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

If you have sold or transferred all your shares in **Jinchuan Group International Resources Co. Ltd.**, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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JINCHUAN 金川

JINCHUAN GROUP INTERNATIONAL RESOURCES CO. LTD

金川集團國際資源有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2362)

**RE-ELECTION OF RETIRING DIRECTORS,
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,
ADOPTION OF NEW SHARE OPTION SCHEME,
TERMINATION OF EXISTING SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of Jinchuan Group International Resources Co. Ltd to be held at Victoria Room, 2nd Floor, Mandarin Oriental Hong Kong, 5 Connaught Road, Central, Hong Kong on Wednesday, 20 June 2012 at 10:00 a.m. is set out on pages 24 to 29 of this circular. A form of proxy for use at the annual general meeting is enclosed with this circular. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.jinchuan-intl.com).

Whether or not you are able to attend the annual general meeting, please complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Branch Share Registrar of the Company in Hong Kong, Hong Kong Registrars Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the meeting if they so wish.

30 April 2012

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“AGM”	the annual general meeting of the Company to be held at 10:00 a.m. on Wednesday, 20 June 2012, notice of which is set out on pages 24 to 29 of this circular
“Articles of Association”	the articles of association of the Company
“Associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Branch Share Registrar”	Hong Kong Registrars Limited, being the Hong Kong branch share registrar and transfer office of the Company
“Companies Law”	Cayman Islands Companies Law (2011 Revision)
“Company”	Jinchuan Group International Resources Co. Ltd, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
“Connected persons”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Eligible Persons”	any director (whether executive or non-executive, including any independent non-executive director) or employee (whether full time or part time), of the Group
“Existing Share Option Scheme”	the existing share option scheme of the Company adopted by ordinary resolution at the extraordinary general meeting held on 15 October 2003
“Grantee”	any Eligible Person who accepts an offer of Option in accordance with the terms of the New Share Option Scheme or (where the context so permits) a person entitled, in accordance with the laws of succession applicable, to exercise any Option in consequence of the death of the original Grantee
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Issue Mandate”	the general and unconditional mandate proposed to be granted to the Directors to allot, issue and otherwise deal with the Shares in the Company not exceeding 20% of the issued share capital of the Company as at the date of passing the relevant resolution to grant such mandate
“Jinchuan Group”	Jinchuan Group Joint Stock Limited* (金川集團股份有限公司) (formerly金川集團有限公司), a company incorporated in the PRC which is the Company’s ultimate holding company
“Last AGM”	the immediate previous annual general meeting of the Company held on 24 June 2011
“Latest Practicable Date”	25 April 2012, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share Option Scheme”	the new share option scheme of the Company proposed to be adopted by ordinary resolution at the AGM, a summary of principal terms of which is set out in Appendix III to this circular
“Option(s)”	the options to be granted under the New Share Option Scheme
“PRC”	the People’s Republic of China, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan for the purpose of this circular
“Repurchase Mandate”	a general and unconditional mandate to be granted to the Directors to exercise the powers of the Company to repurchase Shares up to a maximum of 10% of the issued share capital of the Company as at the date of passing the relevant resolution to grant such mandate
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholders”	holders of the Shares

* *for identification only*

DEFINITIONS

“Shares”	ordinary shares of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



JINCHUAN 金川

JINCHUAN GROUP INTERNATIONAL RESOURCES CO. LTD

金川集團國際資源有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2362)

Executive Directors:

Mr. Yang Zhiqiang (*Chairman of the Board
and Chief Executive Officer*)

Mr. Zhang Sanlin

Mr. Zhang Zhong

Ms. Deng Wen

Ms. Maria Majoire Lo

Non-executive Directors:

Mr. Gao Tianpeng

Mr. Qiao Fugui

Ms. Zhou Xiaoyin

Independent Non-executive Directors:

Mr. Gao Dezhu

Mr. Wu Chi Keung

Mr. Yen Yuen Ho, Tony

Registered office:

P.O. Box 309

Ugland House

Grand Cayman KY1-1104

Cayman Islands

*Head office and principal place of
business in Hong Kong:*

Suite 1203B, 12/F, Tower 1

Admiralty Centre

18 Harcourt Road

Hong Kong

30 April 2012

To the Shareholders

Dear Sirs,

**RE-ELECTION OF RETIRING DIRECTORS,
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,
ADOPTION OF NEW SHARE OPTION SCHEME,
TERMINATION OF EXISTING SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the AGM involving (i) the proposed re-election of retiring Directors; (ii) the Issue Mandate; (iii) the Repurchase Mandate and the extension of the Issue Mandate; (iv) the adoption of the New Share Option Scheme and termination of the Existing Share Option Scheme; and (v) the notice of the AGM. The Board has confirmed that having made all reasonable enquiries, no Shareholder is required to abstain from voting on any of the resolutions as set out in the notice of the AGM.

LETTER FROM THE BOARD

RE-ELECTION OF THE RETIRING DIRECTORS

In accordance with the Articles of Association, Mr. ZHANG Zhong shall retire as executive Director and Ms. ZHOU Xiaoyin shall retire as non-executive Director and Mr. GAO Dezhu and Mr. WU Chi Keung shall retire as independent non-executive Directors at the AGM.

The retiring Directors, being eligible, have offered themselves for re-election. Details of the Directors proposed to be re-elected are set out in Appendix I to this circular.

ISSUE MANDATE

At the Last AGM, a general mandate was granted to the Directors to exercise the powers of the Company to allot, issue and otherwise deal with the Shares in the Company. Such mandate is expected to lapse at the conclusion of the AGM. At the AGM, ordinary resolutions will be proposed which will (i) grant the Directors a general mandate to allot, issue and otherwise deal with the Shares in the Company not exceeding 20% of the issued share capital of the Company as at the date of passing such resolution; and (ii) add to such general mandate so granted to the Directors any Shares in the Company representing the aggregate nominal amount of the share capital of the Company repurchased by the Company after the granting of the Repurchase Mandate. The Directors have confirmed that they have no present intention to issue any new Shares pursuant to the Issue Mandate.

As at the Latest Practicable Date, the issued share capital is 2,754,873,051 Shares. Assuming that there is no change in the issued share capital between the Latest Practicable Date and the date of passing of the resolution approving the Issue Mandate, the maximum number of Shares which may be issued pursuant to the Issue Mandate will be 550,974,610 Shares.

REPURCHASE MANDATE

At the Last AGM, a general mandate was granted to the Directors to exercise the powers of the Company to repurchase its own Shares. Such mandate is expected to lapse at the conclusion of the AGM. At the AGM, an ordinary resolution will be proposed to grant a general mandate to the Directors to exercise the powers of the Company to repurchase its own Shares up to a maximum of 10% of the issued share capital of the Company as at the date of passing such resolution. An explanatory statement as required under the Listing Rules to provide the requisite information in respect of the Repurchase Mandate is set out in Appendix II to this circular. The Directors have confirmed that they have no present intention to repurchase any Shares pursuant to the Repurchase Mandate.

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ADOPTION OF NEW SHARE OPTION SCHEME AND TERMINATION OF EXISTING SHARE OPTION SCHEME

Termination of the Existing Share Option Scheme

The Existing Share Option Scheme was adopted at the extraordinary general meeting of the Company held on 15 October 2003, which would expire on 15 October 2013 pursuant to its terms. The Existing Share Option Scheme is the only share option scheme adopted by the Company as at the Latest Practicable Date. No options granted under the Existing Share Option Scheme remained outstanding as at the Latest Practicable Date. The Company has no intention to grant any additional options under the Existing Share Option Scheme from the Latest Practicable Date to the date of the AGM.

Pursuant to the terms of the Existing Share Option Scheme, the Existing Share Option Scheme could be terminated by ordinary resolution in general meeting and in such event no additional options will be offered but the provisions of the Existing Share Option Scheme shall remain in full force and effect in all other respects and the options granted prior to such termination shall continue to be valid and exercisable.

The Existing Share Option Scheme was adopted nine years ago. Taking into consideration the amendments to Chapter 17 of the Listing Rules and the change of market norm in respect of employee share option scheme during the past nine years, together with the repositioning of the Company's business focus and the substantial change of management since 2010, the Board considers that it is appropriate and in the interest of the Company to adopt the New Share Option Scheme to replace the Existing Share Option Scheme. The Board considers that the New Share Option Scheme, which is in compliance with the current Chapter 17 of the Listing Rules and in line with the current market norm, will enable the Company to offer meaningful incentive to attract and retain quality personnel that are valuable to the development of the Group. In addition, for the ease of administration, the Board also considers it unnecessary to keep two share option schemes that serve similar purposes at the same time. At the AGM an ordinary resolution will be proposed to the Shareholders to terminate the Existing Share Option Scheme and to adopt the New Share Option Scheme.

Adoption of New Share Option Scheme

At the AGM an ordinary resolution will be proposed to the Shareholders to terminate the Existing Share Option Scheme and to adopt the New Share Option Scheme.

The purpose of the New Share Option Scheme is to provide incentive or reward to Eligible Persons for their contribution to, and continuing efforts to promote the interests of, the Group and for such other purposes as the Board may approve from time to time.

The New Share Option Scheme will take effect on the date of its adoption at the AGM and is conditional upon:

- a) the passing of the ordinary resolution by the Shareholders to approve and adopt the New Share Option Scheme and to authorise the Board to grant Options under the New Share Option Scheme and to allot and issue Shares pursuant to the exercise of any Options; and

LETTER FROM THE BOARD

- b) the Stock Exchange granting approval of the listing of, and permission to deal in, any Shares which may fall to be allotted and issued pursuant to the exercise of any Options.

The New Share Option Scheme does not stipulate either a minimum period for which an Option must be held or any performance targets a grantee is required to achieve before an Option may be exercised. However, under the New Share Option Scheme, the Board may at its discretion specify any conditions which must be satisfied before the Option may be exercised in the offer letter whereby the Option is offered. The Board believes that this will provide the Board with more flexibility in setting the terms and conditions of the Options under particular circumstances of each grant and facilitate the Board's aim to offer meaningful incentive to attract and retain quality personnel that are valuable to the development of the Group.

The aggregate number of Shares which may be issued upon exercise of all options to be granted under the New Share Option Scheme and any new share option scheme of the Company which may be adopted hereinafter must not, in aggregate, exceed 10% of the total number of Shares in issue as at the date of adoption of the New Share Option Scheme or any new share option scheme (as the case may be). The maximum aggregate number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company, must not, in aggregate, exceed 30% of the total number of Shares in issue from time to time. As at the Latest Practicable Date, the issued share capital is 2,754,873,051 Shares. Assuming that there is no change in the issued share capital between the Latest Practicable Date and the date of the AGM, the total number of Shares which may be issued upon exercise of all options to be granted under the New Share Option Scheme would be 275,487,305 Shares.

The Board considers that it is not appropriate or helpful to Shareholders to state the value of the Options that can be granted under the New Share Option Scheme as if they had been granted at the Latest Practicable Date given that the variables which are crucial for the calculation of the value of such Option cannot be determined. The variables which are critical for the determination of the value of such Options include the subscription price payable for the Shares upon the exercise of the Options, whether or not Options will be granted under the New Share Option Scheme, and if so, the number of Options to be granted and the timing of granting such Options, the period during which the Options may be exercised, the discretion of the Board to impose any performance targets that have to be achieved before the Options can be exercised and any other conditions that the Board may impose with respect to the Options and whether or not such Options, if granted, will be exercised by the holders of the Options. Accordingly, the Board believes that any calculation of the value of the Options based on a great number of speculative assumptions will not be meaningful and may be misleading to Shareholders in the circumstances.

None of the Directors is a trustee of the New Share Option Scheme or has a direct or indirect interest in the trustees of the New Share Option Scheme, if any.

Application will be made to the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares which may fall to be allotted and issued pursuant to the exercise of any Options that may be granted under the New Share Option Scheme.

The Company will comply with the applicable requirements under Chapter 17 of the Listing Rules in respect of the operation of the New Share Option Scheme.

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A summary of the principal terms of the New Share Option Scheme is set out in Appendix III to this circular. A copy of the New Share Option Scheme will be available for inspection at Suite 1203B, 12/F, Tower 1, Admiralty Centre, 18 Harcourt Road, Hong Kong during normal business hours from the date hereof up to and including the date of the AGM and will be available for inspection at the AGM.

AGM

Set out in pages 24 to 29 of this circular is a notice convening the AGM which will be held at 10:00 a.m. on Wednesday, 20 June 2012 at Victoria Room, 2nd Floor, Mandarin Oriental Hong Kong, 5 Connaught Road, Central, Hong Kong at which resolutions will be proposed to approve, among other things, the re-election of the retiring Directors, the Issue Mandate, the Repurchase Mandate and the extension of the Issue Mandate, the adoption of the New Share Option Scheme and the termination of the Existing Share Option Scheme.

The form of proxy for use at the AGM is enclosed with this circular. Such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.jinchuan-intl.com). Whether or not you are able to attend the AGM, please complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Branch Share Registrar, Hong Kong Registrars Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible but in any event not less than 48 hours before the time fixed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person at the AGM if they so wish.

Pursuant to 13.39(4) of the Listing Rules, the vote of Shareholders at the AGM will be taken by poll. An announcement on the poll vote results will be made by the Company after the AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

RECOMMENDATION

The Directors are of the opinion that the re-election of the retiring Directors, and granting of the Issue Mandate, Repurchase Mandate and the extension of the Issue Mandate, the adoption of the New Share Option Scheme and the termination of the Existing Share Option Scheme, are in the interests of the Company and the Shareholders as a whole, and therefore recommend you to vote in favour of the relevant resolutions to be proposed at the AGM.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement contained herein or this circular misleading.

LETTER FROM THE BOARD

FURTHER INFORMATION

Your attention is drawn to the information contained in the appendices to this circular.

For and on behalf of the Board
Jinchuan Group International Resources Co. Ltd
WONG Tak Chuen
Company Secretary

The following are the particulars of the retiring executive, non-executive and independent non-executive Directors proposed for re-election at the AGM:

EXECUTIVE DIRECTOR**ZHANG Zhong**

Mr. ZHANG Zhong, aged 46, EMBA, graduated from Xi'an Jiaotong University, currently the general manager of Jinchuan Group (Hongkong) Resources Holdings Limited. For over 21 years, Mr. Zhang has consecutively served as the head of the computer center of the Jinchuan Group, the director of the research institute of automation, liaison officer on overseas projects of the Jinchuan Group, head of the information centre of the Jinchuan Group, the president of Gansu Jinchuan Jin Ge Mining Vehicles Company Limited (甘肅金川金格礦業車輛有限公司), a Sino-German joint venture, the president (and general manager) of Jinchuan Group Mechanics Manufacturing Limited (金川集團機械製造公司) and the general manager of the planning and development division of the Jinchuan Group. He has extensive operation and management experience in the mining industry. Mr. Zhang was appointed as an executive Director on 30 November 2010 and he did not receive any remuneration for the financial year ended 31 December 2011.

NON-EXECUTIVE DIRECTOR**ZHOU Xiaoyin**

Ms. ZHOU Xiaoyin, aged 34. Ms. ZHOU obtained a bachelor's degree in legal studies from Lanzhou University of Finance in China in 1999 and joined the Jinchuan Group in the same year. She obtained the Certificate of Chinese Professional Legal Qualification in 2002 and acted as the Jinchuan Group's counsel on a long-term basis. Ms. Zhou, as a business executive involved in the major overseas investment and finance projects of the Jinchuan Group, has a good understanding of the operations of international mining projects and extensive professional knowledge and experience. Ms. Zhou was appointed as a non-executive Director on 30 November 2010 and she did not receive any remuneration for the financial year ended 31 December 2011.

INDEPENDENT NON-EXECUTIVE DIRECTORS**GAO Dezhu**

Mr. GAO Dezhu, aged 72, is a senior economist. He has served as the deputy general manager of Bank of China and the vice minister of the State Non-ferrous Metals Industry Administration (國家有色金屬工業局). He is currently the executive vice chairmen of the China Non-ferrous Metals Industry Association and a part-time professor of China Renmin University, the Graduate School of the People's Bank of China, Liaoning University, Central South University of Technology and Kunming University of Science and Technology. Mr. Gao has served as an independent non-executive director of BGRIMM Magnetic Materials & Technology Co., Ltd., Western Mining Co., Ltd., and Hainan Xingye Polyester Co., Ltd. (the shares of these companies are listed on the Shanghai Stock Exchange), in the past four years. In addition, Mr. Gao has served as an independent non-executive director of Anhui Tongdu Copper Stock Co., Ltd. and Ningxia Orient Tantalum Industry Co., Ltd. (the shares of both companies are listed on the

Shenzhen Stock Exchange) and China Molybdenum Co., Ltd. and Jiangxi Copper Company Limited (the shares of both companies are listed on the Main Board of the Stock Exchange), in the past four years. Mr. Gao has extensive experience in finance and management in the non-ferrous metals industry. Mr. Gao was appointed as an independent non-executive Director on 12 January 2011 and he received a remuneration of HK\$120,000 as director's fee for the financial year ended 31 December 2011. The director's fee payable to him is determined by reference to his duties and responsibilities with the Company, the Company's performance and the prevailing market condition.

WU Chi Keung

Mr. WU Chi Keung, aged 55, graduated from Hong Kong Polytechnic (now known as Hong Kong Polytechnic University) in 1980 with a Higher Diploma in Accountancy. He has more than 30 years of experience mainly in financial audit and specializes in providing auditing and assurance services, financial due diligence reviews, support services for merger and acquisitions, corporate restructuring and fund raising engagements. Mr. Wu's prior experience in finance mainly includes working with international accounting firms until he retired as a partner from Deloitte Touche Tohmatsu in 2008. Mr. Wu is currently the managing director of a family-owned private company in Hong Kong engaging in property and other investment activities. He is an independent non-executive director of China Medical System Holdings Limited, JF Household Furnishings Limited, Zhong Fa Zhan Holdings Limited (formerly known as Noble Jewelry Holdings Limited) and China Renji Medical Group Limited (the shares of these companies are listed on the Main Board of the Stock Exchange) and Greater China Professional Services Limited (the shares of which is listed on the GEM Board of the Stock Exchange). Mr. Wu is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. Mr. Wu was appointed as an independent non-executive Director on 12 January 2011 and he received a remuneration of HK\$120,000 as director's fee for the financial year ended 31 December 2011. The director's fee payable to him is determined by reference to his duties and responsibilities with the Company, the Company's performance and the prevailing market condition.

General

Each of Mr. Zhang, Ms. Zhou, Mr. Gao and Mr. Wu has entered into a letter of appointment with the Company with a term commencing on the appointment date and ending on the date of the third annual general meeting or the date on which he/she shall retire from office in accordance with the Articles of Association of the Company and the Listing Rules and not having been re-elected.

Save as disclosed herein, Mr. Zhang, Ms. Zhou, Mr. Wu and Mr. Gao do not have any other relationship with any Directors, senior management or substantial or controlling shareholder of the Company and have not held any directorship in other listed public companies in the past three years. As at the date of this circular, Mr. Zhang, Ms. Zhou, Mr. Wu and Mr. Gao do not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Each of Mr. Zhang, Ms. Zhou, Mr. Wu and Mr. Gao has not entered into any service contract with the Company.

Save as disclosed above, the Board is not aware of any matter in relation to the respective appointment of Mr. Zhang, Ms. Zhou, Mr. Wu and Mr. Gao that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and any other matter that needs to be brought to the attention of the Shareholders.

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the ordinary resolution to approve the Repurchase Mandate to be proposed at the AGM.

1. SHARE CAPITAL

At the Latest Practicable Date, the issued share capital of the Company comprised 2,754,873,051 Shares. Subject to the passing of the resolution approving the Repurchase Mandate and on the basis that no further Shares are issued or repurchased by the Company prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 275,487,305 Shares representing 10% of the existing 2,754,873,051 Shares in issue.

2. REASONS FOR REPURCHASES

The Directors believe that the Repurchase Mandate is in the best interests of the Company and its Shareholders as a whole as it would enable the Directors to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value and will only be made when the Directors believe that such repurchase will benefit the Company and the Shareholders.

3. FUNDING OF REPURCHASES

Any repurchase would only be financed out of funds of the Company legally available for such purpose in accordance with its memorandum and articles of association and the applicable laws of the Cayman Islands. The Company may not repurchase its Shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

4. IMPACT OF REPURCHASES

There might be material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in its audited consolidated financial statements for the year ended 31 December 2011) in the event that the Repurchase Mandate is exercised in full at any time during the period covered by the Repurchase Mandate. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or its gearing level.

5. UNDERTAKING

The Directors have undertaken to the Stock Exchange that they will exercise the powers of the Company to repurchase Shares pursuant to the Repurchase Mandate in accordance with the Listing Rules, the memorandum and articles of association of the Company and the applicable laws of the Cayman Islands.

6. DISCLOSURE OF INTEREST

As at the Latest Practicable Date, none of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective associates, have a present intention to sell any Shares to the Company or its subsidiaries if the Repurchase Mandate is approved by the Shareholders.

No connected persons of the Company have notified the Company that they have a present intention to sell Shares to the Company or have undertaken not to do so, if the Repurchase Mandate is approved by the Shareholders.

7. THE HONG KONG CODE ON TAKEOVERS AND MERGERS

If as a result of a repurchase of Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of Rule 32 of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert (as defined in the Takeovers Code), depending on the level of increase of the shareholding, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best knowledge of the Company, Jinchuan Group and its concert parties were interested in 1,667,142,857 Shares, representing approximately 60.5% of the issued share capital of the Company.

Assuming that there is no alteration to the existing shareholdings, upon exercise of the Repurchase Mandate in full in accordance with the terms of the ordinary resolution to be proposed at the AGM, the shareholding of Jinchuan Group and its concert parties in the Company would be increased to approximately 67.2% of the issued share capital of the Company. The Directors are not aware of any consequences of such repurchases of Shares that would result in a Shareholder, or group of Shareholders acting in concert, becoming obliged to make a mandatory offer under Rule 26 of the Takeovers Code if the Repurchase Mandate were to be exercised in full. Moreover, the Directors do not intend to exercise the power to repurchase Shares to an extent which would render any Shareholder or group of Shareholders obliged to make a mandatory offer under Rule 26 of the Takeovers Code.

Assuming that there is no further issue of Shares between the Latest Practicable Date and date of repurchase, the exercise of Repurchase Mandate whether in whole or in part will not result in the number of Shares held by the public being reduced to less than 25% of the issued share capital of the Company. The Directors have no intention to exercise the Repurchase Mandate to an extent as may result in a public shareholding less than such prescribed percentage under the Listing Rules.

8. SHARE PURCHASES MADE BY THE COMPANY

No repurchases of Shares have been made by the Company (whether on the Stock Exchange or otherwise) during the six months preceding the Latest Practicable Date.

9. SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous twelve months prior to the Latest Practicable Date were as follows:

	Price per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2011		
April	4.83	2.48
May	4.73	3.53
June	4.66	2.95
July	3.61	2.80
August	3.16	2.00
September	3.05	1.80
October	2.10	1.68
November	3.08	1.75
December	2.40	2.00
2012		
January	2.18	1.87
February	2.14	1.32
March	1.70	1.42
April (up to the Latest Practicable Date)	1.68	1.49

APPENDIX III PRINCIPAL TERMS OF NEW SHARE OPTION SCHEME

The following is a summary of the principal terms of the New Share Option Scheme to be adopted at the AGM.

1. PURPOSE

The purpose of the New Share Option Scheme is to provide incentive or reward to Eligible Persons for their contribution to, and continuing efforts to promote the interests of, the Group and for such other purposes as the Board may approve from time to time.

2. WHO MAY JOIN

Any director (whether executive or non-executive, including any independent non-executive director) or employee (whether full time or part time), of the Group is eligible to participate in the New Share Option Scheme.

3. DURATION OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme shall be valid and effective for a period of 10 years commencing on the date on which it is adopted by ordinary resolution of the Shareholders in general meeting, after which period no further Options shall be granted. Subject to the above, in all other respects, in particular, in respect of Options remaining outstanding on the expiry of the 10 year period referred to in this paragraph, the provisions of the New Share Option Scheme shall remain in full force and effect.

4. MAXIMUM NUMBER OF SHARES

At the time of adoption of the New Share Option Scheme or any new share option scheme (the “**New Scheme**”), the aggregate number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme, the New Scheme and all schemes existing at such time (the “**Existing Schemes**”) of the Company must not in aggregate exceed 10% of the total number of Shares in issue as at the date of adoption of the New Share Option Scheme or the New Scheme (as the case may be) (the “**Scheme Mandate Limit**”). For the purposes of calculating the Scheme Mandate Limit, Shares which are the subject matter of any Options that have already lapsed in accordance with the terms of the relevant Existing Scheme(s) shall not be counted.

The Scheme Mandate Limit may be refreshed by ordinary resolution of the Shareholders in general meeting, provided that:

- a) the Scheme Mandate Limit so refreshed shall not exceed 10% of the total number of Shares in issue as at the date of Shareholders’ approval of the refreshing of the Scheme Mandate Limit;
- b) Options previously granted under any Existing Schemes (including Options outstanding, cancelled, or lapsed in accordance with the relevant scheme rules or exercised options) shall not be counted for the purpose of calculating the limit as refreshed; and

APPENDIX III PRINCIPAL TERMS OF NEW SHARE OPTION SCHEME

- c) a circular regarding the proposed refreshing of the Scheme Mandate Limit has been despatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules in force from time to time. In accordance with the current Listing Rules, the circular must contain the information required under Rule 17.02(2)(d) and the disclaimer required under Rule 17.02(4).

The Company may seek separate approval from the Shareholders in the general meeting for granting Options which will result in the Scheme Mandate Limit being exceeded, provided that:

- a) the grant is to Eligible Persons specifically identified by the Company before the approval is sought; and
- b) a circular regarding the grant has been despatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules in force from time to time. In accordance with the current Listing Rules, the circular must contain a generic description of the specified participants who may be granted such Options, the number and terms of the Options to be granted, the purpose of granting Options to the specified participants with an explanation as to how the terms of the Options serve such purpose, the information required under Rule 17.02(2)(d) and the disclaimer required under Rule 17.02(4).

Notwithstanding the foregoing, the maximum aggregate number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company, must not, in aggregate, exceed 30% of the total number of Shares in issue from time to time. No options may be granted under the New Share Option Scheme and any other share option schemes of the Company if this will result in such limit being exceeded.

5. MAXIMUM ENTITLEMENT OF EACH ELIGIBLE PERSON

No Option shall be granted to any Eligible Person (the “Relevant Eligible Person”) if, at the relevant time of grant, the number of Shares issued and to be issued upon exercise of all Options (granted and proposed to be granted, whether exercised, cancelled or outstanding) to the Relevant Eligible Person in the 12-month period up to and including the date of such grant would exceed 1% of the total number of Shares in issue at such time, unless:

- a) such grant has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules in force from time to time, by ordinary resolution of the Shareholders in general meeting, at which the Relevant Eligible Person and his associates abstained from voting;

APPENDIX III PRINCIPAL TERMS OF NEW SHARE OPTION SCHEME

- b) a circular regarding the grant has been despatched to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules in force from time to time. In accordance with the current Listing Rules, the circular must disclose the identity of the participant, the number and terms of the Options to be granted (and Options previously granted to such participant), the information required under Rule 17.02(2)(d) and the disclaimer required under Rule 17.02(4); and
- c) the number and terms (including the subscription price) of such Options are fixed before the general meeting of the Company at which the same are approved.

6. GRANT OF OPTIONS

Each offer of an Option (the “**Offer**”) shall be in writing made to an Eligible Person by letter in such form as the Board may from time to time determine at its discretion (the “**Offer Letter**”). The Offer Letter shall state, among others, the period during which the Option may be exercised (the “**Option Period**”), which period is to be determined and notified by the Board but shall expire in any event not later than the last day of the 10 year period after the date of grant of the Option. The Board may specify in the Offer Letter any conditions which must be satisfied before the Option may be exercised, including without limitation such performance targets and minimum periods for which an Option must be held before it can be exercised, as the Board may determine from time to time.

The Board shall specify in the Offer Letter a date by which the grantee must accept the Offer, being a date no later than 14 days after the date on which the Option is offered (the “**Offer Date**”) or the date on which the conditions for the Offer are satisfied. Payment of option price of HK\$1.00 shall be made upon acceptance of the Offer.

7. SUBSCRIPTION PRICE

The price at which each Share subject to an Option may be subscribed for on the exercise of that Option (the “**Subscription Price**”) shall be a price solely determined by the Board and notified to an Eligible Person and shall be at least the highest of:

- a) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the Offer Date, which must be a business day;
- b) the average of the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheets for the five business days immediately preceding the Offer Date; and
- c) the nominal value of the Shares.

8. GRANT OF OPTIONS TO CONNECTED PERSONS

Where an Option is to be granted to a substantial shareholder (as defined in the Listing Rules) or an independent non-executive Director (or any of their respective associates), and the grant will, in the 12-month period up to and including the date of such grant, result in the number and value of the Shares issued and to be issued upon exercise of all Options (granted and proposed to be granted, whether exercised, cancelled or outstanding) to the relevant Eligible Person exceeding the following:

- a) 0.1% of the total number of Shares in issue at the relevant time of grant; and
- b) an aggregate value (based on the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of each grant) in excess of HK\$5 million,

such grant shall not be valid unless:

- a) a circular containing the details of the grant has been despatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules in force from time to time. In accordance with the current Listing Rules, the circular must contain (a) details of the number and terms of the Options (including the Subscription Price and other information required under Rules 17.03(5) to 17.03(10)) to be granted to each participant, which must be fixed before the Shareholders' meeting; (b) a recommendation from the independent non-executive Directors of the Company (excluding independent non-executive Director who is the grantee of the Options) to the independent Shareholders as to voting; (c) the information required under Rules 17.02(2)(c) and (d) and the disclaimer required under Rule 17.02(4); and (d) the information required under Rule 2.17; and
- b) the grant has been approved by the Shareholders in general meeting (taken on a poll), at which all Connected Persons abstained from voting in favour at such meeting.

9. RANKING OF SHARES

The Shares to be allotted and issued upon the exercise of an Option shall be subject to the Company's memorandum and articles of association and the laws of the Cayman Islands for the time being in force and shall rank *pari passu* in all respects with other fully-paid Shares in issue as at the date of allotment and will entitle the holders to the same rights of the holders of other fully-paid Shares in issue, including voting, dividend, transfer and any other rights. In particular, the Shares to be allotted and issued upon the exercise of an Option will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be on or before the date of allotment and issue. The Option itself (before exercise) will not entitle the grantee to any of aforementioned Shareholder's rights.

10. RESTRICTIONS ON THE TIME OF GRANT OF OPTIONS

No Offer shall be made after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision, until such price sensitive information has been published pursuant to the requirements of the Listing Rules. In particular, during the period commencing one month immediately preceding the earlier of (i) the date of the meeting of the Board (as such date is first notified by the Company to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (ii) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of actual publication of the results announcement, no Option may be granted. The period during which no Option may be granted will cover any period of delay in the publication of results announcement.

11. RIGHTS ON CEASING TO BE AN ELIGIBLE PERSON

Where the Grantee of an outstanding Option ceases to be an Eligible Person for any reason, the Option may be exercised within six months after the date of such cessation, which date shall be his last actual working day with the Company or any subsidiary of the Company whether salary is paid in lieu of notice or not.

12. RIGHTS ON DEATH OR DISABILITY

Where the Grantee of an outstanding Option dies or becomes permanently disabled before exercising the Option in full or at all, the Option may be exercised up to the entitlement of such Grantee by his personal representatives within twelve months after the date of his death or permanent disability or such longer period as the Board may determine.

13. RIGHTS ON TAKEOVER

If a general offer by way of a take-over is made to all the Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) and such offer becomes or is declared unconditional, the Company shall forthwith notify all the Grantees and any Grantee (or his personal representatives) that they may by notice in writing to the Company within 21 days after such offer becoming or being declared unconditional exercise the Option to its full extent or to the extent specified in such notice.

14. RIGHTS ON SCHEME OF ARRANGEMENT

If a general offer by way of a scheme of arrangement is made to all the Shareholders and the scheme has been approved by the necessary number of Shareholders at the requisite meetings, the Company shall forthwith notify all the Grantees and any Grantee (or his personal representatives) that they may thereafter (but before such time as shall be notified by the Company) by notice in writing to the Company exercise the Option to its full extent or to the extent specified in such notice.

15. RIGHTS ON COMPROMISE OR OTHER ARRANGEMENT

If a compromise or arrangement between the Company and its Shareholders or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to the Grantee (together with a notice of the existence of the provisions of this paragraph) on the same date or soon after it despatches the notice to each member or creditor of the Company summoning the meeting to consider such a compromise or arrangement, and thereupon the Grantee (or his personal representatives) may forthwith and until the expiry of the period commencing with such date and ending with the earlier of 2 months thereafter and the date on which such compromise or arrangement is sanctioned by the court of competent jurisdiction, exercise any of his Options in full or in part, but the aforesaid exercise of an Option shall be conditional upon such compromise or arrangement being sanctioned by the court of competent jurisdiction and becoming effective. Upon such compromise or arrangement becoming effective, all outstanding Options shall lapse except insofar as previously exercised under the New Share Option Scheme. The Company may require the Grantee (or his personal representatives) to transfer or otherwise deal with the Shares issued as a result of the exercise of Options in these circumstances so as to place the Grantee in the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement.

16. RIGHTS ON WINDING-UP

In the event a notice is given by the Company to its Shareholders to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company other than for the purposes of a reconstruction, amalgamation or scheme of arrangement, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Grantees (together with a notice of the existence of the provisions of this paragraph) and thereupon, each Grantee (or his personal representatives) shall be entitled to exercise all or any of his Options at any time no later than four business days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than one business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid.

17. LAPSE OF OPTION

The right to exercise an Option (to the extent not already exercised) shall terminate immediately upon the earliest of:

- a) the expiry of the Option Period;
- b) the expiry of any of the periods referred to in paragraphs 11, 12 and 13;
- c) subject to the scheme of arrangement becoming effective, the expiry of the period referred to in paragraph 14;

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- d) subject to the compromise or arrangement becoming effective, the expiry of the period referred to in paragraph 15;
- e) the date on which the Grantee ceases to be an Eligible Person by reason of summary dismissal for misconduct or other breach of the terms of his employment or other contract constituting him an Eligible Person, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his debts or has become insolvent or has made any arrangements or composition with his creditors generally or on which he has been convicted of any criminal offence involving his integrity or honesty;
- f) subject to paragraph 16, the date of the commencement of the winding-up of the Company;
- g) the date on which the Grantee commits a breach of paragraph 20;
- h) the date on which the Option is cancelled by the Board as provided in paragraph 18; or
- i) the non-fulfillment of any condition to the New Share Option Scheme on or before the date stated therein.

The Company shall owe no liability to any Grantee for the lapse of any Option under this paragraph.

18. CANCELLATION OF OPTIONS

The Board may cancel an Option granted but not exercised with the approval of the Grantee of such Option.

No Options may be granted to an Eligible Person in place of his cancelled Options unless there are available unissued Options (excluding the cancelled Options) within the Scheme Mandate Limit from time to time.

19. TERMINATION OF THE NEW SHARE OPTION SCHEME

The Company, by ordinary resolution in general meeting, or the Board may at any time terminate the operation of the New Share Option Scheme and in such event no further Option will be offered but the provisions of the New Share Option Scheme shall remain in full force and effect in all other respects and Options granted prior to such termination shall continue to be valid and exercisable in accordance with the New Share Option Scheme.

20. TRANSFERABILITY OF OPTIONS

An Option shall be personal to the Grantee and shall not be assignable nor transferable, and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any Option.

21. EFFECT OF ALTERATIONS TO SHARE CAPITAL

In the event of any alteration to the capital structure of the Company whilst any Option remains exercisable, arising from capitalization of profits or reserves, rights issue, consolidation, redenomination, subdivision or reduction of the share capital of the Company in accordance with the legal requirements or requirements of the Stock Exchange, other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company is a party, adjustment (if any) shall be made to:

- a) the number of Shares subject to the Option so far as unexercised; and/or
- b) the Subscription Price for the Shares subject to the Option so far as unexercised; and/or
- c) the Shares to which the Option relates; and/or
- d) the method of exercise of the Option (if applicable); and/or
- e) any combination thereof.

In the event of any adjustment as described in this paragraph 21, the auditors of the Company (the “**Auditors**”) or the independent financial adviser to the Company (acting as expert not arbitrator) shall at the request of the Company certify in writing to the Board either generally or as regards any particular Grantee that the adjustments are in compliance with the requirements under the note to Rules 17.03(13) of the Listing Rules.

Any such adjustments must give a Grantee the same proportion of the equity capital of the Company as to which that Grantee was previously entitled, and any adjustments so made shall be in compliance with the Listing Rules and such applicable guidance and/or interpretation of the Listing Rules from time to time issued by the Stock Exchange (including, without limitation, the “Supplemental Guidance on Main Board Listing Rule 17.03(13) and the Notice immediately after the Rule” attached to the letter of the Stock Exchange dated 5 September 2005 to all issuers relating to share option scheme) but no such alterations shall be made the effect of which would be to enable a Share to be issued at less than its nominal value. The capacity of the Auditors or the independent financial adviser to the Company in this paragraph 21 is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on the Company and the Grantees. The costs of the Auditors or the independent financial adviser to the Company shall be borne by the Company. Notice of such adjustment shall be given to the Grantees by the Company.

22. ALTERATION OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme may be altered in any respect by resolution of the Board except that the provisions of the New Share Option Scheme as to:

- a) the definitions of “Eligible Person” and “Grantee”; and
- b) the provisions relating to the matters set out in Rule 17.03 of the Listing Rules,

APPENDIX III PRINCIPAL TERMS OF NEW SHARE OPTION SCHEME

shall not be altered to the advantage of Grantees except with the prior approval of the Shareholders in general meeting (with participants and their respective associates abstaining from voting).

Any change to the authority of the Board in relation to any alterations to the terms of the New Share Option Scheme must be approved by the Shareholders in general meeting.

Any alterations to the provisions of the New Share Option Scheme which are of a material nature or any change to the terms of Options granted must be approved by the Shareholders in general meeting except where the alterations take effect automatically under the existing provisions of the New Share Option Scheme.

The amended terms of the New Share Option Scheme or the Options must comply with Chapter 17 of the Listing Rules.

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JINCHUAN 金川

JINCHUAN GROUP INTERNATIONAL RESOURCES CO. LTD

金川集團國際資源有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2362)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**Meeting**”) of Jinchuan Group International Resources Co. Ltd (the “**Company**”) will be held at 10:00 a.m. on Wednesday, 20 June 2012 at Victoria Room, 2nd Floor, Mandarin Oriental Hong Kong, 5 Connaught Road, Central, Hong Kong for the following purposes:

1. to receive, consider and adopt the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors of the Company (the “**Directors**”) and auditors for the year ended 31 December 2011.
2. to re-elect each of Mr. ZHANG Zhong as executive Director, Ms. ZHOU Xiaoyin as non-executive Director and each of Mr. GAO Dezhu and Mr. WU Chi Keung as independent non-executive Director and authorize the board of Directors (the “**Board**”) to fix the remuneration of all Directors.
3. to re-appoint Ernst & Young as auditors and to authorize the Board to fix their remuneration.
4. as special business to consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT:**

- (a) subject to paragraph (c) of this Resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with shares of the Company (the “**Shares**”), to allot, issue or grant securities convertible or exchangeable into Shares, or options, warrants or similar rights to subscribe for or acquire Shares or such convertible or exchangeable securities, and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;

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- (b) the mandate referred to in paragraph (a) of this Resolution shall authorize the Directors during the Relevant Period (as hereinafter defined) to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital to be allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted or issued or dealt with (whether pursuant to options or otherwise) by the Directors pursuant to the mandate referred to in paragraph (a) of this Resolution, otherwise than pursuant to:
 - (i) a Rights Issue (as hereinafter defined);
 - (ii) the exercise of the subscription rights under options granted under any share option scheme or similar arrangement of the Company for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries or any eligible participants of Shares or rights to acquire Shares;
 - (iii) any scrip dividend or similar arrangement providing for the allotment and issue of Shares or other securities of the Company in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company; or
 - (iv) any issue of Shares pursuant to the exercise of rights of subscription or conversion under the terms of any existing warrants, bonds, debentures, notes and other securities of the Company which carry rights to subscribe for or are convertible into Shares, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this Resolution and the said approval in paragraph (a) shall be limited accordingly;
- (d) for the purpose of this Resolution, “**Relevant Period**” means the period from the passing of this Resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiry of the period within which the next annual general meeting of the Company is required by any applicable laws or by the Company’s articles of association to be held; and
 - (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders of the Company in general meeting;

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and “**Rights Issue**” means an offer of Shares or an offer of warrants, options or other securities of the Company giving rights to subscribe for Shares, open for a period fixed by the Directors to holders of Shares on the register of members on a fixed record date in proportion to their then holdings of such Shares as at that date (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory applicable to the Company).”

5. as special business to consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT:**

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase its own Shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or any other stock exchange on which the securities of the Company may be listed and recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) or of any other stock exchange (as amended from time to time), be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of share capital of the Company to be repurchased by the Company pursuant to the mandate in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution, and the said approval shall be limited accordingly;
- (c) for the purpose of this Resolution, “**Relevant Period**” means the period from the passing of this Resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiry of the period within which the next annual general meeting of the Company is required by any applicable laws or by the Company’s articles of association to be held; and
 - (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders of the Company in general meeting.”

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6. as special business to consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT** conditional upon the passing of Ordinary Resolutions No. 4 and 5 set out in this notice convening the Meeting of which this Resolution forms part, the aggregate nominal amount of the share capital of the Company that may be allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with by the Directors pursuant to and in accordance with the mandate granted under Ordinary Resolution No. 4 be and is hereby increased and extended by the addition thereto of the aggregate nominal amount of the share capital of the Company repurchased by the Company pursuant to and in accordance with the mandate granted under Ordinary Resolution No. 5 since the granting of such repurchase mandate, provided that such amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this Resolution.”

7. as special business to consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT:**

- (a) subject to and conditional upon the Listing Committee of the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Shares to be issued pursuant to the exercise of the share options which may be granted under the new share option scheme (the “**New Share Option Scheme**”), a copy of which is tabled at the meeting and marked “A” and initialled by the chairman of the meeting for identification purpose,
- (i) the New Share Option Scheme be and is hereby approved and adopted; and the Directors be and are hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the New Share Option Scheme, including but without limitation to:
- (A) to administer the New Share Option Scheme under which share options will be granted to the Eligible Persons (as defined in the New Share Option Scheme) eligible under the New Share Option Scheme to subscribe for Shares, including but not limited to determining and granting the share options in accordance with the terms of the New Share Option Scheme;

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- (B) to modify and/or amend the New Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the terms of the New Share Option Scheme relating to the modification and/or amendment and subject to Chapter 17 of the Listing Rules;
 - (C) to allot and issue from time to time such number of Shares in the share capital of the Company as may be required to be allotted and issued pursuant to the exercise of the share options under the New Share Option Scheme and subject to the Listing Rules;
 - (D) to make application at appropriate time or times to the Stock Exchange, and any other stock exchanges on which the issued Shares may for the time being be listed, for listing of, and permission to deal in, any Shares which may hereafter from time to time be allotted and issued pursuant to the exercise of the share options under the New Share Option Scheme; and
 - (E) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the New Share Option Scheme; and
- (ii) Conditional upon the New Share Option Scheme becoming unconditional, the existing share option scheme of the Company which was adopted by the Company at the extraordinary general meeting held on 15 October 2003 (the “Existing Share Option Scheme”) be and is hereby terminated with effect from the date of adoption of the New Share Option Scheme and that no further share options will be granted under the Existing Share Option Scheme but in all other respects the provisions of the Existing Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any share options granted prior thereto or otherwise as may be required in accordance with provisions of the Existing Share Option Scheme and share options granted prior to such termination shall continue to be valid and exercisable in accordance with the Existing Share Option Scheme.”

For and on behalf of the Board
Jinchuan Group International Resources Co. Ltd
WONG Tak Chuen
Company Secretary

Hong Kong, 30 April 2012

NOTICE OF AGM

Registered office:
P.O. Box 309
Ugland House
Grand Cayman KY11104
Cayman Islands

*Head office and principal place of
business in Hong Kong:*
Suite 1203B, 12/F, Tower 1
Admiralty Centre
18 Harcourt Road
Hong Kong

Notes:

1. A member entitled to attend and vote at the Meeting is entitled to appoint more than one proxy to attend and, on poll, vote on his behalf. A proxy need not be a member of the Company.
2. A form of proxy for use at the Meeting is enclosed. Whether or not you intend to attend the Meeting in person, you are urged to complete and return the form of proxy in accordance with the instructions printed thereon as soon as possible. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Meeting or any adjourned meeting thereof if you so wish. In the event that you attend the Meeting after having returned the completed form of proxy, your form of proxy will be deemed to have been revoked.
3. To be valid, the form of proxy, together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power of attorney, must be deposited at the Branch Share Registrar in Hong Kong, Hong Kong Registrars Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.
4. In the case of joint registered holders of any Shares, any one of such joint registered holders may vote at the Meeting, either in person or by proxy, in respect of such shares as if he/she/it were solely entitled thereto; but if more than one of such joint registered holders be present at the Meeting, either in person or by proxy, the vote of that one of them so present, either in person or by proxy, whose name stands first on the register of members in respect of such Shares shall be accepted to the exclusion of the votes of the other joint registered holder(s).

As at the date of this circular, the Board consists of five executive Directors, namely Mr. Yang Zhiqiang, Mr. Zhang Sanlin, Mr. Zhang Zhong, Ms. Deng Wen and Ms. Maria Majoire Lo, three non-executive Directors, namely, Mr. Gao Tianpeng, Mr. Qiao Fugui and Ms. Zhou Xiaoyin, and three independent non-executive Directors, namely Mr. Gao Dezhu, Mr. Wu Chi Keung, and Mr. Yen Yuen Ho, Tony.