



## Zijin Mining (2899 HK)

### Profit Alert Sets the Tone for 2026 — Gold/Silver Upswing & Lithium Scale-Up

#### Positive Profit Alert: 2025 Earnings Accelerate on Volume and Price

On 30 Dec 2025, Zijin Mining issued a positive profit alert, guiding FY25 net profit attributable to shareholders to Rmb51–52bn, up roughly 59%–62% YoY (ex-non-recurring: Rmb47.5–48.5bn, +50%–53% YoY). Management attributed the uplift to both volume growth and higher realized prices across key commodities. Full-year 2025 mined output is estimated at c.90t gold (+23% vs 2024), c.1.09mt copper (+2%), c.437t silver (~flat), and c.25kt lithium carbonate equivalent (including May–Dec contributions from Zangge Mining), alongside YoY price gains in gold, copper and silver. The mix shift toward gold (a higher-margin segment for Zijin) and scaling in battery metals also support operating leverage and cash generation.

#### 2026 Output Roadmap: Scaling Gold/Copper, Step-Change in Lithium

Zijin also outlined 2026 output targets: mined gold 105t, mined copper 1.20mt, silver 520t, and LCE 120kt. Versus 2025e, that implies c.+17% gold, +10% copper, +19% silver and a step-change in lithium as projects ramp. Execution should be underpinned by a visible project slate across copper and gold: management's New Year 2026 message highlighted advancing Serbia (Čukaru Peki Lower Zone (Gold), Jama Mine (Copper) and Malka Golaja Mine (Gold & Copper), Peru (La Arena Phase II (Gold & Copper)), and key China assets (Zhunuo (Copper), Shapinggou (Molybdenum), Haiyu (Gold)) among others. If delivered, this plan raises consolidated exposure to structurally tight copper and a still-constructive precious-metals tape, while the lithium scale-up adds a third profit pillar beyond Au/Cu. Key sensitivities are ramp timing, capex discipline, and permitting/logistics on multi-jurisdictional builds.

#### Commodity Tailwinds: Gold and Silver Outlook Supports Margins

Commodity price trends, particularly for gold and silver, offer a positive catalyst for Zijin, given its status as a top producer in both. Gold prices are forecasted to average \$4,000–\$5,000 per ounce in 2026, with upside risks to \$5,400–\$6,000 amid U.S. economic uncertainties, Federal Reserve policies, and geopolitical tensions. Silver, produced as a by-product from Zijin's polymetallic mines (with 437 tonnes in 2025 and reserves of 14,739 tonnes measured/indicated/inferred), is expected to average \$56–\$65 per ounce, potentially reaching \$75–\$100 driven by industrial demand in solar and electronics. These trends could bolster Zijin's margins, though a potential U.S. rate hike or economic slowdown might pressure prices downward.

#### Overseas Gold Listing, S&P Upgrade, RG Gold Acquisition

The 30 Sep 2025 listing of Zijin Gold International (2259.HK, NR) raised ~HK\$25bn and created a pure-play overseas gold vehicle under Zijin's majority control, enhancing funding flexibility for gold growth. S&P subsequently upgraded Zijin's long-term issuer rating to BBB (stable) on 27 Oct 2025, citing rising volumes and resilient prices. Recently, Zijin also announced a US\$1.2bn acquisition of the Raygorodok (RG Gold) mine in Kazakhstan, adding scale in a favorable price environment.

#### Valuation: Upside Potential with Cycle/Geopolitical Watchpoints

Recent developments include the appointment of new Chairman Zou Laichang, who emphasizes M&A in large-scale gold and copper assets, and the commissioning of Zijin's first hard-rock lithium mine in December 2025. Valuation metrics show a market cap over HK\$1 trillion and the counter is trading at 17.1x/13.1x FY25/FY26 PE, which is lower than both HK listed peers and global mining peers. HK listed peers are trading at an average of 22.5x/15.7x FY25/FY26 PE, and global peers trading at 20.4x/15.0x FY25/FY26 PE respectively. According to Bloomberg, street analysts' targets are currently between HK\$40 to HK\$47, suggesting upside potential amid a bullish outlook. However, investors should monitor geopolitical tensions and commodity cycles.

#### NON-RATED

Last Price (HK\$)*	36.94
Target Price (HK\$)	N/A
Upside / (Downside)(%)	N/A
Previous rating	NON-RATED
Previous TP	N/A
Hang Seng Index*	26,338.47

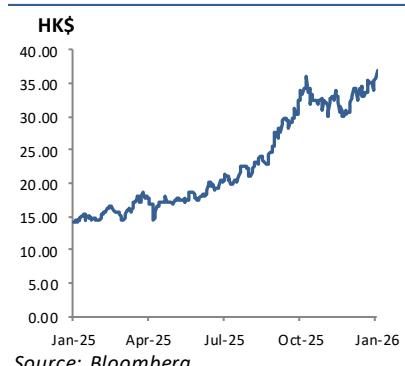
\*Prices as of 2-Jan-26

#### Key Data

Ticker	2899 HK
Market Cap (HK\$m)	1,013,048
3M avg daily T/O (HK\$m)	2,149.7
52-week High (HK\$)	37.06
52-week Low (HK\$)	13.86
Free Float (%)	99.7%
Shares O/S (m)	5,988.8

Performance	Absolute	Relative
1 month	12.9%	11.9%
3 months	9.0%	12.9%
6 months	79.3%	64.9%

#### Price Chart



Source: Bloomberg

Raymond Ip

raymond.ip@crosby.com

+852 3476 2928



Figure 1 HK Listed and Global Listed Peers table (as of 02 Jan 2025 closing price)

Company	Ticker	Price	Mkt cap (US\$m)	3-mth P/E (x)		FY1-FY3		FY1	Div Yld (%)	P/B (x)		ROE (%)		ROIC	Share px chg (%)				
				Mkt cap avg t/o	(US\$m)	FY1	FY2			EPS Cagr (%)	PEG (x)	FY1	FY2	Hist	FY1	Hist (%)	1-mth	3-mth	12-mth
HSI		26,338				12.5	11.3	11.4	1.09	3.1	3.3	1.38	1.36	10.4	10.5	0.9	(3.5)	34.2	
HSCEI		9,169				11.5	10.4	12.2	0.95	2.9	3.0	1.28	1.29	11.1	11.0	(0.1)	(5.7)	29.3	
CSI300		4,630				16.5	14.4	13.9	1.19	2.4	2.6	1.81	1.78	10.2	10.8	1.0	(0.2)	22.6	
<b>Sector Average</b>						<b>22.5</b>	<b>15.7</b>	<b>26.6</b>	<b>0.8</b>	<b>1.1</b>	<b>1.8</b>	<b>6.3</b>	<b>5.1</b>	<b>24.4</b>	<b>25.1</b>	<b>15.0</b>	<b>5.7</b>	<b>(4.4)</b>	<b>272.9</b>
<b>Sector Median</b>						<b>21.4</b>	<b>15.3</b>	<b>28.7</b>	<b>0.8</b>	<b>1.2</b>	<b>2.3</b>	<b>5.2</b>	<b>4.6</b>	<b>23.5</b>	<b>24.6</b>	<b>13.2</b>	<b>5.4</b>	<b>(6.0)</b>	<b>177.3</b>
Zijin Mining-H	2899 HK	36.94	130,013	275.9	17.1	13.1	18.5	0.92	1.8	2.3	5.20	4.77	30.0	30.8	13.9	12.9	9.0	160.5	
Zijin Gold Inter	2259 HK	147.60	50,699	145.5	33.6	20.6	30.8	1.09	0.3	0.6	11.90	8.00	N/A	24.6	N/A	5.4	7.3	N/A	
Shandong Gold -H	1787 HK	35.86	24,604	65.8	24.0	15.5	29.0	0.82	1.6	2.6	4.87	3.35	15.9	14.9	6.3	0.4	(6.0)	166.8	
Zhaojin Mining-H	1818 HK	31.90	14,503	53.7	29.5	20.8	29.5	1.00	0.5	0.8	4.19	4.04	11.9	15.3	8.2	8.1	(0.8)	179.3	
Wanguo Gold Grou	3939 HK	7.87	4,470	21.0	21.4	15.3	28.3	0.76	1.7	2.5	8.73	7.24	36.8	36.0	31.5	(2.4)	(23.2)	175.3	
Lingbao Gold-H	3330 HK	18.88	3,119	17.8	14.5	11.8	21.2	0.68	N/A	N/A	5.24	4.55	34.6	31.4	17.7	13.3	(7.5)	473.9	
Tongguan Gold Gr	340 HK	2.82	1,881	7.8	17.6	12.6	28.7	0.61	0.9	2.3	4.07	3.93	17.0	22.8	12.5	2.5	(9.6)	481.4	
<b>Sector Average</b>						<b>20.4</b>	<b>15.0</b>	<b>18.4</b>	<b>1.1</b>	<b>1.5</b>	<b>2.0</b>	<b>4.1</b>	<b>4.3</b>	<b>22.4</b>	<b>26.0</b>	<b>17.2</b>	<b>5.0</b>	<b>12.2</b>	<b>169.7</b>
<b>Sector Median</b>						<b>16.4</b>	<b>12.3</b>	<b>18.9</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>3.8</b>	<b>4.0</b>	<b>22.8</b>	<b>22.0</b>	<b>16.6</b>	<b>5.5</b>	<b>12.9</b>	<b>172.7</b>
New mont Corp	NEM US	99.85	108,963	922.7	15.4	12.4	16.0	0.96	1.0	1.0	3.28	3.17	22.8	22.0	16.6	10.4	15.5	160.2	
Barrick Mining C	B US	43.55	73,324	620.1	18.7	12.3	26.8	0.70	1.3	1.8	2.92	2.83	14.6	15.5	12.0	6.1	28.4	172.7	
Agnico Eagle Min	AEM US	169.53	85,060	435.8	21.0	16.1	13.9	1.51	0.9	0.9	N/A	3.47	15.7	18.0	12.5	(0.1)	0.8	106.8	
Wheaton Precious	WPM US	117.52	53,357	218.9	43.3	33.2	19.5	2.22	0.6	0.6	N/A	6.32	13.0	16.2	11.6	9.1	7.0	102.4	
Anglogold Ashant	AU US	85.28	43,045	224.9	14.7	9.7	18.9	0.78	3.4	4.7	5.80	4.79	31.7	38.5	21.8	1.7	17.7	250.4	
Kinross Gold	KGC US	28.16	33,891	274.9	16.4	11.6	21.3	0.77	0.4	0.5	4.28	3.99	24.1	25.9	19.5	2.4	12.9	185.0	
Gold Fields-Adr	GFI US	43.66	39,077	142.5	13.3	9.6	12.5	1.06	2.8	4.6	N/A	5.26	35.0	45.6	26.6	5.5	3.3	210.5	

Source: Company data, Crosby Securities

## Summary financials

Yr ended 31 Dec	FY 2022	FY 2023	FY 2024
<b>Income Statement (CNY'm)</b>			
Revenue	<b>270,329</b>	<b>293,403</b>	<b>303,640</b>
YoY%	20.1	8.5	3.5
Gross profit	<b>42,545</b>	<b>46,379</b>	<b>61,864</b>
YoY%	22.4	9.0	33.4
EBITDA	<b>39,747</b>	<b>41,564</b>	<b>56,872</b>
YoY%	21.4	4.6	36.8
Net profit	<b>20,042</b>	<b>21,119</b>	<b>32,051</b>
YoY%	27.9	5.4	51.8
EPS (Fully diluted)	<b>0.760</b>	<b>0.800</b>	<b>1.200</b>
YoY%	26.7	5.3	50.0
DPS	<b>0.200</b>	<b>0.250</b>	<b>0.380</b>
YoY%	0.0	25.0	52.0
<b>Balance Sheets (CNY'm)</b>			
Cash & Cash Equiv	19,668	17,689	30,939
ST Investments	6,068	6,037	9,354
AR	11,638	11,130	8,495
Inventories	28,104	29,290	33,313
Other current assets	14,167	13,484	16,838
<b>Total Current Assets</b>	<b>79,644</b>	<b>77,629</b>	<b>98,939</b>
PP&E	159,297	182,557	198,165
LT Investments	11,316	14,426	16,708
Other Non-curr assets	55,787	68,394	82,798
<b>Total Non-Current Assets</b>	<b>226,400</b>	<b>265,377</b>	<b>297,672</b>
Payables & Accruals	27,703	35,248	40,433
ST Debts	34,337	40,227	50,527
Other current Liabilities	9,130	8,707	8,825
<b>Total Current Liabilities</b>	<b>71,170</b>	<b>84,182</b>	<b>99,784</b>
LT Debts	92,913	102,899	100,353
Other LT Liabilities	17,506	17,562	18,743
<b>Total Long-Term Liabilities</b>	<b>110,419</b>	<b>120,460</b>	<b>119,096</b>
Shareholders' Equity	<b>88,943</b>	<b>107,506</b>	<b>139,786</b>
Minority interests	35,513	30,857	37,945
Total Equity	124,455	138,363	177,731
Total Debts	127,249	143,126	150,879
Net cash / (debts)	(107,581)	(125,437)	(119,941)

Source: Company data, Crosby Securities

Yr ended 31 Dec	FY 2022	FY 2023	FY 2024
<b>Cash Flow Statement (CNY'm)</b>			
Net Income	20,042	21,119	32,051
Dep & Amort.	9,771	9,850	10,036
Working capital changes	(5,746)	237	(64)
Other adjustments	2,702	40	4,007
<b>Cash From Operations (CFO)</b>	<b>26,769</b>	<b>31,246</b>	<b>46,030</b>
YoY%	8.9	16.7	47.3
Capex	(24,794)	(30,429)	(24,798)
Other investments	(27,595)	(4,823)	(8,985)
<b>Cash From Investing Activities</b>	<b>(52,389)</b>	<b>(35,252)</b>	<b>(33,783)</b>
<b>Free Cash Flow (CFO - Capex)</b>	<b>1,975</b>	<b>818</b>	<b>21,232</b>
YoY%	(55.4)	(58.6)	2,496
Net change in debts	48,765	15,877	7,754
Shares issue & buyback (net)	0	0	5,499
Dividends	(5,287)	(5,193)	(8,994)
Others	(12,204)	(8,658)	(3,255)
<b>Cash from Financing Activities</b>	<b>31,274</b>	<b>2,026</b>	<b>1,003</b>
Opening cash	14,015	19,668	17,689
Net Changes in Cash	5,653	(1,979)	13,250
<b>Closing cash</b>	<b>19,668</b>	<b>17,689</b>	<b>30,939</b>
<b>Ratios</b>			
Gross margin	15.7%	15.8%	20.4%
Ebitda margin	14.7%	14.2%	18.7%
Net margin	7.4%	7.2%	10.6%
Payout	26.3%	31.2%	31.5%
Effective tax	17.4%	15.2%	18.1%
Ebit margin (%)	12.3	12.3	17.2
Interest burden (x)	0.90	0.87	0.92
Tax budren (x)	0.67	0.68	0.67
Asset turnover (x)	1.05	0.90	0.82
Leverage (x)	3.22	3.30	2.99
<b>ROE</b>	<b>25.1%</b>	<b>21.5%</b>	<b>25.9%</b>
<b>ROIC</b>	<b>11.4%</b>	<b>9.7%</b>	<b>12.2%</b>
Total debts / Total Capital	50.6%	50.8%	45.9%
Net debts / SH Equity	121.0%	116.7%	85.8%



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