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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)

**OPERATIONAL UPDATE
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

The board of directors (the “**Board**”) of the Company announces the unaudited operational update for the year ended 31 December 2022.

OPERATIONAL UPDATE FOR THE YEAR ENDED 31 DECEMBER 2022

Operational Data

The Group's operational data of mining operations and the revenue generated from trading of mineral and metal products summarised and shown in the table below are derived from the management account and internal records currently available to the Group. Such operational data are intended to give investors an overview of the Group's operations in a timely manner which may differ from the actual data to be disclosed in the announcement regarding the annual results of the Group for the year ended 31 December 2022, which is expected to be published before the end of March 2023.

	For the year ended 31 December 2022	For the year ended 31 December 2021
Mining operations		
Production:		
Copper (<i>tonne</i>)	59,440	61,260
Cobalt (<i>tonne</i>)	3,961	3,379
Product sold:		
Copper (<i>tonne</i>)	64,739	57,001
Cobalt (<i>tonne</i>)	4,496	2,617
Revenue (including provisional pricing adjustment) – approximate figures:		
Copper (<i>US\$'000</i>)	485,736	514,025
Cobalt (<i>US\$'000</i>)	162,060	106,613
Mining operations revenue (<i>US\$'000</i>)	647,796	620,638
Trading of mineral and metal products		
Revenue – trading of externally sourced mineral and metal products – approximate figures (<i>US\$'000</i>)	232,781	211,261
Total revenue (<i>US\$'000</i>)	880,577	831,899

Note: Pricing coefficients were considered in actual sales revenue

Analysis and Prospect

In 2022, the Group's mining operations produced 59,440 tonnes of copper content included in copper cathode and copper concentrate (2021: 61,260 tonnes) and 3,961 tonnes of cobalt content included in cobalt hydroxide (2021: 3,379 tonnes).

In 2022, Ruashi Mining SAS, a non wholly-owned subsidiary of the Company, successfully purchased more high cobalt grading ore from independent suppliers which offsetted the impact caused by the decrease in self-mined ore's feed grade, resulted in the increase in cobalt production volume by approximately 17% to 3,961 tonnes in 2022 as compared to 2021 of 3,379 tonnes. The decrease in copper ore grade in 2022 led to a slight decrease of 3% in copper production in 2022 to 59,440 tonnes as compared to 61,260 tonnes in 2021.

In 2022, the Group's mining operations sold 64,739 tonnes of copper (2021: 57,001 tonnes), representing an increase of approximately 14% compared to 2021, and 4,496 tonnes of cobalt (2021: 2,617 tonnes), representing an increase of approximately 72% compared to 2021.

With global logistics gradually resumed normal in the second half of 2022, the Group has been successful in destocking finished goods on hand, leading to a higher sales volume in 2022 for both copper and cobalt as compared to production volume.

Out of the sales of copper and cobalt, the Group's mining operations generated revenue of approximately US\$485.7 million and US\$162.1 million in 2022, respectively (2021: approximately US\$514.0 million and US\$106.6 million, respectively), representing a decrease of approximately 6% and an increase of approximately 52% respectively compared to 2021.

The average realised copper and cobalt prices in 2022 was US\$7,503 per tonne and US\$16.4 per pound respectively, representing a decrease of approximately 17% and 12% as compared to US\$9,018 per tonne and US\$18.5 per pound in 2021 respectively. The benchmark London Metal Exchange ("LME") copper price and Metal Bulletin ("MB") cobalt price decreased by approximately 13% and 44% respectively from the end of 2021 and reached US\$8,387 per tonne and US\$18.8 per pound by the end of December 2022 and resulted in the decrease in the Group's copper and cobalt realised prices. Moreover, longer quotation periods were adopted with several copper and cobalt customers during the time when global logistics was disrupted, leading to more downward adjustments to the provisional prices previously recognised under the market downturn circumstances.

The trading of mineral and metal products segment recorded an increase in revenue on trading of externally sourced commodities of 10% from approximately US\$211.3 million in 2021 to approximately US\$232.8 million in 2022. The increase was due to the gradual increase in trading volume of the new trading business line in Hong Kong which commenced operation in 2020.

The information contained in this announcement is based only on the preliminary assessment by the Board upon its review of the unaudited consolidated management accounts of the Group and the current information available to the Board which have not been audited nor reviewed by the Company's independent auditor.

The overall financial results of the Group for the financial year ended 31 December 2022 will only be ascertained when all the relevant results and accounting treatments are finalised. Since the Group's financial performance will also be affected by other factors such as final valuation on the Group's assets and liabilities which could possibly result in additional impairment loss (or gain) and/or provision to be recorded, the Company will make further announcement as and when required if there is further material information in relation to the finalization of financial results. Shareholders of the Company and potential investors are also advised to refer to the details of the Company's annual results announcement for the financial year ended 31 December 2022 which will be announced before the end of March 2023.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company, and should note that undue reliance on or use of the above information may cause investment risks.

By order of the Board
Jinchuan Group International Resources Co. Ltd
Wong Hok Bun Mario
Company Secretary

Hong Kong, 17 February 2023

As at the date of this announcement, the Board comprises two executive directors, namely Mr. Gao Tianpeng and Mr. Cheng Yonghong; two non-executive directors, namely Mr. Liu Jian and Mr. Wang Qiangzhong; and four independent non-executive directors, namely Mr. Yen Yuen Ho, Tony, Mr. Poon Chiu Kwok, Mr. Yu Chi Kit and Ms. Han Ruixia.