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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 OF TEMPORARY SUSPENSION OF PRODUCTION**

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

On 11 July 2011 at about 21:45, the Company received an “Emergency Notice on Suspending Production for Rectification for All Underground Non-coal Mines within the Whole Province” from the Administration of Work Safety of Shandong Province and other relevant documents (including document No.13 of 2011 from the Work Safety Committee of Yantai City and document No.10 of 2011 from the Work Safety Committee of Zhaoyuan City), which requested all the underground non-coal mines within the whole province to suspend production for rectification with effect from such date in accordance with the requirements of these documents. The Company suspended its production in accordance with the requirements on 11 July 2011 at about 22:30.

The Company would like to remind investors to exercise caution 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”).

On 11 July 2011 at about 21:45, the Company received an “Emergency Notice on Suspending Production for Rectification for All Underground Non-coal Mines within the Whole Province of Shandong” (Lu Anjian No. 01 of 2011) from the Administration of Work Safety of Shandong Province, document No.13 of 2011 from the Work Safety Committee of Yantai City and document No.10 of 2011 from the Work Safety Committee of Zhaoyuan City. It is mentioned in these documents that on 10 July 2011 at about 23:00, a flooding accident happened in an underground mine operated by Changyi Zhengdong Mining (Iron) Limited, Weifang City. When the accident occurred, there were 28 people under the well. 7 of them were elevated to ground level safely and 21 of them were trapped underground at present. In order to draw lessons from this accident and prevent any similar accident from happening again, the Administration of Work Safety of Shandong Province determined that with effect from such date, all the underground non-coal mines within the whole province shall suspend production for rectification and make a clean sweep of potential hazards.

The Company suspended the production of all its gold mines in Zhaoyuan region on 11 July 2011 at 22:30 in accordance with the requirements for suspension of production and rectification. Meanwhile, the Company has commenced the work of rectification and on-site potential hazards prevention and inspection in accordance with the requirements of the notices issued by relevant regulatory authorities at various levels. According to the unified arrangement by the Bureau of Safety Production Supervision of Shandong province, in order to ensure the effective implementation of the suspension of production and potential hazards prevention and inspection for underground non-coal mines, the Bureau of Safety Production Supervision at provincial level will organize five supervision and inspection teams comprising industrial experts to conduct an overall inspection on all underground mines within the whole province during the period from 12 July to 18 July, 2011. The Company will resume its production immediately after passing the inspection for resumption of production. In that case, the Company will issue an announcement in respect of the resumption of production in due course.

The Company is of the opinion that, the suspension of production for safety inspection for underground non-coal mines within the whole province as required by Shandong provincial government is a short-term suspension of production in some of the Company's mines, which will not have material impact on the production and operation of the Company.

**Investors are reminded to exercise caution when dealing in the shares of the Company.**

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

Zhaoyuan, the PRC, 12 July 2011

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

\* *For identification purposes only*