

**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 Annual Results
Profit Attributable to Shareholders Surges 303% to
US\$120.5 Million****Projects Continue to Make Good Progress
Business Segment Revenue Achieves Significant Growth****Highlights of 2021 Annual Results**

- Revenue amounted to US\$831.9 million, up by 25.2% year-on-year. Revenue from mining segment was US\$620.6 million and revenue from the trading of mineral and metal products was US\$211.3 million
- Gross profit increased considerably by 188% to US\$251.7 million
- Profit attributable to shareholders soared by 303% to US\$120.5 million
- During the Year, the Group produced 61,260 tonnes of copper and 3,379 tonnes of cobalt and sold 57,001 tonnes of copper and 2,617 tonnes of cobalt
- Cost of sales of the mining business declined 16%, attributable to the Group's stringent control of costs

(28 March 2022, Hong Kong) **Jinchuan Group International Resources Co. Ltd.**, (the “**Company**” or “**Jinchuan International**”; together with its subsidiaries, the “**Group**”; stock code: 2362), Jinchuan Group's flagship platform for overseas mineral resources development, has announced its audited annual results for the year ended 31 December 2021 (the “**Year**”).

During the Year, the Group recorded revenue of US\$831.9 million, a year-on-year increase of 25.2%, which was attributable to the rise in the benchmark copper and cobalt prices. Total revenue from mining operations was US\$620.6 million, a year-on-year increase of 24.7%. Revenue from the trading of mineral and metal products segment amounted to US\$211.3 million, a year-on-year increase of 26.6%. With costs kept under control, the Group's gross profit rose considerably by 188% to US\$251.7 million. Moreover, as copper

and cobalt prices surged in 2021, the Group's gross profit margin grew significantly to 30% for the Year from 13% in 2020.

Profit attributable to shareholders of the Company soared by 303% year-on-year to US\$120.5 million. Earnings before interest (net finance costs), income tax, depreciation and amortization and impairment loss ("EBITDA") amounted to US\$311.5 million, up by approximately 121.8%. The Group maintained strict control of costs during the Year. As a result, cost of sales of the mining operations decreased by 16% to US\$314.9 million.

In 2021, the Group produced 61,260 tonnes of copper and 3,379 tonnes of cobalt, and sold 57,001 tonnes of copper and 2,617 tonnes of cobalt. Sales of copper and cobalt amounted to US\$514.0 million and US\$106.6 million respectively. During the Year, the Group's copper production volume dropped, primarily as a result of lower ore feed grade from Ruashi Mine and Kinsenda Mine and lower copper recovery rate. Similarly, the cobalt production volume declined, mainly due to the lower grade of cobalt ore mined and lower cobalt recoveries. Nevertheless, driven by higher copper and cobalt prices, the Group recorded a significant increase in revenue, which was able to offset the impact of lower sales volume.

Continuous expansion of core businesses, progress achieved by all projects

As a multinational mine developer and operator, the Group will pay close attention to local government policies and the economic environment, and continue to monitor all factors that may cause market fluctuation, so as to ensure the Group is well prepared to respond timely to any market changes.

The Group's short-term focus will be on the construction of the Musonoi copper-cobalt mine in Kolwezi, the Democratic Republic of the Congo. During the Year, construction of the mine was progressing as planned. The Group has also signed a facility agreement with China Development Bank in relation to the construction of the Musonoi project. At the same time, the Group will continue its exploration work in the sulphide zone below the oxide zone in Ruashi Mine, deeper region of the Musonoi Project, and conduct infill drilling at Kinsenda Mine. In addition, the Group successfully leased out the mining assets of Chibuluma under a finance lease. The Group recorded a royalty income of approximately US\$2.4 million under the finance lease agreement.

Actively seized market opportunities amid rising copper and cobalt prices

Copper price is susceptible to swings in global policies and economic uncertainty. LME copper price reached a historical high of US\$10,720 per tonne in May 2021, and closed at US\$9,692 per tonne at the end of 2021, representing a gain of 25.2% compared to 31 December 2020 and a gain of 109.9% compared to the lowest point in 2020. With copper

price surging, the Group commenced the construction of Ruashi Mine's magnetic floatation plant aiming to treat low-grade oxide and sulphide materials. This allows the Group to better utilise Ruashi Mine's low grade stockpile while potentially extending Ruashi's life of mine. The new plant was successfully launched in December 2021.

With the availability of COVID-19 vaccines, social and economic activities have recovered. Copper, as a critical commodity used in construction and infrastructure, will benefit from the economic recovery. Moreover, countries around the world have initiated the strategic target of carbon neutral. Copper will be used more frequently in areas including solar, wind, power storage, new energy and distribution with the enhance of carbon neutral era, the demand for copper will further increase. Given its strong fundamentals, copper price is expected to stay strong after COVID-19 is contained.

With regard to the cobalt market, cobalt price gradually rebounded during the Year, and continues to rise in 2022. The price of cobalt reached US\$38.7 per pound in mid-March 2022. Demand for cobalt is subject to the manufacturing of alloy and industrial chemical and for the manufacturing of batteries. As major auto makers were launching more electric vehicle ("EV") models in 2021, Ford estimates that 40% of motor vehicles sold will be EVs by 2030 and Bloomberg estimates that half of motor vehicles sold will be EVs by 2040. Analyst forecasts cobalt demand to expand at a compound annual growth rate of 7% to 2030.

The Group said, "We will seize the favorable opportunities to develop new energy and new materials and keep expanding the major business while considering to extend the industrial chain appropriately, and expand the Group's product scope. Meanwhile, we plan to further introduce strategic investors and optimize the shareholders structure, strengthen management, reduce costs and increase efficiency, and enhance the economic scale of existing projects. Furthermore, we will actively integrate the Group's overseas resources and expand our asset scale. We will also continue to develop new businesses, and in particular, look for opportunities in southern Africa to generate synergies, given its close proximity to the Group's existing mines. In the future, we will pursue continuous development and innovation, with the aim of becoming a world-class mineral corporation and creating greater value for our shareholders."

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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 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/tc/>

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. 336 in "Fortune" Global 500 in 2021.

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

* for identification purposes only

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