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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

CHAIRMAN'S STATEMENT

Dear Shareholders,

2015 has been a challenging year for the global mining industry. No traditional commodity has remained unaffected by the global downturn in the metals markets. The slowdown in growth of the world's major economies and especially the construction in the emerging markets has had an unprecedented impact on the global economy as a whole and most specifically on our metals mining and trading business.

Ours is a cyclical business. Whilst times are currently difficult and we are focused on ensuring the profitability and sustainability of our current businesses in these difficult times, we are also focused on the future. The cycle will eventually turn and the Company is seeking to position itself so as to be able to reap significant rewards when the market conditions change for the better.

During 2015, a number of significant events took place at the Company. As a result of the falling copper price, the Board took the prudent decision to book a further impairment loss on mining and related assets and write down US$312 million for the year under review, and it demonstrates the Board's commitment to the best international financial and management practice. Further, cost savings implemented during the year at the operating mines and optimization of mining plans and activities will ultimately lead to better business outcomes. In the first half of 2015, a number of senior management changes were implemented at our African operations and Johannesburg office. These changes have resulted in a renewed focus on our business principles and have resulted in significant savings for the business. As copper prices have continued to remain unstable and to fall further, we continually review the ongoing operating performance of our mines and projects and have initiated strategic plans in the event of further weakening in the market.

The Board remains committed to developing and growing the Company into a world-class international mining and resource business. As a significant step in that journey, in mid-2015, I relinquished my position as CEO of the Company and Mr. Peter Albert was appointed as the new CEO and Executive Director of the Company. In the short time that Peter has been on board, he has made a significant difference by assisting the African leadership team in stabilizing the operations, building an internationally focused team in our Hong Kong headquarters, and focusing on looking for the next growth opportunities for the Company.

I would like to reassure all of our shareholders that the Board, led by myself and our CEO are all focused on “Embracing the Challenges” that are presented in these difficult times. We are focused on optimizing and sustaining our current business and at the same time focused on the future and the next step in our growth strategy.

I would like to thank my fellow Directors for their commitment and support and especially to Mr. Douglas Ritchie who stepped down as a Director at the end of 2015 for his significant contribution during the early stages of the establishment and development of the Company.

Finally, I would like to thank the People’s Government of Gansu Province for their dedicated support to the Jinchuan Group and the Company.

Mr. Yang Zhiqiang
Chairman of the Board

Jinchang City, Gansu Province, the PRC, 17 March 2016

CEO'S REPORT

Dear Shareholders,

During the past year, the Company has been tackling and dealing with a number of internal challenges and opportunities whilst at the same time securing the business against the storms and tempests prevalent in the international markets.

I joined the Company in mid-2015 with a mandate to support the sustainability of the current business and, in time to grow the business into an internationally recognized mid-tier miner producing multiple metals in multiple geographies. The Company's major shareholder, the Jinchuan Group, is focused on a long term sustainable future and shares my own vision that in these difficult times there are good opportunities for those with courage, fortitude and of course financial support.

Our operating mines in Zambia and the DRC, are both challenging operations. In Zambia the limited mine life of our Chibuluma South Mine and the diminishing economics of the Chifupu deposit as a result of falling copper prices and increasing power costs, has resulted in the Company reconsidering the current ongoing development of Chifupu deposit and reducing production from Chibuluma South Mine. This has unfortunately led to a significant reduction in the labour force at Chibuluma South Mine which although inevitably, is regretful. As the mine approaches the end of its operating life, mining operations have become more challenging with the mine producing 12,726 tonnes of copper in concentrate in 2015, approximately 20% below plan.

In the DRC, the Ruashi Mine has seen a gradual improvement during the year as the new management team has implemented changes. Total copper and cobalt production for the year was largely on target with 35,056 tonnes copper and 4,344 tonnes cobalt, being 96% and 103% of plan respectively. Copper cathode quality at Ruashi Mine has been problematic due to variable power supply, but by year end of 2015 such quality had been significant improved. Power supply to Ruashi Mine is one of the major challenges. Without good power, self-generation has a significant impact on both costs and cathode quality.

Overall operating costs have been contained, but the higher power costs at both operations and the lower tonnage, especially at Chibuluma South Mine, have had a negative impact. The business C1 costs are slightly greater than plan, but nonetheless still US$700 per tonne less than the average copper price received for the year. The significant recent dip in copper price to the levels of US$4,500 per tonne has put the business under increasing pressure.

During the year, the Company took a prudent approach to capital expenditure, significantly reducing non-essential capital expenditure at the operations and also being discretionary about capital expenditure at head office and the projects.

The safety and health of our approximately 4,600 employees and contractors is of primary importance to the Board, and is a key measure in the performance of our management team. Unfortunately, we had one fatality at the Chibuluma South Mine in early 2015 due to a fall of ground in the underground operations. During the year, there were three lost time injuries at Ruashi Mine, six lost time injuries at Chibuluma South Mine and two lost time injuries at Kinsenda Project. Overall the operating business lost time injury frequency rate per million man hours (“LTIFR”) was 1.3 versus 0.9 for 2014. Although compared to the global average for underground operating mines this is a low LTIFR, the Board and management’s philosophy is that all accidents are avoidable and no accident is acceptable.

In the latter half of the year there was a renewed focus on investor relations and a reinvigorated communications strategy. The intent is to reach out to all of our stakeholders and to enhance the profile of the Company as a truly international competitive mining company.

As stated by the Chairman, in times of adversity there are opportunities. At the Company we have been actively looking for new potential growth opportunities. We will be very diligent in this process and only act if we identify a good asset, with a good fit, which can help in the growth development and fulfilment of our vision. We hope to be successful in 2016, but to reassure shareholders — we will be very focused and strict in our assessment of any new opportunity.

One important leg of the Company business is our trading group operating under Golden Harbour. 2015 has also been a difficult time for the trading business where a slight loss was recorded for the year. In 2016 our plan is to increase the resources and business lines of Golden Harbour and look forward to enhanced profits in years to come.

I would like to take this opportunity to thank my fellow management team for their dedication and commitment to ensuring the sustainability of our business in these challenging times. I would also like to thank the Chairman and Directors for their support and confidence in our execution strategy and plans to deliver the vision we have for the future of the Company.

Mr. Peter Geoffrey Albert
Chief Executive Officer

Jinchang City, Gansu Province, the PRC, 17 March 2016

RESULTS

The Board is pleased to announce the audited results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2015 together with the comparative figures in 2014 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2015

	Notes	**2015**	2014
		US$'000	*US$'000*
Revenue	*3*	**470,691**	652,475
Cost of sales		**(462,637)**	(632,201)
Gross profit		**8,054**	20,274
Other gains and losses	*5*	**(3,922)**	(13,604)
Selling and distribution costs		**(28,453)**	(28,581)
Administrative expenses		**(26,898)**	(32,225)
Impairment loss	*6*	**(312,264)**	(370,053)
Finance income		**449**	917
Finance costs	*7*	**(6,603)**	(9,007)
Loss before taxation	*8*	**(369,637)**	(432,279)
Income tax credit	*9*	**13,821**	132,776
Loss for the year		**(355,816)**	(299,503)
Other comprehensive income (expense):			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation		**–**	(2,091)
Fair value change on cash flow hedges, net of income tax		**24**	2
Other comprehensive income (expense) for the year		**24**	(2,089)
Total comprehensive expense for the year		**(355,792)**	(301,592)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME *(continued)*
For the year ended 31 December 2015

	Note	**2015**	2014
		US$'000	*US$'000*
Loss for the year attributable to:			
Owners of the Company		**(291,767)**	(230,512)
Non-controlling interests		**(64,049)**	(68,991)
		(355,816)	(299,503)
Total comprehensive expense attributable to:			
Owners of the Company		**(291,743)**	(232,601)
Non-controlling interests		**(64,049)**	(68,991)
		(355,792)	(301,592)
Loss per share	*10*		
Basic and diluted (US cents)		**(6.71)**	(5.30)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2015

	Notes	2015 US$'000	2014 US$'000
Non-current assets			
Property, plant and equipment		**689,879**	638,017
Mineral rights		**421,215**	558,097
Exploration and evaluation assets		**172,685**	337,508
Other non-current assets		**22,195**	25,518
		1,305,974	1,559,140
Current assets			
Inventories		**102,961**	98,036
Trade and other receivables	*11*	**118,772**	136,726
Amount due from ultimate holding company		**–**	3
Derivative financial instruments		**1,062**	653
Restricted cash deposits		**4,182**	9,628
Bank balances and cash		**47,422**	60,083
		274,399	305,129
Current liabilities			
Trade and other payables	*12*	**92,907**	90,823
Amount due to ultimate holding company		**–**	58
Amount due to an intermediate holding company		**2,615**	105,234
Amount due to a fellow subsidiary		**744**	20,014
Bank borrowings		**16,437**	51,433
Short-term provisions		**8,286**	6,817
Tax payable		**1,927**	3,610
		122,916	277,989
Net current assets		**151,483**	27,140
Total assets less current liabilities		**1,457,457**	1,586,280

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*
At 31 December 2015

	Note	2015 US$'000	2014 US$'000
Non-current liabilities			
Bank borrowings		**257,000**	133,094
Long-term provisions		**26,184**	23,953
Deferred tax liabilities		**293,313**	312,481
Amount due to an intermediate holding company		**115,000**	–
Amount due to a fellow subsidiary		**5,000**	–
		696,497	469,528
Net assets		**760,960**	1,116,752
Capital and reserves			
Share capital	*13*	**5,578**	5,578
Perpetual subordinated convertible securities		**1,089,084**	1,089,084
Reserves		**(402,696)**	(110,953)
Equity attributable to owners of the Company		**691,966**	983,709
Non-controlling interests		**68,994**	133,043
Total equity		**760,960**	1,116,752

1. GENERAL

The Company is a public company incorporated in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its parent is Jinchuan (BVI) Limited (incorporated in the British Virgin Islands) and its ultimate holding company is 金川集團股份有限公司 (Jinchuan Group Co., Ltd) ("JCG") (incorporated in the People's Republic of China ("PRC")).

The Company is an investment holding company. The principal activities of the Company and its subsidiaries (collectively referred to as the "Group") are the mining operation and the trading of mineral and metal products.

The consolidated financial statements are presented in United States dollars ("US$"), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

The Group has applied the following amendments to IFRSs issued by the International Accounting Standards Board ("IASB") for the first time in the current year.

Amendments to IAS 19	Defined benefit plans: Employee contributions
Amendments to IFRSs	Annual improvements to IFRSs 2010–2012 cycle
Amendments to IFRSs	Annual improvements to IFRSs 2011–2013 cycle

The application of the amendments to IFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and revised IFRSs in issue but not yet effective

The Group has not early applied the following new and revised IFRSs that have been issued but are not yet effective:

IFRS 9	Financial Instruments[1]
IFRS 14	Regulatory Deferral Accounts[2]
IFRS 15	Revenue from Contracts with Customers[1]
IFRS 16	Leases[3]
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations[4]
Amendments to IAS 1	Disclosure Initiative[4]
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[4]
Amendments to IFRSs	Annual Improvements to IFRSs 2012–2014 Cycle[4]
Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants[4]
Amendments to IAS 27	Equity Method in Separate Financial Statements[4]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5]
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception[4]
Amendments to IAS 7	Disclosure Initiative[6]
Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses[6]

1 Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

2 Effective for first annual IFRS financial statements beginning on or after 1 January 2016, with earlier application permitted.

[3] Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted.

[4] Effective for annual periods beginning on or after 1 January 2016.

[5] Effective for annual periods beginning on or after a date to be determined.

[6] Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.

The directors of the Company anticipate that the application of these new and revised IFRSs will have no material impact on the Group's financial performance and positions.

3. REVENUE

Revenue represents revenue arising from sales of goods. An analysis of the Group's revenue for the year is as follows:

	2015	2014
	US$'000	*US$'000*
Sales of copper	**394,866**	574,170
Sales of cobalt	**75,825**	78,305
	470,691	652,475

4. SEGMENT INFORMATION

IFRS 8 "Operating segments" requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker ("CODM") in order to allocate resources to the segment and assess its performance.

The CODM has been identified as the executive directors of the Company. They review the Group's internal reporting for the purpose of resource allocation and assessment of segment performance.

The Group's operating and reportable segments are as follows:

- Trading of mineral and metal products
- Mining operation, primarily copper and cobalt production

Segment revenues and results

The following is an analysis of the Group's revenue and results by operating and reportable segments.

For the year ended 31 December 2015

	Trading of mineral and metal products *US$'000*	**Mining operation** *US$'000*	**Total** *US$'000*
Segment revenue	137,182	333,509	470,691
Segment results	(717)	(365,761)	(366,478)
Unallocated corporate income			56
Unallocated corporate expenses			(3,215)
Loss before taxation			(369,637)

For the year ended 31 December 2014

	Trading of mineral and metal products *US$'000*	Mining operation *US$'000*	Total *US$'000*
Segment revenue	208,032	444,443	652,475
Segment results	(828)	(429,702)	(430,530)
Unallocated corporate income			521
Unallocated corporate expenses			(2,270)
Loss before taxation			(432,279)

Note: The accounting policies of operating segments are the same as the Group's accounting policies. Segment revenue and segment results comprise revenue from external customers and loss before taxation of each segment (excluding finance income and other central administration costs), respectively.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by operating and reportable segments:

Segment assets

	2015	2014
	US$'000	*US$'000*
Trading of mineral and metal products	**60,593**	81,836
Mining operation	**1,517,619**	1,779,651
Total segment assets	**1,578,212**	1,861,487
Unallocated corporate assets	**2,161**	2,782
Consolidated assets	**1,580,373**	1,864,269

Segment liabilities

	2015	2014
	US$'000	*US$'000*
Trading of mineral and metal products	**12,569**	8,197
Mining operation	**511,094**	422,957
Total segment liabilities	**523,663**	431,154
Unallocated corporate liabilities	**295,750**	316,363
Consolidated liabilities	**819,413**	747,517

Note: Segment assets and segment liabilities comprise total assets (excluding unallocated corporate assets) and total liabilities (excluding tax payable, deferred tax liabilities and other unallocated corporate liabilities) of each segment, respectively.

Other segment information

For the year ended 31 December 2015

	Trading of mineral and metal products *US$'000*	**Mining operation** *US$'000*	**Unallocated** *US$'000*	**Total** *US$'000*
Amounts included in the measure of segment results and segment assets:				
Addition to non-current assets *(Note)*	**–**	**119,969**	**20**	**119,989**
Finance income	**86**	**349**	**14**	**449**
Finance costs	**334**	**6,269**	**–**	**6,603**
Impairment loss recognised in respect of exploration and evaluation assets	**–**	**182,878**	**–**	**182,878**
Impairment loss recognised in respect of mineral rights	**–**	**129,386**	**–**	**129,386**
Depreciation of property, plant and equipment	**54**	**49,939**	**10**	**50,003**
Amortisation of mineral rights	**–**	**7,496**	**–**	**7,496**
Loss on disposal of property, plant and equipment	**–**	**47**	**–**	**47**

For the year ended 31 December 2014

	Trading of mineral and metal products *US$'000*	Mining operation *US$'000*	Unallocated *US$'000*	Total *US$'000*
Amounts included in the measure of segment results and segment assets:				
Addition to non-current assets *(Note)*	114	167,947	1	168,062
Finance income	204	465	248	917
Finance costs	965	8,042	–	9,007
Impairment loss recognised in respect of property, plant and equipment	–	34,071	–	34,071
Impairment loss recognised in respect of mineral rights	–	333,982	–	333,982
Depreciation of property, plant and equipment	45	73,650	8	73,703
Amortisation of mineral rights	–	46,417	–	46,417
Loss on disposal of property, plant and equipment	–	5	–	5

Note: Non-current assets excluded loan receivable and rehabilitation trust fund.

Geographical information

Information about the Group's revenue from external customers is presented based on geographical location of the customers. Information about the Group's non-current assets (excluding loan receivable and rehabilitation trust fund) are based on geographical location of the assets.

	Revenue from external customers		Non-current assets	
	2015	2014	**2015**	2014
	US$'000	*US$'000*	***US$'000***	*US$'000*
Hong Kong	**–**	–	**145**	204
Africa	**71,399**	113,082	**1,301,754**	1,553,506
Mainland China	**206,311**	286,337	**–**	–
Switzerland	**192,981**	253,056	**–**	–
	470,691	652,475	**1,301,899**	1,553,710

Information about major customers

The following is an analysis of revenue from customers of the corresponding year contributing over 10% of the total revenue of the Group:

	2015	2014
	US$'000	*US$'000*
Largest customer *(Note a)*	**117,396**	148,903
Second largest customer *(Note b)*	**90,191**	117,209
Third largest customer *(Note b)*	**89,367**	130,013
Fourth largest customer *(Note b)*	**67,255**	110,579

Notes:

(a) Revenue from the above customer, representing ultimate holding company of the Company, is arising from trading of mineral and metal products and mining operation.

(b) Revenue from the above customers is arising from mining operation.

5. OTHER GAINS AND LOSSES

	2015	2014
	US$'000	*US$'000*
Other exchange losses, net	**(6,481)**	(14,155)
Loss on disposal of property, plant and equipment	**(47)**	(5)
Others	**2,606**	556
	(3,922)	(13,604)

6. IMPAIRMENT LOSS

	2015	2014
	US$'000	*US$'000*
Impairment loss recognised in respect of mineral rights *(Note)*	**129,386**	333,982
Impairment loss recognised in respect of property, plant and equipment *(Note)*	**–**	34,071
Impairment loss recognised in respect of exploration and evaluation assets *(Note)*	**182,878**	–
Impairment loss recognised in respect of value-added tax recoverable	**–**	2,000
	312,264	370,053

Note: During the year ended 31 December 2015, as a result of the significant continual decline in the copper prices, the Group carried out a review of the recoverable amount of the mineral rights, property, plant and equipment and exploration and evaluation assets used in the Group's mining operation segment. The review led to the recognition of an impairment loss of US$129,386,000, nil and US$182,878,000 (2014: US$333,982,000, US$34,071,000 and nil) in respect of the Group's mineral rights, property, plant and equipment and exploration and evaluation assets respectively, which have been recognised in profit or loss. Given the nature of the Group's activities, information on the fair value of an asset is usually difficult to obtain unless negotiations with potential purchasers are taking place. Accordingly, the recoverable amount of the relevant assets has been determined on the basis of their value in use. The recoverable amount was determined based on the cash flow projections derived from the current mine plan, production reserves and estimated future copper prices. The pre-tax discount rate used in measuring value in use was 13.3% and 14.8% (2014: 11.8% and 12.6%) for Zambia and DRC respectively.

7. FINANCE COSTS

	2015	2014
	US$'000	*US$'000*
Interest on		
Bank loan and other borrowings	**11,001**	11,236
Loan from an intermediate holding company	**2,879**	1,281
Loan from a fellow subsidiary	**1,047**	837
	14,927	13,354
Less: Amounts capitalised in the cost of qualifying assets	**(8,324)**	(4,347)
	6,603	9,007

8. LOSS BEFORE TAXATION

	2015	2014
	US$'000	*US$'000*
Loss before taxation has been arrived at after charging:		
Staff costs		
Directors' emoluments	**1,535**	1,193
Other staff costs		
— Salaries and other benefits	**53,911**	60,083
— Retirement benefits schemes contributions	**4,630**	5,130
	60,076	66,406
Auditors' remuneration	**459**	446
Depreciation of property, plant and equipment	**50,003**	73,703
Amortisation of mineral rights	**7,496**	46,417
Impairment of trade receivables	**–**	310
Change in fair value of derivative financial instruments, net	**355**	666
Operating lease rentals in respect of equipment, premises and vehicles	**1,365**	677
and after crediting:		
Finance income	**449**	917

9. INCOME TAX CREDIT

	2015	2014
	US$'000	*US$'000*
The tax expense (credit) comprises:		
Current taxation		
Hong Kong Profits Tax	**–**	–
Corporate income tax in DRC	**2,687**	2,508
Corporate income tax in Zambia	**1,746**	13,524
Underprovision in prior years	**914**	4,557
	5,347	20,589
Deferred taxation	**(19,168)**	(153,365)
	(13,821)	(132,776)

No provision of Hong Kong Profits Tax has been made as the Group does not have assessable profits arising in Hong Kong for both years.

Corporate income tax in Mauritius, South Africa and the DRC are calculated at 15%, 28% and 30% (2014: 15%, 28% and 30%) on the estimated assessable profits for the year, respectively.

Corporate income tax in Zambia is calculated at 30% in the current year (2014: 30%). The tax rate applicable to the assessable profits arising in Zambia for the year ranged from 30% to 45%. The applicable tax rate is determined on a number of factors including the revenue of respective subsidiary and the average copper price of the year.

10. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	2015	2014
	US$'000	*US$'000*
Loss		
Loss for the purpose of basic and diluted loss per share	**(291,767)**	(230,512)

	2015	2014
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**4,350,753,051**	4,350,753,051

In both years, the computation of diluted loss per share does not assume the conversion of the Company's outstanding perpetual subordinated convertible securities ("PSCS") into 8,466,120,000 ordinary shares (2014: 8,466,120,000 ordinary shares) since their conversion would result in a decrease in loss per share.

There were no other potential ordinary shares outstanding as at end of both reporting periods.

11. TRADE AND OTHER RECEIVABLES

	2015	2014
	US$'000	*US$'000*
Trade and bill receivables	**65,657**	89,406
Less: Impairment	**(310)**	(310)
	65,347	89,096
Other receivables and prepayments	**10,580**	6,990
Loan to a DRC state-owned power company — current	**2,000**	2,000
Value-added tax recoverable	**40,845**	38,640
	118,772	136,726

Included in trade and bill receivables as at 31 December 2015 was an amount due from ultimate holding company of US$18,430,000 (2014: US$47,088,000), which was of trade nature. The Group provided its ultimate holding company with a credit period ranging from 180 days to 360 days.

The Group provided customers (other than its ultimate holding company) with a credit period ranging from 15 days to 180 days. Before accepting new customers, the Group uses a credit bureau to perform a credit assessment to assess the potential customers' credit limit and credit quality.

Included in trade and bill receivables as at 31 December 2015 was an amount of payables of US$36,000 (2014: payables of US$1,832,000) which arose from provisional pricing arrangements. The amount of provisional pricing arrangements represents the difference between the estimated average price up to the date of final pricing and the quoted price on the date of recognition of revenue when title and risks and rewards of the mineral and metal products are passed to customers.

The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group has significant concentration of credit risk where a debtor, being the ultimate holding company of the Company, constitutes 28% (2014: 53%) of trade and bill receivables. As at 31 December 2015, 24% (2014: 45%) of the Group's trade and bill receivables was covered by letters of credit issued by banks of the Company's ultimate holding company.

The following is an aged analysis of trade and bill receivables, net of impairment, presented based on invoice date at the end of the reporting period.

	2015	2014
	US$'000	*US$'000*
Within 3 months	**44,714**	63,880
4 to 6 months	**18,049**	11,123
7 to 12 months	**2,584**	7,105
Over 1 year	**–**	6,988
	65,347	89,096

Included in trade receivables is a receivable of US$5,586,000 (2014: US$6,988,000) which is past due as at the end of the reporting date and is regarded as not impaired as there has not been a significant change in the credit standing of the debtor. The Group does not hold any collateral over the receivable. The receivable is less than 4 months past due as at 31 December 2015.

The movements in provision for impairment of trade receivables are as follows:

	2015	2014
	US$'000	*US$'000*
At 1 January	**310**	–
Impairment loss recognised on trade receivables	**–**	310
At 31 December	**310**	310

As at 31 December 2015 and 2014, included in the above provision for impairment of trade receivables was a provision for individually impaired trade receivables of US$310,000 with a carrying amount before provision of US$310,000.

The individually impaired trade receivables relate to customers that were in default or delinquency in principal payments and none of the receivables was expected to be recovered.

12. TRADE AND OTHER PAYABLES

	2015	2014
	US$'000	*US$'000*
Trade payables	**59,022**	54,658
Other payables and accruals	**33,885**	36,165
	92,907	90,823

Included in other payables and accruals are accrual for freight charges, export clearing charges, provision for unpaid import duties and related surcharge in the DRC, and other general operation related payables.

Included in trade payables as at 31 December 2015 was receivables of US$38,000 (2014: receivables of US$1,811,000) which arose from provisional pricing arrangements. The amount of the provisional pricing arrangements represents the difference between the estimated average price up to the date of final pricing and the quoted price on the date of recognition of purchase when title and risks and rewards of mineral and metal products passed from suppliers to the Group.

The following is an aged analysis of trade payables based on the invoice date at the end of the reporting period.

	2015	2014
	US$'000	*US$'000*
Within 3 months	**54,287**	51,598
4 to 6 months	**1,794**	1,995
7 to 12 months	**2,732**	785
Over 1 year	**209**	280
	59,022	54,658

The credit period on purchases of goods ranges from current to 90 days.

13. SHARE CAPITAL

The movements in share capital of the Company are as follows:

	Number of shares	**Amount**
		HK$'000
Ordinary shares of HK$0.01 each		
Authorised:		
At 1 January 2014, 31 December 2014, 1 January 2015 and 31 December 2015	**20,000,000,000**	200,000
Issued and fully paid:		
At 1 January 2014, 31 December 2014, 1 January 2015 and 31 December 2015	**4,350,753,051**	43,508

Shown in the consolidated financial statements as:

	Amount
	US$'000
At 31 December 2014 and 2015	5,578

14. CAPITAL COMMITMENTS

	2015	2014
	US$'000	*US$'000*
Capital expenditure in respect of property, plant and equipment, mineral rights and exploration and evaluation assets contracted for but not provided in the consolidated financial statements	**11,017**	113,679

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The commodity sector was adversely affected by a succession of disappointing China macro-economic data and a strong US dollar, and as a result, the copper price declined significantly during 2015. Coupled with a number of other challenges at the operating mines in the DRC and Zambia, this negatively impacted on the financial performance of the Mining Operation segment. The profitability of the Trading of Mineral and Metal Products was relatively less affected by the decline in copper price. However, with a lack of new business opportunities amid unfavorable market conditions in the non-ferrous metal sector, both the volume and gross margin of the trades during the year under review were comparatively lower than those of 2014.

Mining Operation

Our Mining Operation segment is represented by the Metorex Group, which is headquartered in South Africa. The Metorex Group has majority control over two operating mines in Africa which are the Ruashi Mine, a copper and cobalt mine located in the DRC and the Chibuluma South Mine (including the Chifupu copper deposit), a copper mine located in Zambia. For the year ended 31 December 2015, the Group produced 47,782 tonnes of copper (2014: 54,060 tonnes) and 4,344 tonnes of cobalt (2014: 3,885 tonnes), and sold 48,400 tonnes of copper (2014: 53,482 tonnes) and 4,331 tonnes of cobalt (2014: 3,874 tonnes) which generated sales of US$257.7 million and US$75.8 million respectively (2014: US$365.4 and US$79.0 million respectively).

The Metorex Group also has control over the Kinsenda Project, a development copper project under construction and located in the DRC, and two advanced stage exploration projects located in the DRC, namely the Musonoi Project, which is a copper and cobalt project; and the Lubembe Project, which is a copper project.

Trading of Mineral and Metal Products

For the year ended 31 December 2015, the Group's wholly-owned trading subsidiary purchased and sold a total of approximately 43,315 tonnes (2014: 55,074 tonnes) of copper concentrates, and 18,521 tonnes (2014: 20,017 tonnes) of copper blister. The revenue from sales of copper concentrates and copper blister for the year ended 31 December 2015 amounted to US$41.6 million, and US$95.6 million respectively (2014: US$72.2 million and US$135.8 million respectively).

The Mongolian origin copper concentrates were sourced from a European supplier under a renewed annual contract of 55,000 tonnes in 2015, of which approximately a shipment of 6,200 tonnes was postponed to the month of January 2016. All of the copper concentrate was sold to JCG.

The copper blister was sourced from a Zambian producer under a renewed annual contract for 20,000 tonnes in 2015. The lower volume of blister shipped during 2015 was a result of reduced production of the Zambian producer, though the quantity supplied was still within the contractual limits of +/-10%. The copper blister was sold directly to copper refineries in China as well as through traders and also a joint venture of JCG.

FINANCIAL REVIEW

The Group's operating results for the year ended 31 December 2015 are a consolidation of the results from the Mining Operation and the Trading of Mineral and Metal Products.

Revenue

The revenue for the year ended 31 December 2015 was US$470.7 million, representing a decrease of 27.9% compared with US$652.5 million for the year ended 31 December 2014. Both business segments recorded a respective decrease in revenue during the year which are further analysed below.

The Group's sales performance from its Mining Operation was as follows:

	2015	2014
Volume of copper sold *(tonne)*	**48,400**	53,482
Volume of cobalt sold *(tonne)*	**4,331**	3,874
Revenue from sales of copper *(US$ million)*	**257.7**	365.4
Revenue from sales of cobalt *(US$ million)*	**75.8**	79.0
Total Revenue from the Mining Operation *(US$ million)*	**333.5**	444.4
Average price received per tonne of copper *(US$)*	**5,324**	6,831
Average price received per tonne of cobalt *(US$)*	**17,508**	20,414

During the year ended 31 December 2015, the Group encountered difficulties as a result of the worldwide downturn in commodity prices including copper which was the main driving factor for the decrease in the Group's overall sales revenue. The lower production also impacted revenue.

The copper mining revenue dropped by 25.0% from 2014 to 2015, as a result of both lower prices and lower volumes. The cobalt revenue decreased by 4.1% from 2014 to 2015 as a result of lower received prices being partly offset by increased volumes.

The Trading of Mineral and Metal Products segment recorded a significant decrease in revenue on sales of copper related raw materials by 34.0% from US$208.0 million for the year ended 31 December 2014 to US$137.2 million for the year ended 31 December 2015. 2015 proved to be a difficult year for this trading segment due to the less favorable market conditions. New product development was also impacted by the changing conditions in the inventory financing trade, as well as delayed or suspended production start-ups stemming from depressed copper and nickel prices.

Cost of sales

Cost of sales represents the purchase cost for the Trading of Mineral and Metal Products and the costs associated with the production of copper and cobalt from the Group's Mining Operation. The major components of cost of sales are as follows:

	2015	2014
	US$'000	*US$'000*
Purchases for Trading of Mineral and Metal Products	**134,856**	203,816
Mining Operation:		
Realisation costs	**6,779**	7,933
Mining costs	**52,759**	57,232
Salaries and wages	**55,541**	64,812
Processing fees	**111,869**	117,911
Engineering and technical costs	**24,077**	31,174
Safety, health, environment and community costs	**2,699**	3,468
Depreciation of property, plant and equipment	**49,939**	73,650
Amortisation of mineral rights	**7,496**	46,417
Other costs	**16,622**	25,788
Total Cost of Sales	**462,637**	632,201

The total cost of sales of 2015 was at a lower level compared to 2014 mainly due to lower production and implementation of successful cost savings measures during the year under review.

The decrease in mining costs was mainly due to a concerted effort to reduce cost especially at Ruashi Mine, notwithstanding a 16% increase in waste stripping volume, and also assisted by lower ore production at both operations.

The decrease in processing fees was mainly attributable to the lower production of copper, cost saving measures and lower reagent prices offset by power deficiency problems encountered at Ruashi Mine. Usage of diesel generators declined from 30.9% in 2014 to 27.3% in 2015 with cost staying at the same $/MW but the unit grid power cost has increased by 34.5% from 2014 to 2015 resulting in an overall higher power cost.

Depreciation of property, plant and equipment and amortisation of mineral rights decreased by US$23.7 million and US$38.9 million during the year respectively. The decrease in the depreciation was mainly due to extension of the useful life of the SX-EW plant at Ruashi Mine, and the consequential reduction of the depreciation charge of the plant. The decrease in amortisation was mainly due to the significant impairment made on mineral rights in 2014 and for the six-months period ended June 2015 and thus a significantly lower value to be amortised in 2015.

Gross profit

The gross profit of the Group decreased by 60.1% from US$20.3 million for the year ended 31 December 2014 to US$8.1 million for the year ended 31 December 2015. The decline in copper price and the increase in the unit mining operating costs such as unit power cost in the African Mining Operations were the main causes of decrease in the gross profit and thus the gross profit margin dropped from 3.1% in 2014 to 1.7% in 2015.

Net Financing cost

	2015	2014
	US$'000	*US$'000*
Financing income	**449**	917
Financing cost	**(6,603)**	(9,007)
	(6,154)	(8,090)

The decrease in net financing cost from US$8.1 million for the year ended 31 December 2014 to US$6.2 million for the year ended 31 December 2015 was due to the decrease in the volume of trade and thus trade finance used for the Trading of Mineral and Metal Products segment and more finance costs capitalised for the Kinsenda Project in the Mining Operation during the year.

Other gains and losses

Other gains and losses are mainly as a result of the exchange losses of the Group. As the functional currency of certain subsidiaries was changed from ZAR to USD to align the primary currency received and expended in those operations in 2015. There was then less USD exposure to the Group and less foreign exchange losses resulting, during the year under review as compared to 2014 when the major exchange loss arose from US$ denominated borrowings of those subsidiaries.

Selling and distribution costs

The costs mainly represent the off-mine costs incurred when the Group sells its copper and cobalt under the Mining Operations, and they primarily comprise transportation expenses, ocean freight expenses and custom clearing expenses. The breakdown of selling and distribution costs is as follows:

	2015	2014
	US$'000	*US$'000*
Off-mine costs:		
Transportation	**445**	723
Ocean freight	**16,219**	16,252
Clearing costs of export	**11,343**	11,190
Others	**446**	416
Total Selling and distribution costs	**28,453**	28,581

Selling and distribution costs remained stable over both years primarily due to the impact of the lower sales volumes being offset by the higher unit distribution costs.

Administrative expenses

Administrative expenses decreased by 16.5% from US$32.2 million for the year ended 31 December 2014 to US$26.9 million for the year ended 31 December 2015. Administrative expenses mainly include mining royalties payable to the minority shareholder and the local governments of the operating mines in Africa and other operating expenses of the Group. The decrease in administrative expenses in 2015 as compared to 2014 was primarily due to the decrease in the mining royalty charges as a result of the decrease in revenue from the Mining Operation, on which the mining royalty charges are based.

Impairment loss

During the year under review, the Group recorded a substantial non-cash impairment loss of US$129.4 million, US$182.9 million and nil on the mineral rights, exploration and evaluation assets and property, plant and equipment respectively (2014: US$334.0 million, nil and US$34.1 million respectively). Since there was a further decline in copper price during the year as compared to 2014, the Group reassessed the valuation of its mines on the basis of each cash generating unit. Revisions to the principal parameters such as copper price and discount rates, though partly offset by favorable effect on revisions to the mining plans and cost saving measures taken, resulted in a substantial impairment loss on the mineral rights and exploration and evaluation assets of the operating units.

Income tax credit

The Group is subject to taxes in Hong Kong, the DRC and Zambia for its business operations in these jurisdictions. An income tax credit of US$13.8 million for the year ended 31 December 2015 was primarily attributable to a deferred tax credit arising from the impairment loss of mineral rights and exploration and valuation assets for the year which was partly offset by a deferred tax charge from the one-off re-provision of a deferred tax liability as a result of the reinstatement of a previously imposed and then deferred Zambian tax regime. This reinstatement resulted in the corporate income tax rate being increased from zero to 30% plus a variable tax of upto 15%, while the mining royalty tax for underground mines, to which the Chibuluma South Mine belongs, was changed from 8% to 6%, effective from July 2015. The decrease in overall income tax credit was mainly due to a lesser deferred tax credit from the impairment loss made in the current year.

Loss for the year

As a result of the above, the Group incurred a consolidated loss of US$355.8 million for the year ended 31 December 2015 as compared with a consolidated loss of US$299.5 million for the corresponding year 2014.

The Group's performance was largely impacted by the non-cash impairment on the mining assets. It should be emphasised that the impairment assessment was a periodic exercise where the consequential loss recorded during the year was an accounting related adjustment, and its non-cash nature has no impact on the cash flow of the Group.

Earnings before interest (net finance costs), income tax, depreciation and amortisation and impairment loss ("EBITDA")

The EBITDA of the Group is derived as follows:

	2015	2014
	US$'000	*US$'000*
Loss for the year	**(355,816)**	(299,503)
Add: Net finance cost	**6,154**	8,090
Less: Income tax credit	**(13,821)**	(132,776)
Add: Depreciation of property, plant and equipment	**50,003**	73,703
Add: Amortisation of mineral rights	**7,496**	46,417
Add: Impairment loss	**312,264**	370,053
EBITDA	**6,280**	65,984

Liquidity, Financial Resources and Capital Structure

As at 31 December 2015, the Group had bank balances and cash of approximately US$51.6 million (of which US$4.2 million was pledged for funding environmental liabilities relating to Mining Operations and issuance of letters of credit in favor of the Group's suppliers) as compared to US$69.7 million (of which US$9.6 million was pledged for funding environmental liabilities relating to Mining Operations and issuance of letters of credit in favor of the Group's suppliers) as at 31 December 2014.

As at 31 December 2015, the Group had bank borrowings of US$16.4 million and loans from related companies of US$3.4 million both of which are due within one year, bank borrowings of US$134.0 million and loans from related companies of US$120.0 million both of which are due within 2 to 5 years and bank borrowings of US$123.0 million which are due over 5 years.

The gearing ratio of the Group as at 31 December 2015 was 45.4% compared to 22.4% as at 31 December 2014. Gearing ratio is defined as net debt over total equity, and net debt is derived from total borrowings (including amount due to an intermediate holding company and amount due to a fellow subsidiary) less bank balances and cash. The increase in the gearing ratio was caused by additional bank borrowings and loans from related companies to fund its capital expenditures of Mining Operations.

For the year under review, the Group has financed its operations with loan facilities provided by banks, borrowings from related companies and internally generated cash flows.

Material acquisitions and disposals of investments

The Group did not undertake any material acquisitions or disposals of investments during the year under review.

Significant capital expenditures

Except for the purchase of property, plant and equipment of US$101.9 million (2014: US$130.3 million), mineral rights of nil (2014: US$15.3 million) and exploration and evaluation assets of US$18.1 million (2014: US$22.5 million), no significant capital expenditures were made for the year ended 31 December 2015.

Details of charges on the Group's assets

The Group's restricted cash deposits of US$4.2 million and non-current assets (including portions of property, plant and equipment, mineral rights, and exploration and evaluation assets), inventories and trade and other receivables of US$71.1 million, US$4.3 million and US$5.0 million respectively, were pledged to secure general banking facilities granted to the Group.

Contingent liabilities

The Group had no material contingent liabilities as at 31 December 2015.

Foreign exchange risk management

The reporting currency of the Group is in US$ and the functional currencies of subsidiaries of the Group are mainly in US$. For its mineral and metal products trading activities, the Group is exposed to foreign currency exchange risk in RMB, the currency the Group receives as its revenue for part of its mineral and metal products trading business, and ZAR, the currency the Group mostly expends as its expenses for its office of the Mining Operations in South Africa. The Group monitors its exposure to foreign currency exchange risk on a continual basis.

Given the exchange rate peg between HK$ and US$, the Group is not exposed to significant exchange rate risk for transactions conducted in HK$. On the other hand, the exchange rate fluctuation of RMB against US$ and ZAR against US$ could substantially affect the performance and financial position of the Group.

There had been moderate fluctuations in the exchange rate of RMB against US$ and significant fluctuations in the exchange rate of ZAR against US$ in recent years. During 2015, the Group managed its foreign currency exchange risk arising from RMB denominated transactions by entering into specific foreign exchange deliverable forward contracts to lock the exchange rate of future revenue receipts against US$.

PROSPECTS

Looking ahead, the worldwide economy is still turbulent and complicated. With the uncertainty in the movements in copper price, for the mining operation, it is the Company's first priority to optimise and rationalise the operating units of the Group by further improving the cost profiles and installing efficient enhancement mechanisms.

The LOM plans of the operating mines are scrutinized frequently to ensure that every facet of the mining operation can be optimized to achieve maximum benefit. Different commodities price scenarios are considered in order to manage the mine design to generate the highest return for each operation. The Company will continue to make its best efforts to maximize its reserves and achieve a maximum mine valuation.

Construction of the processing plant in Kinsenda Project was completed in the second half of 2015. The unfavorable ground condition and flooding of underground works affected the progress of mine development. As a result, the project has been rescheduled for production in the first half of 2017.

The Musonoi Project, is currently being optimised, but nonetheless the Board has approved US$4.1 million to be spent in 2016 on dewatering and geotechnical work. It is anticipated that development of Musonoi Project will achieve medium term growth for the Group.

Besides mining operations, the Group also undertakes metals trading activities. Whilst the recent negative market conditions can affect volumes and turnover, this business segment continues to offer opportunities for further development and expansion. Recently, the Group has enhanced its trading resources with an intention to grow the business whilst taking an appropriate risk management approach.

The Group's vision is to grow a sustainable and competitive international mining business. As such, the Group continues to review potential acquisition opportunities and whilst current market conditions are difficult, it also presents some interesting opportunities which could fit the Group's growth vision. The Group has recently appointed additional resources to assess potential opportunities.

EMPLOYEES

As at 31 December 2015, the Group had 4,581 (2014: 4,361) employees, which comprises 2,367 (2014: 2,426) permanent workers and 2,214 (2014: 1,935) contractor's employees. Employees receive competitive remuneration packages including salary and medical and other benefits. Key staff may also be entitled to performance bonus and grant of options over the shares of the Company.

DIVIDEND

No dividend has been paid or declared by the Company for the year ended 31 December 2015 (2014: Nil).

EVENTS AFTER THE REPORTING PERIOD

The Group has no significant event after the reporting period that need to be disclosed.

CORPORATE GOVERNANCE INFORMATION

Audit Committee

During the year, the Audit Committee of the Company has reviewed the accounting principles and standards adopted by the Group, and has discussed and reviewed the internal control, reporting matters and the continuing connected transactions of the Group. The audited annual results for the year ended 31 December 2015 have been reviewed by the Audit Committee. The Group's consolidated financial statements for the year ended 31 December 2015 have been audited by the Company's auditors, Deloitte Touche Tohmatsu, and an unqualified opinion has been issued.

Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. Based on specific enquiry to all Directors, the Directors have confirmed that they have complied with required standards as set out in the Model Code for the year ended 31 December 2015.

Corporate Governance Code

The Company has complied throughout the year ended 31 December 2015 with the code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Listing Rules, except for the following deviation:

Non-compliance with paragraph A.2.1

Code provision A.2.1 of the CG Code stipulates that the role of Chairman of Board ("Chairman") and Chief Executive Officer ("CEO") should be separate and should not be performed by the same individual. During period from 1 January 2015 to 1 July 2015, Mr. Yang Zhiqiang held the offices of Chairman and CEO of the Company. With effect from 1 July 2015, Mr. Yang resigned as CEO, but remains as an executive director and Chairman. On the same date, Mr Peter Geoffrey Albert was appointed as an executive director and CEO. Since then, the roles of Chairman and CEO of the Company have been separated and performed by different individuals, and thereafter, the Company has complied with the Corporate Governance Code provision A.2.1.

PURCHASES, SALES OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2015.

PUBLICATION OF FINANCIAL RESULTS ON THE WEBSITE OF THE STOCK EXCHANGE

This announcement is available for viewing on the websites of the Stock Exchange and the Company. The annual report of the Company for the year ended 31 December 2015 will be dispatched to shareholders of the Company and published on the Stock Exchange and the Company's websites respectively in due course.

GLOSSARY

"Acquisition" or "Combination"	the acquisition by the Company of the entire equity interest in Jin Rui (along with the Metorex Group) in November 2013 pursuant to the sales and purchase agreement dated 27 August 2013, the details of which are set out in the circular of the Company dated 30 August 2013; with a total consideration of US$1,290,000,000 was satisfied by the allotment and issue of 1,595,880,000 new ordinary shares of the Company at an issue price of HK$1 per share and the issue of PSCS of the Company in the aggregate amount of US$1,085,400,000
"Board"	the board of Directors of the Company
"Chibuluma South Mine"	an underground copper mine owned by Chibuluma plc situated in Zambia near the town of Kalulushi
"Chifupu deposit"	an adjacent copper deposit to Chibuluma South Mine under exploration which is located approximately 1.7 km southwest of Chibuluma South Mine
"Company"	Jinchuan Group International Resources Co. Ltd, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
"Director(s)"	the director(s) of the Company
"DRC"	the Democratic Republic of Congo
"EBITDA"	earnings before interest, tax, depreciation and amortisation and impairment loss
"Golden Harbour"	Golden Harbour International Trading Limited, a company incorporated in Hong Kong and an indirectly wholly-owned subsidiary of the Company
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC

"Jinchuan Group" or "JCG"	金川集團股份有限公司 (Jinchuan Group Co., Ltd*), a state-owned enterprise established in the PRC and the controlling shareholder of the Company
"Jin Rui"	Jin Rui Mining Investment Limited (金瑞礦業投資有限公司), a company incorporated in the Republic of Mauritius and a direct wholly-owned subsidiary of the Company
"Kinsenda Project"	a brownfield copper project owned by Kinsenda SA and situated in the Katanga Province, the DRC
"Kinsenda SA"	Kinsenda Copper Company SA (formerly named Kinsenda Copper Company Sarl), a company incorporated in the DRC and a subsidiary of Metorex
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"LOM"	Life of mine
"Lubembe Project"	a greenfield copper project owned by Kinsenda SA and situated in the Katanga Province, the DRC
"Metorex"	Metorex (Proprietary) Limited, a company incorporated in South Africa and an indirect wholly-owned subsidiary of the Company
"Metorex Group"	Metorex and its subsidiaries (including Chibuluma plc, Kinsenda SA and Ruashi Mining), which comprise (amongst other investment holding companies) the operating companies within the Group
"Musonoi Project"	a greenfield copper and cobalt project owned by Ruashi Mining and situated in the Katanga Province, the DRC
"Operating Mines"	Ruashi Mine and Chibuluma South Mine
"PRC"	the People's Republic of China
"PSCS" or "Convertible Securities"	the perpetual subordinated convertible securities to be issued by the Company to satisfy part of the purchase price for the Acquisition
"RMB"	"Renminbi", the lawful currency of the PRC

* *For identification purposes only*

"Ruashi Holdings"	Ruashi Holdings (Proprietary) Limited, a company incorporated in South Africa and a subsidiary of Metorex
"Ruashi Mine"	an opencast oxide copper and cobalt mine owned by Ruashi Mining and situated in the DRC on the outskirts of Lubumbashi, the capital of Katanga province
"Ruashi Mining"	Ruashi Mining SAS (formerly named Ruashi Mining Sprl), a company duly incorporated in the DRC, a subsidiary of Ruashi Holdings
"South Africa"	the Republic of South Africa
"SX-EW"	solvent extraction—electrowinning
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"US$" or "US dollar"	United States dollars, the lawful currency of the US
"Zambia"	the Republic of Zambia
"ZAR"	South African Rand, the lawful currency of South Africa
"%"	percentage
"km"	kilometre(s)
"MW"	Megawatt, a unit of power equivalent to one million watts

By Order of the Board
JINCHUAN GROUP INTERNATIONAL RESOURCES CO. LTD
Mr. Yang Zhiqiang
Chairman

Jinchang City, Gansu Province, the PRC, 17 March 2016

As at the date of this announcement, the Board comprises five executive directors, namely Mr. Yang Zhiqiang, Mr. Zhang Sanlin, Mr. Peter Geoffrey Albert, Mr. Zhang Zhong and Mr. Chen Dexin; and three independent non-executive directors, namely Mr. Wu Chi Keung, Mr. Yen Yuen Ho, Tony and Mr. Neil Thacker Maclachlan.