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洛陽欒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)

- (1) PROPOSED A SHARE ISSUE;**
(2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND ADOPTION OF INTERNAL RULES;
(3) PROPOSED ESTABLISHMENT OF NOMINATION COMMITTEE; AND
(4) BOOK CLOSURE PERIOD AND RECORD DATE

PROPOSED A SHARE ISSUE

The Board is pleased to announce that at a meeting of the Board held on 10 December 2010, it was resolved that, subject to Shareholders' approval, the Company will apply to the relevant authorities in the PRC for the allotment and issue of not more than 542 million A Shares of RMB0.20 each to qualified price consultation participants, and natural persons, legal persons and other investors which have maintained share accounts with the Shanghai branch of China Securities Depository and Clearing Corporation Limited (except those who are prohibited by PRC laws and regulations and other regulatory requirements from participating in the proposed A Share Issue), and the listing of, and permission to deal in, such A Shares on the Shanghai Stock Exchange at such time as considered appropriate and in the best interest of the Company.

The amount of funds to be raised from the proposed issue of A Shares cannot be confirmed as at the date of this announcement. However, the Company intends to apply the proceeds from the proposed A Share Issue, after deducting offering expenses, on upgrading open-pit mining equipment, installing clean and energy efficient facilities for the production of tungsten, molybdenum and phosphorous compound, installing automated production line for the production of ammonium molybdate, implementing the second phase of the molybdenum concentrate conversion project, acquiring 50% equity interest in Xuzhou Huanyu, acquiring the exploration rights in the molybdenum mine located in East Gobi, Hami, Xinjiang, the PRC, and co-operating with Henan Bureau to carry out exploration activities.

In the event that the proceeds from the proposed A Share Issue are not sufficient to finance the above projects, the shortfall, after deducting offering expenses, in the proposed investment in the above projects will be covered by the Group's internal resources or bank loans. If there is any surplus, after deducting offering expenses, it will be applied to supplement the working capital of the Company. Further details in relation to the proposed A Share Issue will be disclosed in the circular to be dispatched to the Shareholders.

The proposed A Share is subject to (i) approval by Shareholders at the EGM and (ii) the approval of the CSRC, and other regulatory authorities.

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND ADOPTION OF INTERNAL RULES

In light of the proposed A Share Issue, certain amendments are proposed to be made to the Articles of Association. A special resolution to consider and approve the proposed amendments to the Articles of Association will be proposed at the EGM and shall come into effect upon completion of the proposed A Share Issue.

In addition, pursuant to the requirements of the applicable PRC laws and regulations and the relevant rules of the Shanghai Stock Exchange on which the A Shares will be listed, the Board proposed to adopt the Internal Rules.

Details of the proposed amendments to the Articles of Association and the adoption of the Internal Rules will be set out in the circular to be dispatched to the Shareholders.

Save for the detailed working rules for remuneration committee in respect of A Share Issue, the adoption of the Internal Rules is subject to the approval of the Shareholders at the EGM. A special resolution to consider and approve the proposed amendments to the Articles of Association will be proposed at the EGM and shall come into effect upon completion of the proposed A Share Issue.

PROPOSED ESTABLISHMENT OF A NOMINATION COMMITTEE

To accommodate the proposed A Share Issue and to enhance corporate governance, on 10 December 2010, the Board resolved to establish a nomination committee with written terms of reference. The establishment of the nomination committee is subject to the approval of the Shareholders at the EGM. An ordinary resolution to consider and approve the proposed establishment of the nomination committee will be proposed at the EGM.

BOOK CLOSURE PERIOD AND RECORD DATE

In order to determine the list of Shareholders who will be entitled to attend and vote at the EGM, the register of members of the Company will be closed from Monday, 27 December 2010 to Wednesday, 26 January 2011 (both days inclusive) during which period no transfer of Shares will be effected. Holders of H Shares and Domestic Shares whose names appear on the register of members of the Company at 4:30 p.m. on 24 December 2010 shall be entitled to attend and vote at the EGM. In order for the H Shareholders to qualify for attending and voting at the EGM, Shareholders whose H Shares are not registered in their names should complete and lodge their respective instruments of transfer with the relevant H Share certificates with Computershare Hong Kong Investor Services Limited, the Company's H Share registrar in Hong Kong, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, and in any case no later than 4:30 p.m. on 24 December 2010. Shareholders registered as at the record date will be entitled to attend and vote at the EGM.

CIRCULAR

A circular containing, among other things, details of the proposed A Share Issue, the proposed grant of authority to the Board in connection with the proposed A Share Issue, the proposed amendments to the Articles of Association and adoption of the Internal Rules, proposed establishment of a nomination committee, and notice of EGM will be dispatched to the Shareholders as soon as practicable.

There is no assurance that the proposed A Share Issue will proceed. Shareholders and potential investors are advised to exercise caution in dealing in the H Shares. Further details about the proposed A Share Issue will be disclosed by the Company in the PRC when the proposed A Share Issue materializes and appropriate disclosure will be made by the Company in Hong Kong concurrently in accordance with the Listing Rules.

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

A. INTRODUCTION

The Board announces that the Company intends to apply to the relevant authorities in the PRC for the issue of not more than 542 million A Shares of RMB0.20 each to qualified price consultation participants, and natural persons, legal persons and other investors which have maintained share accounts with the Shanghai branch of China Securities Depository and Clearing Corporation Limited (except those who are prohibited by PRC laws and regulations and other regulatory requirements from participating in the proposed A Share issue), and the listing of, and permission to deal in, such A Shares on the Shanghai Stock Exchange at such time as considered appropriate and in the best interest of the Company.

The proposed A Share Issue is subject to (i) approval by Shareholders at the EGM and (ii) the approvals of the CSRC, and other regulatory authorities.

In light of the proposed A Share Issue and pursuant to the requirements of the applicable PRC laws and regulations, the Board proposed to make certain amendments to the Articles of Association and adopt the Internal Rules.

To accommodate the proposed A Share Issue and to enhance corporate governance, on 10 December 2010, the Board resolved to establish a nomination committee with written terms of reference. The establishment of the nomination committee is subject to the approval of the Shareholders at the EGM. An ordinary resolution to consider and approve the proposed establishment of the nomination committee will be proposed at the EGM.

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

B. PROPOSED A SHARE ISSUE

(1) General

At the Board meeting of the Company held on 10 December 2010, it was resolved that, subject to Shareholders' approval, the Company will apply (i) to the relevant regulatory authorities in the PRC, including the CSRC, for the allotment and issue of not more than 542 million A Shares of RMB0.20 each (not exceeding approximately 11.1% of the existing total issued share capital and not exceeding approximately 10.0% of the total issued share capital of the Company upon the issue of the A Shares), to qualified price consultation participants, and natural persons, legal persons and other investors which have maintained share accounts with the Shanghai branch of China Securities Depository and Clearing Corporation Limited (except those who are prohibited by PRC laws and regulations and other regulatory requirements from participating in the proposed A Share issue), and (ii) to the Shanghai Stock Exchange for the listing of, and dealing in, its A Shares at such time as considered appropriate and in the best interest of the Company.

It is expected that such investors will not include connected persons (as defined under the Listing Rules) of the Company. If any of such investors shall include connected persons of the Company, the Company shall take steps to comply with the relevant connected transaction requirements under the Listing Rules. At present, the H Shares of the Company are listed on the main board of the Hong Kong Stock Exchange.

Since the issue price of the A Shares will be determined at the time for the issue of A Shares, the total amount of the proceeds from the proposed A Share Issue cannot be determined at the present stage. The size and pricing of the proposed A Share Issue will be determined based on the PRC securities market condition at that time and subject to approvals by all relevant PRC regulatory authorities and relevant regulations, including the Listing Rules. A further announcement will be made when more details are available.

(2) Structure of the proposed A Share Issue

Type of securities to be issued:	A Shares.
Number of A Shares to be issued:	Not more than 542 million A Shares of RMB0.20 each (not exceeding approximately 11.1% of the existing total registered share capital and not exceeding approximately 10.0% of the total registered share capital of the Company upon the issue of the A Shares). The final number of A Shares to be issued shall be subject to the approval by the CSRC, and subject to adjustment by the Board and within the range approved by the CSRC having regard to the relevant circumstances and in consultation with the lead underwriter.
Nominal value:	RMB0.20 each.
Rights attached to A Share:	The A Shares to be issued are listed Domestic Shares and, except as otherwise provided for in the applicable laws, rules and regulations and the Articles of Association, will rank <i>pari passu</i> with the existing Domestic Shares and H Shares in all respects.
Target subscribers:	Qualified price consultation participants, and natural persons, legal persons and other investors which have maintained A Share accounts with the Shanghai branch of China Securities Depository and Clearing Corporation Limited (except those who are prohibited by PRC laws or regulations and other regulatory requirements from participating in the proposed A Share issue).

Method of issue: The issue will be conducted by a combination of placement of shares to participants through offline price consultation and a public offering of shares through online subscriptions (or such other way(s) as shall be approved by the CSRC).

Basis for determining the issue price: The issue price of A Shares will be determined on the basis of market conditions and the price of the H Shares of the Company, and in accordance with the relevant requirements issued by the CSRC, relevant PRC regulations and the Listing Rules. Upon publication of the A Share prospectus for initial public offering of A Shares and the relevant announcement, the issue price range will be determined by making preliminary price consultations with qualified price consultation participants, and the issue price will be determined within the issue price range based on the cumulative bidding price consultations (or by other means of determining the issue price recognized by the CSRC).

The issue price and the amount to be raised from the proposed A Share Issue cannot be ascertained as at the date of this announcement because the market consultation can only be conducted after all the requisite approvals have been obtained. The Company will make the requisite announcement once the issue price is confirmed.

Proposed Listing of Domestic Shares: Upon completion of the A Share Offering, application for listing will be made to the Shanghai Stock Exchange for all the Domestic Shares including the A Shares to be issued under the A Share Issue and the existing Domestic Shares.

Use of proceeds: The amount of funds to be raised from the proposed A Share Issue cannot be confirmed as at the date of this announcement. However, the Company intends to apply the proceeds from the proposed A Share Issue, after deducting offering expenses, on the following projects of the Group with a total estimated investment amount of approximately RMB3.788 billion (equivalent to approximately HK\$4.318 billion):

- (a) upgrading the open-pit mining equipment used in the Sandaozhuang Mine with a production capacity up to 30,000 tones per day, with an estimated investment amount of approximately RMB492 million (equivalent to approximately HK\$561 million);
- (b) installing clean and energy efficient facilities for the production of tungsten, molybdenum and phosphorous compound with a production capacity up to 42,000 tones per day, with an estimated investment amount of approximately RMB300 million (equivalent to approximately HK\$342 million);

- (c) installing energy efficient and automated production line for the production of ammonium molybdate, with an estimated investment amount of approximately RMB350 million (equivalent to approximately HK\$399 million);
- (d) implementing the second phase of the molybdenum concentrate conversion project with a production capacity up to 40,000 tones per year, with an estimated investment amount of approximately RMB300 million (equivalent to approximately HK\$342 million);
- (e) acquiring the exploration rights in the molybdenum mine located in East Gobi, Hami, Xinjiang, the PRC, with an estimated amount of approximately RMB646 million (equivalent to approximately HK\$736 million);
- (f) co-operating with Henan Bureau to carry out exploration activities, with an estimated amount of approximately RMB500 million (equivalent to approximately HK\$570 million); and
- (g) acquiring 50% equity interest in Xuzhou Huanyu, with an estimated amount of approximately RMB1.200 billion (equivalent to approximately HK\$1.368 billion);

In the event that the proceeds from the proposed A Share Issue are not sufficient to finance the above projects, the shortfall, after deducting offering expenses, in the proposed capital injection into the above projects will be covered by the Group's internal resources or bank loans. If there is any surplus, after deducting offering expenses, it will be applied to supplement the working capital of the Company.

Distribution plan of accumulated undistributed profits before A Share Issue:

New Shareholders to be issued with A Shares under the A Share Issue will not be entitled to the distributable profits of the Company up to and including 31 December 2010.

The balance of accumulated undistributed profits after any distribution and the distributable profits accrued from 1 January 2011 to the day immediately prior to completion of the A Share Issue shall be shared by all new and existing Shareholders of the Company after the A Share Issue in proportion to their respective shareholdings.

(3) Authorisation to the Board to process the issue of A Shares and related matters

In connection with the proposed A Share Issue, the Company proposed to authorise the Board to determine and deal with at its discretion and with full authority, matters relating to the A Share Issue and the proposed listing of such A Shares to be issued in the PRC on the Shanghai Stock Exchange (including but not limited to the specific timing of the issue, number of A Shares to be issued, method of issue, issue price, issue targets, the number and proportion of A Shares to be issued to respective issue targets, and adjustments on the project amount, timing and method of the implementation within the scope of the usage of proceeds approved by Shareholders at the EGM) under the proposal of the A Share Issue, the authority to be granted to the Board in connection with the proposed A Share Issue and related matters considered and approved by Shareholders at the EGM. The authorization of the Board to determine and deal with matters relating to the A Share Issue is subject to approvals by Shareholders at the EGM.

(4) Shareholders' approval and other approvals

The EGM will be held on Wednesday, 26 January 2011 to consider and, if thought fit, approve, among other things, the proposed A Share Issue and to authorise the Board to determine and deal with at its discretion and with full authority, matters relating to the proposed A Share Issue (including but not limited to the specific timing of the issue, the number of A Shares to be issued, offering mechanism, issue price, adjustment to the use of proceeds from the proposed A Share Issue within the scope approved by Shareholders and other details in relation to the use of proceeds). The approval in respect of the proposed A Share Issue by the Shareholders at the EGM shall be valid and effective for a period of 12 months from the date when such approval is obtained.

It should be noted that the proposed A Share Issue, upon approval by Shareholders at the EGM, is still subject to the approval of the CSRC and other relevant regulatory authorities, as required. In addition, the approval of the Shanghai Stock Exchange for the listing of and dealing in the A Shares is required.

As at the date of this announcement, no application has been made by the Company to any PRC authorities in relation to the proposed A Share Issue. The Company will submit an application to the CSRC for the proposed A Share Issue after approvals have been obtained from the Shareholders at the EGM.

(5) GENERAL MANDATE FOR THE A SHARE ISSUE

The A Shares to be issued and allotted by the Company pursuant to the General Mandate, pursuant to which the Directors are authorized to allot and issue up to 713,002,905 Domestic Shares and 262,231,200 H Shares.

As at the date of this announcement, the Company has not issued any H Shares or Domestic Shares pursuant to the General Mandate.

(6) Reasons for and benefits of the proposed A Share Issue

The Board believes that the proposed A Share Issue will establish a new financing platform for the Company to finance its ongoing business development. The Board also believes that the proposed A Share Issue will help strengthen its position and competitiveness in exploration, exploitation, processing and smelting of molybdenum, tungsten and other precious metal mineral resources. The Board believes that the proposed A Share Issue will benefit the Company and Shareholders as a whole.

(7) Effect of the proposed A Share Issue on the Company's shareholding structure

Assuming that a total of 542 million A Shares of RMB0.20 each will be issued under the A Share Issue and that the Company will not issue and allot further Shares prior to the A Share Issue, the expected shareholding structure of the Company immediately before and immediately upon completion of the A Share Issue is set out and summarised as follows:-

	As at the date of this announcement		Immediately after completion of the A Share Issue	
	Number of Shares of RMB0.20 each	As a percentage of total registered share capital (%)	Number of Shares of RMB0.20 each	As a percentage of total registered share capital (%)
(1) Domestic Shares				
LMG	1,796,593,475	36.84	1,742,393,475	32.16
CFC	1,736,706,322	35.62	1,736,706,322	32.05
Other existing				
Domestic Shareholders	31,714,728	0.65	31,714,728	0.59
New A Shareholders	—	—	542,000,000	10.00
NSSF ^(Note)	—	—	54,200,000	1.00
Sub-total	<u>3,565,014,525</u>	<u>73.11</u>	<u>4,107,014,525</u>	<u>75.80</u>
(2) H Shares	<u>1,311,156,000</u>	<u>26.89</u>	<u>1,311,156,000</u>	<u>24.20</u>
Total	<u><u>4,876,170,525</u></u>	<u><u>100.00</u></u>	<u><u>5,418,170,525</u></u>	<u><u>100.00</u></u>

Note: According to the “Implementation Measures in respect of the Transfer of Part of State-owned shares to the National Council for Social Security Fund in the Domestic Security Market (境內證券市場轉持部分國有股充實全國社會保障基金實施辦法), if any joint stock limited company with state-owned shares conducts initial public offering and listing of its state-owned shares in the domestic security market, part of the state-owned shares (based on 10% of the actual issued shares) of the listed company shall be transferred to NSSF for holding.

The transfer of A Shares from LMG to NSSF is subject to approval of the State-owned Assets Supervision and Administration Commission of Henan Provincial People’s Government and the actual number of A Shares to be issued.

According to the relevant PRC laws and regulations and the relevant requirements of the CSRC and the Shanghai Stock Exchange, Domestic Shares issued before the proposed A Share Issue may be freely tradable conditional upon completion of the A Share Issue and the listing of the same on the Shanghai Stock Exchange. Except for the relevant requirements relating to the lock-up period under the relevant laws and regulations and the listing rules of the Shanghai Stock Exchange, such A Shares shall carry the same rights as the other A Shares issued by the Company.

C. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND ADOPTION OF INTERNAL RULES

In light of the proposed A Share Issue, certain amendments are proposed to be made to the Articles of Association, including among other things, matters such as provision of securities to third parties that needs to be considered by the Shareholders, Shareholders’ general meetings, as well as other amendments in relation to the proposed A Share Issue as required by the applicable PRC laws and regulations.

Proposed amendments to the Articles of Association are subject to Shareholders’ approval, and special resolutions to consider and approve the proposed amendments will be proposed at the EGM. The proposed amendments to the Articles of Association shall come into effect upon completion of the proposed A Share Issue.

In addition, the Company has proposed to adopt the Internal Rules pursuant to the requirements of the applicable PRC laws and regulations and the relevant rules of the Shanghai Stock Exchange. Save for the detailed working rules for nomination committee, the adoption of the Internal Rules is subject to Shareholders' approval. Resolutions to consider and approve the adoption of the Internal Rules will be proposed at the EGM. Save for the detailed working rules for nomination committee in respect of A Share Issue, the proposed adoption of the Internal Rules shall come into effect upon completion of the proposed A Share Issue.

Details regarding the proposed amendments to the Articles of Association and the proposed adoption of the Internal Rules (save for the detailed working rule for nomination committee in respect of A Share Issue) will be set out in the circular to be dispatched to the Shareholders.

D. ESTABLISHMENT OF NOMINATION COMMITTEE

The Board also resolved on 10 December 2010, to establish a nomination committee with written terms of reference. It is proposed that the nomination committee will consist of six Directors: Mr. Duan Yuxian (executive Director), Mr. Li Chaochun (executive Director), Mr. Gao Dezhu (independent non-executive Director), Mr. Zeng Shaojin (independent non-executive Director), Mr. Gu Desheng (independent non-executive Director) and Mr. Ng Ming Wah, Charles (independent non-executive Director) with Mr. Duan serving as its chairman and Mr. Gao Dezhu serving as its vice chairman.

The principal responsibilities of the nomination committee are, among other things, review the structure, size and composition (including skills, knowledge and experience) of the Board and make recommendations to the Board regarding any proposed changes; identify candidates with suitable qualifications as directors, select and make recommendations to the Board; assess the independence of independent non-executive Directors; and make recommendations to the Board on matters relating to the appointment or re-appointment of Directors and succession planning for Directors.

The establishment of the nomination committee is subject to the approval of the Shareholders at the EGM. An ordinary resolution to consider and approve the proposed establishment of the nomination committee will be proposed at the EGM.

E. BOOK CLOSURE PERIOD AND RECORD DATE

In order to determine the list of Shareholders who will be entitled to attend and vote at the EGM, the register of members of the Company will be closed from Monday, 27 December 2010 to Wednesday, 26 January 2011 (both days inclusive) during which period no transfer of Shares will be effected. Holders of H Shares and Domestic Shares whose names appear on the register of members of the Company at 4:30 p.m. on 24 December 2010 shall be entitled to attend and vote at the EGM. In order for the H Shareholders to qualify for attending and voting at the EGM, Shareholders whose H Shares are not registered in their names should complete and lodge their respective instruments of transfer with the relevant H Share certificates with Computershare Hong Kong Investor Services Limited, the Company's H Share registrar in Hong Kong, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, and in any case no later than 4:30 p.m. on 24 December 2010. Shareholders registered as at the record date will be entitled to attend and vote at the EGM.

F. EGM

The EGM will be convened on Wednesday, 26 January 2011 at the International Conference Room of Mudu-Lee Royal International Hotel at No.239, Kaiyuan Street, Luonan District, Luoyang City, Henan Province, the PRC.

The proposed A Share Issue, proposed grant of authority to the Board in connection with the proposed A Share Issue, proposed amendments to the Articles of Association and the adoption of the Internal Rules, and proposed establishment of a nomination committee will be proposed at the EGM.

H. CIRCULAR

A circular containing, among other things, details of the proposed A Share Issue, the proposed grant of authority to the Board in connection with the proposed A Share Issue, proposed amendments to the Articles of Association and adoption of the Internal Rules, proposed establishment of a nomination committee and notice of EGM will be dispatched to Shareholders as soon as practicable.

As at the date of this announcement, no application has been made by the Company to any PRC authorities in relation to the proposed A Share Issue. The Company shall submit an application to the CSRC for the proposed A Share Issue after approvals have been obtained from the Shareholders at the EGM.

I. GENERAL

There is no assurance that the proposed A Share Issue will proceed. Shareholders and potential investors are advised to exercise caution in dealing in the H Shares. Further details about the proposed A Share Issue will be disclosed by the Company in the PRC when the proposed A Share Issue materializes and appropriate disclosure will be made by the Company in Hong Kong concurrently in accordance with the Listing Rules.

DEFINITIONS

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

“A Share(s)”	the ordinary shares to be subscribed for in RMB, which are proposed to be issued and allotted by the Company to qualified price consultation participants, and natural persons, legal persons and other investors which have maintained share accounts with the Shanghai branch of China Securities Depository and Clearing Corporation Limited (except those who are prohibited by PRC laws and regulations and other regulatory requirements from participating in the proposed A Share Issue), and to be listed on the Shanghai Stock Exchange
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“A Share Issue”	the proposed allotment and issue of not more than 542 million A Shares of RMB0.20 each (not exceeding approximately 11.1% of the existing total issued share capital and not exceeding approximately 10.0% of the total issued share capital of the Company upon the issue of A Shares) to qualified price consultation participants, and natural persons, legal persons and other investors which have maintained A share accounts with the Shanghai branch of China Securities Depository and Clearing Corporation Limited (except those who are prohibited by PRC laws and regulations and other regulatory requirements from participating in the proposed A Share issue), which A Shares are proposed to be listed on the Shanghai Stock Exchange
“Articles of Association”	the articles of association of the Company, as amended, modified or otherwise supplemented from time to time
“Board”	the board of Directors of the Company
“CFC”	鴻商產業控股集團有限公司 (Cathay Fortune Corporation*), a limited liability company established in the PRC and one of the Company’s controlling shareholders
“Company”	洛陽欒川鉬業集團股份有限公司 (China Molybdenum Company Limited), a company incorporated in the PRC with limited liability, the H Shares of which are listed on the Hong Kong Stock Exchange
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“CSRC”	China Securities Regulatory Commission
“Directors”	the directors of the Company
“Domestic Shareholders”	holders of Domestic Shares
“Domestic Shares”	the ordinary shares of RMB0.20 each issued by the Company under PRC law, which are subscribed for or credited as fully paid up in RMB

“EGM”	the extraordinary general meeting of the Company to be held on Wednesday, 26 January 2011 at the International Conference Room of Mudu-Lee Royal International Hotel at No.239, Kaiyuan Street, Luonan District, Luoyang City, Henan Province, the PRC, to consider, and if thought fit, to approve, inter alia, the proposed A Share Issue, proposed grant of authority to the Board in connection with the proposed A Share Issue, proposed amendments to the Articles of Association and the adoption of the Internal Rules, and proposed establishment of a nomination committee
“General Mandate”	the general mandate granted by the Shareholders to the Directors at the annual general meeting for the year 2010 held on 6 June 2010 to allot, issue or otherwise deal with up to 713,002,905 Domestic Shares and 262,231,200 H Shares
“Group”	the Company and its subsidiaries
“H Shareholders”	holders of H Shares
“H Shares”	overseas listed foreign invested shares of RMB0.20 each in the share capital of the Company which are listed on the main board of the Hong Kong Stock Exchange and traded in Hong Kong dollars
“Henan Bureau”	河南省地質礦產勘查開發局(Henan Provincial Bureau of Exploration and Development of Geology and Mineral Resource*), a public service unit at the departmental level directly under the People’s Government of Henan Province
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region

“Internal Rules”	(1) rules for external investment management; (2) rules for management of provision of securities to third parties; (3) rules for connected transactions; (4) rules for management of funds raised from capital markets; (5) rules for Shareholders’ general meetings; (6) rules for Board meetings; (7) working rules for independent directors; (8) detailed working rules for nomination committee; and (9) detailed working rules for supervisory board meetings
“LMG”	洛陽礦業集團有限公司 (Luoyang Mining Group Co., Ltd.*), a limited liability company established in the PRC and one of the Company’s controlling shareholders
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“NSSF”	中國全國社會保障基金理事會 (the National Council for Social Security Fund of the PRC*), an organization authorised by the State Council of the PRC to be responsible for the administration of the national social security fund
“PRC”	the People’s Republic of China, excluding, for the purpose of this announcement only, the Hong Kong Special Administrative Region, the Macau Special Administrative Region, and Taiwan
“RMB”	Renminbi yuan, the lawful currency of the PRC
“Sandaozhuang Mine”	洛陽欒川鉬業集團股份有限公司三道莊鉬礦 (Sandaozhuang molybdenum mine) located in Luanchuan County, Luoyang City, Henan Province, PRC and operated by the Group
“Shareholder(s)”	holder(s) of the Shares
“Shares”	Domestic Share(s) and the H Share(s)
“Trading Days”	a day on which the H Shares are traded on the Hong Kong Stock Exchange

“Xuzhou Huanyu” 徐州環宇鉬業有限公司 (Xuzhou Huanyu Molybdenum Co., Ltd.*), a company established in the PRC with limited liability and indirectly owned as to 50% by the Company as at the date of this announcement

“%” Per cent.

The exchange rate adopted in this announcement for illustration purposes only is RMB1.00 = HK\$1.14.

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

Luoyang, the PRC, 10 December 2010

As at the date of this announcement, the executive Directors are Messrs. Duan Yuxian, Li Chaochun, Wu Wenjun, Li Faben, Wang Qinxi; the non-executive Directors are Messrs. Shu Hedong, Zhang Yufeng; and the independent non-executive Directors are Messrs. Gao Dezhu, Zeng Shaojin, Gu Desheng, Ng Ming Wah, Charles

* *For identification purposes only*