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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)

**CONNECTED TRANSACTION
DISPOSAL OF AN INTEREST IN A SUBSIDIARY
WITH RENEWAL OF MINING PERMIT**

INTRODUCTION

Reference is made to the announcements of the Company dated 2 April 2024 and 28 June 2024 in relation to, among other things, the renewal of the mining permit and the proposed transfer of 5% of the shares in Ruashi SAS.

The Company, through its non-wholly owned subsidiary, Ruashi SAS, holds 100% interest in Musonoi Project.

Ruashi SAS applied for the renewal of the mining permit in relation to the Musonoi Project. The Mining Permit expired on 3 April 2024 and was successfully renewed for an additional 15 years until 3 April 2039.

The issuance of mining permits and their renewals are governed by the 2018 Mining Code. As part of the Renewal process, the 2018 Mining Code provides that upon renewal of a mining permit, the DRC State shall be entitled to an additional five (5) per cent share interest in the company holding the mining permit, in addition to its existing shareholding (if any).

By entering into the Agreement, Ruashi Holdings shall transfer its interest equivalent to 5% of the shares in Ruashi SAS directly to the DRC State in order to comply with the 2018 Mining Code on Renewal of the mining permit. The transfer was completed on 21 October 2024, i.e. immediately on the date of notarization of the Agreement.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, Gécamines SA is a substantial shareholder of Ruashi SAS and therefore is a connected person at the subsidiary level of the Company. The DRC State is the ultimate controller of Gécamines SA and as such an associate of a connected person at the subsidiary level of the Company under Chapter 14A of the Listing Rules.

Immediately following the Completion, the shareholding interest of the Group in Ruashi SAS decreased from 75% to 70%. As one or more of the applicable percentage ratios (as defined under the Listing Rules) in relation to the Disposal are more than 1% but are all less than 5%, the Disposal constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the reporting and announcement requirements but is exempt from the circular and independent shareholders' approval requirements pursuant to Rule 14A.76 of the Listing Rules.

Shareholders and potential investors of the Company are advised not to place undue reliance on the information disclosed herein and are advised to exercise caution when dealing in the shares of the Company. Any shareholder or potential investor who is in doubt is advised to seek advice from professional advisers.

INTRODUCTION

Reference is made to the announcements of the Company dated 2 April 2024 and 28 June 2024 in relation to, among other things, the renewal of the mining permit and the proposed transfer of 5% of the shares in Ruashi SAS.

The Company, through its non-wholly owned subsidiary, Ruashi SAS, holds 100% interest in Musonoi Project.

Musonoi Project is a high grade copper-cobalt deposit in the DRC, which is an underground mine under construction and will be producing copper cathode and cobalt hydroxide. Musonoi Project has an estimated total mine life of 16 years according to its latest feasibility study issued in 2023.

The Mining Permit expired on 3 April 2024. Before expiration, Ruashi SAS applied for the renewal of the mining permit in relation to the Musonoi Project, and the Mining Permit was successfully renewed for an additional 15 years until 3 April 2039.

The issuance of mining permits and their renewals are governed by the 2018 Mining Code. As part of the Renewal process, the 2018 Mining Code provides that upon renewal of a mining permit, the DRC State shall be entitled to an additional five (5) per cent share interest in the company holding the mining permit, in addition to its existing shareholding (if any).

By entering into the Agreement, Ruashi Holdings shall transfer its interest equivalent to 5% of the shares in Ruashi SAS directly to the DRC State in order to comply with the 2018 Mining Code on Renewal of the mining permit. The transfer was completed on 21 October 2024, i.e. immediately on the date of notarization of the Agreement.

RELATIONSHIP BETWEEN THE PARTIES

The Company is an investment holding company. The Group is principally engaged in (i) the mining of metals, primarily copper and cobalt, in the DRC and in Zambia; and (ii) the trading of mineral and metal products in Hong Kong.

Ruashi SAS is an indirect non wholly-owned subsidiary of the Company. Immediately before the Completion, Ruashi SAS is held as to 75% thereof by Ruashi Holdings and the remaining 25% thereof is held by Gécamines SA.

Gécamines SA is a state-owned mining company registered in the DRC and a connected person at the subsidiary level of the Company. The DRC State is the ultimate controller of Gécamines SA and as such an associate of a connected person at the subsidiary level of the Company under Chapter 14A of the Listing Rules.

THE AGREEMENT

For the purpose of effecting the Renewal, Ruashi Holdings, Gécamines SA and the DRC State entered into the Agreement for the transfer of 5% interest in Ruashi SAS to the DRC State, brief particulars of which are set out below:

Date	:	12 September 2024 and duly notarised for its legality on 21 October 2024
Parties	:	(1) Ruashi Holdings (2) Gécamines SA (3) the DRC State
Subject Matter	:	the transfer of 5% interest in Ruashi SAS to the DRC State, free of all encumbrances and non-dilutable at nil consideration pursuant to the statutory requirement of the 2018 Mining Code on Renewal of the Mining Permit
Fees and taxes	:	all costs and registration fees relating to the transfer of Ruashi SAS's shares, including where applicable, the proportional rights relating to the transfer of such shares, and all other costs relating thereto will be borne by Ruashi SAS
Completion date	:	21 October 2024, the date of notarization of the Agreement

SHAREHOLDING INTEREST OF RUASHI SAS

As at the date of this announcement, Ruashi SAS has 12,000 issued and outstanding shares. Set out below is the shareholding interest held by relevant shareholders in Ruashi SAS before and immediately following completion of the Renewal.

Shareholder	Number of shares			
	before the Completion (and percentage)		immediately following the Completion (and percentage)	
Ruashi Holdings	9,000	75%	8,400	70%
Gécamines SA	3,000	25%	3,000	25%
DRC State	—	—%	600	5%
Total	12,000	100%	12,000	100%

REASONS FOR AND BENEFIT OF ENTERING INTO THE AGREEMENT

The Agreement was entered into in compliance with the requirement under 2018 Mining Code. The Renewal will enable the Group to engage in the production of copper cathode and cobalt hydroxide of Musonoi Project for the renewed term, and to fully utilize the expected life of mine. Further, the entering of the Agreement is consistent with the Group's continuing strategy to strengthen its business in the mineral resources sector and to focus on profit generating mines as well as mining projects with immense development potential to drive future revenue and profit.

FINANCIAL EFFECTS OF THE DISPOSAL

Upon Completion of the Disposal, the Company and its subsidiaries would treat the Disposal as an equity transaction and expect to recognise a mineral right and adjust the carrying amounts of the controlling and non-controlling interests to reflect the changes in their relative interests in Ruashi SAS. No sales proceeds and gain/loss through profit or loss arise from the Disposal. The financial effect of the Disposal expected by the Company is subject to the final ascertainment of the valuation of the 5% interest in Ruashi SAS as at Completion when preparing the consolidated financial statements of the Group for the year ended 31 December 2024 in the first quarter of 2025.

Upon Completion, Ruashi SAS remains to be an indirect non wholly-owned subsidiary of the Company and the financial results of which will continue to be consolidated into the financial statements of the Group; where attributable interest is adjusted from 75% to 70% since then.

FINANCIAL INFORMATION OF RUASHI SAS

Ruashi SAS is principally engaged in mining activities. Immediately before the entering into the Agreement, Ruashi SAS holds 100% interest in Ruashi Mine and Musonoi Project.

Set out below is the key financial information of Ruashi SAS for the two years ended 31 December 2022 and 2023 and for the six months ended 30 June 2024:

	Year ended 31 December 2022 <i>US\$'000</i> <i>(audited)</i>	Year ended 31 December 2023 <i>US\$'000</i> <i>(audited)</i>	For the six months ended 30 June 2024 <i>US\$'000</i> <i>(unaudited)</i>
Revenue	449,434	257,012	106,025
Net Loss before taxation	7,678	17,549	4,491
Net Loss after taxation	33,822	28,002	3,144

The total assets and net assets of Ruashi SAS as at 31 December 2023 were approximately US\$1,311,769,000 (audited) and US\$352,348,000 (audited) while as at 30 June 2024, the total assets and net assets of Ruashi SAS were approximately US\$1,399,153,000 (unaudited) and US\$349,204,000 (unaudited) respectively.

Based on the financial statement of Ruashi SAS, the book value of the 5% interest in Ruashi SAS as at 30 June 2024 was approximately US\$18 million (unaudited).

CONFIRMATION OF THE BOARD

The Directors (including the independent non-executive Directors) consider that although the Agreement was not entered into in the ordinary and usual course of business of the Group, the terms of the Agreement and the transaction contemplated thereunder are on normal commercial terms pursuant to 2018 Mining Code that are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

None of the Directors have any material interest in the Agreement for which they would be required to abstain from voting on the relevant board resolution approving the Agreement pursuant to the Articles of Association of the Company. The Agreement and the transaction contemplated thereunder are approved by the Board.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, Gécamines SA is a substantial shareholder of Ruashi SAS and therefore is a connected person at the subsidiary level of the Company. The DRC State is the ultimate controller of Gécamines SA and as such an associate of a connected person at the subsidiary level of the Company under Chapter 14A of the Listing Rules.

Immediately following the Completion, the shareholding interest of the Group in Ruashi SAS decreased from 75% to 70%. As one or more of the applicable percentage ratios (as defined under the Listing Rules) in relation to the Disposal are more than 1% but are all less than 5%, the Disposal constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the reporting and announcement requirements but is exempt from the circular and independent shareholders' approval requirements pursuant to Rule 14A.76 of the Listing Rules.

Shareholders and potential investors of the Company are advised not to place undue reliance on the information disclosed herein and are advised to exercise caution when dealing in the shares of the Company. Any shareholder or potential investor who is in doubt is advised to seek advice from professional advisers.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“2018 Mining Code”	the Mining Code (revised in 2018) of the DRC
“Agreement”	the agreement dated 12 September 2024 entered into between Ruashi Holdings and the DRC State and duly notarised for its legality on 21 October 2024 in relation to the proposed transfer of Ruashi SAS' shares equivalent to 5% of the shares in Ruashi SAS pursuant to the requirement of the 2018 Mining Code on Renewal of the Mining Permit
“associate(s)”	has the meaning ascribed to it under the Listing Rules

“Board”	the board of Directors
“Company”	Jinchuan Group International Resources Co. Ltd, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 2362)
“Completion”	completion of the transaction contemplated under the Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Disposal”	the proposed transfer of Ruashi SAS’ shares equivalent to 5% of the shares in Ruashi SAS by Ruashi Holdings to the DRC State at nil consideration pursuant to the requirement of the 2018 Mining Code on Renewal of the Mining Permit
“Director(s)”	the director(s) of the Company
“DRC”	the Democratic Republic of Congo
“DRC State”	DRC, the signing party of the Agreement
“Gécamines SA”	La Générale des Carrières et des Mines, a state-owned mining company registered in the DRC
“Group”	collectively, the Company and its subsidiaries and associates controlled by the Company from time to time
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mining Permit”	mining permit PE 13083 in relation to the Musonoi Project
“Musonoi Project”	a brownfield copper and cobalt project owned by Ruashi SAS and situated in Kolwezi, Lualaba Province, the DRC
“Renewal”	the renewal of the Mining Permit pursuant to the 2018 Mining Code
“Ruashi Holdings”	Ruashi Holdings (Proprietary) Limited, a company incorporated in South Africa and a wholly-owned subsidiary of the Company

“Ruashi Mine”	an open-cast oxide copper and cobalt mine owned by Ruashi and situated in the DRC on the outskirts of Lubumbashi, the capital of Haut Katanga Province
“Ruashi SAS”	Ruashi Mining SAS, a company incorporated in the DRC and an indirect non wholly-owned subsidiary of the Company
“Share(s)”	ordinary shares of HK\$0.01 each in the share capital of the Company listed on the Stock Exchange
“Shareholder(s)”	the holder(s) of the Share(s)
“South Africa”	the Republic of South Africa
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	percentage

By order of the Board
Jinchuan Group International Resources Co. Ltd
Wong Tak Chuen
Company Secretary

Hong Kong, 21 October 2024

As at the date of this announcement, the Board comprises two executive directors, namely Mr. Cheng Yonghong and Mr. Gao Tianpeng; one non-executive director, namely Mr. Wang Qiangzhong; and four independent non-executive directors, namely Mr. Yen Yuen Ho, Tony, Mr. Poon Chiu Kwok, Mr. Yu Chi Kit and Ms. Han Ruixia.