



Jinchuan International Proposes to Spend More than Ten Billion Hong Kong Dollars to Acquire High Grade Central African Operating Copper & Cobalt Mining Assets

Dedicated to deploying the Company as Jinchuan Group's flagship platform to undertake overseas operations in the exploration and exploitation of mining assets

Summary

- ✓ Jinchuan International proposes to acquire the 100% interests in Jinrui Mining, a subsidiary of Jinchuan Group, at the Purchase Price of US\$1,290.0 million (equivalent to approximately HK\$10,062.0 million);
- ✓ Jinrui Mining indirectly holds the entire issued share capital of Metorex Group, which has copper and cobalt mines and refineries located in the DRC and Zambia, in the Central African copperbelt. Mineral Resources and Mineral Reserves (SAMREC)-compliant total Mineral Reserves of approximately 744 kt of contained copper metal and 59 kt of contained cobalt metal and Mineral Resources (inclusive of Mineral Reserves) of approximately 4,736 kt of contained copper metal and 389 kt of contained cobalt metal. Metorex produced 44.9kt copper and 3kt cobalt in 2012.
- ✓ Jinchuan International plans to pay the Purchase Price through the issuance to the parent company Jinchuan Group of the Consideration Shares of US\$204.6 million (equivalent to approximately HK\$1,595.9 million) at an issue price of HK\$1.00 per Consideration Share, and
- ✓ The Perpetual Subordinated Convertible Securities (PSCS) of US\$1,085.4 million (equivalent to approximately HK\$8,466.1 million) at an initial Conversion Price of HK\$1.00 per Conversion Share.

【HONG KONG, August 27, 2013】 Jinchuan Group International Resources Co. Ltd (“Jinchuan International” or the “Company”, stock code: 2362.HK; together with its subsidiaries referred to as the “Group”) is pleased to announce that the Company agreed to acquire Jin Rui Mining Investment Limited (“Jinrui Mining”), an African subsidiary of the

parent company Jinchuan Group Co., Ltd. (“Jinchuan Group”), at the purchase price of US\$1,290.0 million (equivalent to approximately HK\$10,062.0 million), which is paid through the issuance to the parent company of the Consideration Shares of approximately HK\$1,595.9 million by the Company at an issue price of HK\$1.00 per Consideration Share and through the issuance of the PSCS of approximately HK\$8,466.1 million by the Company at an initial Conversion Price of HK\$1.00 per Conversion Share. Meanwhile, the Company proposes to increase authorized share capital and issue new shares to specific investors for the purposes of the Metorex Group’s development and mining operations as well as the Enlarged Group’s strategic development.

The Purchase Price is determined with reference to the Market Valuation report conducted by SRK Consulting (South Africa) Pty Ltd, and represents a slight discount to the Market Valuation. BOCI Asia Limited together with Merrill Lynch (Asia Pacific) Limited are Joint Financial Advisers.

To further deploy Jinchuan International as the diversified flagship platform of the parent company Jinchuan Group to undertake overseas operations in the exploration and exploitation of mining assets, the Company has been proactively seeking opportunities in respect of feasible investment, cooperation and acquisition in mature and steady overseas assets. Metorex Group, as the acquisition target, is an established Central African mining company with a focus in the base metal mining industry, primarily copper and cobalt production. The Metorex Group currently operates two operating mines and holds a portfolio of highly attractive development and advanced stage exploration projects. The projects locate in Central African, one of the richest sources of copper and cobalt in the world containing over a tenth of the world’s copper mineral reserves and a third of the world’s cobalt mineral reserves. As at 30 June 2012, Metorex has significant South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC)-compliant total Mineral Reserves of approximately 744 kt of contained copper metal and 59 kt of contained cobalt metal and Mineral Resources (inclusive of Mineral Reserves) of approximately 4,736 kt of contained copper metal and 389 kt of contained cobalt metal. Metorex produced 44.9kt copper and 3kt cobalt in 2012. The acquisition of Metorex represents a landmark step of Jinchuan International to extend its business to the African continent. Meanwhile, Metorex Group will become one of the important development and operation platforms for the Company to implement its mineral resource strategy in Africa. The Company will continue to identify value enhancing exploration, development and acquisition opportunities.

The objective of the Company is to reposition itself as an international upstream base

metals company engaged in the development of overseas mining assets. The acquisition represents a good opportunity for the Company to operate a diversified and significant portfolio of operating and developing copper and cobalt mining projects in central Africa and is expected to contribute to the achievement of this strategic objective of the Company. Meanwhile, the Company believes that through its acquisition of the Metorex Group's portfolio of diversified mineral assets focused on copper, the Enlarged Group will be an important international base metals mining group with scalable, high quality resources and reserves. It will be able to capitalise the growth in global demand for copper as well as cobalt and benefit from a favorable copper and cobalt market outlook.

As to the non-public placement of shares and acquisition plan, **Mr. YANG Zhiqiang, the Chairman of Jinchuan Group and the Chairman of the Board of the Directors and Chief Executive Officer of Jinchuan International**, expressed that, "Metorex owns superior operating mines and exploration and exploitation projects, and the injection of related assets into Jinchuan International will contribute to driving the Company's future revenue and cash flows. It's expected that the capital injection will reposition Jinchuan International as Jinchuan Group's flagship platform for undertaking overseas mining projects, as well as dramatically enlarge business scale and shareholders' value of Jinchuan International. In addition, the capital injection plan is a golden opportunity for Jinchuan International to establish its market position in upstream copper and cobalt mining industry, and will enable Jinchuan International to capture favorable dynamics of copper and cobalt industry. Our management team is very excited about the capital injection plan and we are confident that we will be strongly supported by our shareholders."

While **John Adam Ferreira, Chief Executive Officer of Metorex**, commented that, "The merger of Metorex into Jinchuan International will witness significant synergies owing to Jinchuan International's advantages in capital market with the addition of the valuable management and operating experience of Metorex's management team in local businesses."

The Company will convene an EGM for the Independent Shareholders to consider and, if thought fit, to approve, among other things, the Acquisition Agreement and the transactions contemplated under the Acquisition Agreement.

About Jinchuan Group International Resources Co. Ltd

Jinchuan Group International Resources Co. Ltd is a Hong Kong listed company established by Jinchuan Group Co., Ltd for the purposes of accelerating the

establishment of the mining group's multinational operation strategy and elevating Jinchuan Group's global investing, financing and operating capabilities. In virtue of Hong Kong's advantages as an international center and trade center, by vigorously carrying out internationalized operating strategy, the Company is the flagship platform for Jinchuan Group to develop overseas mining resources. The Company is primarily engaged in the development of overseas mining resources projects, capital operation and assets management of overseas mining resources projects, as well as import and export trade of raw materials and products of nickel, copper, cobalt and precious metals.

About Jinchuan Group Co., Ltd

Jinchuan Group Co., Ltd., founded in 1958, is a state-owned enterprise with its majority interest held by the People's Government of Gansu Province. Jinchuan Group is a large-scale non-ferrous mining conglomerate, specializing in mining, concentrating, metallurgy, chemical engineering and further downstream processing. With the world's third largest mine of nickel sulphides associated with cobalt sulphides, Jinchuan Group is the fourth largest nickel producer and second largest cobalt producer in the world, the largest producer of nickel, cobalt and platinum group metals in the PRC and the third largest copper producer in the PRC.

About Metorex Group

Metorex Group is an established Central African mining company and focuses on the base metal mining industry. All the projects of the Metorex Group are located in the DRC and Zambia, in the Central African copperbelt. The Central African copperbelt which extends from north eastern Angola through southern DRC and into Zambia, is one of the richest sources of copper and cobalt in the world containing over a third of the world's cobalt mineral reserves and a tenth of the world's copper mineral reserves. It is second only to the Chilean porphyry belt in terms of copper cathode. The Group's operating mines include Ruashi Mine (main products: copper cathode and cobalt hydroxide) and Chibuluma South Mine (main products: copper concentrate). The Group also holds Kinsenda Project, a brownfields underground mining project and exploration projects of Lubembe and MusonoiEst.