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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 NINE MONTHS ENDED 30 SEPTEMBER 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).

### **OPERATIONAL UPDATE FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2023**

The board of directors (the “**Board**”) of the Company announces the unaudited operational update for the nine months ended 30 September 2023 (the “**Period**”).

#### **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 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 future periodic report(s) of the Group.

	<b>For the nine months ended 30 September 2023</b>	For the nine months ended 30 September 2022
<b>Mining operations</b>		
Production:		
Copper ( <i>tonne</i> )	<b>48,160</b>	44,477
Cobalt ( <i>tonne</i> )	<b>1,672</b>	3,468
Product sold:		
Copper ( <i>tonne</i> )	<b>42,752</b>	46,922
Cobalt ( <i>tonne</i> )	<b>1,067</b>	3,194
Revenue (including provisional pricing adjustment) – approximate figures:		
Copper ( <i>US\$'000</i> )	<b>317,188</b>	356,402
Cobalt ( <i>US\$'000</i> )	<b>15,416</b>	129,137
Mining operations revenue ( <i>US\$'000</i> )	<b>332,604</b>	485,539
<b>Trading of mineral and metal products</b>		
Revenue – trading of externally sourced mineral and metal products – approximate figures ( <i>US\$'000</i> )	<b>147,428</b>	210,546
<b>Total revenue (<i>US\$'000</i>)</b>	<b><u>480,032</u></b>	<b><u>696,085</u></b>

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

During the Period, the Group's mining operations produced 48,160 tonnes of copper content included in copper cathode and copper concentrate (nine months ended 30 September 2022: 44,477 tonnes) and 1,672 tonnes of cobalt content included in cobalt hydroxide (nine months ended 30 September 2022: 3,468 tonnes).

During the Period, the Group's mining operations sold 42,752 tonnes of copper (nine months ended 30 September 2022: 46,922 tonnes), representing a decrease of approximately 9% year-on-year compared to the corresponding period in 2022, and 1,067 tonnes of cobalt (nine months ended 30 September 2022: 3,194 tonnes), representing a decrease of approximately 67% year-on-year compared to the corresponding period in 2022.

The Group's mining operations generated revenue from sales of copper of approximately US\$317.2 million (nine months ended 30 September 2022: approximately US\$356.4 million), representing approximately 11% year-on-year decrease compared to the corresponding period in 2022, and generated revenue from sales of cobalt of approximately US\$15.4 million (nine months ended 30 September 2022: approximately US\$129.1 million), representing approximately 88% year-on-year decrease compared to the corresponding period in 2022.

Moreover, the revenue generated from trading of externally sourced mineral and metal products amounted to approximately US\$147.4 million (nine months ended 30 September 2022: approximately US\$210.5 million), representing a decrease of approximately 30% as compared to the corresponding period in 2022.

### **Analysis and Prospect**

In the Period, copper production volume increased by approximately 8% as compared to the corresponding period in 2022 as the Group has processed more ores with higher copper grade, which resulted in higher copper recovery rate, and the contribution from the copper concentrates produced by the flotation and magnetic separation plant. The cobalt production volume decreased by approximately 52% as compared to the corresponding period in 2022 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 the Period was US\$8,588 per tonne, representing approximately 6% decrease as compared to the corresponding period in 2022 of US\$9,084 per tonne, resulted in the decrease in the average realised copper price from US\$7,596 per tonne in the corresponding period in 2022 to US\$7,419 per tonne in the Period. Together with the temporary suspension of the export licences of the mines in the Democratic Republic of Congo ("**DRC**") on certain occasions in the Period (subsequently resumed to normal by the end of the Period) and the stretch on logistics limiting truck for mine products delivery in the DRC, which resultantly led to the decrease in copper sales volume of approximately 9%, when compared with the corresponding period in 2022. All these caused the overall copper revenue decreased by approximately 11% in the Period.

The average Metal Bulletin ("**MB**") cobalt price for the Period was US\$15.29 per pound, representing a 54% decrease as compared to the corresponding period in 2022 of US\$33.03 per pound. MB cobalt prices were traded at a low range during the Period 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 1,067 tons of cobalt were sold in the Period and a revenue of approximately US\$15.4 million was recorded. In addition, a downward revision of provisional price previously recognised of approximately US\$5.8 million was made in the Period as a result of the drop in MB cobalt price in the Period.

The trading of mineral and metal products segment recorded a decrease in revenue on trading of externally sourced commodities of approximately 30% from approximately US\$210.5 million for the Period to approximately US\$147.4 million for the corresponding period in 2022. The decrease was due to the decrease in both trading volume and the commodities prices in the Period.

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.

**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, 16 November 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.*