

**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)****Jinchuan International Announces 2022 Interim Results
Revenue Surges 50% to US\$539.4 Million****Development Projects Make Breakthroughs
Consolidated Foundation for Grasping Opportunities****Highlights of 2022 Interim Results**

- Revenue amounted to US\$539.4 million, up by a significant 50% year-on-year. Cobalt revenue from mining operations surged 157% to US\$130.8 million, and revenue from trading of mineral and metal products was US\$174.1 million, rocketed by 373%
- During the Period, the Group produced 28,789 tonnes of copper and 2,603 tonnes of cobalt, and cobalt output was up 80% year-on-year
- During the Period, the Group sold 27,148 tonnes of copper and 2,210 tonnes of cobalt, and the volume of cobalt sold increased by 86% year-on-year

(19 August 2022, Hong Kong) **Jinchuan Group International Resources Co. Ltd.**, (“**Jinchuan International**” or the “**Company**”; together with its subsidiaries, the “**Group**”; stock code: 2362), Jinchuan Group’s flagship platform for overseas mineral resources development, has announced its unaudited interim results for the six months ended 30 June 2022 (“**1H 2022**” or the “**Period**”).

During the Period, the Group's revenue soared by 50% year-on-year to US\$539.4 million, which was attributable to the increase in volume of cobalt sold and the higher average realised cobalt price, plus the trading of mineral and metal products segment recording a significant increase in revenue from trading of externally sourced commodities. Total revenue from mining operations was US\$365.3 million, a year-on-year increase of 13%. Revenue from the trading of mineral and metal products segment amounted to US\$174.1 million, a sharp surge of 373% year-on-year. Profit attributable to shareholders of the

Company was US\$49.1 million and gross profit was US\$123.4 million.

In the first half of 2022, the Group produced 28,789 tonnes of copper and 2,603 tonnes of cobalt, and sold 27,148 tonnes of copper and 2,210 tonnes of cobalt. Revenue from copper sales was US\$234.5 million, and that from cobalt sales was US\$130.8 million, up 157%. During the Period, the Group's copper production was stable as compared with the same period last year. The lower ore grade and feed grade were offset by the higher throughput. Cobalt production increased by a notable 80% as Ruashi successfully procure more third-party ore in 1H 2022. The ore purchased from independent suppliers during the Period were of higher cobalt grade as compared to self-mined ore, and offsetting the impact of lower feed cobalt grade from self-mined ore.

Focus on construction of the Musonoi high-grade copper-cobalt mine to drive future growth of mining business

Musonoi copper-cobalt project is one of the key projects of the Group. As at 31 December 2021, it contained mineral reserves of 606,000 tonnes of copper and 174,000 tonnes of cobalt, and is a "super-large scale" copper-cobalt mine. Construction of the project has been smooth since it began, and the recovery of oxide ore from stoping of upper orebody had been completed.

In May 2022, Musonoi extracted its first batch of oxide ore under trial stoping. Trial stoping at 80 meter level ("mL") was completed, and the recovering of oxide ore from 140mL stoping work was also advancing quickly. Laboratory assay result indicated that the ore samples contained approximately 2% of cobalt. The Musonoi project will provide additional production capacity to the Group, enabling the Group to benefit from the rapidly growing demand for copper and cobalt.

Carbon neutrality and green technologies drive demand for copper and cobalt Keeps up with the market and seize opportunities

Copper price is highly susceptible to global policy swings and economic uncertainty. Factors such as geopolitical instability and re-emergence of COVID-19 have caused copper price to plunge. While when exactly will COVID-19 be contained is still unknown, copper fundamental factors are still strong and copper price is expected to stay strong after the pandemic comes under control. Copper which is an important commodity for construction and infrastructure building, will no doubt benefit from the post-pandemic economic recovery.

In addition, countries around the world have announced strategic targets for achieving carbon neutrality. The demand for copper, which is the most commonly used conductible material, will further increase. Growth in long term copper demand will be driven by the

growth in fast expanding green technologies. According to S&P Global forecast, if carbon neutrality is to be achieved by 2050, the long-term demand for copper will be 53 million tonnes a year, more than double the current level.

As for cobalt, according to the Cobalt Institute, electric vehicles (“EV”) became cobalt’s largest end use sector for the first time in 2021. Ford estimated that 40% of the motor vehicles sold will be EVs by 2030 and Bloomberg expects half of the motor vehicles sold to be EVs by 2040. Analyst forecasts cobalt demand to increase up to 2030 at a compound annual growth rate of 7%. Moreover, the aerospace sector has continued to recover from COVID-19 disruption, adding to the demand for cobalt.

Projects progress smoothly Continuously optimizes operational efficiency

Ruashi completed the construction of a new 600kt per annum floatation and magnetic separation plant by the end of 2021, potentially extending Ruashi’s mine life. Moreover, Kinsenda Mine, one of the world’s highest grade copper deposits, is developing a second ramp decline – a capital development project to tap East Mine resource. In addition, starting from 2021, the mining assets of Chibuluma under the Group have been leased to an independent third party under a finance lease agreement, with the Group entitled to fixed lease income and variable royalty income. During the period, the Group recorded royalty income of US\$1.7 million under the finance lease agreement.

In the future, the Group will continue to strengthen its business layout and expand globally to fulfill the uptrend of market demand for copper and cobalt, and seize the favorable opportunities arising from carbon neutrality and new energy development. The Group continuously look for investment opportunities in Southern Africa area which offers synergy to the existing mines. The Group will actively and prudently pursue any new business development opportunity, guided by the strategy of “Improvement on Cobalt and Maintaining Growth on Copper” and aim to raise quality and increase production and sales. The Group will also continuously reduce costs and increase efficiency, and push for better profitability, marching forward to become a world-class mineral corporation and create sustainable value for shareholders.

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About Jinchuan Group International Resources Co. Ltd (Stock Code: 2362)

Jinchuan International is listed in Hong Kong and majority owned by Jinchuan Group Co., Ltd with the focus to expand Jinchuan Group's establishment in global mining industry and elevating global investing, financing and operating capabilities. By virtue of Hong Kong's advantages as an international financial and trade center, and through the Company's focus on an internationalized operating strategy, the Company has established itself as the flagship platform for Jinchuan Group to develop its overseas non-ferrous metal mining business. The Company owns large-scale mines in Africa with high-quality copper and cobalt metal resources. It engages in the production and trading of basic metal resources. The Company's main mine assets include the Ruashi and Musonoi copper-cobalt mines, high-grade Kinsenda copper mine, Chibuluma South Mine, and Lubembe project.

Website: <http://www.jinchuan-intl.com/en/>

About Jinchuan Group Co., Ltd* ("Jinchuan Group")

Jinchuan Group Co., Ltd*, founded in 1958, is a state-owned enterprise with its majority interest held by the People's Government of Gansu Province. Jinchuan Group specializes in mining, concentrating, metallurgy, chemical engineering and further downstream processing. Jinchuan Group is widely recognized as a renowned mining corporation and is the third largest nickel producer and fourth largest cobalt producer in the world as well as the fourth largest copper producer in China. Jinchuan Group ranks no. 339 in "Fortune" Global 500 in 2022.

Website: <http://www.jnmc.com/>

* For identification purposes only

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