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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)

POSITIVE PROFIT ALERT

This announcement is made by Jinchuan Group International Resources Co. Ltd (the “**Company**”, together with its subsidiaries collectively referred to as the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders (the “**Shareholders**”) and potential investors of the Company that the Group is expected to record a consolidated profit attributable to the owners of the Company of approximately US\$8 million for the year ended 31 December 2016 as opposed to the consolidated loss attributable to the owners of the Company of US\$291.8 million for the year ended 31 December 2015. The turnaround to profit from a loss position is mainly due to: (i) the recognition of an impairment reversal of US\$53.7 million where an impairment loss of US\$312.3 million was recorded in the year ended 31 December 2015; and (ii) the unit cost saving under strict effective cost control in respect of selling and distribution costs, administrative expenses as well as the cost of sales during the year ended 31 December 2016. The factors attributable to the abovementioned impairment reversal include the change in value of the principal parameters used in 2015 impairment assessment in the mining operations, mainly the higher price estimate for commodities, namely copper and cobalt; and the lower cost estimate resulted from the successful cost control measures achieved in 2016.

As the Company is still in the process of finalizing the annual results for the year ended 31 December 2016, the information contained in this announcement is only based on a preliminary assessment by the management of the Company of the Group's unaudited management accounts currently available and such information has not been audited nor reviewed by the Company's auditor, and may therefore be subject to change. Details of the Group's relevant results and performance will be disclosed in the annual results for year ended 31 December 2016 which is expected to be announced on 20 March 2017.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Jinchuan Group International Resources Co. Ltd
Wong Tak Chuen
Company Secretary

Hong Kong, 8 March 2017

As at the date of this announcement, the Board comprises four executive directors, namely Mr. Yang Zhiqiang, Mr. Zhang Sanlin, Mr. Chen Dexin and Mr. Zhang Zhong; and two independent non-executive directors, namely Mr. Wu Chi Keung and Mr. Yen Yuen Ho, Tony.