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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Molybdenum Co., Ltd., you should at once hand this circular and the accompanying form of proxy and the reply slip to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or the transferee.

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洛陽樂川鉬業集團股份有限公司

China Molybdenum Co., Ltd. *

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 03993)

**PROPOSED ISSUE OF DEBT FINANCING INSTRUMENTS IN THE PRC
AND
NOTICE OF EGM**

A notice convening the EGM to be held at 10:00 a.m. on Sunday, 31 October 2010 at the International Conference Room of Mudu-Lee Royal International Hotel at No.239, Kaiyuan Street, Luonan District, Luoyang City, Henan Province, PRC is set out on pages 7 to 10 of this circular. Whether or not you are able to attend the EGM, you are requested to read the notice and complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the office of the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible but in any event not less than 24 hours before the appointed time for holding the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting (as the case may be) should you so wish.

If you intend to attend the EGM in person or by proxy, you are required to complete and return the reply slip in accordance with the instructions printed thereon to Computershare Hong Kong Investor Services Limited (for holders of H Shares only) at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, or the Secretariat of the Board at the Company's principal place of business in the PRC at North of Yihe, Huamei Shan Road, Chengdong New District, Luanchuan County, Luoyang City, Henan Province, the PRC (for holders of Domestic Shares only) on or before Sunday, 10 October 2010.

* For identification purposes only

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DEFINITIONS

In this circular, unless otherwise indicated in the context, the following expressions have the meaning set out below:

“Articles of Association”	the articles of association of the Company as amended from time to time
“Board”	the board of Directors
“Company”	洛陽樂川鎢業集團股份有限公司 (China Molybdenum Co., Ltd.*), a joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed on the Stock Exchange
“Debt Financing Instruments”	the short-term financing bills and medium-term notes with an aggregate principal amount of not more than RMB4 billion proposed to be issued by the Company
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be held at International Conference Room of Mudu-Lee Royal International Hotel at No.239, Kaiyuan Street, Luonan District, Luoyang City, Henan Province, PRC on Sunday, 31 October 2010 at 10:00 a.m., or any adjournment thereof
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of PRC
“Share(s)”	the share(s) of the Company
“Shareholder(s)”	the holder(s) of the Share(s) of the Company

* *For identification purposes only*



洛陽樂川鉬業集團股份有限公司

China Molybdenum Co., Ltd. *

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 03993)

Executive Directors:

Duan Yuxian (*Chairman*)
Li Chaochun (*Vice Chairman*)
Wu Wenjun
Li Faben
Wang Qinxi

Non-executive Directors:

Shu Hedong
Zhang Yufeng

Independent Non-executive Directors:

Gao Dezhu
Zeng Shaojin
Gu Desheng
Ng Ming Wah, Charles

Registered Office:

North of Yihe
Huamei Shan Road
Chengdong New District
Luanchuan County
Luoyang City
Henan Province
the People's Republic of China

Principal Place of Business in Hong Kong:

Level 28
Three Pacific Place
1 Queen's Road East
Hong Kong

14 September 2010

To the Shareholders

Dear Sir or Madam,

**PROPOSED ISSUE OF DEBT FINANCING INSTRUMENTS IN THE PRC
AND
NOTICE OF EGM**

I. INTRODUCTION

The purposes of this circular are to give you notice to the EGM and to provide with information regarding the resolutions to be proposed at the EGM relating to the proposed issue of Debt Financing Instruments.

LETTER FROM THE BOARD

II. PROPOSED ISSUE OF DEBT FINANCING INSTRUMENTS IN THE PRC

1. Background

Reference is made to the announcement of the Company dated 17 August 2010 in relation to the proposed issue of Debt Financing Instruments in the PRC.

In order to improve the debt structure and reduce the financing costs, on 16 August 2010, the Board resolved that Debt Financing Instruments to be issued by the Company in the PRC, subject to approval from Shareholders by way of special resolution at the EGM and approval from relevant regulatory authority.

2. Particulars of the Debt Financing Instruments

Particulars of the Debt Financing Instruments proposed to be issued are as follows:

- (i) Issuer : The Company.
- (ii) Place of issue : The PRC.
- (iii) Maximum principal amount : Not more than RMB4 billion (approximately HK\$4.56 billion) in total, to be issued in one or several tranches, subject to the prevailing market conditions at the time of the issue.
- (iv) Term : The term of the Debt Financing Instruments will be one to five years.
- (v) Interest rate : To be determined according to the prevailing market conditions at the time of the issue, but in any event expected to be not higher than best lending rate quoted by the People's Bank of China for the corresponding period.
- (vi) Target : Not for the general public. Only to institutional investors in the inter-bank bond market in the PRC, save for those prohibited by PRC laws or regulations from subscription.

LETTER FROM THE BOARD

- (vii) Issue method : To be arranged and underwritten by the financial institution(s) to be engaged by the Company, and each of the financial institution(s) shall be a financial institution registered with the People's Bank of China.
- (viii) Use of proceeds : It is expected that the proceeds from the issue of the Debt Financing Instruments will be used to satisfy the operational needs of the Company and its subsidiaries, including but not limited to, capital expenditure, working capital and repayment of bank loan(s).
- (ix) Term of validity of the resolution : The resolution passed at the EGM in respect of the issue of the Debt Financing Instruments will remain effective within the term of the issue of the Debt Financing Instruments or the duration of the relevant matters after the date of passing of such resolution.

It is also proposed by the Board that the EGM will, subject to its approval of the issue of the Debt Financing Instruments, grant the authority to the Board or any one Director to generally and unconditionally deal with all matters relating to the proposed issue of the Debt Financing Instruments, including but not limited to:

- (a) to decide the terms of the issue of the Debt Financing Instruments, including but not limited to the principal amount, the term, the number of tranches for the issue, timing of the issue, the method of the issue, the interest rate and the method to determine the interest rate;

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- (b) to select and engage qualified professional intermediaries, including but not limited to selecting and engaging the underwriting institutions, credit rating authority and legal counsel;
- (c) to undergo all necessary negotiations, and to amend and execute all relevant agreements and other necessary documents (including but not limited to the applications for approval of the issue of the Debt Financing Instruments, registration report, offering document, underwriting agreement, all announcements and documents for necessary disclosure);
- (d) to apply for all necessary approvals and make all necessary filings and registrations in connection with the Debt Financing Instruments, including but not limited to submitting application for registration to the relevant authorities in the PRC in relation to the issue of the Debt Financing Instruments and making necessary amendments to the proposal on the issue of the Debt Financing Instruments in response to any request from the relevant authorities in the PRC; and
- (e) to take all necessary actions and deal with or make decisions on all matters relevant to the issue of the Debt Financing Instruments.

According to Article 98 of the Articles of Association, the proposed issue of the Debt Financing Instruments is subject to the approval of the Shareholders by way of special resolution and it is also conditional upon obtaining the necessary approvals from the National Association of Financial Market Institutional Investors* (中國銀行間市場交易委員會).

LETTER FROM THE BOARD

3. Reasons for, and benefits of the issue of Debt Financing Instruments

The Board believes that the proposed issue of the Debt Financing Instruments will provide additional source of funding for the Company and its subsidiaries, improve the debt structure and reduce the financing costs.

The proposed issue of the Debt Financing Instruments may or may not occur. Shareholders and investors should therefore exercise caution in dealing in the Shares.

III. THE EGM

A notice of the EGM to be held at the International Conference Room of Mudu-Lee Royal International Hotel at No.239, Kaiyuan Street, Luonan District, Luoyang City, Henan Province, PRC at 10:00 a.m. on Sunday, 31 October 2010 is set out on pages 7 to 10 of this circular.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the shareholders at a general meeting must be taken by poll. Accordingly, all resolutions to be proposed at the EGM will be voted by poll. An announcement will be made by the Company after the EGM to inform Shareholders of the results of the poll pursuant to Rule 13.39(5) of the Listing Rules.

A form of proxy for the EGM is enclosed with this circular.

Whether or not you are able to attend the EGM in person, you are requested to read the notice and complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company's H share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 24 hours before the time appointed for the holding of the EGM or any adjourned meeting thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting thereof (as the case may be) should you so wish.

LETTER FROM THE BOARD

IV. RECOMMENDATIONS

The Directors consider that the proposed issue of the Debt Financing Instruments is in the interest of the Company and its Shareholders as a whole. Accordingly, the Directors recommend all Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM.

Yours faithfully,
For and on behalf of
China Molybdenum Co., Ltd.*
Duan Yuxian
Chairman

* *For identification purposes only*

NOTICE OF EXTRAORDINARY GENERAL MEETING



洛陽樂川鉬業集團股份有限公司

China Molybdenum Co., Ltd.*

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 03993)

NOTICE OF EGM

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (“EGM”) of China Molybdenum Co., Ltd.* (the “Company”) will be held at the International Conference Room of Mudu-Lee Royal International Hotel at No.239, Kaiyuan Street, Luonan District, Luoyang City, Henan Province, the People’s Republic of China on Sunday, 31 October 2010 at 10:00 a.m. for the purpose of considering and, if thought fit, passing (with or without modifications) the following resolutions:

AS SPECIAL RESOLUTIONS

“**THAT** each of the following proposed items in respect of the proposed issue of Debt Financing Instruments in the PRC be and is hereby individually approved (subject to the approval of the National Association of Financial Market Institutional Investors* (中國銀行間市場交易委員會) and the market conditions):

(a) Details of the Debt Financing Instruments:

- | | | |
|--------------------------------|---|--|
| (i) Issuer | : | The Company. |
| (ii) Place of issue | : | The PRC. |
| (iii) Maximum principal amount | : | Not more than RMB4 billion (approximately HK\$4.56 billion) in total, to be issued in one or several tranches, subject to the prevailing market conditions at the time of the issue. |
| (iv) Term | : | The term of the Debt Financing Instruments will be one to five years. |

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (v) Interest rate : To be determined according to the prevailing market conditions at the time of the issue, but in any event expected to be not higher than best lending rate quoted by the People's Bank of China for the corresponding period.
 - (vi) Target : Not for the general public. Only to institutional investors in the inter-bank bond market in the PRC, save for those prohibited by PRC laws or regulations from subscription.
 - (vii) Issue method : To be arranged and underwritten by the financial institution(s) to be engaged by the Company, and each of the financial institution(s) shall be a financial institution registered with the People's Bank of China.
 - (viii) Use of proceeds : It is expected that the proceeds from the issue of the Debt Financing Instruments will be used to satisfy the operational needs of the Company and its subsidiaries, including but not limited to, capital expenditure, working capital and repayment of bank loan(s).
- (b) Granting of authority to the Board or any one Director to deal with matters relating to the issue of the Debt Financing Instruments

The Board or any one Director be and is hereby authorized to generally and unconditionally deal with all matters relating to the issue of the Debt Financing Instruments in the PRC, including but not limited to the following:

- (i) to decide the terms of the issue of the Debt Financing Instruments, including but not limited to the principal amount, the term, the number of tranches for the issue, timing of the issue, the method of the issue, the interest rate and the method to determine the interest rate;
- (ii) to select and engage qualified professional intermediaries, including but not limited to selecting and engaging the underwriting institutions, credit rating authority and legal counsel;

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (iii) to undergo all necessary negotiations, and to amend and execute all relevant agreements and other necessary documents (including but not limited to the applications for approval of the issue of the Debt Financing Instruments, registration report, offering document, underwriting agreement, all announcements and documents for necessary disclosure);
- (iv) to apply for all necessary approvals and make all necessary filings and registrations in connection with the Debt Financing Instruments, including but not limited to submitting application for registration to the relevant authorities in the PRC in relation to the issue of the Debt Financing Instruments and making necessary amendments to the proposal on the issue of the Debt Financing Instruments in response to any request from the relevant authorities in the PRC; and
- (v) to take all necessary actions and deal with or make decisions on all matters relevant to the issue of the Debt Financing Instruments.”

The authority granted to the Board to deal with the above matters will take effect from the date of the passing of such resolution at the EGM.

By Order of the Board of
China Molybdenum Co., Ltd.*
Duan Yuxian
Chairman

Luoyang, the People's Republic of China, 14 September 2010

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

- (1) All resolutions at the meeting will be taken by poll pursuant to the Listing Rules and the results of the poll will be published on the Stock Exchange's and the Company's websites in accordance with the Listing Rules.
- (2) H Shareholders who intend to attend the EGM in person or by proxy must complete and return the reply slip for the EGM to the Company's H Share registrar by facsimile or post no later than 10 October 2010:

Address: 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong

Tel: (852) 2862 8555

Fax: (852) 2865 0990 / (852) 2529 6087

- (3) Each Shareholder of the Company who has the right to attend and vote at the EGM is entitled to appoint in writing one or more proxies, whether a Shareholder or not, to attend and vote on his behalf at the EGM. The instrument appointing a proxy must be in writing under the hand of the appointor or his attorney duly authorised in writing. In case that an appointer is a body corporate, the instrument must be either under the common seal of the body corporate or under the hand of its director or other person, duly authorised. If the instrument appointing a proxy is signed by an attorney of the appointor, the power of attorney authorising that attorney to sign, or other documents of authorisation, must be certified by a notary public. The form of proxy and the notarially certified power of attorney or other documents of authorization must be delivered to the Company's H Share registrar at the address stated in note 2 above by post or facsimile (for holders of H Shares only), or to the Secretariat of the Board at the Company's principal place of business in the People's Republic of China at North of Yihe, Huamei Shan Road, Chengdong New District, Luanchuan County, Luoyang City, Henan Province, the People's Republic of China (for holders of Domestic Shares only), no less than 24 hours before the time appointed for holding the EGM. Completion and return of the form of proxy will not preclude a Shareholder from attending and voting at the EGM or any adjournment should he/she so wish.
- (4) H Shareholders whose names appear on the Company's register of members maintained by Computershare Hong Kong Investor Services Limited after office hour on Thursday, 30 September 2010 are entitled to attend and vote at the EGM. The Company's register of members will be closed from Friday, 1 October 2010 to Sunday, 31 October 2010 (both days inclusive), during which time no transfer of shares will be registered. Transferees of H shares who wish to attend the EGM must deliver their duly stamped instruments of transfer, accompanied by the relevant share certificates, to Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by no later than 4:30 p.m. on Thursday, 30 September 2010 for completion of the registration of the relevant transfer in accordance with the Articles of Association of the Company.
- (5) Shareholders or their proxies must present proof of their identities upon attending the EGM. Should a proxy be appointed, the proxy must also present copies of his/her proxy form, or copies of appointing instrument and power of attorney, if applicable.
- (6) The EGM is expected to last not more than one day. Shareholders or proxies attending the EGM are responsible for their own transportation and accommodation expenses.

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