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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 SIX MONTHS ENDED 30 JUNE 2023**

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 six months ended 30 June 2023 (“**2023 1H**”).

### **OPERATIONAL UPDATE FOR THE SIX MONTHS ENDED 30 JUNE 2023**

#### **Operational Data**

The Group’s operational data of mining operations and the revenue generated from trading of mineral and metal products summarised and shown in the table below are derived from the management accounts 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 interim results of the Group for the six months ended 30 June 2023, which is expected to be published before the end of August 2023.

	<b>For the six months ended 30 June 2023</b>	For the six months ended 30 June 2022
<b>Mining operations</b>		
Production:		
Copper ( <i>tonne</i> )	<b>30,200</b>	28,789
Cobalt ( <i>tonne</i> )	<b>1,364</b>	2,603
Products sold:		
Copper ( <i>tonne</i> )	<b>29,324</b>	27,148
Cobalt ( <i>tonne</i> )	<b>172</b>	2,210
Revenue (including provisional pricing adjustment) – approximate figures:		
Copper ( <i>US\$'000</i> )	<b>221,041</b>	234,510
Cobalt ( <i>US\$'000</i> )	<b>(1,532)</b>	130,830
Mining operations revenue ( <i>US\$'000</i> )	<b>219,509</b>	365,340
<b>Trading of mineral and metal products</b>		
Revenue – trading of externally sourced mineral and metal products – approximate figures ( <i>US\$'000</i> )	<b>107,603</b>	174,083
<b>Total revenue (<i>US\$'000</i>)</b>	<b><u>327,112</u></b>	<b><u>539,423</u></b>

*Note: Pricing coefficients were considered in actual sales revenue*

In 2023 1H, the Group's mining operations produced 30,200 tonnes of copper content included in copper cathode, copper concentrate and copper-cobalt concentrate (six months ended 30 June 2022 ("**2022 1H**"): 28,789 tonnes of copper content included in copper cathode and copper concentrate) and 1,364 tonnes of cobalt content included in cobalt hydroxide and copper-cobalt concentrate (2022 1H: 2,603 tonnes of cobalt content included in cobalt hydroxide).

In 2023 1H, the Group's mining operations sold 29,324 tonnes of copper (2022 1H: 27,148 tonnes), representing an increase of approximately 8% year-on-year compared to 2022 1H, and 172 tonnes of cobalt (2022 1H: 2,210 tonnes), representing a decrease of approximately 92% year-on-year compared to 2022 1H.

The Group's mining operations generated revenue from sales of copper of approximately US\$221.0 million (2022 1H: approximately US\$234.5 million), representing approximately 6% year-on-year decrease compared to 2022 1H, and generated revenue from sales of cobalt of approximately –US\$1.5 million (including approximately US\$3.6 million from sales of cobalt in the 2023 1H and a downward revision of provisional price previously recognised of approximately US\$5.1 million due to the drop in Metal Bulletin (“**MB**”) cobalt price in 2023 1H) (2022 1H: US\$130.8 million).

Moreover, the revenue generated from trading of externally sourced mineral and metal products amounted to approximately US\$107.6 million, representing a decrease of approximately 38% as compared to approximately US\$174.1 million in 2022 1H.

### **Analysis and Prospect**

In 2023 1H, copper production volume increased by 5% as compared to 2022 1H as the Group has processed more ores with higher copper grade, which results in higher copper recovery rate, and cobalt production volume decreased by 48% as compared to 2022 1H due to the lower of both feed ore grade and cobalt recovery rate and also due to the significant decrease in volume of foreign ore purchased.

The average benchmark London Metal Exchange (“**LME**”) copper price for 2023 1H was US\$8,704 per tonne, representing a 11% decrease as compared to that for 2022 1H of US\$9,756 per tonne. This mainly led to the decrease in the average realised copper price from US\$8,638 per tonne in 2022 1H to US\$7,358 per tonne in 2023 1H, while offsetting by the increase in copper sales volume of approximately 8% as mentioned above, the overall copper revenue decreased by approximately 6% in 2023 1H.

The average MB cobalt price for 2023 1H was US\$15.4 per pound, representing a 58% decrease as compared to that for 2022 1H of US\$36.7 per pound. MB cobalt prices were traded at a low range during 2023 1H and the Group has adopted a sales strategy to slow down cobalt sales and to accumulate more cobalt inventory on hand in view to destock when cobalt price recovers. Therefore, only 172 tons of cobalt were sold in 2023 1H and a revenue of approximately US\$3.6 million was recorded. In addition, a downward revision of provisional price previously recognised of approximately US\$5.1 million was made in 2023 1H as a result of the drop in MB cobalt price in 2023 1H.

The trading of mineral and metal products segment recorded a decrease in revenue on trading of externally sourced commodities of 38% from US\$174.1 million for 2022 1H to US\$107.6 million for 2023 1H. The decrease was due to the decrease in both trading volume and the commodities prices in 2023 1H.

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.

Reference is made to the announcement made by the Company on 23 June 2023 (the "**Announcement**"). There is no significant difference in the Company's financial performance since the Announcement.

The overall financial results of the Group for the six months ended 30 June 2023 will only be ascertained when all the relevant results and accounting treatments are finalised. Since the Group's financial performance will also be affected by other factors, such as final confirmation of commodities volume delivered, final assay outcome available upon laboratory confirmation, final 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 finalisation 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 interim results announcement of the Group for the six months ended 30 June 2023 which is expected to be announced before the end of August 2023.

**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 Tak Chuen**  
*Company Secretary*

Hong Kong, 8 August 2023

*As at the date of this announcement, the Board comprises two executive directors, namely Mr. Gao Tianpeng and Mr. Cheng Yonghong; two non-executive directors, namely Mr. Liu Jian and Mr. Wang Qiangzhong; and four independent non-executive directors, namely Mr. Yen Yuen Ho, Tony, Mr. Poon Chiu Kwok, Mr. Yu Chi Kit and Ms. Han Ruixia.*