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Zijin Mining Group Co., Ltd.*

紫金礦業集團股份有限公司

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

(Stock code: 2899)

Announcement in relation to the Approval and Project Establishment of the Upgrade and Expansion Project of Phase 2 of the Julong Copper Mine

I. Overview

On 22 February 2024, Tibet Julong Copper Co., Ltd. ("Julong Copper"), a subsidiary of Zijin Mining Group Co., Ltd.* (the "Company"), received the Reply on the Approval in relation to the Upgrade and Expansion Project of Phase 2 of the Julong Copper Mine of Tibet Julong Copper Co., Ltd. (Zang Fa Gai Chan Ye (2024) No. 104) issued by the Tibet Autonomous Region Development and Reform Commission. The Julong Copper Mine was approved to expand upon its existing mining and processing project of 150 thousand tonnes/day by adding a new production scale of 200 thousand tonnes/day through upgrade and expansion, thus forming a total production scale of 350 thousand tonnes/day.

On the same day, the Company convened the third extraordinary meeting in 2024 of the eighth term of the board of directors (the "Board"), at which the proposal in relation to the implementation of the overall upgrade and expansion project of phase 2 of the Julong Copper Mine was considered and approved unanimously. It was agreed to establish the overall upgrade and expansion project of phase 2 of the Julong Copper Mine ("Julong Phase 2 Project"). It is expected that the construction will complete and the production will commence by the end of 2025. Open-pit mining method will be adopted, and the mine's service life is 36 years. The estimated total investment amount is approximately RMB17.46 billion, which will be self-financed by Julong Copper.

After the Julong Phase 2 Project is completed and reaches the designated production capacity, the annual ore mining and processing volume of the Julong Copper Mine is expected to exceed 100 million tonnes, making it the largest in China in terms of mining and processing scale and the largest standalone copper mine to be put into operation in the world since the 21st century. The annual mine-produced copper output of Julong Copper, which includes both the Julong Copper Mine and the Zhibula Copper Mine, is expected to increase from 154 thousand tonnes in 2023 to approximately 300 thousand to 350 thousand tonnes; the annual mine-produced molybdenum output is expected to increase from 5 thousand tonnes in 2023 to approximately 13 thousand tonnes. In the future, a phase 3 project will also be planned and implemented for the Julong Copper Mine. If this project is approved by the relevant government authorities, the Julong Copper Mine can potentially achieve an annual ore mining and processing volume of approximately 200 million tonnes, making it the largest standalone copper mine in the world in terms of mining and processing scale.

This investment does not constitute a connected transaction, or a material asset restructuring under the stipulations of the Measures for the Administration of the Material Asset Restructurings of Listed Companies, and therefore is not required to be tabled to the shareholders' general meeting for consideration.

II. Investment entity

Company name: Tibet Julong Copper Co., Ltd.

Type of enterprise: Other limited liability company

Legal representative: Shen Quansheng

Registered capital: RMB5.01980 billion

Registered address: Zizirong Village, Jiama Township, Maizhokunggar County, Lhasa City, Tibet Autonomous Region

Shareholding structure: Tibet Zijin Mining Co., Ltd. (a wholly-owned subsidiary of the Company), Zangge Mining Company Limited, Tibet Shengyuan Mining Group Corporation and Tibet Maizhokunggar Dapu Industrial and Trading Co., Ltd. own 50.1%, 30.78%, 10.12% and 9% equity interest, respectively.

As at 31 December 2023, the total assets, total liabilities and net assets of Julong Copper were RMB26.21666 billion, RMB17.29690 billion and RMB8.91976 billion, respectively; sales income and net profit realised from January to December 2023 were RMB10.26631 billion and RMB4.32280 billion, respectively. (The abovementioned financial data has not been audited)

III. Major contents of the construction plan

Project name: Upgrade and expansion project of phase 2 of the Julong Copper Mine in Tibet.

Construction scale: To expand upon the Julong Copper Mine's existing mining and processing project of 150 thousand tonnes/day by adding a new production scale of 200 thousand tonnes/day through upgrade and expansion, thus forming a total production scale of 350 thousand tonnes/day.

Construction scope: Including the upgrade and expansion of the existing mining system and dump, construction of a new phase 2 Julong processing plant, Deqingpu tailings storage yard, 220KV power transmission, transformation and distribution facilities, other supporting production and living facilities, etc.

Mining and processing plan: Open-pit mining; copper-molybdenum iso-flotability - copper-molybdenum separation - copper flotation processing - copper-sulphur separation processing technique.

Product plan: Copper and molybdenum concentrates, silver will be comprehensively recovered from copper concentrates.

Service life: It is expected that the construction will complete and the production will commence by the end

of 2025. The service life is 36 years.

Investment amount: The estimated total investment amount is approximately RMB17.46 billion, which will be self-financed by Julong Copper.

IV. Project impact

(I) Significant economic and social benefits

After the construction completion and production commencement of the Julong Phase 2 Project, the Julong Copper Mine will become the largest standalone copper mine in China. It will play an important role in further enhancing the production output of mine-produced copper in China, promoting the transformation of Tibet's resource advantages into economic development advantages, and driving the economic and social development of Tibet.

(II) Support global green and low-carbon transition

In the context of the global new energy revolution, copper is an irreplaceable supportive material for the development of renewable energy. The Company is committed to "providing the materials that improve standards of living in a low carbon future". In 2023, the Company contributed approximately 1.01 million tonnes of mine-produced copper to the global green and low-carbon transition. The incremental output from the construction completion and production commencement of the Julong Phase 2 Project will further empower the Company to contribute to the global green and low-carbon circular economy.

(III) Enhance the production output and overall profitability of the Company's copper segment

The construction completion and production commencement of the Julong Phase 2 Project, alongside the ongoing production expansion of the Kamao-Kakula Copper Mine in the Democratic Republic of the Congo and the large-scale underground copper mine development of the Ćukaru Peki Copper and Gold Mine and the Bor Copper Mine in Serbia represent the three growth drivers of the Company's copper segment. In addition, the development and construction of a new batch of copper mine projects of the Company will further bolster the continuous growth of production output of the Company's copper segment from its high base, and build a solid foundation for the continuous improvement of the Company's overall profitability. This is of significant importance for enhancing the Company's position in the copper industry and achieving the strategic goal of entering the top three to five global metal mining companies in terms of key economic indicators by 2030.

V. Risk warning

The investment amount of the Julong Phase 2 Project is substantial. The mining and processing operations of the Julong Copper Mine are conducted in extreme-cold and oxygen-deficient area at 5,000 metres above sea level, where the natural geographical conditions are harsh. The working conditions for personnel are unfavourable. Project implementation, construction and management are relatively difficult. The construction of the project and production commencement also require the Company to undergo relevant procedures of the related departments, and there is a possibility that these may not meet expectations. Meanwhile, the overall grade of the project is relatively low. The project's performance is sensitive to the fluctuations in the metal prices. There are certain investment risks.

The future production plan, construction completion and production commencement timeline and other

forward-looking statements in this announcement should not constitute any actual commitments by the Company to investors. Investors are advised to pay attention.

This announcement is made on a voluntary basis.

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

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

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

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

23 February 2024, Fujian, the PRC

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