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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 2019**

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 2019.

**OPERATIONAL UPDATE FOR THE YEAR ENDED 31 DECEMBER 2019**

**Operational Data**

The Group’s operational data of mining operations and the revenue generated from trading of mineral and metal products summarized and shown in the table below are derived from the management account and internal records currently available to the Group. Such operation 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 2019, which is expected to be published before the end of March 2020.

	<b>For the year ended 31 December 2019</b>	For the year ended 31 December 2018
<b>Mining operations</b>		
Production:		
Copper ( <i>tonne</i> )	<b>73,057</b>	61,624
Cobalt ( <i>tonne</i> )	<b>5,070</b>	4,752
Product sold:		
Copper ( <i>tonne</i> )	<b>75,549</b>	64,101
Cobalt ( <i>tonne</i> )	<b>4,831</b>	3,369
Revenue (including provisional pricing adjustment) – approximate figures:		
Copper ( <i>US\$'000</i> )	<b>387,550</b>	370,464
Cobalt ( <i>US\$'000</i> )	<b>77,858</b>	235,742
<b>Trading of mineral and metal products</b>		
Revenue – trading of externally sourced mineral and metal products – approximate figures ( <i>US\$'000</i> )	<b>781,490</b>	793,763

In 2019, the Group's mining operations produced 73,057 tonnes of copper (2018: 61,624 tonnes) and 5,070 tonnes of cobalt (2018: 4,752 tonnes).

In 2019, the Group's mining operations sold 75,549 tonnes of copper (2018: 64,101 tonnes), representing an increase of approximately 18% compared to 2018, and 4,831 tonnes of cobalt (2018: 3,369 tonnes), representing an increase of approximately 43% compared to 2018.

Out of the sales of the copper and cobalt, the Group's mining operations generated revenue of approximately US\$387.6 million and US\$77.9 million, respectively (2018: approximately US\$370.5 million and US\$235.7 million, respectively) in 2019, representing an increase of approximately 5% and a decrease of approximately 67% respectively as compared to 2018.

Moreover, the revenue generated from trading of externally sourced mineral and metal products amounted to approximately US\$781.5 million, representing a decrease of approximately 2% as compared to approximately US\$793.8 million in 2018.

## **Analysis and Prospect**

The decrease in revenue in the financial year ended 31 December 2019 was attributable to materially lower prices for copper and cobalt in the financial year ended 31 December 2019 as compared to the corresponding year, with market copper and cobalt prices falling by approximately 8% and 56% respectively, leading to a significant drop in revenue. Also, as a result of lower commodity price, there has been an adjustment to the provisional sales price previously recognized.

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 2019 will only be ascertained when all the relevant results and accounting treatments are finalized. Since the Group's financial performance will also be affected by other factors, such as valuation on the Group's assets and liabilities which possibly may 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 information in relation to the finalization of financial results of which are material is available. 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 2019 which will be announced before the end of March 2020.

**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, 25 February 2020

*As at the date of this announcement, the Board comprises two executive directors, namely Mr. Gao Tianpeng and Mr. Qiao Fugui; three non-executive directors, namely Mr. Zhang Youda, Mr. Liu Jian and Mr. Wang Qiangzhong; and three independent non-executive directors, namely Mr. Wu Chi Keung, Mr. Yen Yuen Ho, Tony and Mr. Poon Chiu Kwok.*