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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)

**ANNOUNCEMENT ON MUSONOI PROJECT FINANCING
AND
DISCLOSURE PURSUANT TO RULE 13.18 OF THE LISTING RULES**

This announcement is made in compliance with the disclosure requirements under Rule 13.18 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

RUASHI FACILITY AGREEMENT

The board of directors of Jinchuan Group International Resources Co. Ltd (the “**Company**”, together with its subsidiaries, the “**Group**”) hereby announces that on 18 December 2020, Ruashi Mining SAS (as borrower) (“**Ruashi**”), a non wholly-owned subsidiary of the Company and the owner of the Musonoi Project, entered into a facility agreement (the “**Ruashi Facility Agreement**”) with China Development Bank (“**CDBC**”) Gansu Branch (as lender) in relation to a term loan facility in an amount of US\$350,000,000 for financing the development and construction of Musonoi Project. The final repayment date of the term loan facility will be the date falling 10 years from the date of the first utilization of such facility, which utilization should take place within 48 months from the date of the Ruashi Facility Agreement.

Pursuant to the Ruashi Facility Agreement, the term loan facility may be cancelled and all the outstanding amounts may become immediately due and payable if (i) Jinchuan Group Co., Ltd* (金川集團股份有限公司) (“**JCG**”) (as guarantor), the controlling shareholder of the Company, ceases directly or indirectly to own and control 55% of the issued shares capital of the Company or the control of the Company; (ii) the State-owned Assets Supervision and Administration Commission of Gansu Province ceases directly or indirectly to legally or beneficially own and control 51% of the issued share capital of JCG; or (iii) the Company ceases directly or indirectly to own 75% of the issued share capital of Ruashi or the control of Ruashi except where the issued share capital of Ruashi or any part thereof is required to be transferred or sold down to comply with the requirements of the applicable mining government in the Democratic Republic of Congo (“**DRC**”) in connection with or arising from the renewal of the exploitation permit under the project in Kolwezi, Lualaba Province of the DRC provided that, however, after the renewal of the exploitation permit, the Company still directly or indirectly owns and controls 70% of Ruashi’s issued share capital.

AGREEMENTS INVOLVING JCG

On the same day, JCG entered into:

- (1) a guarantee agreement (the “**Ruashi Guarantee**”) with CDBC Gansu Branch pursuant to which JCG shall provide a corporate guarantee in favour of CDBC Gansu Branch as a security for the grant of the term loan facility under the Ruashi Facility Agreement;
- (2) an agreement with Ruashi (the “**Guarantee Fee Agreement relating to the Ruashi Guarantee**”) pursuant to which for so long as the Ruashi Guarantee shall remain valid and subsisting, Ruashi shall pay to JCG a guarantee fee calculated at 0.5% per annum based on the outstanding amount of the term loan facility under the Ruashi Facility Agreement. The guarantee fee shall be payable on a quarterly basis in arrears; and
- (3) an agreement with Kinsenda Copper Company SA (“**Kinsenda**”), a non wholly-owned subsidiary of the Company, (the “**Guarantee Fee Agreement relating to the Kinsenda Guarantee**”) pursuant to which for so long as the guarantee provided by JCG (the “**Kinsenda Guarantee**”) shall remain valid and subsisting, Kinsenda shall, beginning from 18 December 2020 until the full discharge of the Kinsenda Facility Agreement (defined below), pay to JCG a guarantee fee calculated at 0.5% per annum based on the outstanding amount of the term loan facility under the Kinsenda Facility Agreement. The guarantee fee shall be payable on a quarterly basis in arrears.

The Kinsenda Guarantee was provided by JCG in favour of China Development Bank Corporation (now known as CDBC) in conjunction with the Kinsenda Facility Agreement. Pursuant to the Kinsenda Guarantee, JCG provided a corporate guarantee in favour of CDBC as a security for the grant of the term loan facility under the Kinsenda Facility Agreement which was entered into between Kinsenda (as borrower), JCG (as guarantor) with CDBC (as lender) on 29 May 2014 (as amended by an amendment agreement dated 4 June 2018) (collectively, the “**Kinsenda Facility Agreement**”) in relation to a term loan facility in an amount of US\$225,000,000. The final repayment date of the term loan facility will be the date falling 10 years from the date of the first drawdown of such facility, which had taken place on 30 May 2014. As at 30 November 2020, the outstanding principal amount was US\$96,000,000.

Pursuant to the Kinsenda Facility Agreement, JCG is required, at all times, to (directly or indirectly) own more than 50% of the shares of Kinsenda (the “**Specific Performance Obligation**”). However, for sake of future development, the Group obtained a wavier from strict compliance with the Specific Performance Obligation from CDBC in August 2017. Please refer to the Company’s announcement dated 5 June 2014 and the disclosure required under Rule 13.21 of the Listing Rules in the Company’s annual and interim reports.

As the Ruashi Guarantee and the Kinsenda Guarantee (collectively, the “**Guarantees**”) from JCG are for the benefit of the Company or its subsidiaries and the Guarantee Fee Agreement relating to the Ruashi Guarantee and the Guarantee Fee Agreement relating to the Kinsenda Guarantee (collectively, the “**Guarantee Fee Agreements**”) shall be conducted on normal commercial terms or better and where no security over the assets of the Company or its subsidiaries is granted to JCG, the Guarantees and the Guarantee Fee Agreements are exempt from compliance with all reporting, announcement and independent shareholders’ approval requirements under Rule 14A.90 of the Listing Rules.

As at the date of this announcement, JCG indirectly owns approximately 60.21% of the issued share capital of the Company, and the Company indirectly owns 75% of the issued share capital of Ruashi and 77% of the issued share capital of Kinsenda.

The Company will continue to make relevant disclosure in its subsequent annual and interim reports pursuant to Rule 13.21 of the Listing Rules for so long as circumstances giving rise to the obligation under Rule 13.18 of the Listing Rules continue to exist.

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

* *For identification purposes only*

Hong Kong, 18 December 2020

As at the date of this announcement, the Board comprises two executive directors, namely Mr. Gao Tianpeng and Mr. Cheng Yonghong; 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.