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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)

**CONTINUING CONNECTED TRANSACTIONS
SALE AND PURCHASE AGREEMENT**

SALE AND PURCHASE AGREEMENT

The Board would like to announce that, on 10 March 2017, Ruashi Mining, a company indirectly held as to 75% by the Company, has entered into the Sale and Purchase Agreement with Gécamines SA, a substantial shareholder of Ruashi Mining, pursuant to which Gécamines SA has agreed to sell and Ruashi Mining has agreed to purchase copper ores on the stockpiles of Lupoto situated in Kalumines, a copper mining property invested by Gécamines SA.

LISTING RULES IMPLICATIONS

Ruashi Mining is a subsidiary of the Company which is held as to 75% indirectly by the Company and as to 25% by Gécamines SA, and therefore Gécamines SA is a connected person of the Company at the subsidiary level. Accordingly, the transactions contemplated under the Sale and Purchase Agreement constituted continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Based on the annual caps under the Sale and Purchase Agreement, one or more of the applicable percentage ratios under Listing Rule 14.07 in respect of the continuing connected transactions exceed 5%. Pursuant to Rule 14A.101 of the Listing Rules, as (i) Gécamines SA is a connected person at the subsidiary level of the Company; and (ii) the Board (including all the independent non-executive Directors) has approved the continuing connected transactions contemplated under the Sale and Purchase Agreement and the Guarantee Agreement and confirmed that such transactions and the terms are fair and reasonable, on normal commercial terms and in the interests of the Company and its

shareholders as a whole, such continuing connected transactions are subject to the annual review, reporting and announcement requirements but are exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

On 10 March 2017, Ruashi Mining entered into the Sale and Purchase Agreement with Gécamines SA, a substantial shareholder holding 25% interest in Ruashi Mining, pursuant to which Gécamines SA has agreed to sell and Ruashi Mining has agreed to purchase copper ores on the stockpiles of Lupoto situated in Kalumines.

KEY TERMS OF THE SALE AND PURCHASE AGREEMENT

Parties:	Gécamines SA(as seller); and Ruashi Mining (as buyer)
Subject matter:	Gécamines SA has agreed to sell, and Ruashi Mining has agreed to purchase, copper ores on the stockpiles of Lupoto situated in Kalumines, a copper mining property invested by Gécamines SA
Quantity and quality of copper ores:	A total of 417,920 wet tons of copper ores during the term of the agreement, which is equivalent to 376,128 dry tons of copper ores with at least 3.50% copper content and a copper grade ranging from 3.50% to 14.00%
Basis of the prices of copper ores:	The selling dry ton price of copper ores delivered by Gécamines SA is determined by the product grade of the copper ores and the monthly average of copper quotations for Grade A copper as published by the London Metal Exchange (which is a specified pricing period being the month following the month of despatch from the mine site of Kalumines)
Term:	For a period of 18 months and should be expire upon, or renewed until, the delivery of the contractual tonnage

To facilitate Ruashi Mining to enter into the Sale and Purchase Agreement and as part and partial arrangement relating to the Sale and Purchase Agreement, on 10 March 2017, in consideration of Gécamines SA entering into the Sale and Purchase Agreement with Ruashi Mining, the Company has entered into a guarantee agreement with Gécamines SA under which the Company would grant a continuing corporate guarantee in favour of Gécamines SA for performance of the contractual obligations of Ruashi Mining under the Sale and Purchase Agreement. Under the guarantee agreement, the Company has agreed to pay, into an escrow account, within five business days upon demand by Gécamines SA for all monies due or owing to Gécamines SA by Ruashi Mining arising from any breach of contractual obligations by Ruashi Mining under the Sale and Purchase Agreement. The liability of the Company under the guarantee agreement is capped at US\$5 million.

ANNUAL CAPS UNDER THE SALE AND PURCHASE AGREEMENT

The following table sets out the annual caps in respect of the continuing connected transactions under the Sale and Purchase Agreement:

	Period from 10 March 2017 to 31 December 2017	Period from 1 January 2018 to 9 September 2018 (or until the delivery of the contractual tonnage)
	<i>(US\$)</i>	<i>(US\$)</i>
Purchase Amount	70 million	70 million

The annual caps under the Sale and Purchase Agreement are determined with reference to: (i) the maximum tonnage for the supply of copper ores to be delivered under the Sale and Purchase Agreement; and (ii) the estimated tonnage of copper ores to be produced and delivered by Gécamines SA as scheduled for the relevant period.

REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS UNDER THE SALE AND PURCHASE AGREEMENT

In order to maximize the utilisation of plant facilities in Ruashi Mine, it is beneficial for Ruashi Mining to purchase further third party copper ores of good quality. In considering the entering of the Sale and Purchase Agreement, the copper ore stockpile located at Kalumines has been identified by the Company as one of the optimal and stable third party copper ore sources for Ruashi Mining because of its large tonnage available and good copper grade.

The Directors (including the independent non-executive Directors) consider the terms of the Sale and Purchase Agreement as well as the guarantee agreement entered into by the Company are on normal commercial terms, are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

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GENERAL

Information relating to the Company

The Company is an investment holding company. The principal activities of the Group is trading of mineral and metal products and mining operations, primarily copper and cobalt production.

Information relating to Ruashi Mining

Ruashi Mining is a company incorporated in the DRC and a subsidiary of Ruashi Holdings (Proprietary) Limited, a company incorporated in South Africa and held as to 75% by the Company indirectly.

Information relating to Gécamines SA

Gécamines SA is a state-owned commodity trading and mining company incorporated in the DRC. Gécamines is engaged in the exploration, research, exploitation and production of mineral deposits including copper, cobalt, tin, gold, uranium and zinc.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	Jinchuan Group International Resources Co. Ltd, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“copper ores”	copper ores on the stockpiles of Lupoto situated in Kalumines, the DRC
“Director(s)”	the director(s) of the Company
“DRC”	the Democratic Republic of the Congo
“Gécamines SA”	La Générale des Carrières et des Mines, a state-owned commodity trading and mining company incorporated in the DRC and a substantial shareholder of Ruashi Mining
“Group”	collectively, the Company and its subsidiaries controlled by the Company from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“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, a company incorporated in the DRC and a subsidiary of the Company which is held as to 75% indirectly by the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning ascribed to it under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“USD”	US dollars, the lawful currency of the United States
“%”	per cent.

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

Hong Kong, 10 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.