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ZHAOJIN

ZHAOJIN MINING INDUSTRY COMPANY LIMITED*

招金礦業股份有限公司

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

(Stock Code: 1818)

**ANNOUNCEMENT
IN RESPECT OF A PRODUCTION-RELATED ACCIDENT**

This announcement is made pursuant to Rule 13.09 (1) of the Listing Rules.

A caving accident occurred in the Dayingezhuang Gold Mine of the Company at about 10:00 a.m. on 15 February 2011. An employee was injured by falling pumices when he was cleaning up the site with a crusher. The injured died later despite emergency treatment.

The accident occurred during the process of preparation for resumption of production after the Spring Festival holidays, the local government ordered all underground mines in Zhaoyuan city to learn lessons from the accident, and properly prepare for the resumption of production and the acceptance test after the Spring Festival holidays. Mines that have not gone through the acceptance test or that failed the acceptance test are not allowed to resume their production.

Investors are reminded of investment risks when dealing in the shares of the Company.

This announcement is made by Zhaojin Mining Industry Company Limited (the “Company”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

A caving accident occurred in the Dayingezhuang Gold Mine of the Company at about 10:00 a.m. on 15 February 2011. An employee was injured by falling pumices when he was cleaning up the site with a crusher. The injured died later despite emergency treatment.

Immediately following the accident occurred, Yantai Bureau of Safety Production Supervision issued the “EMERGENCY NOTICE ON SERIOUSLY DRAWING LESSONS FROM THE ACCIDENTS AND ENSURING SAFETY RESUMPTION OF PRODUCTION FOR NON-COAL UNDERGROUND MINES AFTER THE SPRING FESTIVAL HOLIDAYS” on 15 February 2011. In this notice, all mining enterprises are required to strictly implement the resumption inspection system and propose resumption application with the Yantai Bureau of Safety Production Supervision upon approval from the competent authority before returning to production. The Yantai Bureau of Safety Production Supervision will organize a review of the applicant enterprise upon receipt of application and list the qualified applicants to the Municipal Office of Mining Order Rectification. Production can be resumed upon approval of resuming explosive supply.

After the accident, the Company was highly concerned about it and actively dealt with the aftermath of the accident. An emergency safety meeting was held to notify the accident to all employees of the Company. Currently, the Company is properly carrying out safety inspection for resumption of work and further increasing training efforts in respect of safety across the Company. The supply of explosives and the production will be resumed after the Company passes the acceptance test conducted by the government safety supervision authorities.

Investors are reminded of investment risks when dealing in the shares of the Company.

By order of the Board
Zhaojin Mining Industry Company Limited*
Lu Dongshang
Chairman

Zhaoyuan, the PRC, 17 February 2011

As at the date of this announcement, the Board comprises Mr. Lu Dongshang and Mr. Weng Zhanbin as executive Directors, Mr. Liang Xinjun, Mr. Cong Jianmao, Mr. Wang Peifu, Mr. Wu Zhongqing and Mr. Chen Guoping as non-executive Directors, and Mr. Ye Tianzhu, Mr. Yan Hongbo, Ms. Chen Jinrong and Mr. Choy Sze Chung Jojo as independent non-executive Directors.

* *For identification purposes only*