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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)

**ANNUAL RESULTS ANNOUNCEMENT FOR
THE YEAR ENDED 31 DECEMBER 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 2016 together with the comparative figures in 2015 as follows:

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

For the year ended 31 December 2016

	<i>Notes</i>	2016 US\$'000	2015 US\$'000
Revenue	3	364,845	470,691
Cost of sales		(362,488)	(462,637)
Gross profit		2,357	8,054
Other gains and losses	5	(2,273)	(3,922)
Selling and distribution costs		(23,440)	(28,453)
Administrative expenses		(20,925)	(26,898)
Reversal of impairment loss (impairment loss)	6	53,748	(312,264)
Finance income		686	449
Finance costs	7	(6,832)	(6,603)

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME** *(Continued)*

For the year ended 31 December 2016

	<i>Notes</i>	2016 US\$'000	2015 <i>US\$'000</i>
Profit (loss) before taxation	8	3,321	(369,637)
Income tax credit	9	2,993	13,821
		<hr/>	<hr/>
Profit (loss) for the year		6,314	(355,816)
Other comprehensive income:			
Item that may be reclassified subsequently to profit or loss:			
Fair value change on cash flow hedges, net of income tax		270	24
		<hr/>	<hr/>
Other comprehensive income for the year		270	24
		<hr/>	<hr/>
Total comprehensive income (expense) for the year		6,584	(355,792)
		<hr/> <hr/>	<hr/> <hr/>
Profit (loss) for the year attributable to:			
Owners of the Company		8,347	(291,767)
Non-controlling interests		(2,033)	(64,049)
		<hr/>	<hr/>
		6,314	(355,816)
		<hr/> <hr/>	<hr/> <hr/>
Total comprehensive income (expense) attributable to:			
Owners of the Company		8,617	(291,743)
Non-controlling interests		(2,033)	(64,049)
		<hr/>	<hr/>
		6,584	(355,792)
		<hr/> <hr/>	<hr/> <hr/>
Earnings (loss) per share	10		
Basic (US cents)		0.19	(6.71)
		<hr/>	<hr/>
Diluted (US cents)		0.07	(6.71)
		<hr/>	<hr/>
		<hr/> <hr/>	<hr/> <hr/>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2016

	Notes	2016 US\$'000	2015 US\$'000
Non-current assets			
Property, plant and equipment		688,100	689,879
Mineral rights		478,007	421,215
Exploration and evaluation assets		181,630	172,685
Other non-current assets		18,578	22,195
		<u>1,366,315</u>	<u>1,305,974</u>
Current assets			
Inventories		109,066	102,961
Trade and other receivables	11	104,395	118,772
Held for trading investments		3,705	–
Derivative financial instruments		219	1,062
Restricted cash deposits		–	4,182
Bank balances and cash		96,402	47,422
		<u>313,787</u>	<u>274,399</u>
Current liabilities			
Trade and other payables	12	71,764	92,907
Amount due to an intermediate holding company		4,331	2,615
Amount due to a fellow subsidiary		744	744
Bank borrowings		83,333	16,437
Short-term provisions		5,416	8,286
Tax payable		338	1,927
		<u>165,926</u>	<u>122,916</u>
Net current assets		<u>147,861</u>	<u>151,483</u>
Total assets less current liabilities		<u>1,514,176</u>	<u>1,457,457</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

At 31 December 2016

	Notes	2016 US\$'000	2015 US\$'000
Non-current liabilities			
Bank borrowings		311,222	257,000
Long-term provisions		27,303	26,184
Deferred tax liabilities		288,107	293,313
Amount due to an intermediate holding company		115,000	115,000
Amount due to a fellow subsidiary		5,000	5,000
		<u>746,632</u>	<u>696,497</u>
Net assets		<u>767,544</u>	<u>760,960</u>
Capital and reserves			
Share capital	13	5,578	5,578
Perpetual subordinated convertible securities		1,089,084	1,089,084
Reserves		<u>(394,079)</u>	<u>(402,696)</u>
Equity attributable to owners of the Company		700,583	691,966
Non-controlling interests		<u>66,961</u>	<u>68,994</u>
Total equity		<u>767,544</u>	<u>760,960</u>

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 company 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 operations 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”)

Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to IFRSs issued by the International Accounting Standards Board (the “IASB”) for the first time:

Amendments to IAS 1	Disclosure initiative
Amendments to IAS 16 and IAS 38	Clarification of acceptable methods of depreciation and amortisation
Amendments to IAS 16 and IAS 41	Agriculture: Bearer plants
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment entities: Applying the consolidation exception
Amendments to IFRS 11	Accounting for acquisitions of interests in joint operations
Amendments to IFRSs	Annual improvements to IFRSs 2012 – 2014 cycle

The application of the above 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 the consolidated financial statements.

New and amendments to IFRSs in issue but not yet effective

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

IFRS 9	Financial instruments ¹
IFRS 15	Revenue from contracts with customers and the related amendments ¹
IFRS 16	Leases ²
Amendments to IFRS 2	Classification and measurement of share-based payment transactions ¹
Amendments to IFRS 4	Applying IFRS 9 “Financial instruments” with IFRS 4 “Insurance contracts” ¹
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture ³
Amendments to IAS 7	Disclosure initiative ⁴
Amendments to IAS 12	Recognition of deferred tax assets for unrealised losses ⁴

- 1 Effective for annual periods beginning on or after 1 January 2018
 2 Effective for annual periods beginning on or after 1 January 2019
 3 Effective for annual periods beginning on or after a date to be determined
 4 Effective for annual periods beginning on or after 1 January 2017

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:

	2016 <i>US\$'000</i>	2015 <i>US\$'000</i>
Sales of copper	306,848	394,866
Sales of cobalt	57,997	75,825
	<u>364,845</u>	<u>470,691</u>

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:

- Mining operations
- Trading of mineral and metal products

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 2016

	Mining operations US\$'000	Trading of mineral and metal products US\$'000	Total US\$'000
Segment revenue	<u>263,186</u>	<u>101,659</u>	<u>364,845</u>
Segment results	<u>6,886</u>	<u>(962)</u>	5,924
Unallocated corporate income			217
Unallocated corporate expenses			<u>(2,820)</u>
Profit before taxation			<u>3,321</u>

For the year ended 31 December 2015

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

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 profit (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

	2016 <i>US\$'000</i>	2015 <i>US\$'000</i>
Mining operations	1,623,689	1,517,619
Trading of mineral and metal products	<u>49,339</u>	<u>60,593</u>
Total segment assets	1,673,028	1,578,212
Unallocated corporate assets	<u>7,074</u>	<u>2,161</u>
Consolidated assets	<u><u>1,680,102</u></u>	<u><u>1,580,373</u></u>

Segment liabilities

	2016 <i>US\$'000</i>	2015 <i>US\$'000</i>
Mining operations	599,887	511,094
Trading of mineral and metal products	<u>23,302</u>	<u>12,569</u>
Total segment liabilities	623,189	523,663
Unallocated corporate liabilities	<u>289,369</u>	<u>295,750</u>
Consolidated liabilities	<u><u>912,558</u></u>	<u><u>819,413</u></u>

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 2016

	Mining operations US\$'000	Trading of mineral and metal products US\$'000	Unallocated US\$'000	Total US\$'000
Amounts included in the measure of segment results and segment assets:				
Addition to non-current assets (<i>Note</i>)	67,933	–	601	68,534
Finance income	593	92	1	686
Finance costs	6,583	112	137	6,832
Impairment loss recognised in respect of exploration and evaluation assets	14,017	–	–	14,017
Reversal of impairment loss recognised in respect of mineral rights	(67,765)	–	–	(67,765)
Depreciation of property, plant and equipment	46,772	39	77	46,888
Amortisation of mineral rights	10,973	–	–	10,973
Loss (gain) on disposal of property, plant and equipment	126	(28)	–	98
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

For the year ended 31 December 2015

	Mining operations US\$'000	Trading of mineral and metal products US\$'000	Unallocated US\$'000	Total US\$'000
Amounts included in the measure of segment results and segment assets:				
Addition to non-current assets (<i>Note</i>)	119,969	–	20	119,989
Finance income	349	86	14	449
Finance costs	6,269	334	–	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	49,939	54	10	50,003
Amortisation of mineral rights	7,496	–	–	7,496
Loss on disposal of property, plant and equipment	47	–	–	47
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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	
	2016 US\$'000	2015 US\$'000	2016 US\$'000	2015 US\$'000
Hong Kong	–	–	628	145
Africa	52,813	71,399	1,362,783	1,301,754
Mainland China	159,655	206,311	–	–
Switzerland	152,377	192,981	–	–
	<u>364,845</u>	<u>470,691</u>	<u>1,363,411</u>	<u>1,301,899</u>

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:

	2016 US\$'000	2015 US\$'000
Largest customer (Note a)	77,899	89,367
Second largest customer (Note a)	72,961	90,191
Third largest customer (Note a)	52,288	67,255
Fourth largest customer (Notes a and b)	<u>45,175</u>	<u>75,825</u>

Notes:

- (a) Revenue from the above customers is arising from mining operations.
- (b) Revenue from the above customer, which is an indirect non-wholly owned subsidiary of the ultimate holding company of the Company.

5. OTHER GAINS AND LOSSES

	2016 <i>US\$'000</i>	2015 <i>US\$'000</i>
Other exchange gain (losses), net	126	(6,481)
Loss on disposal of property, plant and equipment	(98)	(47)
Change in fair value of derivative financial instruments, net	(1,113)	385
Others	(1,188)	2,221
	<u>(2,273)</u>	<u>(3,922)</u>

6. REVERSAL OF IMPAIRMENT LOSS (IMPAIRMENT LOSS)

	2016 <i>US\$'000</i>	2015 <i>US\$'000</i>
Reversal of impairment loss (impairment loss) recognised in respect of mineral rights (<i>Note a</i>)	67,765	(129,386)
Impairment loss recognised in respect of exploration and evaluation assets (<i>Note b</i>)	(14,017)	(182,878)
	<u>53,748</u>	<u>(312,264)</u>

Notes:

For the purpose of impairment testing, the Group's property, plant and equipment, mineral rights and exploration and evaluation assets were allocated to five cash generating units ("CGUs"), comprising two operating mines, one developing project and two exploration projects in Zambia and the DRC, within the mining operations segment. Details of the impairment assessment are set out below:

- (a) As a result of the increase in the copper and cobalt prices towards the end of the year and the successful implementation of the cost-saving plan for the two operating mines during the year, the impairment review led to a reversal of impairment loss of US\$67,765,000 during the year ended 31 December 2016 (2015: impairment loss of US\$129,386,000). 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 and cobalt prices. The pre-tax discount rate used in measuring value in use was 13.3% and 14.9% (2015: 13.3% and 14.9%) for Zambia and the DRC respectively.

- (b) Despite the recovery in copper and cobalt prices towards the end of the year, the production plan of a developing project of the Group has been delayed mainly due to additional work performed during the year. This additional work is neither budgeted nor planned. 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 and cobalt prices. The pre-tax discount rate used in measuring value in use was 14.8% (2015: 14.8%). Accordingly, an impairment loss in respect of exploration and evaluation assets of US\$14,017,000 (2015: US\$182,878,000) for the related CGU is recognised in profit or loss during the year ended 31 December 2016.

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, there is no impairment recognised for the other CGUs during both years.

7. FINANCE COSTS

	2016 <i>US\$'000</i>	2015 <i>US\$'000</i>
Interest on		
Bank and other borrowings	15,733	11,001
Loan from an intermediate holding company	3,057	2,879
Loan from a fellow subsidiary	960	1,047
Perpetual subordinated convertible securities	135	–
	<u>19,885</u>	<u>14,927</u>
Less: Amounts capitalised in the cost of qualifying assets	<u>(13,053)</u>	<u>(8,324)</u>
	<u><u>6,832</u></u>	<u><u>6,603</u></u>

8. PROFIT (LOSS) BEFORE TAXATION

	2016	2015
	US\$'000	US\$'000
Profit (loss) before taxation has been arrived at after charging:		
Staff costs		
Directors' emoluments	1,118	1,458
Other staff costs		
— Salaries and other benefits	40,408	53,988
— Retirement benefits schemes contributions	2,538	4,630
	<u>44,064</u>	<u>60,076</u>
Auditors' remuneration	355	459
Depreciation of property, plant and equipment	46,888	50,003
Amortisation of mineral rights	10,973	7,496
Change in fair value of derivative financial instruments, net	(1,113)	385
Change in fair value of held for trading investments	(143)	—
Operating lease rentals in respect of equipment, premises and vehicles	1,044	1,365
and after crediting:		
Finance income	<u>686</u>	<u>449</u>

9. INCOME TAX CREDIT

	2016	2015
	US\$'000	US\$'000
The tax expense (credit) comprises:		
Current taxation		
Hong Kong Profits Tax	—	—
Corporate income tax in DRC	2,134	2,687
Corporate income tax in Zambia	34	1,746
Corporate income tax in South Africa	—	—
Underprovision in prior years	45	914
	<u>2,213</u>	<u>5,347</u>
Deferred taxation	<u>(5,206)</u>	<u>(19,168)</u>
	<u>(2,993)</u>	<u>(13,821)</u>

No provision for Hong Kong Profits Tax has been made as the Company 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% (2015: 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 (2015: 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 based on a number of factors including the revenue of the respective subsidiaries and the average copper price of the year.

10. EARNINGS (LOSS) PER SHARE

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

	2016 <i>US\$'000</i>	2015 <i>US\$'000</i>
Earnings (loss)		
Earnings (loss) for the purpose of basic and diluted earnings (loss) per share	<u>8,347</u>	<u>(291,767)</u>
	2016	2015
Number of shares		
Number of ordinary shares for the purpose of basic earnings (loss) per share	4,350,753,051	4,350,753,051
Effect of dilutive potential ordinary shares: Convertible Securities	<u>8,466,120,000</u>	<u>–</u>
Number of ordinary shares for the purpose of diluted earnings (loss) per share	<u>12,816,873,051</u>	<u>4,350,753,051</u>

The computation of diluted loss per share for the year ended 31 December 2015 does not assume the conversion of the Company's outstanding perpetual subordinated convertible securities ("PSCS") into 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 the end of both reporting periods.

11. TRADE AND OTHER RECEIVABLES

	2016	2015
	US\$'000	US\$'000
Trade and bill receivables	39,363	65,657
Less: Impairment	(310)	(310)
	39,053	65,347
Other receivables	9,116	6,916
Prepayments	2,790	3,664
Loan to a DRC state-owned power company	2,000	2,000
Value-added tax recoverable	51,436	40,845
	104,395	118,772

Included in trade and bill receivables as at 31 December 2016 was an amount due from a fellow subsidiary of US\$6,631,000 (2015: Nil) and an amount due from the ultimate holding company of Nil (2015: US\$18,430,000), which were of trade nature. The Group provided its fellow subsidiary and ultimate holding company with a credit period ranging from 180 days to 360 days.

The Group provided customers (other than its fellow subsidiaries and 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 2016 was an amount of receivables of US\$572,000 (2015: payables of US\$36,000) 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 a fellow subsidiary of the Company, constitutes 17% (2015: Nil) and the ultimate holding company of the Company, constitutes Nil (2015: 28%) of trade and bill receivables. As at 31 December 2016, Nil (2015: 24%) 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.

	2016 <i>US\$'000</i>	2015 <i>US\$'000</i>
Within 3 months	36,768	44,714
4 to 6 months	2,285	18,049
7 to 12 months	—	2,584
	39,053	65,347

Included in trade receivables is a receivable of US\$1,627,000 (2015: US\$5,586,000) 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.

There are no movements in provision for impairment of trade receivables during both years.

As at 31 December 2016 and 2015, 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

	2016 <i>US\$'000</i>	2015 <i>US\$'000</i>
Trade payables	53,516	59,022
Other payables and accruals	18,248	33,885
	71,764	92,907

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 2016 was payables of US\$572,000 (2015: receivables of US\$38,000) 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.

	2016	2015
	US\$'000	US\$'000
Within 3 months	40,263	54,287
4 to 6 months	10,470	1,794
7 to 12 months	2,550	2,732
Over 1 year	233	209
	<u>53,516</u>	<u>59,022</u>

The credit period on purchases of goods ranges from 0 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 2015, 31 December 2015, 1 January 2016 and 31 December 2016	<u>20,000,000,000</u>	<u>200,000</u>
Issued and fully paid:		
At 1 January 2015, 31 December 2015, 1 January 2016 and 31 December 2016	<u>4,350,753,051</u>	<u>43,508</u>

Shown in the consolidated financial statements as:

	Amount US\$'000
At 31 December 2015 and 2016	<u>5,578</u>

14. CAPITAL COMMITMENTS

	2016	2015
	<i>US\$'000</i>	<i>US\$'000</i>
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	<u>8,081</u>	<u>11,017</u>

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 sustained at low levels during first half of 2016. This impact coupled with a number of other challenges at our two operating mines in the DRC and Zambia, respectively, have negatively impacted the financial performance of the Mining Operations for most of the year under review. The recovery in copper and cobalt prices towards the end of 2016 has given rise to some positive impact on our overall financial performance in 2016. 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 and unfavorable market conditions in the non-ferrous metal sector, both the volume and gross margin of this trade segment during the year under review were comparatively lower than those of 2015.

Mining Operations

Our Mining Operations 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 2016, the Group produced 42,587 tonnes of copper (2015: 47,782 tonnes) and 3,391 tonnes of cobalt (2015: 4,344 tonnes), and sold 43,083 tonnes of copper (2015: 48,400 tonnes) and 3,264 tonnes of cobalt (2015: 4,331 tonnes) which generated sales of US\$205.2 million and US\$58.0 million respectively (2015: US\$257.7 million and US\$75.8 million respectively). The drop in production tonnage of copper by 10.9% was mainly due to the curtailing of the operating scale in the Chibuluma South Mine in early 2016 in order to cope with the declining copper price. The significant reduction in production tonnage of cobalt by 21.9% was mainly attributable to the inadequate supply of third party ore for the Group's processing in the Ruashi Mine.

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 2016, the Group's wholly-owned trading subsidiary purchased and sold a total of 19,969 tonnes (2015: 18,521 tonnes) of copper blister, and 6,136 tonnes (2015: 43,315 tonnes) of copper concentrates. The revenue from sales of copper blister and copper concentrates for the year ended 31 December 2016 amounted to US\$96.3 million and US\$5.4 million respectively (2015: US\$95.6 million and US\$41.6 million respectively).

The copper blister was sourced from a Zambian producer under a renewed annual contract for 20,000 tonnes in 2016. The volume of blister shipped during 2016 was similar to that of 2015. The copper blister was sold in China directly to copper refineries, traders and also a joint venture partner of JCG.

The annual contract of Mongolian origin copper concentrates sourced from a European supplier lapsed since the beginning of 2016. There was one shipment of 6,136 tonnes recorded in January 2016 which was due to the delay in despatch of the last shipment under the previous annual contract in 2015. All of the copper concentrates were sold to JCG.

FINANCIAL REVIEW

The Group's operating results for the year ended 31 December 2016 are a consolidation of the results from the Mining Operations and the Trading of Mineral and Metal Products.

Revenue

The revenue for the year ended 31 December 2016 was US\$364.8 million, representing a decrease of 22.5% compared to US\$470.7 million for the year ended 31 December 2015. Both business segments recorded a respective decrease in revenue during the year which are further discussed below.

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

	2016	2015
Volume of copper sold (<i>tonne</i>)	43,083	48,400
Volume of cobalt sold (<i>tonne</i>)	3,264	4,331
Revenue from sales of copper (<i>US\$ million</i>)	205.2	257.7
Revenue from sales of cobalt (<i>US\$ million</i>)	58.0	75.8
Total Revenue from the Mining Operations (<i>US\$ million</i>)	<u>263.2</u>	<u>333.5</u>
Average price received per tonne of copper (<i>US\$</i>)	4,764	5,324
Average price received per tonne of cobalt (<i>US\$</i>)	<u>17,770</u>	<u>17,508</u>

During the year ended 31 December 2016, the Group encountered difficulties as a result of the continuing decline in commodity prices in most of the year, in particular, the drop in copper price was the major factor for the decrease in the Group's overall sales revenue. The lower production in 2016 also impacted revenue.

The copper mining revenue dropped by 20.4% from 2015 to 2016, as a result of both lower prices and lower production volumes. The cobalt revenue decreased by 23.5% from 2015 to 2016 mainly as a result of decreased production volumes.

The Trading of Mineral and Metal Products segment recorded a substantial decrease in revenue on sales of copper related raw materials by 25.9% from US\$137.2 million for the year ended 31 December 2015 to US\$101.7 million for the year ended 31 December 2016. 2016 proved to be a difficult year for this trading segment due to the less favorable market conditions. New revenue generated from inventory financing relating to non-ferrous metal commodities which was initiated in late 2016 only derived minimal income for the year since its commencement. It is expected that the Group will expand this new stream of income in 2017.

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 Operations. The major components of cost of sales are as follows:

	2016 <i>US\$'000</i>	2015 <i>US\$'000</i>
Mining Operations:		
Realisation costs	6,167	6,779
Mining costs	44,124	52,759
Salaries and wages	41,680	55,541
Processing fees	78,054	111,869
Engineering and technical costs	20,059	24,077
Safety, health, environment and community costs	2,970	2,699
Depreciation of property, plant and equipment	46,772	49,939
Amortisation of mineral rights	10,973	7,496
Other costs	10,867	16,622
Purchases for Trading of Mineral and Metal Products	<u>100,822</u>	<u>134,856</u>
Total Cost of Sales	<u><u>362,488</u></u>	<u><u>462,637</u></u>

Apart from the decrease in volume sold, the successful implementation of cost saving measures during the year resulted in the total cost of sales of 2016 reaching a further lower level as compared to that of 2015.

The decrease in cost of sales for the Trading of Mineral and Metal Products was primarily due to the significant decrease in trade volume of copper concentrates as no annual contract was concluded in 2016, as well as the decrease in the average copper price in 2016.

Overall, the Mining Operations had lower costs which was primarily due to lower production volumes and the implementation of cost saving initiatives. The labour costs have reduced by 25.0%, as a result of the curtailing of operating scale at Chibuluma South Mine as well as the Metorex Head Office in South Africa. Mining costs showed a 16.4% decrease due to the implementation of cost saving initiatives and revised mine plan at Chibuluma South Mine.

The decrease in processing costs was mainly attributable to the lower production volumes, the implementation of cost saving measures, lower reagent prices and lower power cost. Ruashi Mine had reduced dependence on diesel generators, which is shown by the decline in the usage of generators from 27.3% in 2015 to 14.0% in 2016. The unit price of grid power had also reduced by 7.1% which resulted in an overall lower power cost.

Depreciation of property, plant and equipment decreased by US\$3.2 million and amortisation of mineral rights increased by US\$3.5 million during the year. The decrease in the depreciation was mainly due to extension of the useful life of the SX-EW plant at Ruashi Mine, which resulted in the consequential reduction of the depreciation charge of the plant. The increase in amortisation was mainly due to higher amortisation charge was recorded in 2016 as a result of higher amortisation rates for Chibuluma South Mine.

Gross profit

The gross profit of the Group decreased by 70.4% from US\$8.1 million for the year ended 31 December 2015 to US\$2.4 million for the year ended 31 December 2016. The decline in copper price and decrease in production volumes were the main causes of decrease in the gross profit. The recorded gross profit margin dropped from 1.7% in 2015 to 0.6% in 2016.

In fact, the Group had recovered from a gross loss of US\$9.0 million shown in our interim results for the six months ended 30 June 2016 to the present final results of US\$2.4 million gross profit.

Net Financing cost

	2016 <i>US\$'000</i>	2015 <i>US\$'000</i>
Financing income	686	449
Financing cost	<u>(6,832)</u>	<u>(6,603)</u>
	<u>(6,146)</u>	<u>(6,154)</u>

The net financing cost of approximately US\$6.2 million which had remained steady for both the years ended 31 December 2015 and 2016. There was an increase of US\$0.2 million for both the financing income and financing costs for 2016 against those in 2015. The increase in finance income was mainly due to interest income derived from held for trading investments acquired in 2016, whereas the increase in finance cost mainly due to the increase in bank borrowing during 2016 after it being offsetted to a certain extent by interest expenses capitalised in the development project.

Other gains and losses

The drop in net loss in the other gains and losses was mainly resulted from the absence of a significant loss which was recognised in 2015 mainly due to a significant unrealized exchange loss of approximately US\$5.3 million derived from the conversion of USD-loans by Metorex, a wholly-owned subsidiary of the Company, whose functional currency was South Africa Rand (“ZAR”), when the currency of ZAR against US\$ depreciated in 2015. Since the functional currency of Metorex, amongst others, was changed from ZAR to US\$ to align the primary currency received and expended in its operations in mid-2015, there has been less US\$ exposure to the Group and accordingly less foreign exchange difference was resulted in 2016.

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 of transportation expenses, ocean freight expenses and custom clearing expenses. The breakdown of selling and distribution costs is as follows:

	2016	2015
	<i>US\$'000</i>	<i>US\$'000</i>
Off-mine costs:		
Transportation	335	445
Ocean freight	13,156	16,219
Clearing costs of export	9,350	11,343
Others	599	446
	<hr/>	<hr/>
Total Selling and distribution costs	<u>23,440</u>	<u>28,453</u>

Selling and distribution costs decreased by 17.9% from US\$28.5 million for the year ended 31 December 2015 to US\$23.4 million for the year ended 31 December 2016. This was primarily due to the successful implementation of effective cost control measures in 2016, in addition to the lower production volumes and thus tonnage sold. As a result, the resultant unit selling and distribution costs were reduced.

Administrative expenses

Administrative expenses decreased by 22.2% from US\$26.9 million for the year ended 31 December 2015 to US\$20.9 million for the year ended 31 December 2016. Administrative expenses mainly include staff costs and mining royalties payable to the minority shareholder and local governments of the Operating Mines in Africa and other operating expenses of the Group. The decrease in administrative expenses in 2016 as compared to 2015 was primarily due to the decrease in the mining royalty charges as a result of the decrease in revenue from the Mining Operations, on which the mining royalty charges are based. The resultant unit administrative expenses were also reduced by the successful implementation of effective cost control measures, in particular the reduction in head count through the restructuring of personnel organisational.

Reversal of Impairment loss

During the year under review, the Group recorded a non-cash reversal of impairment loss of US\$67.8 million on the mineral rights (2015: Impairment loss of US\$129.4 million) and an impairment loss of US\$14.0 million on the exploration and evaluation assets (2015: US\$182.9 million). Since there was an increase in copper price towards the end of the year as compared to the end of 2015.

The reversal of impairment loss was resulted from the change in value of the principal parameters used in the 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 implementation of cost control measures in 2016.

There was an impairment loss for Kinsenda Project despite the recovery in copper and cobalt prices towards the end of the year. It was because the production plan of this development project has been delayed due to additional work performed during the year. This additional work is neither budgeted nor planned.

Income tax credit

The Group is subject to taxes in Hong Kong, the DRC and Zambia due to its business operations in these jurisdictions. An income tax credit of US\$3.0 million was derived for the year ended 31 December 2016 as compared to that of US\$13.8 million in 2015. The decrease in income tax credit was primarily due to the absence of a significant deferred tax credit resulting from the impairment loss of mineral rights and exploration and evaluation assets for the year ended 31 December 2015. The income tax credit for the year under review was mainly resulted from the recognition of estimated tax losses and the deferred tax credit from the movement in the property, plant and equipment, mineral rights and exploration and evaluation assets arising from the Mining Operations.

Profit (loss) for the year

As a result of the above, the Group incurred a consolidated profit of US\$6.3 million for the year ended 31 December 2016 as opposed to a consolidated loss of US\$355.8 million for the year ended 31 December 2015.

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

The EBITDA of the Group is derived as follows:

	2016	2015
	US\$'000	US\$'000
Profit (loss) for the year	6,314	(355,816)
Add: Net finance cost	6,146	6,154
Less: Income tax credit	(2,993)	(13,821)
Add: Depreciation of property, plant and equipment	46,888	50,003
Add: Amortisation of mineral rights	10,973	7,496
Add: (Reversal of Impairment Loss) Impairment Loss recognised in respect of mineral rights	(67,765)	129,386
Add: Impairment loss recognised in respect of exploration and evaluation assets	14,017	182,878
	<hr/> 13,580 <hr/>	<hr/> 182,878 <hr/>
EBITDA	13,580	6,280

Liquidity, Financial Resources and Capital Structure

As at 31 December 2016, the Group had bank balances and cash of approximately US\$96.4 million as compared to US\$51.6 million as at 31 December 2015, of which nil (2015: 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 at 31 December 2016, the Group had bank borrowings of US\$83.3 million and loans from related companies of US\$5.1 million both of which are due within one year, bank borrowings of US\$245.2 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\$66.0 million which are due over 5 years.

The gearing ratio of the Group as at 31 December 2016 was 55.1% compared to 45.4% as at 31 December 2015. 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 to fund its capital expenditures of Mining Operations, in particular the near final development phase of the Kinsenda Project.

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\$45.6 million (2015: US\$101.9 million) and exploration and evaluation assets of US\$23.0 million (2015: US\$18.1 million), no significant capital expenditures were made for the year ended 31 December 2016.

Details of charges on the Group's assets

The Group's inventories of US\$3.9 million (2015: US\$41.3 million) and trade and other receivables of US\$4.0 million (2015: 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 2016.

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 an on-going 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 have been fluctuations in the exchange rate of RMB against US\$ and the exchange rate of ZAR against US\$ in recent years. During 2016, the Group managed its foreign currency exchange risk arising from RMB denominated transactions by entering into specific foreign exchange deliverable forward contracts to fix the exchange rate of future revenue receipts against US\$.

MINERAL RESOURCES AND MINERAL RESERVES

The Group Mineral Resources as at 31 December 2016 are estimated to contain 4,518 kt copper and 366kt cobalt. Ruashi Mine contains 583 kt copper and 78kt cobalt; Chibuluma South Mine contains 128kt copper; Kinsenda Project contains 1,157kt copper; Musonoi Project contains 873kt copper and 288kt cobalt; and Lubembe Project contains 1,777kt copper.

The Group Mineral Reserves as at 31 December 2016 are estimated to contain 502kt copper and 29kt cobalt. Ruashi Mine contains 161kt copper and 29kt cobalt; Chibuluma South Mine contains 48kt copper; and Kinsenda Project contains 293kt copper.

PROSPECTS

The global economy remains depressed although there are signs of improvement in operating conditions in the short term going forward. Recent improvements in both the copper and cobalt prices has provided a glimmer of light for the Mining Operations going into 2017. Operating units expect to see some relief in 2017 although the focus on operating discipline and cost control will remain in place following a successful reduction in operating costs in 2016.

The LOM plans of the two Operating Mines (Ruashi Mine in the DRC and Chibuluma South Mine in Zambia) will be reviewed to align the Operations with new price and cost expectations. Different commodity price and production scenarios are being considered to optimise the production schedule to maximise return for each operation, while maximizing reserves and LOM.

Stripping activities commenced at the Kinsenda Project in the DRC in late 2016, and mining production from underground is currently being ramped up to nameplate annual capacity of 24,000 tonnes copper, whilst building sufficient tonnage on the ROM stockpile to commence final commissioning of the concentrator plant in second quarter of 2017.

Early works to secure the site have commenced at the Musonoi Project in the DRC, and initial collection of geotechnical and geohydrological data essential for Front End Engineering Design (FEED) of the surface and underground mining infrastructure were adequately funded. Development of the Musonoi Project is a key component for the medium term growth for the Group, with a link to upstream processing of copper-cobalt concentrate through a roaster to be constructed as part of the phase III Expansion of Ruashi Mine to treat sulphides at the existing Ruashi Mine hydrometallurgical facility.

Besides Mining Operations, the Group also undertakes trading activities. Whilst the recent unfavourable market conditions can negatively 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 new line of business whilst taking an appropriate cautious 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 challenging, it also presents some interesting opportunities which could fit the Group's growth vision. In view of the recent sign of recovery of non-ferrous metal commodity prices, the Company targets to take this opportunity to strengthen its shareholder base by introducing strategic investors when appropriate.

EMPLOYEES

As at 31 December 2016, the Group had 3,991 (2015: 4,581) employees, which comprises 2,017 (2015: 2,367) permanent workers and 1,974 (2015: 2,214) 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 2016 (2015: Nil).

EVENTS AFTER THE REPORTING PERIOD

The Group has no significant event after the reporting year 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 2016 have been reviewed by the Audit Committee. The Group's consolidated financial statements for the year ended 31 December 2016 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 2016.

Corporate Governance Code

The Company has complied throughout the year ended 31 December 2016 with all applicable code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 to the Listing Rules.

Following the resignation of Mr. Thacker Maclachlan as an independent non-executive Director with effect from 31 January 2017, the Company only has two independent non-executive Directors and two audit committee members, the number of which falls below the minimum number required under Rule 3.10(1), Rule 3.10A and Rule 3.21 of the Listing Rules. In addition, the Company fails to meet the composition requirement of the remuneration committee under Rule 3.25 of the Listing Rules and the composition requirement of the nomination committee under code provision A.5.1 of the CG Code. The Company is continuing its search for a suitable candidate to fill the vacancy and will endeavour to do so within three months from the date of resignation of Mr. Maclachlan pursuant to Rule 3.11, Rule 3.23 and Rule 3.27 of the Listing Rules.

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 2016.

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 2016 will be dispatched to shareholders of the Company and published on the Stock Exchange and the Company’s websites respectively in due course.

GLOSSARY

“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
“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, 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
“Mineral Reserve(s)”	the economically mineable material derived from a Measured Mineral Resource or Indicated Mineral Resource or both. It includes diluting and contaminating materials and allows for losses that are expected to occur when the material is mined. Appropriate assessments to a minimum of a pre-feasibility study for a project and a LOM plan for an operation must have been completed, including consideration of, and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors (the modifying factors). Such modifying factors must be disclosed

“Mineral Resource(s)”	a concentration or occurrence of material of economic interest in or on the earth’s crust in such a form, quality, and quantity that there are reasonable and realistic prospects for eventual economic extraction. The location, quantity, grade, continuity and other geological characteristics of a Mineral Resource are known, or estimated from specific geological evidence, sampling and knowledge interpreted from an appropriately constrained and portrayed geological model
“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
“ROM”	run-of-mine, being the one that is usually produced from the mine for delivery to the process plant
“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, a company duly incorporated in the DRC, a subsidiary of Ruashi Holdings

* *For identification purposes only*

“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)
“kt”	thousand tonne(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

Hong Kong, 20 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.

* *For identification purposes only*