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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 THREE MONTHS ENDED 31 MARCH 2023**

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 three months ended 31 March 2023 (the “**First Quarter**”).

OPERATIONAL UPDATE FOR THE THREE MONTHS ENDED 31 MARCH 2023

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 future periodic report(s) of the Group.

	For the three months ended 31 March 2023	For the three months ended 31 March 2022
Mining operations		
Production:		
Copper (<i>tonne</i>)	13,276	14,308
Cobalt (<i>tonne</i>)	693	1,104
Product sold:		
Copper (<i>tonne</i>)	15,925	15,137
Cobalt (<i>tonne</i>)	49	843
Revenue (including provisional pricing adjustment) – approximate figures:		
Copper (<i>US\$'000</i>)	127,687	138,361
Cobalt (<i>US\$'000</i>)	(2,657)	41,723
Mining operations revenue (<i>US\$'000</i>)	125,030	180,084
Trading of mineral and metal products		
Revenue – trading of externally sourced mineral and metal products – approximate figures (<i>US\$'000</i>)	67,190	125,483
Total revenue (<i>US\$'000</i>)	192,220	305,567

Note: Pricing coefficients were considered in actual sales revenue

In the First Quarter, the Group's mining operations produced 13,276 tonnes of copper content included in copper cathode and copper concentrate (three months ended 31 March 2022: 14,308 tonnes) and 693 tonnes of cobalt content included in cobalt hydroxide (three months ended 31 March 2022: 1,104 tonnes).

In the First Quarter, the Group's mining operations sold 15,925 tonnes of copper (three months ended 31 March 2022: 15,137 tonnes), representing an increase of approximately 5% year-on-year compared to the corresponding period in 2022, and 49 tonnes of cobalt (three months ended 31 March 2022: 843 tonnes), representing a decrease of approximately 94% year-on-year compared to the corresponding period in 2022.

The Group's mining operations generated revenue from sales of copper of approximately US\$127.7 million (three months ended 31 March 2022: approximately US\$138.4 million), representing approximately 8% year-on-year decrease compared to the corresponding period in 2022, and generated revenue from sales of cobalt of approximately -US\$2.7 million (including approximately US\$0.9 million from sale of cobalt in the First Quarter and a downward revision of provisional price previously recognised of approximately US\$3.6 million due to the drop in Metal Bulletin ("MB") cobalt price in the First Quarter) (three months ended 31 March 2022: US\$41.7 million).

Moreover, the revenue generated from trading of externally sourced mineral and metal products amounted to approximately US\$67.2 million, representing a decrease of approximately 47% as compared to approximately US\$125.5 million in the corresponding period in 2022.

Analysis and Prospect

In the First Quarter, copper production volume decreased by 7% as compared to the corresponding period in 2022 as the Group has processed ores with lower copper grade, and cobalt production volume decreased by 37% as compared to the corresponding period in 2022 due to the lower of both feed ore grade and cobalt recovery rate and also due to the decrease in volume of foreign ore purchased.

The average benchmark London Metal Exchange ("LME") copper price in the First Quarter was US\$8,930 per tonne, representing a 11% decrease as compared to that for the corresponding period in 2022 of US\$9,985 per tonne. The decrease in average realised price was partly offsetted by the increase in copper sales volume of approximately 5% as mentioned above, leading to the overall copper revenue decreased by approximately 8% in the First Quarter.

The average MB cobalt price for the First Quarter was US\$16.4 per pound, representing a 54% decrease as compared to that for the corresponding period in 2022 of US\$35.5 per pound. MB cobalt price was traded at a low range during the First Quarter and the Group has adopted a sale strategy to slow cobalt sales and to hold more cobalt inventory on hand in view to destock when cobalt price recovers. Therefore, only 49 tonnes of cobalt was sold in the First Quarter and a revenue of approximately US\$0.9 million was recorded. In addition, a downward revision of approximately US\$3.6 million to provisional price previously recognised was made in the First Quarter as a result of the drop in MB cobalt price in the First Quarter.

The trading of mineral and metal products segment recorded a decrease in revenue on trading of externally sourced commodities of 47% from US\$125.5 million for the corresponding period in 2022 to US\$67.2 million for the First Quarter. The decrease was due to the decrease in both trading volume and commodities prices in the First Quarter.

As a result of the decrease in mining operations' revenue, the Group's consolidated profit for the period and profit attributable to the owners of the Company in the First Quarter decreased simultaneously.

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.

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, 24 May 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.