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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)

**VOLUNTARY ANNOUNCEMENT
REGARDING THE NON-BINDING OFFER OF THE EQUITY LINE FACILITY**

This announcement is published by Jinchuan Group International Resources Co. Ltd (the “**Company**”) on a voluntary basis.

EQUITY LINE FACILITY

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 30 April 2021, the Company entered into a non-binding offer (the “**Non-binding Offer**”) with LDA Capital Limited (on behalf of itself or any of its affiliates) (the “**Investor**”). Pursuant to the Non-binding Offer, the Company will enter into definitive documentations (the “**Definitive Documentations**”) with the Investor under which the Company has the right, but not the obligation to issue ordinary shares of the Company (the “**Draw Down Shares**”), on the terms of the Definitive Documentations and subject to the draw down conditions, to the Investor, and the Investor is obliged to subscribe and pay for the Draw Down Shares. The commitment of the Investor to purchase the Draw Down Shares shall be up to HK\$800,000,000 or in aggregate, not more than 9% of the issued share capital of the Company from time to time, for a period of sixty (60) months from the date of signing the Definitive Documentations (the “**Equity Line Facility**”).

KEY TERMS OF THE EQUITY LINE FACILITY

Set out below are the key terms of the Equity Line Facility:

- (a) At any time, the Company may, in its sole discretion, issue a draw down notice (the “**Draw Down Notice**”). The Draw Down Notice will commence an “Advanced Shares Pricing Period,” for a period of thirty (30) consecutive trading days preceding a Closing Date (defined below).
- (b) Only one Draw Down exercise shall be allowed in each Advanced Shares Pricing Period. The Advanced Shares Subscription shall occur on the first trading day following the end of the Advanced Shares Pricing Period (the “**Closing Date**”), with pricing as outlined below.
- (c) In any Draw Down period, the Company may issue a Draw Down Notice for up to one thousand percent (1,000%) of the average daily trading volume for the fifteen (15) consecutive trading days prior to the Draw Down Notice (“**Trading Volume**”). The Investor will subscribe for at least fifty percent (50%) of any Draw Down Notice.
- (d) The Investor agrees to honour Draw Down Notices from the Company based upon a per share subscription price equal to ninety percent (90%) of the VWAP during the Advanced Shares Pricing Period (“**Purchase Price**”). “**VWAP**” means for ordinary shares as of any trading day, the daily volume weighted average price for such shares on the principal market, which being the main market and/or listing exchange for the Company on The Stock Exchange of Hong Kong Limited, based on information reported by Bloomberg for such trading day.

- (e) At no time shall the Minimum Acceptable Price (“**MAP**”) be set below HK\$0.70 per share as determined by the Company. The Company may set the MAP at its discretion in any event not less than the initial MAP and can be reset on an annual basis.
- (f) If the VWAP on a given trading day within the Advanced Shares Pricing Period, multiplied by ninety percent (90%), is less than the MAP, then the Investor’s payment obligation under the Draw Down Notice will be reduced by 1/30th and the corresponding VWAP will be removed from the calculation of the Purchase Price.

Subject to the terms of the Definitive Documentations, the Investors agrees, among others:

- (a) not to participate in short selling over the terms of the Definitive Documentations;
- (b) not to sell shares of the Company representing more than 1/30th of each Draw Down Notice on any given trading day during an Advanced Shares Pricing Period; and
- (c) not to hold in excess of 4.9% of the outstanding share capital of the Company.

The Company shall pay an arrangement fee equal to one percent (1.00%) of the total commitment (HK\$8,000,000), payable in cash upon proceeds the Draw Down exercises. The fee will be paid from the first five tranches where 20% is paid from each tranche. If by the end of 12th month anniversary, 24th month anniversary and 36th month anniversary, the accumulated arrangement fee paid from the Draw Down exercises were less than one-third, two-third and 100% of the total arrangement fee respectively, the fee will be paid within 3 years, where the first one-third of the fee is paid at the 12th month anniversary of the signing of the Definitive Documentations, the second one-third of the fee is paid at the 24th month anniversary, and the last one-third of the fee is paid at the 36th month anniversary.

REASONS FOR THE EQUITY LINE FACILITY

The Equity Line Facility is analogous to a standby credit facility to the Company. It allows the Company to access committed equity capital on a flexible basis by managing the timing and size of each capital drawdown. The Equity Line Facility ensures that the Company has ready access to additional equity capital for the construction of mining assets and the purchase of mining properties, plant and equipment.

INFORMATION OF THE INVESTOR

The Investor is a global alternative investment group with expertise in cross border transactions worldwide.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, the Investor and its partners are third parties independent of the Company and connected persons of the Company.

GENERAL

As at the date of this announcement, the terms and conditions of the Equity Line Facility under the Definitive Documentations are still being negotiated and no legally binding agreement has been entered into. In the event that the Definitive Documentations have been agreed and entered into, an extraordinary general meeting will be convened by the Company for, among other matters, approving the special mandate to be granted by the shareholders of the Company to the Directors for the proposed allotment and issue of the Draw Down Shares. Further announcement(s) will be made by the Company as and when appropriate in compliance with the Listing Rules if the Company proceeds with the Equity Line Facility.

AS THE EQUITY LINE FACILITY MAY OR MAY NOT PROCEED, SHAREHOLDERS AND INVESTORS ARE REMINDED TO EXERCISE CAUTION WHEN DEALING IN THE SHARES OF THE COMPANY.

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

Hong Kong, 30 April 2021

As at the date of this announcement, the Board consists of 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.