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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ACTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **ZHAOJIN MINING INDUSTRY COMPANY LIMITED** (the “Company”), you should at once hand this circular together with the accompanying supplemental form of proxy and reply slip to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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)**

**ISSUE OF CORPORATE BONDS IN THE PRC**  
**AND**  
**AMENDMENT TO THE ARTICLES OF ASSOCIATION**  
**AND**  
**SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING**

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Supplemental notice convening the annual general meeting of the Company (the “AGM”) is set out in this circular.

Any Shareholder(s) entitled to attend and vote at the AGM and the Class Meetings are entitled to appoint one or more proxies to attend and vote on his/her behalf. A proxy need not be a Shareholder of the Company. In the event that a Shareholder appoints more than one proxy to attend the meeting, such proxies may only exercise their voting rights in a poll. If you intend to appoint a proxy to attend the AGM and the Class Meetings and vote on your behalf, you are requested to complete the accompanying supplemental form of proxy in accordance with the instructions printed thereon and return it to the Company's H Share registrar in Hong Kong, 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 AGM and the Class Meetings (for the holders of H Shares); or for the holders of Domestic Shares of the Company, to the place of business of the Company in the PRC not less than 24 hours before the time appointed for the holding of the AGM and the Class Meetings.

\* *For identification purposes only*

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## LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Mr. Lu Dongshang (*Chairman*)  
Mr. Weng Zhanbin  
Mr. Li Xiuchen

*Registered address:*

No. 299 Jinhui Road  
Zhaoyuan City  
Shandong Province  
PRC

*Non-executive Directors:*

Mr. Liang Xinjun (*Vice chairman*)  
Mr. Cong Jianmao  
Mr. Ye Kai  
Mr. Kong Fanhe

*Principal place of business in Hong Kong:*

8th Floor  
Gloucester Tower  
The Landmark  
15 Queen's Road Central  
Central  
Hong Kong

*Independent Non-executive Directors:*

Mr. Ye Tianzhu  
Mr. Yan Hongbo  
Ms. Chen Jinrong  
Mr. Choy Sze Chung Jojo

11 May 2012

*To the Shareholders*

Dear Sir or Madam,

**ISSUE OF CORPORATE BONDS IN THE PRC**  
**AND**  
**AMENDMENT TO THE ARTICLES OF ASSOCIATION**  
**AND**  
**SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

On 24 April 2012, the Company received two additional proposals (the "Proposed New Resolutions") from Shandong Zhaojin Group Company Limited, the substantial

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Shareholder of the Company which holds 1,103,024,000 shares in the Company, representing approximately 37.84% of the total share capital of the Company as at 24 April 2012. Pursuant to the relevant requirements of Article 18 of the “Rules of Procedures for General Meetings” of the Company which stipulates that “Shareholders who individually or jointly hold more than 3% of the shares of the Company shall have the right to propose an additional proposal”, the Company will present the Proposed New Resolutions for Shareholders’ consideration and approval at the AGM to be held on 29 May 2012.

Unless otherwise defined, capitalized terms used in this circular shall have the same meanings as defined in the circular of the Company dated 13 April 2012.

The purpose of this circular is to provide you with information regarding the supplemental notice of AGM and the Proposed New Resolutions to be considered at the AGM relating to the following:

### **I. ISSUE OF CORPORATE BONDS IN THE PRC**

#### **Background**

The Board proposes to issue corporate bonds (the “Corporate Bonds”) in the PRC with an aggregate principal amount of not more than RMB1.4 billion. The Company intends to issue the Corporate Bonds to re-finance bank loans, replenish the current capital, adjust and optimize the financial structure of the Company. According to Article 8.23 of the Articles of Association, the proposed issue of the Corporate Bonds requires the approval of the Shareholders by way of special resolution.

The proposed issue of the Corporate Bonds also requires the approval of the CSRC. The issue of the Corporate Bonds will be subject to the timing of the approval of the CSRC and the conditions of the bond market in the PRC.

#### **Details of the Corporate Bonds**

Details of the Corporate Bonds proposed to be issued are as follows:

- |                      |  |
|----------------------|--|
| (i) Issuer:          | the Company  |
| (ii) Place of issue: | the PRC  |
| (iii) Size of issue: | the aggregate principal amount shall not be more than RMB1.4 billion |

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## LETTER FROM THE BOARD

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- (iv) Whether to arrange the issuance to the existing Shareholders: the Corporate Bonds shall not be issued to the existing Shareholders on a preferential basis
- (v) Use of proceeds: to re-finance bank loans, replenish the current capital, adjust and optimize the financial structure of the Company
- (vi) Method of guarantee: full amount, unconditional, irrevocable and joint liability guarantee provided by Shandong Zhaojin Group Company Limited
- (vii) Way of underwriting: the Corporate Bonds will be underwritten on a stand-by basis by the underwriting group formed by the lead underwriters
- (viii) Listing: subject to the satisfaction of the relevant requirements for listing, an application for listing of the Corporate Bonds on a domestic stock exchange as approved by the regulatory authorities will be made; and after obtaining the approval from the regulatory departments, the Corporate Bonds may also be listed in other stock exchanges as allowed by the applicable law
- (ix) Validity period for the resolution: the validity period relating to the resolution for the issue of the Corporate Bonds made on the AGM shall be 24 months from the date of the resolution

### **Measures to secure the repayment of the Corporate Bonds**

In case of occurrence of expected inability to repay principals and interests of the Corporate Bonds as scheduled or inability to repay principals and interest of the Corporate Bonds when they become due, the following measures will be adopted to secure the Company's ability to repay the Corporate Bonds, including but not limited to:

- (a) no distribution of dividends to the Shareholders;
- (b) suspension of the implementation of projects relating to capital expenditure, such as material external investments, mergers and acquisitions, etc;

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## LETTER FROM THE BOARD

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- (c) reduction or suspension of salary and bonus of the Directors and senior management of the Company; and
- (d) not allowing the key officers to resign from their posts.

### **Granting of authority to the Board to deal with such matters relating to the issue of the Corporate Bonds**

To ensure the proper completion of the proposed issue of the Corporate Bonds, it is proposed that a special resolution to be passed by the Shareholders generally and unconditionally at the AGM to grant the authority to the Board to deal with all such matters relating to the proposed issue of the Corporate Bonds, including but not limited to the following:

- (i) so far as permitted by laws and regulations, determine the specific plan for the issue of the Corporate Bonds and make amendments and adjustments to the terms of the issue according to the conditions of the market and the Company, including but not limited to the actual size of issue, maturity of the Corporate Bonds, interest rate and method of determination, the duration and method of repayment of the principal and interests, timing of issue, method of issue, target offerees, whether to issue in tranches and the arrangement in relation to the issue size and maturity of each tranche and each type of Corporate Bonds, any repurchase and redemption provisions, way of underwriting, credit rating arrangement, guarantees, the arrangement for actual placing and the place of listing;
- (ii) take all necessary and ancillary actions relating to the issue of the Corporate Bonds, including but not limited to appointing intermediaries for the proposed issue of the Corporate Bonds, making underwriting arrangements and lodging the application to the relevant PRC regulatory authorities for the issue of the Corporate Bonds, obtaining the approval(s) from the relevant PRC regulatory authorities, appointing trustee for the proposed issue of the Corporate Bonds, executing trust and custodian agreements and stipulating rules for bond holders' meeting and arranging for other issues and liquidity matters;
- (iii) take all necessary actions to determine and make arrangements for all matters relating to the proposed issue and listing of the Corporate Bonds, including negotiating, approving, authorising, executing, amending and completing the relevant legal documents, agreements, contracts relating to the issue and listing of the Corporate Bonds and make appropriate disclosure, and to approve, confirm and ratify any actions taken by the Board for the foregoing matters;

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- (iv) should there be any changes in the policies of the PRC regulatory authorities in relation to the issue of the Corporate Bonds or changes in the market conditions, save for those matters subject to the resolutions by the Shareholders in general meetings as stipulated by the relevant laws, regulations and the Articles of Association, to amend the specific plan for the issue of the Corporate Bonds based on the feedback (if any) from the relevant PRC regulatory authorities or to exercise discretion to delay or suspend the issue of the Corporate Bonds;
- (v) deal with any matters relating to the issue and listing of the Corporate Bonds pursuant to the relevant rules of the relevant domestic stock exchange(s); and take all actions as deemed necessary by the Board relating to the issue of and listing of the Corporate Bonds; and
- (vi) the delegation of the power and authority of the Board to Mr. Lu Dongshang, the Chairman, and Mr. Weng Zhanbin, the director, for dealing with the abovementioned matters.

The grant of authority to the Board to deal with the above matters will take effect from the date of the passing of such resolution at the AGM.

## II. AMENDMENTS TO THE ARTICLES OF ASSOCIATION

In view of the acquisition of the Hou Cang Exploration Right and the entire equity interest in Jin Han Zun Mining by the Company from Zhaojin Non-Ferrous by way of issue of domestic shares, as disclosed in the announcement and circular of the Company dated 25 March 2012 and 13 April 2012, respectively, it is proposed the Articles of Association be amended as follows:

- (a) Original Article 3.5 of the Articles of Association as set out below:

“The share capital structure of the Company: 2,914,860,000 ordinary shares, of which Zhaojin Group holds 1,086,514,000 domestic shares, representing 37.3% of the issued ordinary shares of the Company; Yuyuan Mart holds 742,000,000 domestic shares, representing 25.5% of the issued ordinary shares of the Company; Fosun Investment holds 106,000,000 domestic shares, representing 3.6% of the issued ordinary shares of the Company; Zhaoyuan State-owned Assets Management Co., Ltd. holds 84,800,000 domestic shares, representing 2.9% of the issued ordinary shares of the Company; Laomiao Gold holds 21,200,000 domestic shares, representing 0.7% of the issued ordinary shares of the Company; Shareholders of overseas-listed foreign-invested shares hold 874,346,000 shares, representing 30% of the issued ordinary shares of the Company.”

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is proposed to be amended as follows:

“The share capital structure of the Company: 2,965,827,195 ordinary shares, of which Zhaojin Group holds 1,086,514,000 domestic shares, representing 36.63% of the issued ordinary shares of the Company; Yuyuan Mart holds 742,000,000 domestic shares, representing 25.02% of the issued ordinary shares of the Company; Fosun Investment holds 106,000,000 domestic shares, representing 3.57% of the issued ordinary shares of the Company; Zhaoyuan State-owned Assets Management Co., Ltd. holds 84,800,000 domestic shares, representing 2.86% of the issued ordinary shares of the Company; Laomiao Gold holds 21,200,000 domestic shares, representing 0.71% of the issued ordinary shares of the Company; Zhaojin Non-Ferrous holds 50,967,195 domestic shares, representing 1.72% of the issued ordinary shares of the Company; Shareholders of overseas-listed foreign-invested shares hold 874,346,000 shares, representing 29.48% of the issued ordinary shares of the Company.”

(b) Original Article 3.8 of the Articles of Association as set out below:

“The registered capital of the Company is RMB2,914,860,000.”

is proposed to be amended as follows:

“The registered capital of the Company is RMB2,965,827,195.”

The above proposed amendments to the Articles of Association are subject to the approval of the Acquisition as set out in the notice of the AGM and the notice of Class Meetings by the Shareholders at the AGM and the Class Meetings.

### III. VOTING

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by a poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, pursuant to Article 8.18 of the Articles of Association, Chairman of the AGM will demand a poll on all the resolution(s) set out in the supplemental notice of AGM.

On a poll, every Shareholder who presents in person or by proxy (or in case of the Shareholder being a corporation, by its duly authorized representative) shall have one vote for each share registered in his/her/its name in the register of Shareholders. A Shareholder entitled to more than one vote needs not use all his/her/its votes or cast all his/her/its votes in the same manner.



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## LETTER FROM THE BOARD

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### IV. RECOMMENDATIONS

The Directors are of the view that the resolutions on the proposed issue of the Corporate Bonds and the proposed amendments to the Articles of Association are fair and reasonable and are in the interests of the Company and its Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of all resolutions to be proposed at the AGM as set out in the supplemental notice of AGM.

### V. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with respect to the Company. The information contained herein relating to the Company has been supplied by the Directors, who collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts not contained in this circular the omission of which would make any statement herein misleading insofar as it relates to the Company.

Yours faithfully,  
By order of the Board  
**Zhaojin Mining Industry Company Limited**  
**LU Dongshang**  
*Chairman*



**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)**

**SUPPLEMENTAL NOTICE OF 2011 ANNUAL GENERAL MEETING**

Reference is made to the “Notice of 2011 Annual General Meeting” dated 13 April 2012 (the “Notice of AGM”) of Zhaojin Mining Industry Company Limited (the “Company”). The 2011 annual general meeting of the Company (the “AGM”) will be held at the conference room of the Company at No. 299 Jinhui Road, Zhaoyuan City, Shandong Province, the People's Republic of China (the “PRC”) at 9:00 a.m. on Tuesday, 29 May 2012.

On 24 April 2012, the Company received two additional proposals (the “Proposed New Resolutions”) from Shandong Zhaojin Group Company Limited, the substantial shareholder of the Company, which holds 1,103,024,000 shares in the Company on 24 April 2012, representing approximately 37.84% of the total share capital of the Company. Pursuant to the relevant requirements of Article 18 of the “Rules of Procedures for General Meetings” of the Company which stipulates that “Shareholders who individually or jointly hold more than 3% of the shares of the Company shall have the right to propose an additional proposal”, the Company will present the Proposed New Resolutions for Shareholders’ consideration and approval at the AGM of the Company to be held on 29 May 2012.

**SUPPLEMENTAL NOTICE IS HEREBY GIVEN** that the AGM of the Company will be held at the conference room of the Company at No. 299 Jinhui Road, Zhaoyuan City, Shandong Province, the PRC at 9:00 a.m. on Tuesday, 29 May 2012 to consider and approve the following two resolutions by way of special resolutions:

**SPECIAL RESOLUTIONS**

**4. Issue of Corporate Bonds in the PRC**

Each of the following proposed items in respect of the proposed issue of Corporate Bonds in the PRC be and is hereby individually approved (subject to the approval of the CSRC and the conditions of the bonds market in the PRC):

(a) Details of the Corporate Bonds

(i) Issuer: the Company

\* For identification purposes only

- (ii) Place of issue: the PRC
  - (iii) Size of issue: the aggregate principal amount shall not be more than RMB1.4 billion
  - (iv) Whether to arrange issuing to the existing Shareholders: the Corporate Bonds shall not be issued to the existing Shareholders on preferential basis
  - (v) Use of proceeds: to re-finance bank loans, replenish the current capital, adjust and optimize the financial structure of the Company
  - (vi) Method of guarantee: full amount, unconditional, irrevocable and joint liability guarantee provided by Shandong Zhaojin Group Company Limited
  - (vii) Way of underwriting: the Corporate Bonds will be underwritten on a stand-by basis by the underwriting group formed by the lead underwriters
  - (viii) Listing: subject to the satisfaction of the relevant requirements for listing, an application for listing of the Corporate Bonds on a domestic stock exchange as approved by the regulatory authorities will be made; and as permitted by applicable law and approved by the regulatory authorities, the Corporate Bonds could also list on other stock exchange
  - (ix) Validity period for the resolution: the resolution of the validity period for the issue of the Corporate Bonds made on the AGM shall be 24 months from the date of the resolution
- (b) Measures to secure the repayment of the Corporate Bonds

In case of occurrence of expected inability to repay principals and interests of the Corporate Bonds as scheduled or inability to repay principals and interest of the Corporate Bonds when they become due, according to applicable law, the following measures are decided to secure the Company's ability to repay the Corporate Bonds, including but not limited to: (a) no distribution of dividends to the Shareholders; (b) suspension of the implementation of projects relating to capital expenditure, such as material external investments, mergers and acquisitions; (c) reduction or suspension of salary and bonus of the Directors and senior management of the Company; and (d) not allowing the key officers to resign from their posts.

(c) Authority to the Board

The Board be and is hereby authorised to deal with such matters in connection with the issue of the Corporate Bonds in the PRC, including but not limited to the following:

- (i) so far as permitted by laws and regulations, determine the specific plan for the issue of the Corporate Bonds and make amendments and adjustments to the terms of the issue according to the conditions of the market and the Company, including but not limited to the actual size of issue, maturity of the Corporate Bonds, interest rate and method of determination, the duration and method of repayment of the principal and interests, timing of issue, method of issue, target offerees, whether to issue in tranches and the arrangement in relation to the issue size and maturity of each tranche and each type of Corporate Bonds, any repurchase and redemption provisions, way of underwriting, credit rating arrangement, guarantees, the arrangement for actual placing and the place of listing;
- (ii) take all necessary and ancillary actions relating to the issue of the Corporate Bonds, including but not limited to appointing intermediaries for the proposed issue of the Corporate Bonds, making underwriting arrangements and lodging the application to the relevant PRC regulatory authorities for the issue of the Corporate Bonds, obtaining the approval(s) from the relevant PRC regulatory authorities, appointing a trustee for the proposed issue of the Corporate Bonds, executing trust and custodian agreements and stipulating rules for bond holders' meeting and arranging for other issues and liquidity matters;
- (iii) take all necessary actions to determine and make arrangements for all matters relating to the proposed issue and listing of the Corporate Bonds, including negotiating, approving, authorising, executing, amending and completing the relevant legal documents, agreements, contracts relating to the issue and listing of the Corporate Bonds and make appropriate disclosure, and to approve, confirm and ratify any actions taken by the Board for the foregoing matters;
- (iv) should there be and changes of the policies of the PRC regulatory authorities in relation to the issue of the Corporate Bonds or changes in the market conditions, save for those matters subject to the resolutions by the Shareholders in general meetings as stipulated by the relevant laws, regulations and the Articles of Association, to amend the specific plan for the issue of the Corporate Bonds based on the feedback (if any) from the relevant PRC regulatory authorities or to exercise discretion to delay or suspend the issue of the Corporate Bonds;

- (v) deal with any matters relating to the issue and listing of the Corporate Bonds pursuant to the relevant rules of the relevant domestic stock exchange(s); and take all actions as deemed necessary by the Board relating to the issue of and listing of the Corporate Bonds; and
- (vi) the delegation of the power and authority of the Board to Mr. Lu Dongshang, the Chairman, and Mr. Weng Zhanbin, the director, for dealing with the abovementioned matters.

The grant of authority to the Board to deal with the above matters will take effect from the date of the passing of this resolution at the AGM.

- 5. Conditional upon passing special resolution numbered (1) as set out in the Notice of AGM relating to the approval of the Acquisition contemplated under the Transfer Agreement, the following amendments be made to the Articles of Association.

- (a) Original Article 3.5 of the Articles of Association as set out below:

“The share capital structure of the Company: 2,914,860,000 ordinary shares, of which Zhaojin Group holds 1,086,514,000 domestic shares, representing 37.3% of the issued ordinary shares of the Company; Yuyuan Mart holds 742,000,000 domestic shares, representing 25.5% of the issued ordinary shares of the Company; Fosun Investment holds 106,000,000 domestic shares, representing 3.6% of the issued ordinary shares of the Company; Zhaoyuan State-owned Assets Management Co., Ltd. holds 84,800,000 domestic shares, representing 2.9% of the issued ordinary shares of the Company; Laomiao Gold holds 21,200,000 domestic shares, representing 0.7% of the issued ordinary shares of the Company; Shareholders of overseas-listed foreign-invested shares hold 874,346,000 shares, representing 30% of the issued ordinary shares of the Company.”

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(b) Original Article 3.8 of the Articles of Association as set out below:

“The registered capital of the Company is RMB2,914,860,000.”

is proposed to be amended as follows:

“The registered capital of the Company is RMB2,965,827,195.”

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

Zhaoyuan, the PRC, 11 May 2012

*Notes:*

1. A supplemental form of proxy in respect of the above special resolutions is enclosed with this supplemental notice of AGM.
2. Apart from the additional resolutions and other information set out in this supplemental notice of AGM, all other matters relating to the AGM as set out in the notice of AGM remain unchanged. Please refer to the Notice of AGM of the Company dated 13 April 2012 for details of other resolutions to be considered and approved at the AGM, eligibility of attendance, registration procedures, appointment of proxies and other relevant matters.
3. Unless otherwise defined, capitalized terms used in this supplemental notice shall have the same meanings as defined in the circulars dated 13 April 2012 and 14 May 2012.

As at the date of this supplemental notice, members of the Board comprise:

*Executive Directors:* Mr. Lu Dongshang, Mr. Weng Zhanbin and Mr. Li Xiuchen

*Non-executive Directors:* Mr. Liang Xinjun, Mr. Cong Jianmao, Mr. Ye Kai and Mr. Kong Fanhe

*Independent non-executive Directors:* Mr. Ye Tianzhu, Mr. Yan Hongbo, Ms. Chen Jinrong and Mr. Choy Sze Chung Jojo