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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**

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.

The following sets out the “Announcement on Establishment of Special Purpose Fund for Tungsten Commercial Reserve” announced by China Molybdenum Co., Ltd.\* (the “**Company**”) on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)). The aforesaid announcement is originally prepared in Chinese. In case of any inconsistency between the Chinese version and the English version, the Chinese version will prevail.

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

Luoyang, People's Republic of China, 6 July 2015

*As at the date of this announcement, the Company's executive directors are Messrs. Li Chaochun and Li Faben; the Company's non-executive directors are Messrs. Ma Hui, Yuan Honglin and Cheng Yunlei; and the Company's independent non-executive directors are Messrs. Bai Yanchun, Xu Shan and Cheng Gordon.*

\* *For identification purposes only*



**CHINA MOLYBDENUM CO., LTD.\***  
**ANNOUNCEMENT ON ESTABLISHMENT OF SPECIAL**  
**PURPOSE FUND FOR TUNGSTEN COMMERCIAL RESERVE**

**The board of directors and all directors of the Company guarantee that there are no false statements or misleading representations contained in or material omissions from this announcement and severally and jointly accept responsibility for the truthfulness, accuracy and completeness of the contents of this announcement.**

The notice of the second extraordinary meeting of the fourth session of the board of directors of China Molybdenum Co., Ltd.\* was issued on 6 July 2015 through telephone. The meeting was convened at 17:30 on 6 July 2015 through telephone. 8 directors were eligible for attending the meeting and 8 directors were present. Supervisors, secretary to the board of directors and office staff of the board of directors of the Company attended the meeting. All directors unanimously agreed to exempt the issue of the notice period at the meeting. The meeting was convened in accordance with the provisions stipulated in the relevant laws, regulations and the articles of association of the Company. The meeting and the resolution approved are legal and valid. The meeting was presided over by Mr. Li Chaochun, the chairman of the Company. After thorough discussion, the “Resolution in relation to the Establishment of Special Purpose Fund for Tungsten Commercial Reserve” was considered and approved.

China is the largest producer of tungsten in the world, accounts for approximately 85% of the world’s supply. Being the world’s largest single-mine producer and the second largest producer of tungsten concentrates (in terms of volume), the equity production of the Company represented approximately 11.4% of the total production of China in 2014. At present, the price of tungsten concentrates has fallen below the production costs for most of the domestic primary tungsten producers. Based on the extended and continuous depletion of low-costs tungsten resources in China and overseas, the continuous increase in the production costs in the tungsten industry, and the Company’s confidence in the future development of the tungsten industry, as well as the overall consideration of the corporate strategy and financial capability of the Company, it is agreed that the Company to establish a special purpose fund for

tungsten reserve business of not more than RMB3 billion. The fund will be financed by self-raised funds and will build up the commercial tungsten reserve by acquiring tungsten raw products, mainly comprising tungsten concentrates, at the prevailing price. It is estimated that the total volume of reserve will not exceed 46,000 tonnes (equivalent to standardized tungsten concentrates), representing approximately 1/3 of the total production volume (equivalent to standardized tungsten concentrates) of China in 2014. The building up of the reserve will be done through market purchases.

The board of directors is of the view that the building up of a commercial reserve is equivalent to acquiring tungsten resources at low cost by the Company, which would help strengthen the pricing power of the Chinese tungsten industry in the global market and enhance the Company's leading position in domestic and overseas tungsten industries.

Voting results of such resolution: in favour of: 8; against: 0; abstained from voting: 0.

Investors are advised to make rational investments and beware of the risks involved.

Announcement is hereby given.

**The Board of China Molybdenum Co., Ltd.\***

6 July 2015