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ZHAO JIN

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

CASH SUBSCRIPTION IN SHARES OF CITIGOLD

The Board is pleased to announce that Sparky International, a wholly-owned subsidiary of the Company, has subscribed for 20,000,000 ordinary shares of Citigold at a total consideration of AUD2,000,000 (equivalent to approximately RMB11,500,000). Upon completion of such subscription, Sparky International will be interested in approximately 2% of the outstanding share capital of Citigold and will become the fifth largest shareholder of Citigold.

The Board has noted that an announcement will be published by Citigold in Australian Securities Exchange on 26 July 2010 in relation to, among others, the following: (1) the subscription money of AUD2,000,000 from the Group through Sparky International has been received; (2) the subscription of 20,000,000 shares of Citigold is made after having received F.I.R.B. approval; and (3) both companies will continue to negotiate for a possible larger deal that may see the Company take a more substantial position in Citigold and its 10,000,000 ozs gold deposit and mining operations at Charters Towers in Australia.

The Board is of the view that active exploration and capture of new investment opportunities is a basic strategy for the Company to participate in the development of international mining industry. Through the participation in the financing subscription in Citigold, the Company will become one of the important strategic shareholders of Citigold which sets the fundamental for the Company to develop international projects on a broader and deeper level in the future.

This subscription does not constitute a connected transaction of the Company under Chapter 14A of the Listing Rules, nor a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

This announcement is made by the Company on a voluntary basis.

INTRODUCTION

The Board is pleased to announce that Sparky International, a wholly-owned subsidiary of the Company, has subscribed for 20,000,000 ordinary shares of Citigold, at a subscription price of AUD0.10 per share (equivalent to approximately RMB0.575 per share) and a total consideration of AUD2,000,000 (equivalent to approximately RMB11,500,000). Upon completion of such subscription, Sparky International will be interested in approximately 2% of the outstanding share capital of Citigold and will become the fifth largest shareholder of Citigold.

The Board has noted the announcement will be published by Citigold in Australian Securities Exchange on 26 July 2010 in relation to, among others, the following: (1) the subscription money of AUD2,000,000 from the Group through Sparky International has been received; (2) the subscription of 20,000,000 shares of Citigold is made after having received F.I.R.B. approval; and (3) both companies will continue to negotiate for a possible larger deal that may see the Company take a more substantial position in Citigold and its 10,000,000 ozs gold deposit and mining operations at Charters Towers in Australia. As at the date of this announcement, no terms regarding the possible further investment in Citigold by the Group have been agreed upon and no agreement in relation to such possible further investment has been entered into by the Group and Citigold. Further announcement will be made by the Company as and when appropriate in accordance with the requirements of the Listing Rules.

FINANCING OF CITIGOLD

In order to further enhance the gold production volume of the Charters Towers Gold Project in Australia, Citigold plans to obtain AUD8,000,000 from the equity financing, in which AUD2,000,000 (approximately RMB11,500,000) is intended for introducing the Company as a strategic investor for the cooperation in mining development.

REASON FOR INVESTMENT IN CITIGOLD

Active exploration and capture of new investment opportunities is a basic strategy for the Company to participate in the development of international mining industry. Through the participation in the financing subscription in Citigold, the Company will become one of the important strategic shareholders of Citigold which sets the fundamental for the Company to develop international projects on a broader and deeper level in the future.

The Company and Citigold share a similar focus on gold mining as well as the use of technology and management systems to achieve cost advantages.

INFORMATION ON CITIGOLD

According to an announcement published by Citigold, Citigold is a gold producer controlling Australia's richest major goldfield at Charters Towers in North Queensland. The high-grade deposit contains a gold resource of 10,000,000 ozs (contains approximately 23,000,000 tonnes of ore, with an average grade of 14 g/t) with great growth potential. Planned gold output growth is 300,000 ozs per year with gold cash production costs below AUD350 per oz.

According to Citigold, Citigold's current mining rights cover an area of 600 square kilometers. The core mining area covers approximately 100 square kilometers in the centre of the mine. As at the date of this announcement, Citigold has established two underground mining areas and a processing plant with daily processing volume of 1,000 tonnes (annual processing capacity of 340,000 tonnes). For easy processing and smelting, the processing plant adopts carbon-in-pulp method to extract gold. According to the financial statements of Citigold in the recent years, the production volume of gold was: 17,497 ozs in 2008, 8,100 ozs in the second half of 2009 and 5,600 ozs in the first quarter of 2010. The planned gold production volume for 2010 is 50,000 ozs. According to Citigold, as the existing production scale is relatively small with high amortization cost attributed by preliminary exploration, no profit has been generated so far. Loss amounted to approximately AUD1,192,000 for the half-year ended 31 December 2009. The planned annual production of gold of Citigold will reach 300,000 ozs in the coming 4 years, with a service period of at least 30 years.

Citigold was listed on the Australian Securities Exchange (ASX) in 1993 and listed on the Frankfurt Stock Exchange in Germany in 2008. Citigold completed its integration in Charters Towers, one of Australia's major goldfield, in 2004 and is holding 100% interest in the area. According to Citigold, Citigold established that the prospective resources of the region were 10,000,000 ozs (311 tonnes) in 2005 and commenced commercial production in 2006. In 2007, Citigold commenced mining and more information on the gold vein, such as its depth, was gathered. As the gold vein is deep underground, notwithstanding that certain partial mining has been conducted both in the past and at present, the vertical and horizontal extension of the gold vein assures a high mining potential.

COMPLIANCE WITH THE LISTING RULES

To the best of the knowledge, information and belief of the Directors, and having made all reasonable enquiries, Citigold is independent of and not connected with the directors, chief executive and substantial shareholders of the Company or any of its subsidiaries or any of their respective associates (as defined in the Listing Rules).

The subscription of 20,000,000 ordinary shares of Citigold does not constitute a connected transaction of the Company under Chapter 14A of the Listing Rules, nor a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

To increase the transparency of the Company and inform the investors about the progress of the Company's external development in a timely manner, this announcement is made by the Company on a voluntary basis.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context otherwise requires:

“Board”	the board of Directors
“Citigold”	Citigold Corporation Limited, a developing gold exploration and mining company listed on Australian Securities Exchange and Frankfurt Stock Exchange in Germany and primarily engaged in gold exploration and mining
“Company”	Zhaojin Mining Industry Company Limited* (招金礦業股份有限公司) (Stock Code: 1818), a joint stock limited company established in the PRC on 16 April 2004, the issued H Shares of which are listed on the main board of the Stock Exchange

“Directors”	the directors of the Company
“F.I.R.B.”	Foreign Investment Review Board of Australia
“Group”	the Company and its subsidiaries
“H Shares”	oversea listed foreign shares of the Company with a nominal value of RMB1 each which are listed on the Stock Exchange and traded in Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Sparky International”	Sparky International Trade Company Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company as at the date of this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.
“AUD”	Australian dollar(s), the lawful currency of Australia
“g/t”	gram(s) per tonne
“oz(s)”	troy ounce(s), a unit of weight
“RMB”	Renminbi, the lawful currency of the PRC

For the purpose of this announcement, unless otherwise indicated, translations of AUD into RMB are made, for illustrative purpose only, at the rate of AUD1 to RMB5.75. No representation is made that any amounts in AUD have been, could have been, or may be converted at this rate or any other rates or at all.

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

25 July 2010, Zhaoyuan, the PRC

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Lu Dongshang and Mr. Wang Peifu, five non-executive Directors, namely Mr. Liang Xinjun, Mr. Cong Jianmao, Mr. Weng Zhanbin, 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*