

金川集团国际资源有限公司
Jinchuan Group International Resources Co. Ltd



1H 2022 Results Presentation

August 2022

Contents

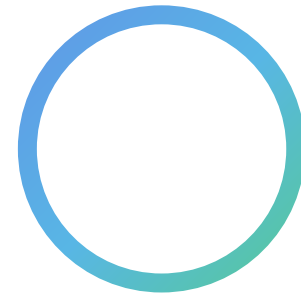
1 COMPANY OVERVIEW

2 FINANCIAL PERFORMANCE

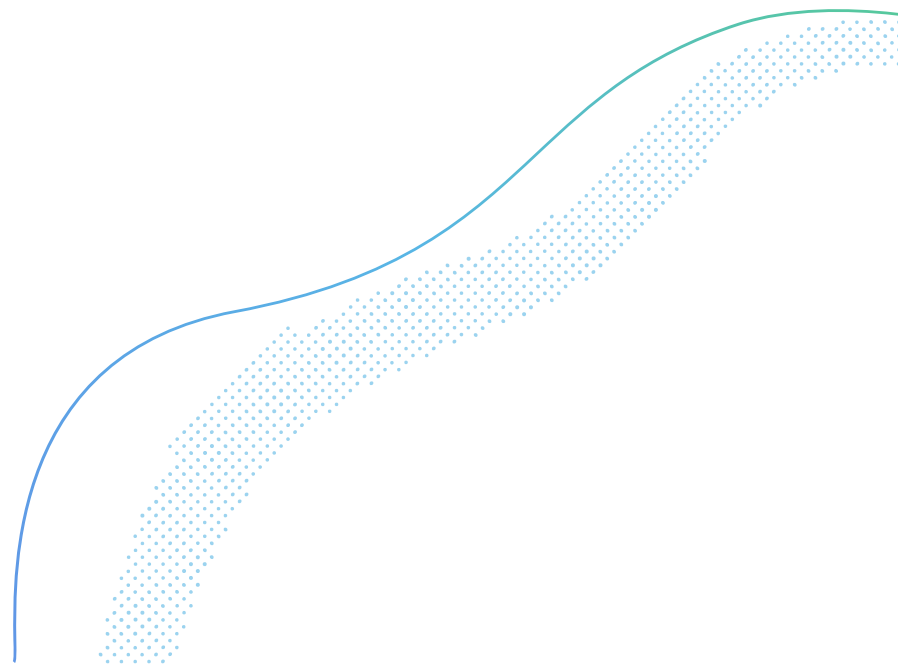
3 BUSINESS SUMMARY

4 INVESTMENT HIGHLIGHTS

5 Q&A

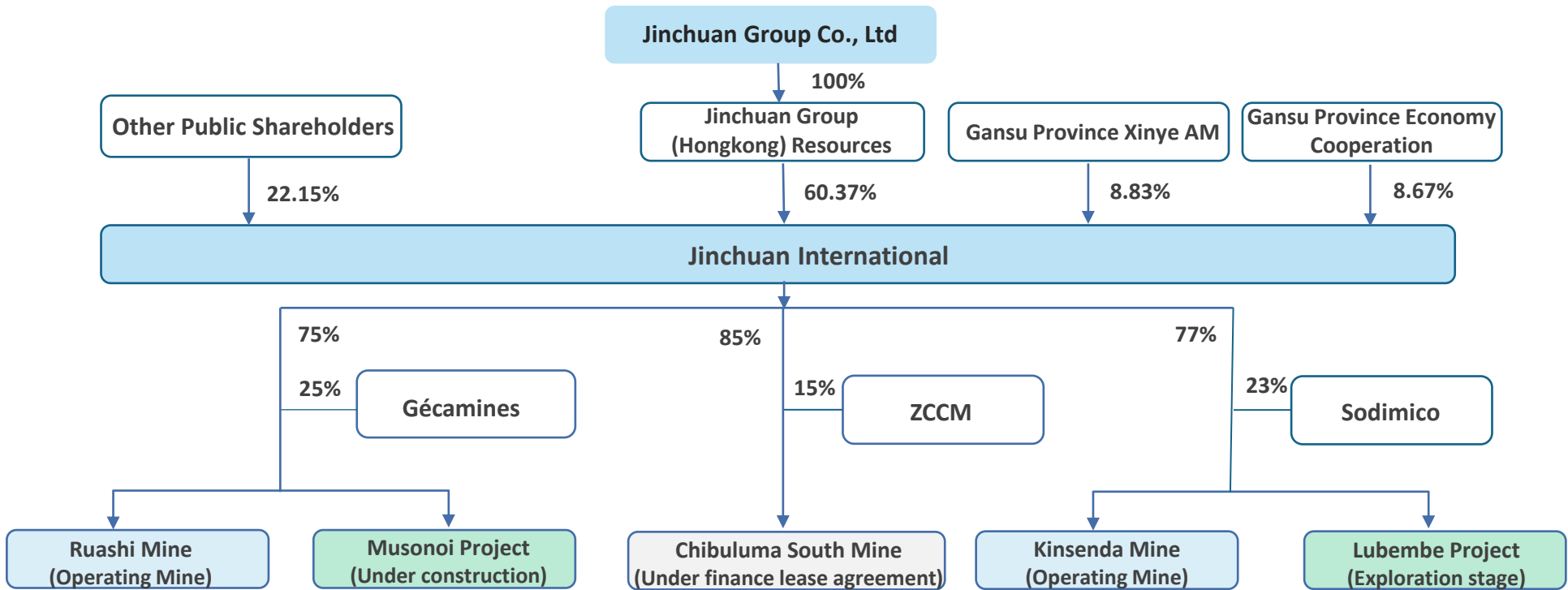


COMPANY OVERVIEW



Company Overview

- Jinchuan Group International Resources Co. Ltd is a majority-owned subsidiary of Jinchuan Group and flagship platform for overseas resources development. The Company is listed on the Main Board of the Hong Kong Stock Exchange (2362. HK)
- With substantial support from Jinchuan Group, the Company continues to buildup on international mining resources development and operations. Jinchuan International owns a number of large-scale high-grade copper and cobalt mines in Africa and engages in the production and trading of base metals



Company Overview

2013

Acquire 5 mines' assets in southern Africa from Jinchuan Group via issuance of 1,595,880,000 shares (at an issue price of HK\$1.00 per share) and 8,466,120,000 shares of PSCS which could convert into ordinary shares at a conversion price of HK\$1.00 per share

2018

Transferred and converted part of the PSCS, whereby Jinchuan International successfully introduced 9 investors, including Gansu Province Xinye Asset Management, Gansu Province Economy Cooperation, Haitong International and ValueStone Advisors

2010

Following Jinchuan Group's acquisition of controlling stake in Macau Investment Holdings, Macau Investment Holdings was renamed as Jinchuan Group International Resources Co. Ltd

2017

Issued 483,000,000 new ordinary shares to introduce SD Hi-Speed Investment HK Limited as a strategic shareholder

2021

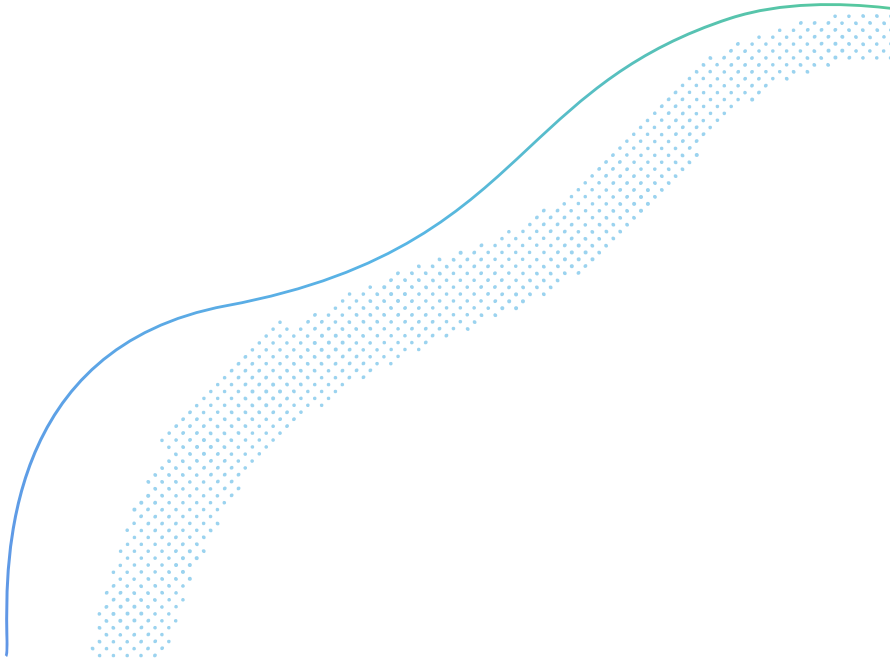
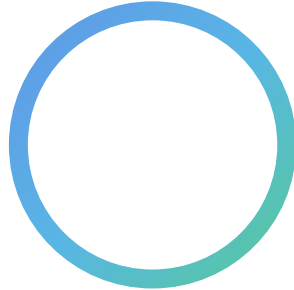
Included in the Southbound Stock List under Shenzhen-Hong Kong Stock Connect and selected as a Constituent of the Hang Seng Composite Index

Summary of Reserves and Resources

As at 31 Dec 2021, Presented On a 100% Basis

	Tonnage	Grade		Contained Metal	
	Mt	%Cu	%Co	Cu (Kt)	Co (Kt)
Copper - Cobalt					
Proved	11.6	3.1	0.9	363	100
Probable	19.4	2.4	0.5	471	97
Total reserves	31.0	2.7	0.6	833	198
Measured	17.6	2.8	0.8	489	149
Indicated	39.4	2.1	0.4	822	177
Inferred	18.7	2.1	0.6	387	118
Total resources	75.7	2.2	0.6	1,698	444
Only Cobalt					
Proved	0.0	5.4	–	2	–
Probable	4.9	5.7	–	277	–
Total reserves	4.9	5.7	–	279	–
Measured	4.2	1.8	–	74	–
Indicated	85.2	2.4	–	2,058	–
Inferred	27.6	2.9	–	812	–
Total resources	117.0	2.5	–	2,945	–
Jinchuan International Summary					
Total reserves	35.9			1,112	198
Total resources	192.7			4,643	444

FINANCIAL PERFORMANCE



Key Financial Indicators

For the six months ended 30 June

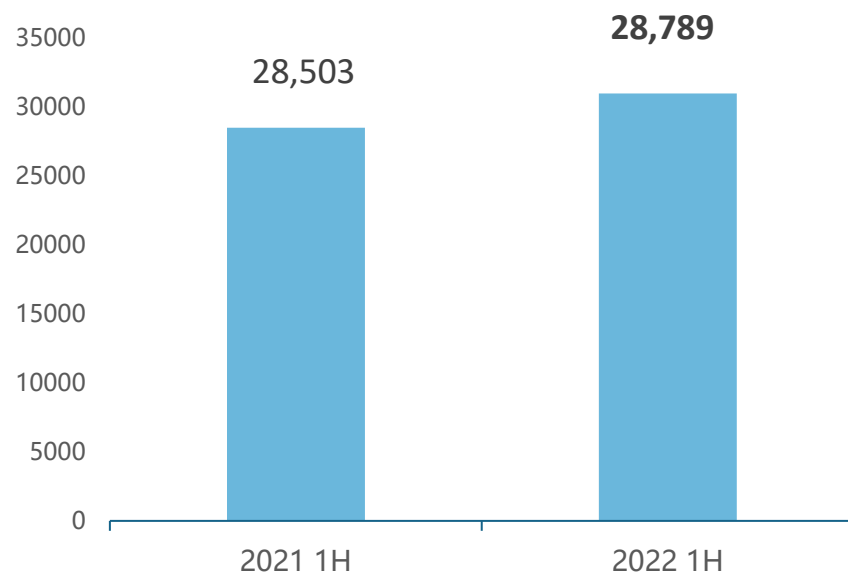
		2022 1H	2021 1H	Change	
Production (tonnes)	Copper	28,789	28,503	+1%	
	Cobalt	2,603	1,447	+80%	
Volume of sold (tonnes)	Copper	27,148	29,385	-8%	
	Cobalt	2,210	1,187	+86%	
Average price realised per tonne (US\$)	Copper	8,638	9,281	-7%	
	Cobalt	59,199	42,930	+38%	
Revenue (US\$M)		539.4	360.4	+50%	
Includes	Revenue from mining operations (US\$M)	Copper	234.5	272.7	-14%
		Cobalt	130.8	51.0	+157%
	Trading of mineral and metal products (US\$M)		174.1	36.8	+373%
EBITDA (US\$M)		148.5	163.4	-9%	
Profit for the period (US\$M)		67.1	78.7	-15%	
C1 Cash Cost Per Tonne Of Copper (US\$/t)		1,771	2,878	-38%	

Key Financial Indicators – Production Volume

For the six months ended 30 June

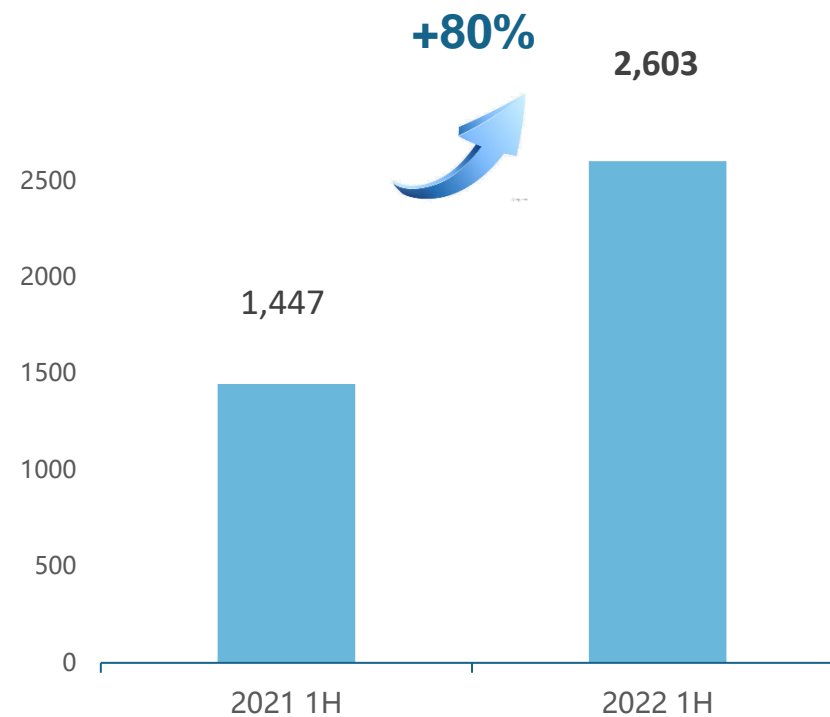
Copper Production

(Tonne)



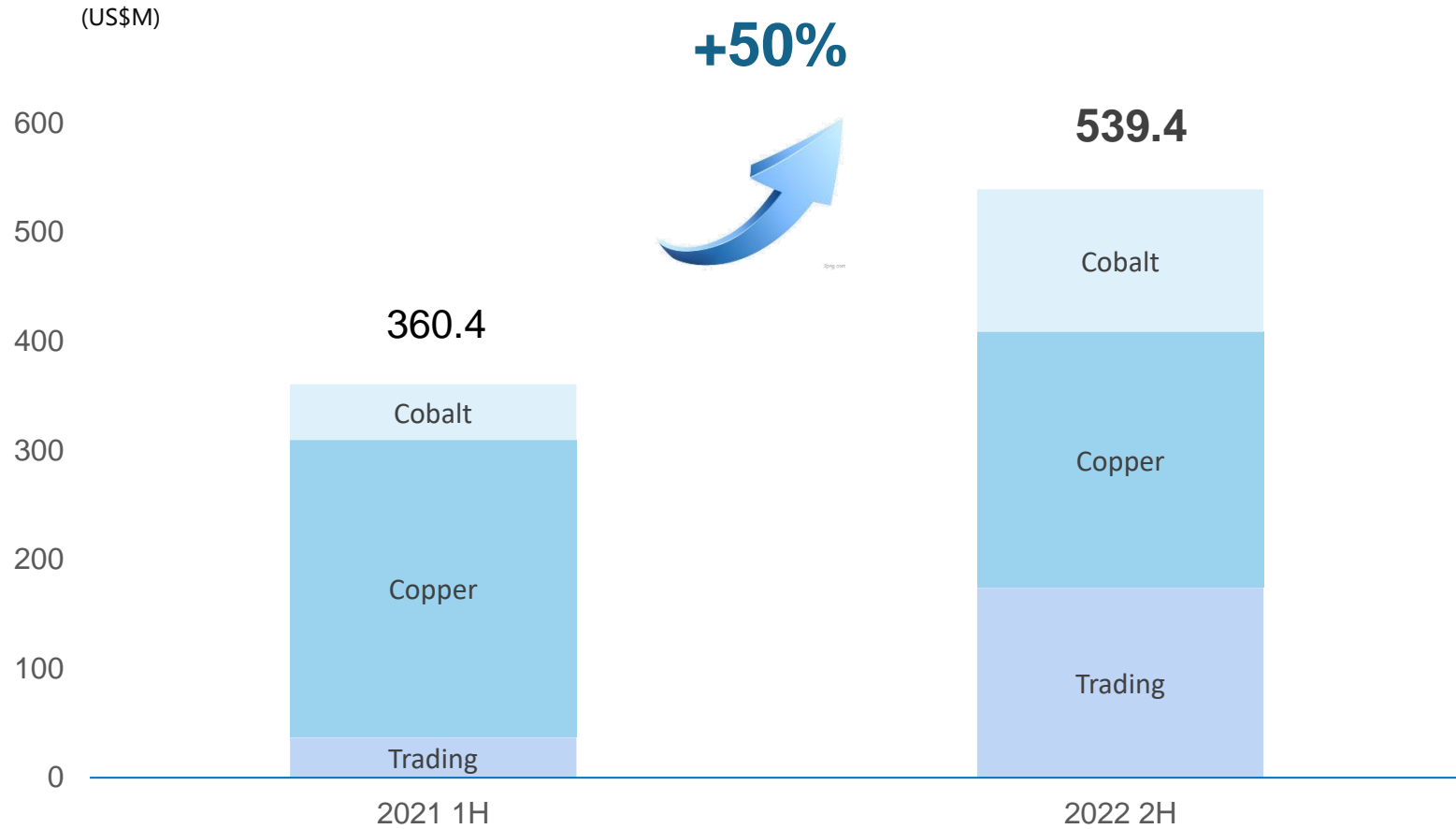
Cobalt Production

(Tonne)



Key Financial Indicators – Revenue

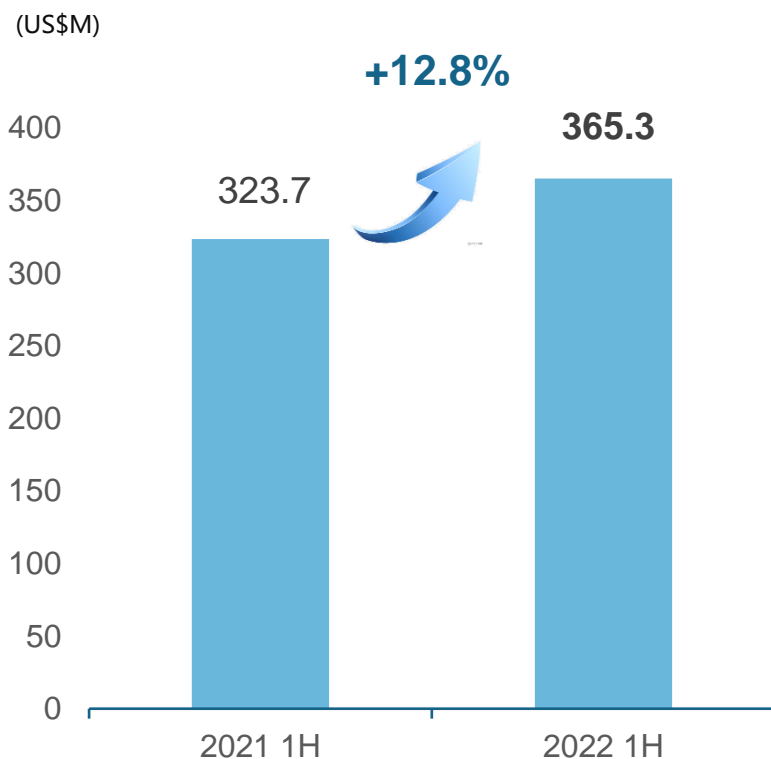
For the six months ended 30 June



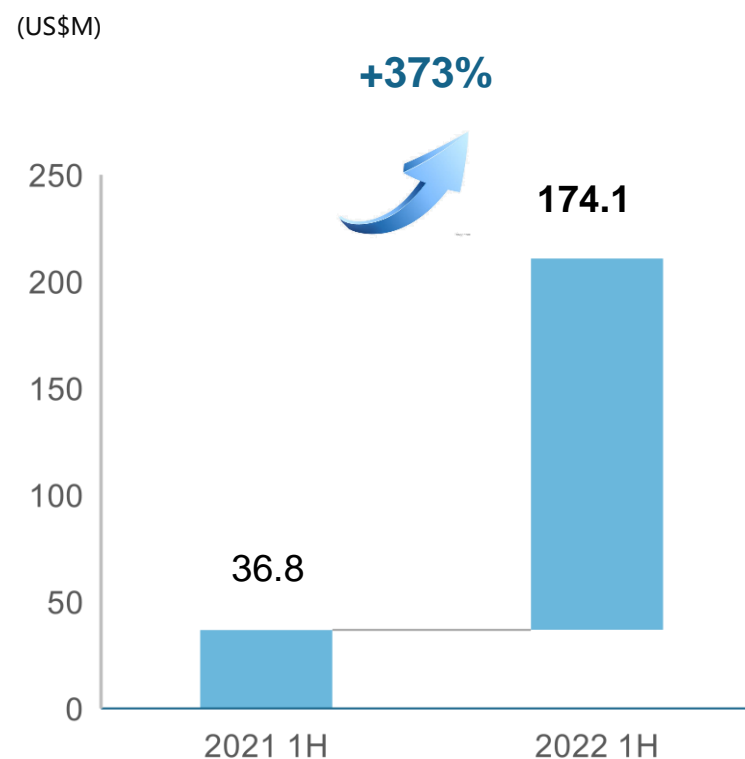
Key Financial Indicators – Revenue

For the six months ended 30 June

Total revenue from mining operations

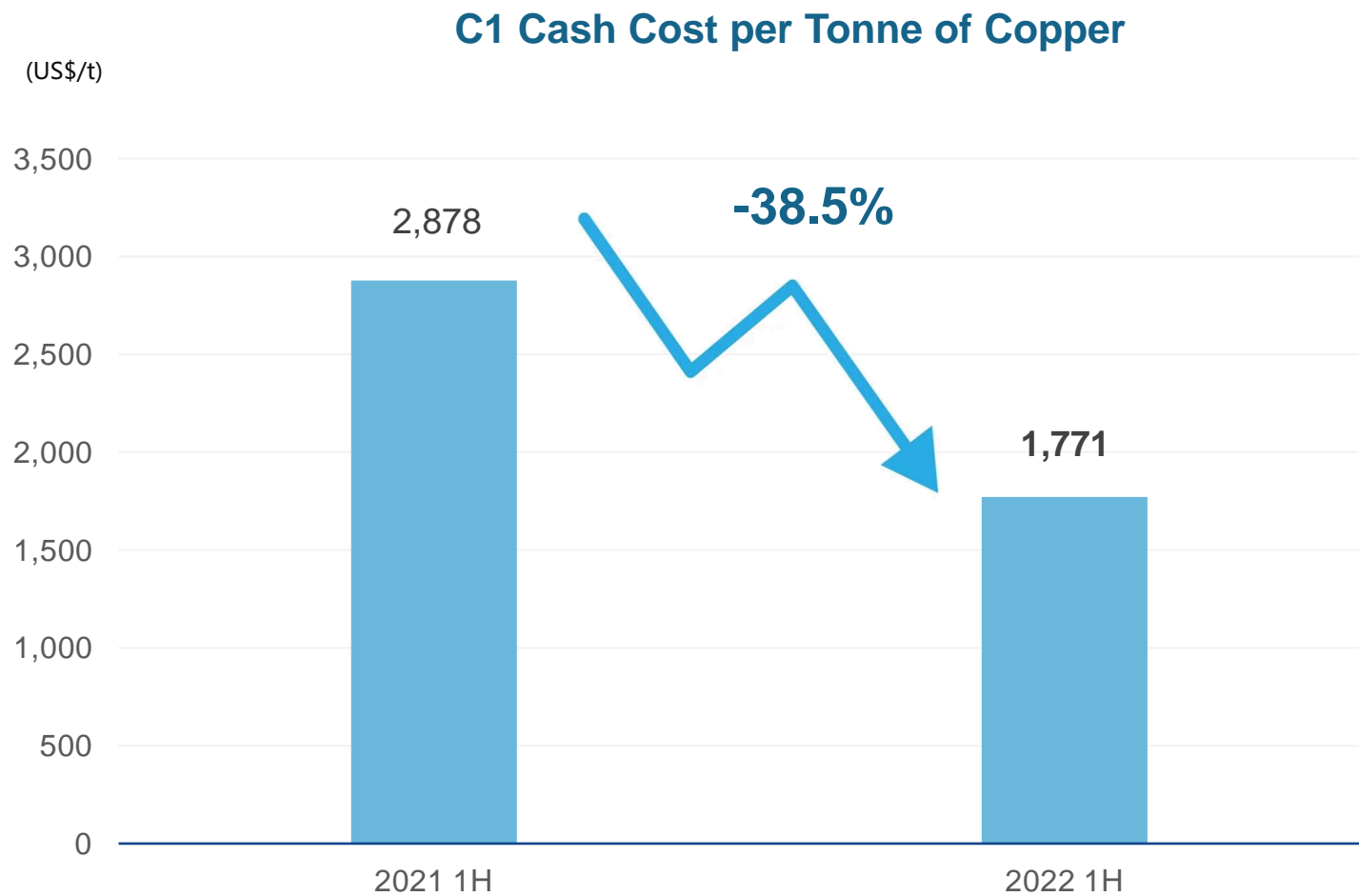


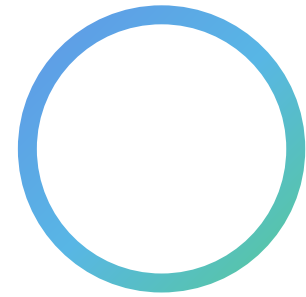
Trading of mineral and metal products



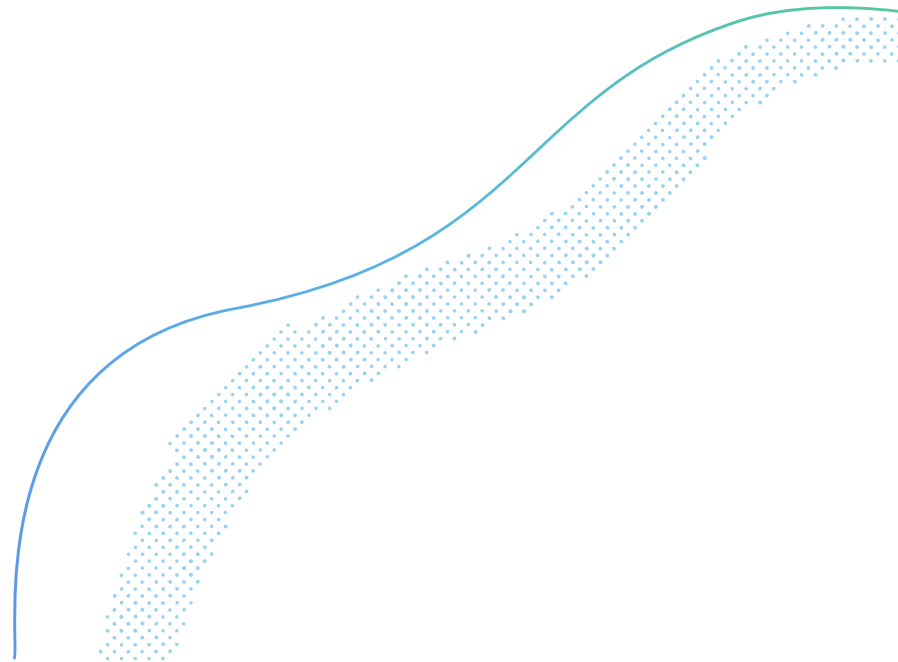
Key Financial Indicators – C1 Cash Cost

For the six months ended 30 June



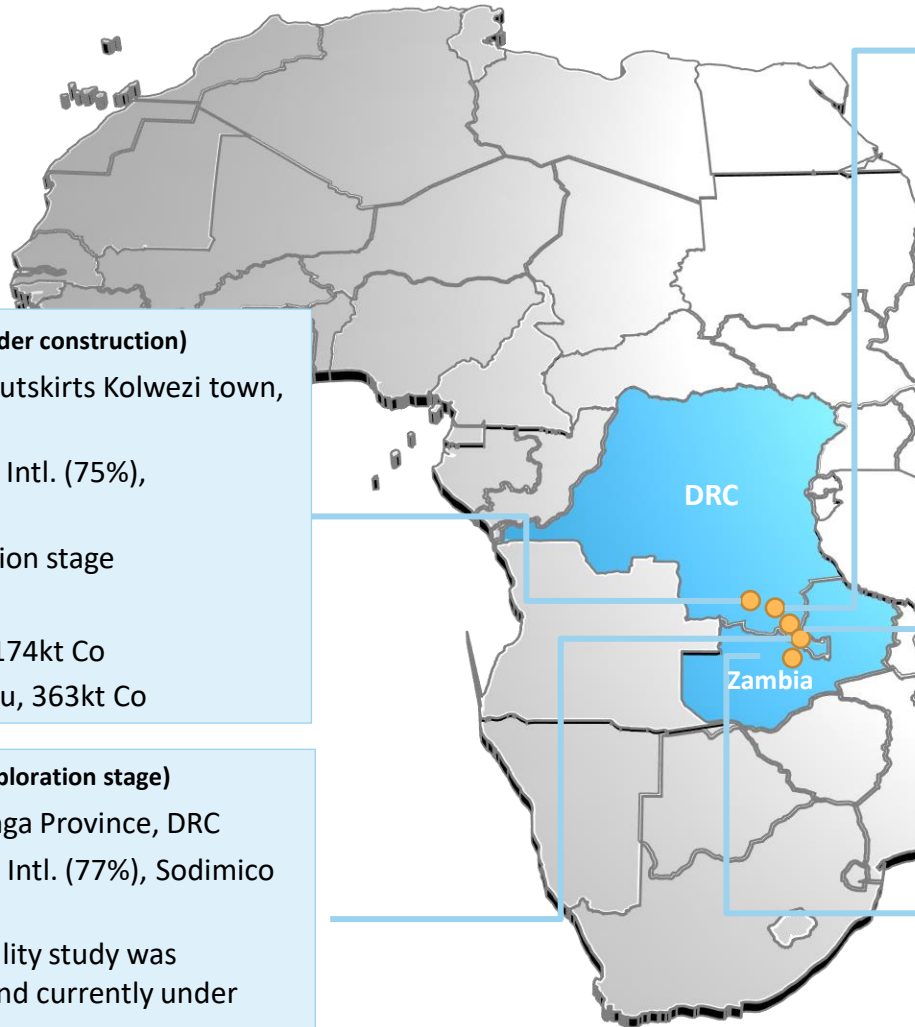


BUSINESS SUMMARY



Geographical Location

As at 31 Dec 2021



Musonoi Project (Under construction)

- Location: Northern outskirts Kolwezi town, DRC
- Ownership: Jinchuan Intl. (75%), Gécamines SA (25%)
- Progress: Construction stage
- LoM: 19 years
- Reserves: 606kt , 174kt Co
- Resources: 1,085kt Cu, 363kt Co

Lubembe Project (Exploration stage)

- Location: Haut-Katanga Province, DRC
- Ownership: Jinchuan Intl. (77%), Sodimico (23%)
- Progress : Pre-feasibility study was completed in 2018 and currently under review
- Resources: 1,909kt Cu

Ruashi Mine (Operating Mine)

- Location: Lubumbashi, Katanga Province, DRC
- Ownership: Jinchuan Intl. (75%), Gécamines (25%)
- Products: Cathode copper, cobalt hydroxide
- LoM: 7 years
- Reserves: 227kt Cu, 25kt Co
- Resources: 614kt Cu, 82kt Co
- 1H 2022 production: 15,554t Cu, 2,603t Co
- 1H 2022 revenue: US\$274m

Kinsenda Mine (Operating Mine)

- Location: Katanga Province, DRC
- Ownership: Jinchuan Intl. (77%), Sodimico (23%)
- Product: Copper concentrate
- LoM: 14 years
- Reserves: 279kt Cu; Resources: 1035 kt Cu
- 1H 2022 production : 13,235t Cu
- 1H 2022 revenue: US\$ 91.8m

Chibuluma South Mine (Under finance lease agreement)

- Location: Zambia
- Ownership: Jinchuan Intl. (85%), ZCCM (15%)
- Product: Copper Concentrate
- Status: Leased out under finance lease agreement
- Lease term: 5 years
- lease payment payable: US\$6.5 million
- 1H 2022 Production : 1,843t Cu and the Group had recorded a royalty income of US\$1.7 million



Ruashi Mine

Overview



- ❑ Located in the DRC. Open-cast oxide copper and cobalt mine with sulfide potential underneath
- ❑ Ruashi started construction of a 600kt flotation and magnetic separation plant to process low-grade oxide and sulfide materials through magnetic separation. This will further increase the mine life of Ruashi.
- ❑ Main mining license (PE578) was renewed for 15 years and will expire in September 2036
- ❑ Copper cathode and cobalt hydroxide are sold to international trading companies through offtake agreements

Reserves and Resources Summary (as at 31 Dec 2021) Operational Review

	Tonnage	Grade		Contained Metal	
	Mt	%Cu	%Co	Cu (Kt)	Co (Kt)
Proved	0.1	6.1	0.4	6	0
Probable	10.6	2.1	0.2	221	24
Total reserves	10.7	2.1	0.2	227	25
Measured	0.1	6.1	0.4	6	0
Indicated	25.2	2.0	0.2	508	61
Inferred	5.7	1.8	0.3	100	20
Total resources	31.0	2.0	0.3	614	82

- Produced 15,554t Cu and 2,603t Co in 2022 1H
- Recorded revenue of US\$274 million in 2022 1H, increased by 44% compared to 2021 1H
- The capital expenditure of Ruashi Mine in 2022 1H was US\$8.8 million and included US\$5.1 million for the floatation plant construction and US\$1.3 million relating to Pit 3 waste stripping

Kinsenda Mine

Overview



- ❑ Located in the DRC. Underground copper mine.
- ❑ Kinsenda Mine ranks one of the world's highest grade copper deposits with an average feed grade of 5.6%
- ❑ Current mine life is more than 10 years and there exists substantial additional ore resources that could extend the mine life to 20 years and beyond
- ❑ Kinsenda Concentrator completed the trial run in May 2015. And production started in 2016
- ❑ First batch of concentrates exported in Nov 2017
- ❑ Part of copper concentrate was processed into copper blister for sale from 2020 to 2021 1H
- ❑ Kinsenda Mine concluded new copper concentrate export contracts and resumed the export of copper concentrate from July 2021

Reserves and Resources Summary (as at 31 Dec 2021)

	Tonnage	Grade	Contained metals
	Mt	%Cu	Cu (Kt)
Proved	0.0	5.4	2
Probable	4.9	5.7	277
Total reserves	4.9	5.6	279
Measured	0.7	4.5	30
Indicated	11.4	5.2	588
Inferred	10.2	4.1	417
Total resources	22.2	4.7	1,035

Operational Review

- Kinsenda produced 13.24kt copper in 2022 1H and recorded a revenue of US\$91.8 million
- Kinsenda's main mining license (PE101) was renewed for a period of 15 years and will expire in October 2036
- Capital expenditure at Kinsenda Mine in 2022 1H was US\$6.4 million (inclusive of East Mine development), primarily spent on underground development and underground dewatering
- Kinsenda Mine is developing a second ramp decline as a capital development project to open the East Mine Resources

Musonoi Project

Overview



- Musonoi Project is a brownfield copper and cobalt project located on the northern outskirts Kolwezi, DRC
- Rich cobalt content of 363,000 tons of cobalt resources at a grading of 0.9%
- The project is now in the construction phase
- The LoM will be 19 years according to ENFI Feasibility Study (2018)
- Musonoi Project will produce an average of 7,400 tons of cobalt and 38,000 tons of copper per annum upon completion
- Construction work at Musonoi Project has progressed well in 1H 2022

Reserves and Resources Summary (as at 31 Dec 2021)

	Tonnage	Grade		Contained Metal	
	Mt	%Cu	%Co	Cu (Kt)	Co (Kt)
Oxide					
Proved	2.7	3.4	1.0	91	28
Probable	0.5	3.3	0.8	16	4
Total reserves	3.2	3.3	1.0	107	32
Measured	4.7	3.1	1.0	144	48
Indicated	1.2	1.9	0.8	22	9
Inferred	1.4	2.0	0.7	29	10
Total resources	7.3	2.7	0.9	195	68
Mixed+Sulphide					
Proved	8.8	3.0	0.8	266	72
Probable	8.2	2.8	0.9	233	70
Total reserves	17.0	2.9	0.8	499	142
Measured	12.8	2.7	0.8	339	100
Indicated	13.1	2.2	0.8	292	107
Inferred	11.6	2.2	0.8	258	88
Total resources	37.4	2.4	0.8	890	295

Musonoi Project

Overview



The main shaft construction and ventilation shafts were completed in 2021



Main Decline Ramp in Construction

- The main shaft construction commenced in Dec 2019
- The 0mL–140mL ramp project was completed in Nov 2021, Construction commenced on the 140mL – 280mL ramp and 140mL-540mL ramp
- The 120KV main step-down substation and 120KV transmission lines are operational
- Administration offices and living camp was put into use in 2021
- The company entered into a facility agreement with CDBC Gansu Branch (as lender) in relation to a 10 years term loan facility in an amount of US\$350 million for financing the development and construction of Musonoi Project
- For the six months ended June 30, 2022, Musonoi's total capital expenditure was approximately \$31.4 million

Lubembe Project



Reserves and Resources Summary (as at 31 Dec 2021)

	Tonnage	Grade	Contained metals
	Mt	%Cu	Cu (Kt)
Measured	3.5	1.2	44
Indicated	73.8	2.0	1,469
Inferred	17.4	2.3	396
Total resources	94.8	2.0	1,909

Overview

- Contains mineral resources of 1.9 million tons of copper at the grading of 2.0%
- Mixed deposits with large resources that can be economically mined as a mixture of oxide and sulfide ores
- An exploration project, located 30 km south of Lubenbrazil, DRC, it has synergies with the Kinsenda mine
- It will greatly improve the copper output
- In January 2021, the Group undertook a drilling program to collect metallurgical samples across the orebody for further metallurgical test work and to update the resource model
- An infill drilling campaign to improve the geological understanding and resource reclassification was carried out at Lubembe Project

Lubembe Project

Overview



- Mining license renewed in 2016 and extended for a further to 2032
- Mixed deposits with large resources that can be economically mined as a mixture of oxide and sulfide ores
- In 2020, ENFI updated the optimization pre-feasibility study report
- During the first 6 months of 2021, a total of 20 diamond drillholes were drilled over 6,592.36m of which 5,048.2m were used for geological and metallurgical purposes and 1,544.16m for geotechnical characterization
- Mineral resource model was updated with the effective date for mineral resource estimation of 31 December 2021

Chibuluma South Mine



Overview



- Located in Zambia
- The Group decided to lease out Chibuluma South Mine (including Chifupu Deposit) and the processing plant to an independent third party on a five-year term lease in order to realise the remaining value of the mining assets in Dec 2020
- The total lease payment payable under the lease is US\$6.5 million. the Group is also entitled to a monthly royalty payment based on the volume of copper payable sold from Chifupu Deposit at a rate dependent on the prevailing market copper price
- The lessee produced and sold 1,843 tonnes of payable copper in 2022 1H. And the Group had recorded a royalty income of US\$1.7 million
- The lessee has the priority to renew upon the expiry of the lease agreement

INVESTMENT HIGHLIGHTS



International copper and cobalt miner with sizeable output and high quality copper and cobalt resources

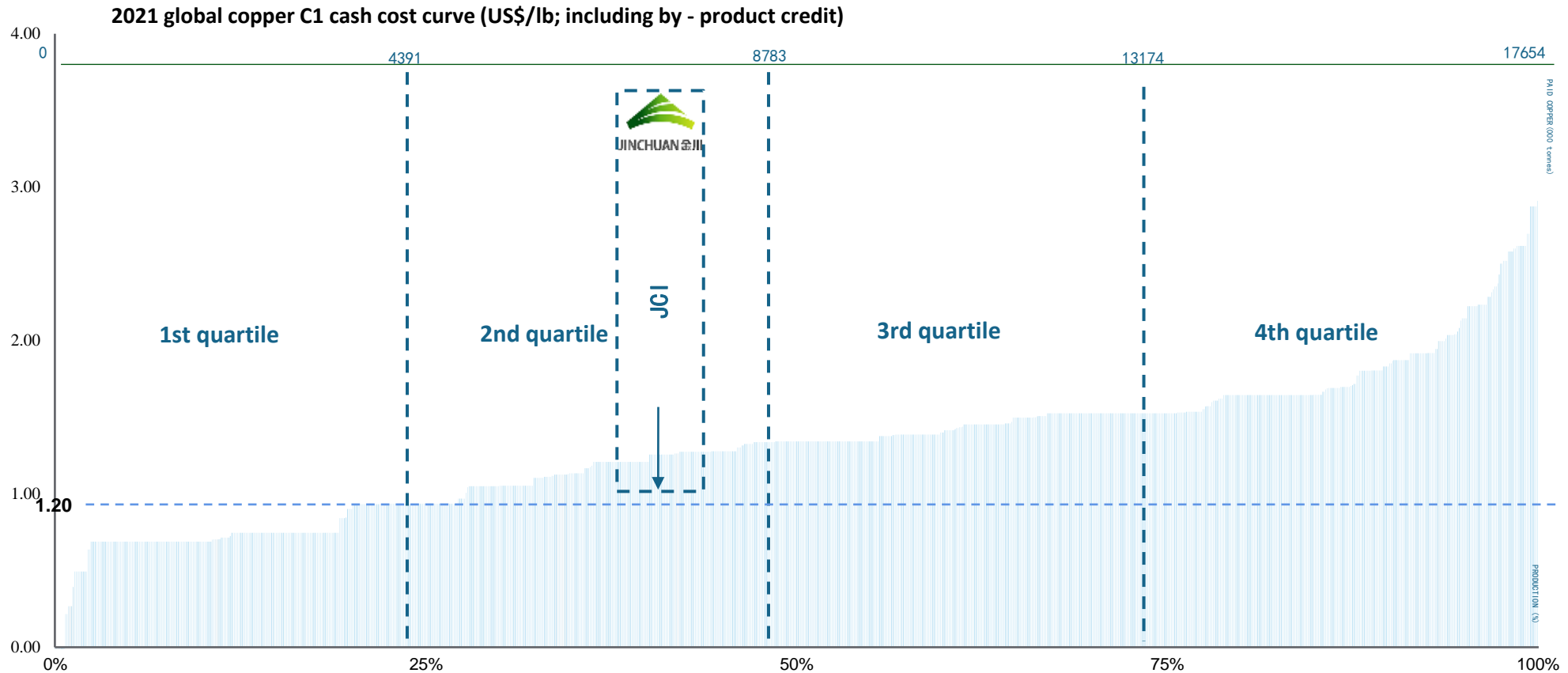
One of the only two Hong Kong-listed cobalt producers and a top 10 global cobalt listed producer

Rank	Company	Cobalt Production of 2021E (kt)
1	Glencore	31
2	CMOC 	18
3	ERG	18
4	Chemaf	12
5	CNMC	7
6	Wanbao Mining	5
7	Jinchuan International 	4
8	HEZONG	2

Source: Company announcement, Dongguan Securities

Highly competitive cost profile

- The cost of the company in the DRC is relatively stable
- C1 cash cost from 2019 to 2021 has been decreased year by year



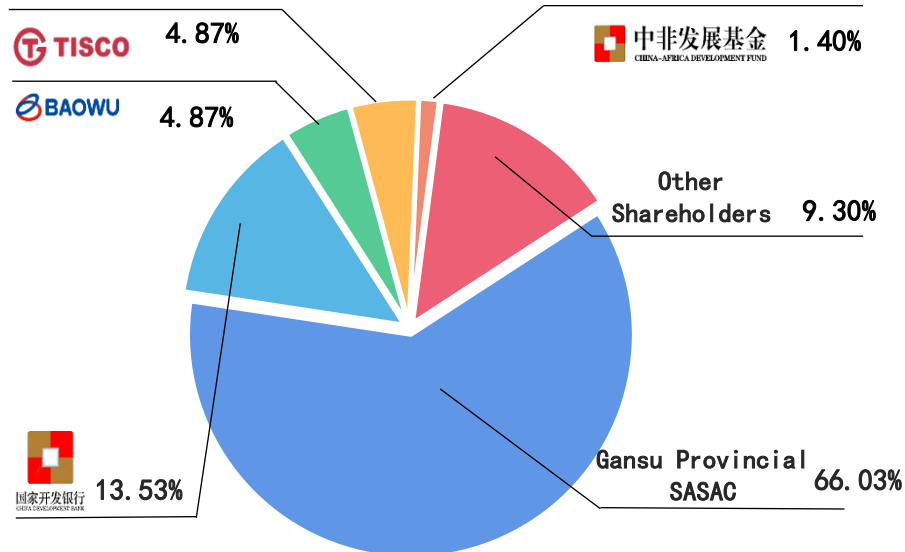
Source : WOODMACKENZIE

Strong support from shareholder

Parent Company, Jinchuan Group Overview

- Jinchuan Group is the 3rd largest Ni producer and the 4th largest Co producer in the world, as well as the 4th largest Cu producer in China and the largest PGM producer in Asia
- Jinchuan Group owns world's 3rd largest Cu-Ni sulfide deposit
- Owns a total of 13 mining assets around the globe. Mines, smelts and processes Ni, Cu, Co and PGM
- Jinchuan Group is a global leading non-ferrous metal manufacturer, with headquarters located at Jinchang, which was known as "Nickel Capital of China"

Shareholding Structure



Awards & Credentials

2022 Top 500 PRC enterprises	#100
2021 Top 500 PRC manufacturing enterprises	#35
2021 Top 100 PRC multinational enterprises	#59
2022 Fortune Global 500	#339

Strengthen ESG management and promote sustainable development

Attach great importance to community building

- Ruashi provides 0.3 % of the sales as a community development fund each year. In recent years, it has donated millions of US dollars to local schools, hospitals and other livelihood projects, contributing to the harmonious development of local communities.

Water is recycled at all of the mines

- Recycled water from the tailings dams and underground dewatering used for plant processes.
- At Ruashi, water from the mine dewatering system is used as a source of raw water to the process plant and to the Ruashi community. Surface water from storm and return water ponds is pumped back to the plant.

Dust monitoring is undertaken in accordance with permit requirements

- Dust entrainment by vehicles on unpaved roads occurs at Kinsenda, where speed control has been implemented. Reduced vehicles' speed to reduces dust generation.

Biodiversity

- Kinsenda has a programme to re-establish vegetation, and 200 trees were planted in 2021. Musonoi has implemented a programme to monitor and protect vegetation during the construction phase to prevent unnecessary ecological disturbances.

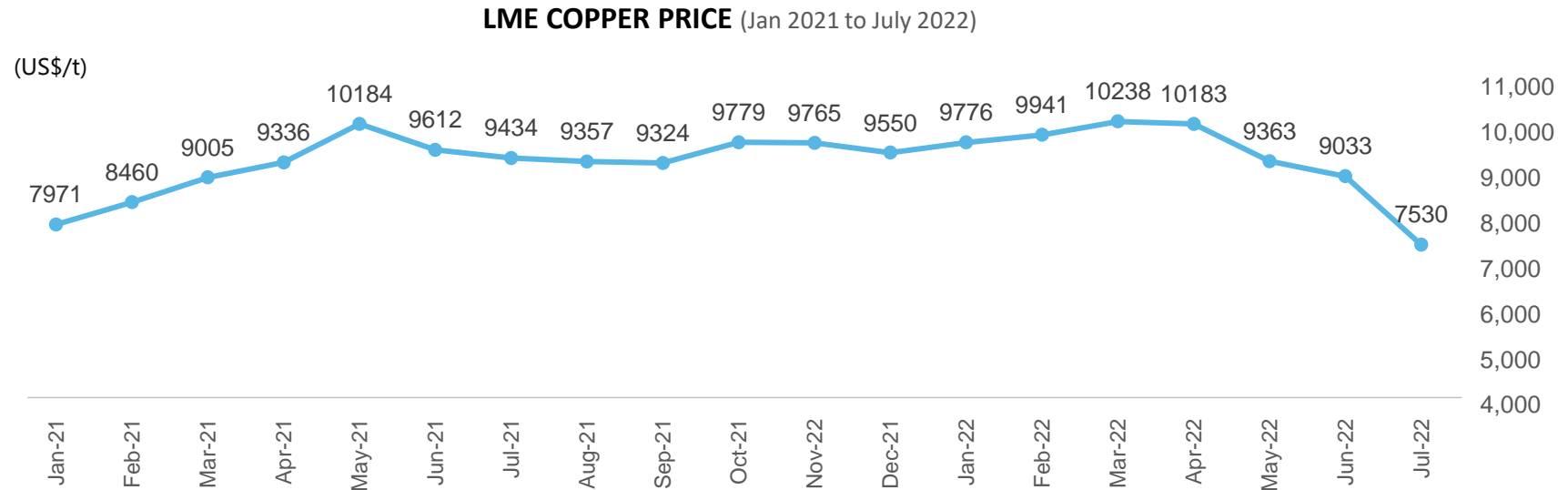
Waste Oil Recycling

- Ruashi has implemented an oil recycling programme for waste oil, whereby it is used as a supplementary fuel in power generation facilities in Likasi for lime production. Used oil at Kinsenda is collected onsite and sent to Likasi for recycling.

Strong fundamentals of copper and cobalt markets support the growth of the Company

Copper price review

- Copper price is highly susceptible to swing in global policy and economic uncertainty. The geopolitical instability between Russia and Ukraine, the re-emergence of COVID-19 and “zero-COVID” policy in the PRC and the fear of global slowdown have caused copper price to plunge by one-third from a March 2022 high of US\$10,700 per tonne to US\$7,000 per tonne in mid July 2022, the lowest since November 2020.
- Central banks are lifting interest rates and high energy prices are affecting investments. Commodities price has been volatile in 2022 1H and likely to remain volatile in the short-term future.



Source : LME

Strong fundamentals of copper and cobalt markets support the growth of the Company

Copper Supply

- LME copper inventory has remained at a low level in a prolonged period
- COVID-19 has led to an increase in logistics turnaround time, and at the same time, domestic copper demand is fierce. Goldman Sachs pointed out that the inventory of the London Gold Exchange has fallen to the lowest level since 2005, and the decline in processing costs also indicates that the supply and demand of the concentrate market is tight, and the situation is increasingly apparent.
- Russia produced around 3.5% of global copper production in 2021 according to US Geological Survey (USGS) and any potential disruption to Russia's copper production will also lead to copper price shock.
- Bank of America Global Research analysts expect global copper market to return to deficit from 2025 onwards after completion of current projects' construction. With exploration activity relatively limited in recent years, the increase in new supply will be slow from 2025 onwards.
- Global commodities trader Trafigura sees a significant deficit in the region of ten million tonnes of copper by 2030, and will require building eight projects the size of Escondida, the world's largest copper mine, to close the gap

Copper Demand

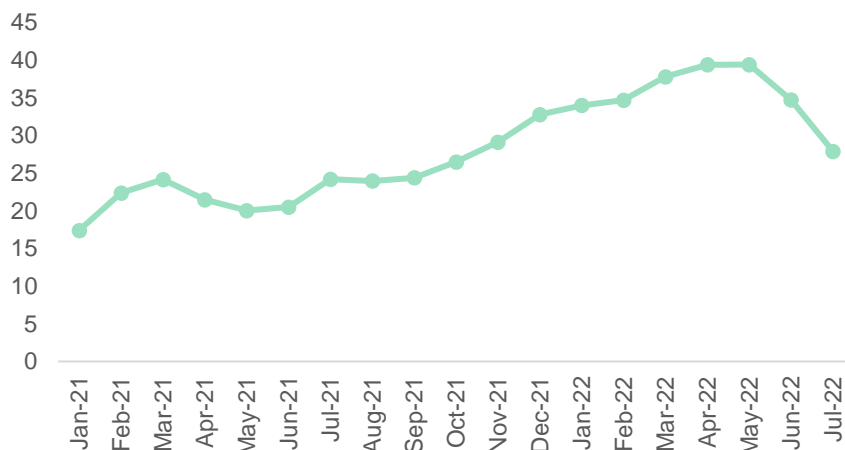
- The trend towards carbon neutrality is unstoppable
- Copper demand will be driven by the growth in fast expanding green technologies
- While the precise timing of COVID-19 to be contained is still unknown, copper fundamental factors are still strong and copper price is expected to stay strong after COVID-19 is contained. Copper, as a critical commodity used in construction and infrastructure, will definitely benefit from the economic recovery from COVID-19.
- Nations around the globe have initiated the strategic target of carbon neutral. Copper, as the most commonly used conductible material, will be used more frequently in areas including solar, wind, power storage, new energy and distribution under the carbon neutral era, the demand for copper will further increase.
- S&P Global forecasted that long term demand will reach 53 million tonnes annually in order to reach carbon neutrality by 2050, more than double the current level.
- According to market research, EV industry worldwide will need 250% more copper in 2030 for charging stations compared to 2019, and each EV consumes quadruple copper as compared to conventional internal combustion engine-powered vehicle, copper will benefit from the modest growth of the electric vehicle industry in the long term.

Strong fundamentals of copper and cobalt markets support the growth of the Company

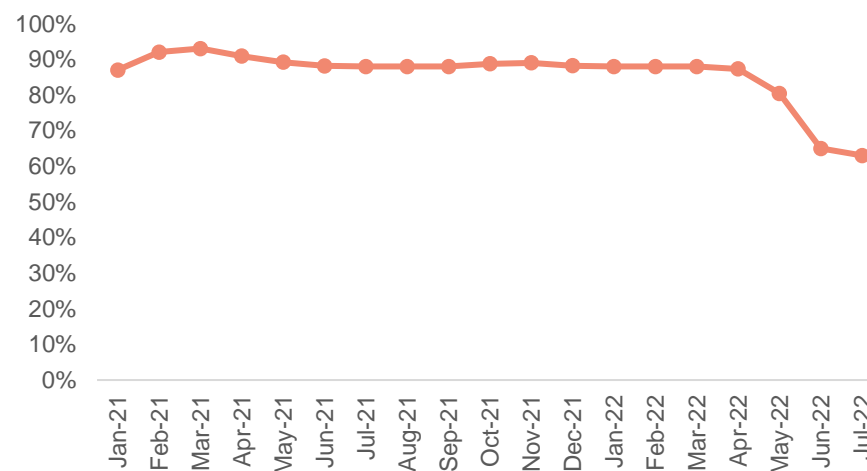
Cobalt price review

- After cobalt price more than doubled in 2021, benchmark MB cobalt price has retreated by approximately 40% since end of March 2022 from US\$39.0 per pound at 31 March 2022 to US\$24.5 per pound
- MB cobalt hydroxide coefficient has decreased from 88% at the end of March 2022 to 61%

MB COBALT PRICE
(Jan 2021 to July 2022)



MB COBALT HYDROXIDE PAYABLE INDICATOR
(Jan 2021 to July 2022)



Strong fundamentals of copper and cobalt markets support the growth of the Company

Cobalt demand

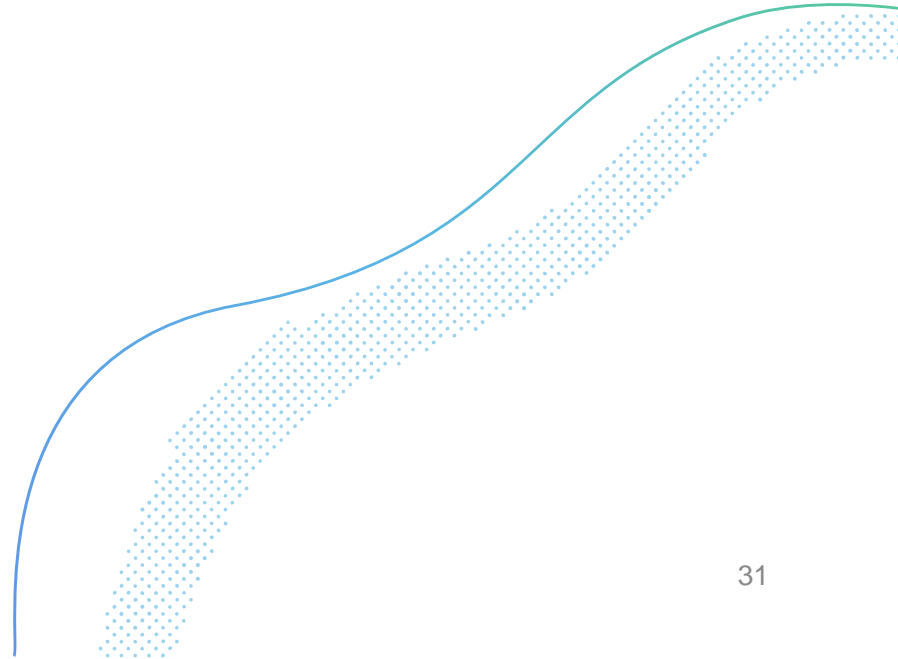
- According to Cobalt Institute, EV became cobalt's largest end use sector for the first time in 2021, representing 34% of global cobalt usage
- The demand for cobalt was mainly distributed in the battery field, most of which was concentrated in the non power battery sector. In 2021, the lithium battery sector accounts for 53% of global cobalt demand
- Analyst forecasts cobalt demand to expand at a compound annual growth rate of 7% till 2030
- Ford estimates that 40% of motor vehicle sold will be EVs by 2030 and Bloomberg estimates that half of motor vehicle sold will be EVs by 2040.
- In general, it is expected that the cobalt demand may reach the level of 230.4 kt in 2025 with an CAGR up to 10%. The core growth factors are mainly concentrated in the power battery field of EV and the 3C field of non power battery. The remaining superalloy and hard metals fields are assumed to maintain the demand growth rate of 4% and 1% respectively

Cobalt supply

- The global cobalt supply chain is relatively fragile, and the repeated epidemics in Africa and the unstable political environment may affect the cobalt supply. In a tight balance between supply and demand, the instability of supply can easily have a positive impact on cobalt prices



Q&A



Disclaimer

Statements in this presentation, other than historical facts, that address exploration activities and mining potential are “forward-looking” statements and are not statements of fact. These statements are generally identified by words such as “believes,” “expects,” “predicts,” “intends,” “projects,” “plans,” “estimates,” “aims,” “foresees,” “anticipates,” “targets,” and similar expressions. The forward-looking statements, including but not limited to assumptions, opinions and views of Jinchuan Group International Resources Co. Ltd (“the Company”) or information from third party sources, contained in the presentation are based on current plans, estimates, assumptions and projections and involve uncertainties and risks.

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