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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 2020**

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 2020.

OPERATIONAL UPDATE FOR THE YEAR ENDED 31 DECEMBER 2020

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 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 the announcement regarding the annual results of the Group for the year ended 31 December 2020, which is expected to be published before the end of March 2021.

	For the year ended 31 December 2020	For the year ended 31 December 2019
Mining operations		
Production:		
Copper (<i>tonne</i>)	72,477	73,057
Cobalt (<i>tonne</i>)	4,158	5,070
Product sold:		
Copper (<i>tonne</i>)	67,843	75,549
Cobalt (<i>tonne</i>)	5,468	4,831
Revenue (including provisional pricing adjustment) – approximate figures:		
Copper (<i>US\$'000</i>)	388,139	387,550
Cobalt (<i>US\$'000</i>)	109,529	77,858
Mining operations revenue (<i>US\$'000</i>)	497,668	465,408
Trading of mineral and metal products		
Revenue – trading of externally sourced mineral and metal products – approximate figures (<i>US\$'000</i>)	166,560	781,490
Total revenue (<i>US\$'000</i>)	664,228	1,246,898

Note: Pricing coefficients were considered in actual sales revenue

In 2020, the Group's mining operations produced 72,477 tonnes of copper content included in direct shipping ore ("DSO"), copper cathode and copper concentrate (2019: 73,057 tonnes) and 4,158 tonnes of cobalt content included in cobalt hydroxide (2019: 5,070 tonnes).

In 2020, the Group's mining operations sold 67,843 tonnes of copper (2019: 75,549 tonnes), representing a decrease of approximately 10% compared to 2019, and 5,468 tonnes of cobalt (2019: 4,831 tonnes), representing an increase of approximately 13% compared to 2019.

Out of the sales of the copper and cobalt, the Group's mining operations generated revenue of approximately US\$388.1 million and US\$109.5 million, respectively in 2020 (2019: approximately US\$387.6 million and US\$77.9 million, respectively), representing an increase of approximately 0.2% and 41% respectively as compared to 2019.

Moreover, the revenue generated from trading of externally sourced mineral and metal products amounted to approximately US\$166.6 million in 2020, representing a decrease of approximately 79% as compared to approximately US\$781.5 million in 2019.

Analysis and Prospect

Despite copper and cobalt produced in the year ended 31 December 2020 were both lower than 2019, the Group was able to record an increase in revenue of approximately 6% from mining operations in 2020 as the overall copper and cobalt prices were higher in 2020 as compared to 2019, especially in the final quarter of the year where both copper and cobalt reached periodic high in recent years' period, especially for copper which reached a seven years high in the final quarter of 2020.

The increase in mining operation's revenue was also attributable to the destocking of cobalt inventory in the year where year-end cobalt inventory has dropped from 1,606 tonnes in 2019 to 296 tonnes in 2020.

The trading of mineral and metal products segment recorded a significant decrease in revenue on trading of externally sourced commodities of approximately 79% from approximately US\$781.5 million in 2019 to approximately US\$166.6 million in 2020. The decrease was due to the voluntary liquidation of Shanghai Jinchuan Junhe Economic Development Co., Ltd* (上海金川均和經濟發展有限公司), which was one of the Company's subsidiaries and one of the principal trading arms of the Group. For details, please refer to the "Significant Events" section in the Company's interim report 2020.

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 2020 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 final valuation on the Group's assets and liabilities which possibly 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 2020 which will be announced before the end of March 2021.

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.

** for identification purposes only*

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

Hong Kong, 9 February 2021

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.