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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)

**OVERSEAS REGULATORY ANNOUNCEMENT
CHANGE IN PROVISION FOR PRODUCTION MAINTENANCE FEE***

This announcement is made pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

On 14 May 2015, the board of directors of China Molybdenum Co., Ltd.* (the “**Company**”) resolved, among others, the change in the provision for production maintenance fee* (維簡費) for Sandaozhaung Mine.

The following sets out the “Announcement on Change in Provision for Production Maintenance Fee*” published by the Company on the website of the Shanghai Stock Exchange on 14 May 2015. The aforesaid announcement is originally prepared in Chinese. In case of any inconsistency between the Chinese version and the English version, the Chinese version shall prevail.

By Order of the Board
China Molybdenum Co., Ltd.*
Li Chaochun
Chairman

Luoyang City, Henan Province, People's Republic of China, 14 May 2015

As at the date of this announcement, the executive Directors of the Company are Mr. Li Chaochun, Mr. Li Faben, Mr. Wang Qinxi, Ms. Gu Meifeng and Mr. Wu Wenjun; the non-executive Directors are Messrs. Zhang Yufeng and Yuan Honglin; and the independent non-executive Directors are Messrs. Bai Yanchun, Xu Shan, Cheng Gordon and Xu Xu.

* For identification purposes only

**CHINA MOLYBDENUM CO., LTD.*****ANNOUNCEMENT ON THE CHANGE IN PROVISION FOR
PRODUCTION MAINTENANCE FEE***

The board of directors and all directors of the Company guarantee that the information set out in this announcement does not contain any false statements, misleading representations or material omissions, and severally and jointly accept responsibility as to the truthfulness, accuracy and completeness of the contents herein.

Important notice:

- The change in provision for production maintenance fee* will not have an impact on the Company's 2015 first quarterly report and the previous financial reports disclosed, and shall not be subject to any retrospective adjustments; after the adjustment of the standard on provision for production maintenance fee*, the mining cost will decrease by RMB15 per tonne, which is expected to lead to an increase in net profit of approximately RMB 200 million for the year of 2015 of the Company, and the change in net profit is ultimately subject to the actual volume of ore mined from April to December 2015.

I. INTRODUCTION

China Molybdenum Co., Ltd.* (hereinafter referred to as the “**Company**”) held the 26th interim meeting of the third session of the board of directors by way of communication on 14 May 2015, during which the Resolution in Relation to the Adjustment to Provision for Production Maintenance Fee* and the Application Method of the Balance (《關於調整維簡費計提及結餘使用方法的議案》) was considered and approved. Adhering to the spirit of the Notice on the Ceasing to Regulate the Standard of Provision for Production Maintenance Fee* of Metallurgical Mines (Cai Zi [2015] No. 8) (財資[2015]8號《關於不再規定冶金礦山維持簡單再生產費用標準的通知》) issued by the Ministry of Finance, the Company decided to cease the provision for production maintenance fee* from the publishing date of Cai Zi

[2015] No. 8 document issued by the Ministry of Finance; the unused provision for production maintenance fee* of RMB237,884,285.53 as at 31 March 2015 will still be used within the expenditure range of the original production maintenance fee* of the Company. After utilizing the balance of production maintenance fee*, the relevant items are directly presented under cost according to the prevailing conditions.

II. DETAILS ON CHANGE IN PROVISION ON PRODUCTION MAINTENANCE FEE*

The Company owns the mining right of Sandaozhuang molybdenum and tungsten mine, Luanchuan County (欒川縣三道莊鉬鎢礦礦山), which formed an open pit mining scale of 30,000 tonnes as at the end of 2006 and terminated underground mining in the same year. Pursuant to the Notice in relation to Increase in Production Maintenance Fee* for Metallurgical Mine (Cai Qi [2004] No.324) (財企[2004]324號《關於提高冶金礦山維持簡單再生產費用標準的通知》) issued by the Ministry of Finance of the PRC, the standard of production maintenance fee* in nonferrous metals mines was RMB15–RMB18 per tonne of ore. Since 2004, the Company made provision of RMB18 per tonne for the standard of production maintenance fee*.

As the Company has gradually reached the scheduled target of its mining scale, the mine has gradually entered into mature period. With the gradual decrease of its stripping ratio, the actual production maintenance fee* has declined significantly, resulting in an amount in 2013 much smaller than the provision of RMB18 per tonne of the production maintenance fee*. Accordingly, the much larger balance of the “Special reserve-production maintenance fee*” was not in compliance with the practical financial position and business operation of the Company. Taking into account of the aforementioned conditions and for the purpose of appropriately and accurately reflecting the business operation of the Company, the Board resolved to change the standard on provision for production maintenance fee* for Sandaozhuang mine area of the Company to the original of RMB15 per tonne as proposed by the management, with effect from 1 January 2014.

Pursuant to the regulations stipulated in the Notice on the Ceasing to Regulate the Standard of Provision for Production Maintenance Fee* of Metallurgical Mines (Cai Zi [2015] No. 8) (財資[2015]8號《關於不再規定冶金礦山維持簡單再生產費用標準的通知》) issued by the Ministry of Finance, metallurgical enterprises have the right to determine, in their sole discretion, whether to make provision for the production maintenance fee* of mines and the standard of provision. With the implementation of the international resources and enterprise strategy of the Company, higher requirements are made in relation to the consistency of financial accounting during the operating process in different regions for enterprises. After the proposal by the management of the Company and the consideration and approval by the board of directors of the Company, the Company decided to cease the provision for production maintenance fee* from the publishing date of the document; the unused balance of provision for production maintenance fee* of RMB237,884,285.53 as at 31 March 2015 will still be used within the expenditure range of the original production maintenance fee* of the Company. After utilizing the balance of production maintenance fee*, the relevant items are directly presented under cost according to the prevailing conditions.

III. EFFECTIVE DATE OF THE CHANGES IN PROVISION FOR PRODUCTION MAINTENANCE FEE* AND ITS IMPACT ON THE COMPANY

1. The change in provision for production maintenance fee* is effective from April 2015.
2. The change in provision for production maintenance fee* will not have impact on the Company's 2015 first quarterly report and the previous financial reports disclosed, and shall not be subject to any retrospective adjustments; after the adjustment of the standard on provision for the production maintenance fee*, the mining cost will decrease by RMB15 per tonne, which is expected to lead to an increase in net profit of approximately RMB200 million of the Company for the year of 2015 and is ultimately subject to the actual volume of ore mined from April to December 2015.
3. The unused balance of provision for production maintenance fee* of RMB237,884,285.53 as at 31 March 2015 will still be used within the expenditure range of the original production maintenance fee* of the Company. After utilizing the balance of the production maintenance fee*, the relevant items are directly presented under cost according to the prevailing conditions.

IV. INDEPENDENT OPINIONS OF THE INDEPENDENT DIRECTORS ON RELEVANT MATTERS

The independent directors of the Company consider that the proposal on the adjustment to provision for production maintenance fee* and the application method of the balance is in accordance with the relevant laws and regulations as well as the actual situations of the Company and does not impair the interests of the Company and shareholders. Therefore, they agree to adjust the provision for production maintenance fee* and the application method of the balance pursuant to the proposal.

V. OPINIONS OF THE SUPERVISORY COMMITTEE OF THE COMPANY ON RELEVANT MATTERS

The 19th meeting of the third session of the Supervisory Committee of the Company considered and approved the Resolution in Relation to the Adjustment to Provision for Production Maintenance Fee* and the Application Method of the Balance. The Supervisory Committee agreed that the Company could cease the provision for production maintenance fee* from the publishing date of the document pursuant to the spirit of Cai Zi [2015] No. 8 issued by the Ministry of Finance; the unused balance of provision for production maintenance fee* of RMB237,884,285.53 as at 31 March 2015 will still be used within the expenditure range of the original production maintenance fee* of the Company. After utilizing the balance of the production maintenance fee*, the relevant items are directly presented under cost according to the prevailing conditions.

Announcement is hereby given.

Board of Directors of China Molybdenum Co., Ltd.*

14 May 2015