

【 For immediate release 】



JINCHUAN 金川

Jinchuan Group International Resources Co. Ltd

金川集團國際資源有限公司

(2362.HK)

Jinchuan International Announces

Annual Results for the Year Ended 31 December 2016

Effective Cost-Saving Measures to Attain Turnaround

Financial Highlights

	For the year ended 31 December	
	2016	2015
(US\$'000)		
Revenue	364,845	470,691
Gross Profit	2,357	8,054
EBITDA	13,580	6,280
Profit (Loss) for the Year Attributable to Owners of the Company	8,347	(291,767)
Basic Earnings (Loss) per Share (US cents)	0.19	(6.71)
Diluted Earnings (Loss) per Share (US cents)	0.07	(6.71)
	At 31/12/2016	At 31/12/2015
Total Equity	767,544	760,960
Gearing Ratio	55.1%	45.4%

(20 March 2017, Hong Kong) ----- Jinchuan Group International Resources Co. Ltd (the "Company", together with its subsidiaries, collectively referred to "the Group" or "Jinchuan International", Stock Code: 2362.HK) today announced its annual results for the year ended 31 December 2016 ("Year Under Review"). The revenue for the year ended 31 December 2016 was US\$364.8 million, representing a decrease of 22.5% compared with US\$470.7 million for the year ended 31 December 2015. Revenues from two business segments, namely Mining Operations and Trading segment both recorded decrease. Profit attributable to the owners of the company was US\$8.3 million (2015: loss of US\$291.8 million). Basic earnings per share was 0.19 US cents (2015: loss of 6.71 US cents). The Directors do not recommend final dividend for the year ended 31 December 2016 (2015: Nil).

Mr. Yang Zhiqiang, the Chairman of Jinchuan Group and the Chairman of the Board of the Directors of Jinchuan International said, "As a result of disappointing China macro-economic data and a strong US dollar, the copper price sustained at low levels during first half of 2016 which strongly affected our Mining Operations section. Less affected by the copper price, the Trading of Mineral and Metal Products business was nevertheless faced with a lack of new business opportunities amid unfavorable market conditions in the non-ferrous metal sector. A gross loss was recorded during the first half of 2016. However, we managed to recover from such gross loss during the second half and presented an annual profit for the year attributable to owners of the company of US\$8.3 million."

BUSINESS REVIEW

Mining Operations

The Group's 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 and US\$75.8 million respectively).

The Metorex Group also has control over the Kinsenda Project, a development copper project under trial production 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 annual contract of Mongolian origin copper concentrates sourced from a European supplier lapsed since beginning of 2016. There was one shipment of 6,136 tonnes recorded in January 2016 which was due to the delay in dispatch of the last shipment under the previous annual contract in 2015.

Mr. Yang Zhiqiang, the Chairman of Jinchuan Group and the Chairman of the Board of the Directors of Jinchuan International concluded, "Although the global economy remains depressed, recent improvements in both the copper and cobalt price has provided a glimmer of light for the mining operations. Following the success in reducing operation cost in 2016, the Group will continue to focus on operation discipline and cost control. Stripping activities commenced at Kinsenda in the DRC in late 2016, and the final commissioning is to be commenced in second quarter of 2017. As a key component for the medium term growth for the Group, 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. The Group also undertakes trading activities. 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. With a vision to grow a sustainable and competitive international mining business, the Group strives to bring maximized return to our shareholders."

~END~



*Jinchuan Group International Resources Co., Ltd (2362.HK)
2016 Annual Results Announcement Page 3/3*

About Jinchuan Group International Resources Co. Ltd

Jinchuan International is a Hong Kong listed company established by the Jinchuan Group Co., Ltd for the purposes of accelerating the establishment of the mining group's multinational operational strategy and elevating Jinchuan Group's global investing, financing and operating capabilities. By virtue of Hong Kong's advantages as an international financial and trade center, and through the Company's focus on an internationalized operating strategy, the Company has established itself as the flagship platform for the Jinchuan Group to develop its overseas non-ferrous metal mining business. 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 trading 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 specializes in mining, concentrating, metallurgy, chemical engineering and further downstream processing. Jinchuan Group is widely recognized as a renowned mining corporation and is the fourth largest nickel producer and second largest cobalt producer in the world and the third largest copper producer in the PRC.

Media Contacts:

Angel Yeung | Jovian Communications | Tel: +852 2581 0168 | Fax: +852 2854 2012 |
Email: jinchuan@joviancomm.com