

[For Immediate Release]



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)

Jinchuan International Announces 2021 Interim Results
Benefits from Rising Copper and Cobalt Prices
Profit Attributable to Shareholders surged to US\$61.1 Million
while Mining's Gross Profit Increased by 8 Fold

2021 Interim Results Highlights

- During the first half of 2021, the Group recorded revenue of US\$ 360.4 million, in which revenue from the mining segment was US\$ 323.7 million. Mining's gross profit surged by 814% to US\$ 133.7 million. The Group turned around successfully and recorded profit attributable to shareholders amounted US\$ 61.1 million.
- The Group produced 28,503t of copper and 1,447t of cobalt, and sold 29,385t of copper and 1,187t of cobalt in the Period.
- Mining's cost of sales decreased by 5% as a result of tight cost control.

(20 August 2021, Hong Kong) **Jinchuan Group International Resources Co. Ltd** (the "**Company**" or "**Jinchuan International**", together with its subsidiaries, collectively referred to the "**Group**", Stock Code: 2362.HK), announced the unaudited consolidated interim results of the Group for the six months ended 30 June 2021 (the "**first half of 2021**" or the "**Period**").

For the six months ended 30 June 2021, the Group's recorded revenue of US\$ 360.4 million (2020 1H: US\$ 347.5 million), representing a year-to-year increase of 4%. In which the revenue from mining operations was US\$ 323.7 million (2020 1H: US\$ 206.8 million), and the revenue from trading of mineral and metal products segment was US\$ 36.7 million (2020 1H: US\$ 140.7 million). The increase in revenue was mainly due to the rise in benchmark copper and cobalt price in the first half of 2021 which impacted positively on revenue.

For the first half of 2021, the Group's mining gross profit soared by 814% to US\$ 133.7 million (2020 1H: US\$ 14.6 million), overall gross profit ratio was 37%; profit attributable to shareholders of the Company was US\$61.1 million (2020 1H: loss attributable to shareholders of the Company of

US\$ 28.3 million); earnings before interest (net finance costs), income tax, depreciation and amortisation and impairment loss (“EBITDA”) was US\$ 163.4 million (2020 1H: US\$ 41.3 million), representing an increase of 296%.

The significant increase in gross profit and profit attributable to shareholders of the Company for the Period were mainly because of the significant rebound of copper and cobalt prices in first half of 2021, and the strict cost control implemented throughout the Period. Cost of sales for mining operations decreased by 5% to US\$ 167.6 million (2020 1H: US\$ 175.9 million).

For the first half of 2021, the Group produced a total of 28,503t of copper and 1,447t of cobalt, and sold 29,385t of copper and 1,187t of cobalt which generated revenue of US\$ 272.7 million and US\$ 51.0 million respectively. The decrease in copper production in the Period was mainly due to the lower ore feed grade and copper recovery rate of Ruashi and Kinsenda Mine. The lower cobalt production in the Period was due to lower grade of cobalt ore mined and lower cobalt recoveries. The significant increase in copper and cobalt price by 66% and 28% respectively in the Period has led to the increase in mining operations’ revenue and offset the impact of lower sales volumes.

Actively integrate operating resources to deal with market uncertainty

The Group has decided to send copper concentrate produced by Kinsenda Mine to a local smelter for processing into copper blister starting from March 2020, and started selling copper blister to international market since May 2020. Due to the additional two months processing time, sales were suspended for about two months in the first half of 2020 when copper price was at the lowest point of the year. Sales turned normal in the Period and the Group is able to capture the high copper price in the Period.

In order to concentrate on the mining operation in the DRC, the Group has leased out the operating rights of Chibuluma effective from April 2021. The Group has recognized a gain on disposal of Chibuluma’s mining assets of US\$1,790,000 in the first half of 2021 and has booked a US\$0.9 million floating royalty income under the lease agreement.

Closely follow the market development trends and seize opportunities for copper and cobalt price growth

Copper prices fluctuate along with global policies and market conditions. LME copper price have rebounded to a historical high of US\$10,720 per tonne in May 2021. LME copper price closed at US\$9,385 per tonne by the end of June 2021, representing a gain of 103.2% compared to the lowest point in 2020. The global copper market is showing a gradual upward trend under the global strategic target of carbon neutrality. The development of new energy and electric vehicle industries will further boost the demand of copper products. The demand for copper will further increase. While the precise timing of COVID-19 to be contained is still unknown, copper fundamental factors are still

strong and copper price is expected to stay strong after COVID-19 is contained.

In the case of cobalt, cobalt price has sustained a period of slow and stable growth. Analyst predicts that the long term demand for cobalt will increase from 143,000 tonnes in 2020 to 230,000 tonnes in 2025, in which EV battery sector will account for 27%. Together with the increase in non-EV battery demand by approximately 9.8% compound annual growth rate from 56,000 tonnes in 2020 to a predicted 88,800 tonnes in 2025. Together with the continuous increase in the manufacturing of alloy, industrial chemical and manufacturing of batteries, the price of cobalt will gradually rise.

As a multinational mining developer and operator, the Group will pay close attention to the local government policies and economic environments etc. We endeavour to closely monitor the aforesaid situation and to promptly adjust our strategies in response thereto. The Group's focus in the near future is the construction of the Musonoi copper-cobalt mine in Kolwezi, the DRC. Construction work at Musonoi Project has progressed well during the period. The Group has also entered into a facility agreement with the CDBC for financing the development and construction of Musonoi Project. Exploration work will continue in Ruashi's sulphide zone below oxide zone, Musonoi Project deeper area and Kinsenda Mine infill drilling.

The Group commented, "The Group will continuously, prudently and actively explore new business development opportunities, especially in Southern Africa for existing mines to look for growth and synergy. In addition to the existing business in Africa, the Group will actively look into the market and seek new opportunities to further inject new growth momentum into the Group. Looking ahead, the Group will continue to improve quality, efficiency and production, achieve higher profit growth, and strive to become a world-class mineral enterprise, to achieve better profitability and create further value for the shareholders of the Company."

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

Jinchuan International is a Hong Kong listed company under Jinchuan Group Co., Ltd for the purposes of accelerating the establishment of the mining group's multinational operational strategy and elevating Jinchuan Group's 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 is primarily engaged in the development of overseas mining resources projects, capital operation and assets management of overseas mining resources projects, as well as production and trading of base metals.

About Jinchuan Group Co., Ltd*

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 and the third largest copper producer in China. Jinchuan Group ranks no. 369 in "Fortune" Global 500 in 2020.

For media & investor enquiries

Financial PR (HK) Limited

Ms. Cara Pang Email: carapang@financialpr.hk
Ms. Elva Li Email: elvali@financialpr.hk
Ms. Bonnie Zhang Email: bonniezhang@financialpr.hk
Tel: (852) 2610 0846
Fax: (852) 2610 0842

Jinchuan Group International Resources Co. Ltd

IR Team Email: ir@jinchuan-intl.com

*For identification purposes only