

【For Immediate Release】

**Jinchuan International (Stock Code: 2362) Announces
Proposed to Sell Aggregate Amount of Over Billions USD Mineral Products
to its Parent Company Jinchuan Group
Accomplished to Making First Move to Tap into Mineral Resources Industry**

(Hong Kong, 24 July 2011) ----- **Jinchuan Group International Resources Co. Ltd** (“Jinchuan International” or “the Company”) (Stock Code: 2362) announced that on 18 July 2011 the Company entered into an agreement for trading of mineral products with **Jinchuan Group Limited** (“Jinchuan Group”) to kick off overseas mining business. Pursuant to the agreement, the Company proposed to sell mineral products worth billions of US dollars to its parent company Jinchuan Group which owns 60.5% equity interest of the Company in forecoming three years, of which the estimate sales caps are approximately US\$0.3 billion (approximately HK\$2.3 billion), approximately US\$1.2 billion (approximately HK\$9.3 billion) and approximately US\$2 billion (approximately HK\$15.6 billion) for the years ended 31 December 2011, 2012 and 2013 respectively.

Pursuant to the agreement, the selling prices of the mineral products are determined by reference to the prices of copper, nickel and other relevant metals as announced by the London Metal Exchange and London Bullion Market Association and after making certain adjustments taking into account various factors including, among other things, the treatment and refinery charges, bank financing and related charges, foreign exchange differences and the Company’s reasonable profit margin (on top of the aforementioned costs).

The agreement is conditional upon the approval of the independent shareholders at the Extraordinary General Meeting. Trading of metal will only be commenced after the shareholders’ vote for the Continuing Connected Transactions contemplated thereunder and the proposed annual caps in respect of the Continuing Connected Transactions for the effective period.

Jinchuan International has accomplished to making its first move to tap into the mineral resources industry. This agreement does not only significantly broaden its revenue base, but also helps accelerate its overseas expansion plan. While going in line with its parent company Jinchuan Group’s strategies to build a multinational mining enterprise and expand its footholds overseas, Jinchuan International also intends to focus on the merger and acquisition of nickel, copper, cobalt and other quality mining resources, and acts as a flagship platform for Jinchuan Group’s overseas acquisition of mining resources.

As at late 2010, Jinchuan Group carried out cooperation with over 20 countries regarding mineral resources. It also became shareholder of 17 foreign mining companies and completed 19 investment projects with total investment of US\$500 million. The Group has 13 overseas subsidiaries and overseas offices as well. Jinchuan Group obtained 64 mine exploitation permits over the world, with an exploration area of 5,061 sq. km. Content of overseas resources possesses over 1 million tonnes of nickel, over 3 million tonnes of copper, and over 60,000 tonnes of cobalt. In addition, Jinchuan Group’s annual output reaches 150,000 tonnes of nickel (ranked 4th in the world), 400,000 tonnes of copper (ranked 3rd in China), 10,000 tonnes of cobalt (ranked 2nd in the world), 3,500 kg of platinum, 8 tonnes of gold, 220 tonnes of silver, 100 tonnes of selenium and 2.8 million tonnes of inorganic chemical products.

~Page 1~

溢星財經傳播有限公司 JOVIAN Financial Communications Ltd.

香港德輔道中244-248號東協商業大廈24樓全層
24/F., Tung Hip Commercial Building, 244-248 Des Voeux Road Central, Hong Kong
電話tel: +852 2581 0168 傳真fax: +852 2854 2012 電郵email: jovian@joviancomm.com

www.joviancomm.com



For more information, please contact
JOVIAN Financial Communications Ltd
Angel Yeung
Tel: (852) 2581 0168
Fax: (852) 2854 2012
Email: angel@joviancomm.com

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Founded in 1958, Jinchuan Group is a state-owned enterprise with its majority interest held by the People's Government of Gansu Province. Jinchuan Group is a large-scale non-ferrous mining conglomerate, specializing in mining, concentrating, metallurgy, chemical engineering and further processing. Boasting the world's 3rd largest mines of nickel sulfides associated with cobalt sulfides, Jinchuan Group is a leading nickel and cobalt producer in the world, one of the largest producers of nickel and copper, and cobalt and platinum group of metals in the PRC. In 2010, Jinchuan Group's total annual production of non-ferrous metals was over 520,000 tonnes. Sales was over RMB90 billion. Import and export trade amounted to approximately US\$4.6 billion (RMB30.3 billion) while total assets reached RMB66 billion. Jinchuan Group ranked 89th in "Top 500 Chinese Enterprise" and 85th in "Top 500 China Foreign Trade Enterprise". It also ranked 1st in "Top 100 Industrial Enterprises in Gansu" and was listed as the model enterprise of national circular economy and the first batch of national innovative enterprise. (Jinchuan Group website: <http://www.jnmc.com>)

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香港德輔道中244-248號東協商業大廈24樓全層
24/F., Tung Hip Commercial Building, 244-248 Des Voeux Road Central, Hong Kong
電話tel: +852 2581 0168 傳真fax: +852 2854 2012 電郵email: jovian@joviancomm.com

www.joviancomm.com