xiamen City, Fujian Province,
the People's Republic of China
Tel: (86)592-2933650
Fax: (86)592-2933580

- (C) Holders of H Shares who have the right to attend and vote at the First H Shareholders' Class Meeting are entitled to appoint one or more proxies (whether or not a member) in writing to attend and vote on their behalf. For those shareholders who appoint more than one proxy, such proxies can only exercise their voting rights by way of polls.
- (D) The instrument appointing a proxy must be in writing and signed by the appointer or his attorney duly authorised in writing. In the event that such instrument is signed by an attorney of the appointer, an authorisation instrument that authorises such signatory shall be notarised.
- (E) To be valid, the proxy form (and if the proxy form is signed by a person under a power of attorney or other authority on behalf of the appointer, then together with such power of attorney or other authority) must be deposited at the Registrar of H Shares of the Company – Computershare Hong Kong Investor Services Limited no later than 24 hours before the specified time for the holding of the First H Shareholders' Class Meeting (i.e., no later than 10:30 a.m. on 24 May 2023 (Wednesday), Hong Kong time). The address is: 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (F) If a proxy is appointed to attend the First H Shareholders' Class Meeting on behalf of a shareholder, the proxy must indicate its identification document and the authorisation instrument with the date of issue and duly signed by the proxy and its legal representative, and in the case of legal representative of legal person shareholders, such legal representative must show its own identification document and valid document to identify its identity as legal representative. If a legal person shareholder appoints a company's representative other than its legal representative to attend the First H Shareholders' Class Meeting, such representative must show its own identification document and the authorisation instrument bearing the company chop of the legal person shareholder and duly signed by its legal representative.
- (G) Completion and delivery of the proxy form will not preclude a holder of H Shares from attending and voting in person at the First H Shareholders' Class Meeting if he/she so wishes.
- (H) The First H Shareholders' Class Meeting is expected to last for a half day, and shareholders attending the First H Shareholders' Class Meeting will be responsible for their own travelling and accommodation expenses.

NOTICE OF THE FIRST H SHAREHOLDERS' CLASS MEETING IN 2023

EXPECTED TIMETABLE

Year 2023 (*Note*)

Latest time for lodging documents on transfer of shares	18 May (Thursday) 4:30 p.m.
Book closure period (both days inclusive)	19 May (Friday) to 25 May (Thursday)
Record date	25 May (Thursday)
First H Shareholders' Class Meeting	25 May (Thursday)
Announcement on results of the First H Shareholders' Class Meeting	25 May (Thursday)
Register of members re-opens	29 May (Monday)

Note: All times refer to Hong Kong local times

As at the date of this notice, 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.

* *The English name of the Company is for identification purpose only*

Should there be any discrepancy, the Chinese text of this notice shall prevail.