

**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 2023 Interim Results****Significant progress in development project and continued improvement in mine efficiency****Highlights of 2023 Interim Results**

- The Group recorded total revenue of US\$327.1 million, of which US\$219.5 million was from mining operations and US\$107.6 million was from the trading of mineral and metal products
- During the Period, the Group produced 30,200 tonnes of copper and 1,364 tonnes of cobalt, of which copper production increased by 5% year-on-year
- During the Period, the Group sold 29,324 tonnes of copper and 172 tonnes of cobalt, of which copper sales increased by 8% year-on-year

(18 August 2023, Hong Kong) **Jinchuan Group International Resources Co. Ltd.** ("**Jinchuan International**" or the "**Company**"; together with its subsidiaries, the "**Group**"; Stock Code: 2362), being Jinchuan Group's flagship platform for overseas mineral resources development, is pleased to announce its unaudited interim results for the six months ended 30 June 2023 ("**1H 2023**" or the "**Period**").

During the Period, the Group recorded total revenue of US\$327.1 million, of which US\$219.5 million was from mining operations and US\$107.6 million was from the trading of mineral and metal products. The Overall gross profit was US\$28.4 million. The Group made a loss attributable to shareholders of US\$12.5 million largely resulted from a decline in copper and, in particular cobalt prices during the Period, as compared with the term in corresponding period in 2022.

In 1H 2023, the Group produced 30,200 tonnes of copper and 1,364 tonnes of cobalt, and sold 29,324 tonnes of copper and 172 tonnes of cobalt, of which a revenue of US\$221.0 million was recorded from the sales of copper. Compared with the same period last year,

the Group's copper production increased by 5%. Due to an 18% higher feed grade ore in 1H 2023, the Kinsenda Mine's copper production increased by 20% and resulted in an improved copper recovery rate.

### **Significant progress made in Musonoi Project, positioning the third operating mine in the pipeline**

The Musonoi Project, a key development mine project of the Group, achieved a major milestone during the Period. With a total of more than 5,000 meters of construction work, the construction of the major "Decline Ramp Project" was completed in March 2023,. Overcoming the complexity of the underground water situation, the construction of the decline ramp was successfully connected to the vertical shaft. In addition, the sub-level works at 80mL, 140mL, 380mL and 400mL progressed in plan.

Construction of the dewatering pump station at 140mL was completed [and is] in the testing phase. The contract for the station at 540mL was awarded and the construction will begin in 2023. At ground level, the construction of facilities such as diesel power station, main power sub-station, administrative offices, dormitory, core shed, integrated warehouse, mine safety fence and road connections has been completed.

The construction and procurement contracts for the Musonoi Project's "Deep Processing Project" were tendered and were under evaluation. Construction is scheduled to commence by the end of 2023. Once the Musonoi Project is put into operation, it will further increase the output of copper and cobalt, significantly increase the Group's production capacity, consolidate the Group's leading position in the industry and benefit from increasing market demand.

### **Continue to develop existing mines and enhance mine efficiency**

The Group has been committed to improve the efficiency of its existing mines. During the Period, the Group successfully commenced operation of a flotation and magnetic separation plant to further extend the mine life of Ruashi Mine and completed the construction of a 600kt per annum flotation and magnetic separation plant which are capable of processing low-grade mixed ores through flotation technology and magnetic separation. In addition, a second decline ramp was constructed at Kinsenda Mine to develop the East Mine resources. Starting from 2021, the Group decided to lease Chibuluma South Mine (including the Chifupu Deposit) and the processing plant to an independent third party in order to realize the remaining value of the mining assets.

## **Demand for copper-cobalt continued to grow, creating a bright future for the Industry**

Although copper prices are subject to fluctuations in global policies and economic uncertainties, the fundamentals of copper remain strong. In the short term, copper prices will be supported by demand growth in China and escalating supply risks in Chile. In the long term, copper, a critical commodity used in construction and infrastructure, will certainly benefit from economic recovery. Countries around the world have embraced strategic carbon neutrality targets. Copper, the most widely used conductive material, will be more widely used in areas such as solar and wind power storage, new energy and distribution grid in the carbon neutral era, and the demand for copper will continue to increase.

In terms of cobalt, Glencore, one of the world's largest cobalt producer, may consider reducing production and increasing inventories to support cobalt prices. The EV industry is the largest consumer of cobalt and the exponential growth of the EV sector is expected to double global cobalt demand by 2030. Cobalt is expected to remain a vital raw material for the entire battery supply chain in the near future. Analysts predict that demand for cobalt will be more than double to 388,000 tonnes by 2030. With the gradual resumption of economic activities, the recovery of the aviation industry will further drive the demand for cobalt.

The Group said, "During the Period, despite the challenges brought by the decline in the commodity prices for copper and cobalt, delays in sales of cobalt products and increase in production costs have affected our business, we have been able to maintain stable business development with a solid foundation. Looking ahead, with the advent of the carbon neutral era, rapid green technology advancement and the exponential growth of the EV sector, the demand for copper and cobalt will continue to increase, creating favorable conditions for the market. We will further strengthen our business layout, capture the increasing market demand for copper and cobalt, and seize the opportunity. We will also continue to improve quality, production and sales volume as well as increase the Group's profitability. We are committed to develop into a world-class mineral corporation and bring satisfactory returns to 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 Jinchuan Group's elevation 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 mining assets include the operating Ruashi copper & cobalt and Kinsenda copper mines, the advanced developing Musonoi copper & cobalt Project, the exploring Lubembe project and leased out Chibuluma South Mine (including Chifupu Deposit).

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. In 2022, Jinchuan Group's annual production of nickel and cobalt respectively ranked fourth globally. Its annual production of copper ranked fourth in China and its platinum group metals output ranked first in Asia. Jinchuan Group boasts the world's third largest nickel-copper sulfide deposit, and serves as both China's largest and world's leading nickel and cobalt production base and platinum group metal refining center. Jinchuan Group holds significant influence within the industry and ranks no. 289 in the 2023 Fortune Global 500 list.

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

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