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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 stockbroker or other registered dealer in securities, 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 to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for 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)

CHANGE OF USE OF PROCEEDS
IN CONNECTION WITH
A SHARE ISSUE
AND
NOTICE OF EGM

A letter from the Board is set out on pages 1 to 4 of this circular.

A notice convening the EGM to be held at 9:00 a.m. on Saturday, 7 May 2011 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 is set out on pages 5 to 7 of this circular. Whether or not you are able to attend the EGM in person, you are requested to complete the form of proxy in accordance with the instructions printed thereon. For H Shareholders, the proxy form should be returned to the Company's H Share registrar in Hong Kong, 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 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 meetings or at any adjourned meetings should you so wish.

22 March 2011

* *For identification purposes only*

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

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DEFINITIONS

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

“A Share(s)”	the ordinary shares to be subscribed for in RMB, which are proposed to be allotted and issued 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
“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
“Company”	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 PRC with limited liability, the H Shares of which are listed on the Hong Kong Stock Exchange
“Directors”	the directors of the Company
“Domestic Shareholder(s)”	holder(s) of Domestic Share(s)
“Domestic Share(s)”	the ordinary shares of RMB0.20 each issued by the Company under the PRC law, which are subscribed for or credited as fully paid up in RMB

DEFINITIONS

“EGM”	an extraordinary general meeting of the Company to be held at 9:00 a.m. on Saturday, 7 May 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 the change of use of proceeds in connection with the A Share Issue
“Group”	the Company and its subsidiaries
“H Shareholder(s)”	holder(s) of H Shares
“H Share(s)”	overseas listed foreign invested share(s) 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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	18 March 2011, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“PRC” or “China”	the People’s Republic of China, excluding, for the purpose of this circular only, Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	Domestic Share(s) and H Share(s)
“%”	per cent

The exchange rate adopted in this circular for illustration purposes only is RMB1.00 = HK\$1.18.

LETTER FROM THE BOARD



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 Qinxu

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

22 March 2011

To the Shareholders

Dear Sir or Madam,

**CHANGE OF USE OF PROCEEDS
IN CONNECTION WITH
A SHARE ISSUE**

A. INTRODUCTION

References are made to the announcement and circular of the Company dated 10 December 2010 and 6 January 2011, respectively.

* For identification purposes only

LETTER FROM THE BOARD

The A Share Issue, including the intended use of proceeds in connection with the A Share Issue, was approved by the Shareholders at the extraordinary general meeting of the Company on 26 January 2011.

B. CHANGE OF USE OF PROCEEDS IN CONNECTION WITH A SHARE ISSUE

According to the Company's development strategy and the progress of the projects, and to develop the product chain of the Company's tungsten business and further enhance the contribution of the tungsten business to the Company, the Board proposed to change the use of proceeds in connection of the A Share Issue as follows:

- (1) Constructing clean, efficient and resource-utilizing project to process 42,000 tons per year of low-grade and complex scheelite concentrates, with an estimated investment amount of approximately RMB438 million (equivalent to approximately HK\$517 million);
- (2) Constructing efficient, energy-saving and automatic ammonium molybdate project, with an estimated investment amount of approximately RMB350 million (equivalent to approximately HK\$413 million);
- (3) Constructing high-performance cemented carbide project, with an estimated investment amount of approximately RMB1.8 billion (equivalent to approximately HK\$2.1 billion);
and
- (4) Constructing tungsten metal products and tungsten alloy material downstream processing project, with an estimated amount of approximately RMB1.0 billion (equivalent to approximately HK\$1.2 billion).

The Company may invest in the above projects through utilizing its internal resources before the proceeds from the A Share Issue are made available to the Company. When the proceeds are available and subject to having carried out the relevant regulatory procedures, the Company is authorised to apply the proceeds to any injected capital in relation to the above projects which is incurred before the completion of the A Share Issue.

LETTER FROM THE BOARD

In the event that the proceeds from the 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.

The intended use of proceeds as mentioned above shall supersede the use of proceeds in connection with the A Share Issue approved by the Shareholders on 26 January 2011.

Save as above, the terms of the A Share Issue as approved by the Shareholders on 26 January 2011 remain unchanged.

C. 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 is closed from Thursday, 7 April 2011 to Saturday, 7 May 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 Wednesday, 6 April 2011 shall be entitled to attend and vote at the EGM.

D. THE EGM

The EGM will be convened at 9:00 a.m. on Saturday, 7 May 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 notice of the EGM is set out in Appendix I of this circular.

Special resolution to approve the change of use of proceeds in connection with the A Share Issue will be proposed at the EGM.

No Shareholder is required to abstain from voting in connection with the above resolution, which will be put to a vote at the EGM, under the Listing Rules.

LETTER FROM THE BOARD

Whether or not you are able to attend the EGM in person, you are requested to complete the form of proxy despatched to you on Tuesday, 22 March 2011 in accordance with the instructions printed thereon. For H Shareholders, the proxy form should be returned to the Company's H Share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong or for holders of Domestic Shares, to 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, as soon as possible but in any event not less than 24 hours before the time appointed 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 at any adjourned meetings should you so wish.

E. VOTING BY WAY OF POLL

Pursuant to Rule 13.39 of the Listing Rules, all votes of the Shareholders at the general meetings must be taken by poll. The chairman of the meeting will therefore demand a poll for every resolution put to vote at the EGM in accordance with the Articles of Association. An announcement on the poll vote results will be made by the Company after the EGM in the manner prescribed under Rule 13.39(5).

F. RECOMMENDATIONS

The Board considers that the change of use of proceeds in connection with the A Share Issue is in the best interests of the Company and Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the resolution which will be proposed at the EGM.

G. GENERAL

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

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



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 EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (“EGM”) of 洛陽樂川鉬業集團股份有限公司 China Molybdenum Co., Ltd.* (the “**Company**”) will be held at 9:00 a.m. on Saturday, 7 May 2011 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 (the “**PRC**”) for the purposes of considering and, if thought fit, passing (with or without modifications) the following resolution. Unless otherwise indicated, capitalised items used herein shall have the same meanings as those defined in the circular of the Company dated 22 March 2011.

SPECIAL RESOLUTION

- 1 “THAT the use of proceeds in connection with the A Share Issue approved by the Shareholders be and is hereby amended as follows:

It is intended that the proceeds in connection with the A Share Issue will be used for the following projects:

- (1) Constructing clean, efficient and resource-utilizing project to process 42,000 tons per year of low-grade and complex scheelite concentrates, with an estimated investment amount of approximately RMB438 million (equivalent to approximately HK\$517 million);
- (2) Constructing efficient, energy-saving and automatic ammonium molybdate project, with an estimated investment amount of approximately RMB350 million (equivalent to approximately HK\$413 million);
- (3) Constructing high-performance cemented carbide project, with an estimated investment amount of approximately RMB1.8 billion (equivalent to approximately HK\$2.1 billion);
and

* *For identification purposes only*

- (4) Constructing tungsten metal products and tungsten alloy material downstream processing project, with an estimated amount of approximately RMB1.0 billion (equivalent to approximately HK\$1.2 billion).

The Company may invest in the above projects through utilizing its internal resources before the proceeds from the A Share Issue are made available to the Company. When the proceeds are available and subject to having carried out the relevant regulatory procedures, the Company is authorised to apply the proceeds to any injected capital in relation to the above projects which is incurred before the completion of the A Share Issue.

In the event that the proceeds from the 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.

The intended use of proceeds as mentioned above shall supersede the use of proceeds in connection with the A Share Issue approved by the Shareholders on 26 January 2011."

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

Luoyang, the PRC, 22 March 2011

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

Notes:

- (1) All resolution at the meeting will be taken by poll pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (the "**Listing Rules**") and the results of the poll will be published on the Stock Exchange's and the Company's website in accordance with the Listing Rules.
- (2) Shareholders who intend to attend the EGM in person or by proxy should return the reply slip to the Secretariat of the Board at the Company's principal place of business in the PRC for holders of the Domestic Shares and to the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, for holders of the H Shares on or before Saturday, 16 April 2011 by hand, by post or by fax.

- (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 authorisation must be delivered to the Company's H Share registrar at the address stated in note (7) below 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 PRC at the address stated in note (8) below (for holders of Domestic Shares only), not 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 Wednesday, 6 April 2011 are entitled to attend and vote at the EGM. The Company's register of members will be closed from Thursday, 7 April 2011 to Saturday, 7 May 2011 (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 Wednesday, 6 April 2011 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) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or loss of capacity of the appointer, or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of shares in respect of which the proxy is given, provided that no notice in writing of these matters shall have been received by the Company prior to the commencement of the EGM.
- (7) The address and contact details of the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, are as follows:
- 17M Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong
Telephone No.: (+852) 2862 8555
Facsimile No.: (+852) 2865 0990 / (+852) 2529 6087
- (8) The address and contact details of the Company's principal place of business in the PRC are as follows:
- North of Yihe
Huamei Shan Road
Chengdong New District
Luanchuan County
Luoyang City
Henan Province
People's Republic of China
Telephone No.: (+86) 379 6681 9810
Facsimile No.: (+86) 379 6682 4500
- (9) 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.