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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)

HOLDING ANNOUNCEMENT

Reference is made to the announcement of China Molybdenum Co., Ltd.* (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 28 April 2016 in respect of trading halt in the H shares of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) relating to possible inside information.

The board of directors of the Company (the “**Board**”) wishes to inform its shareholders that on 27 April 2016 (after trading hours), CMOC Limited, a wholly owned subsidiary of the Company, entered into a sale and purchase agreement with Anglo American plc (“**Anglo American**”) to acquire all of the issued and outstanding shares of Anglo American Fosfatos Brasil Limitada and Anglo American Nióbio Brasil Limitada, as well as their related subsidiaries and associated marketing functions (together, the “**Niobium and Phosphate Business**”), for USD1.5 billion, (the “**Transaction**”). The consideration will be funded in cash and undrawn credit facilities from the Group’s existing financial resources. The Company anticipates that the Transaction will be completed in the third quarter of 2016.

TRANSACTION HIGHLIGHTS

The Transaction represents a compelling fit with the Group's strategy of acquiring high quality growth assets while achieving earnings, commodity, and geographic diversification:

- Strengthens the Group's international asset portfolio by adding high quality, low cost, and long-life assets with a strong operating track record;
- Enhances the Group's earnings and cash flow through the Niobium and Phosphate Business' substantial and stable operating margins;
- Positions the Group as the second-largest supplier of phosphates in Brazil and the second-largest niobium supplier globally;
- Enhances the Group's leadership position in specialised alloys and creates new opportunities to leverage the Company's market positioning and capabilities in the People's Republic of China ("PRC"); and
- Increases the Group's commodity diversification with the addition of a fully-integrated phosphate business which enjoys the lowest cost position in the growing and structurally important Brazilian agriculture market.

NIOBIUM BUSINESS

The niobium business is an important strategic addition to the Group's existing molybdenum and tungsten business as it is a critical value-added input for specialised alloys and steel production.

The niobium business produces and exports ferroniobium and has recently completed a capacity expansion. It is expected to become the second-largest producer of niobium in the world upon completing its ongoing capacity ramp-up. Principally, the niobium business consists of the Boa Vista Mine, Area Leste, Mina I/II and Morro do Padre deposits. Processing operations include the newly-built Boa Vista Fresh Rock ("BVFR") plant, the BV plant and the Tailings Plant which recovers niobium from processing phosphate tailings from the Chapadão concentration plant. The niobium business also includes a marketing function located in London and Singapore. The BVFR plant reached commercial production as of March 2016 and with the completion of the ramp-up it will support the niobium business to reach overall total annual capacity of 9,000 tonnes. The niobium business recorded sales volume of 4,600 tonnes and 5,100 tonnes in 2014 and 2015, respectively.

PHOSPHATE BUSINESS

The phosphate business provides strategically important diversification benefits to the Group's metals portfolio. The phosphate sector has attractive long-term fundamentals and positive outlook due to robust demand and supply dynamics in Brazil. The country represents the third largest phosphate consumer for the production of agricultural products including soybeans, coffee and sugarcane; Brazil has the largest potential arable land in the world.

The phosphate business operations consist of the Chapadão mine, Ouvidor beneficiation plant, Catalão and Cubatão chemical plants, and two high-grade undeveloped deposits (Coqueiros and Morro Preto) situated in Goiás state, Brazil. The phosphate business is an integrated operation that covers mining of phosphate ore, refining operations to produce P₂O₅ concentrate, and processing intermediate and final products. In 2015, the Chapadão mine produced 1.1 million tonnes of fertiliser and has the highest P₂O₅ grade in Brazil with a remaining mine life in excess of 46 years.

NIOBIUM AND PHOSPHATE BUSINESS FINANCIALS

The financials attributable to the Niobium and Phosphate Business for the two years ended 31 December 2014 and 31 December 2015, are as follows:

	2014		2015	
	USD (million)	HKD (million)	USD (million)	HKD (million)
Revenue	666	5,162	544	4,216
EBITDA	152	1,178	163 ^(a)	1,132 ^(a)

Note: For the financial year ended 31 December; USD to HKD exchange rate 1.00 to 7.75.

(a) Includes Underlying EBIT of USD17 million from BVFR which was capitalised in 2015, as the project had not reached commercial production.

TRANSACTION DETAILS

The Transaction is subject to regulatory approvals from the PRC and the approval of the Company's shareholders. Cathay Fortune Corporation* and Luoyang Mining Group Co., Ltd.*, the controlling shareholders of the Company who in aggregate hold approximately 63% equity interest in the Company, have undertaken to vote in favour of the resolutions to approve the Transaction.

IMPLICATIONS UNDER THE HONG KONG LISTING RULES

Based on the information available as at the date of this announcement, as one or more of the applicable percentage ratios under Rule 14.07 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) in respect of the Transaction exceed 25% but are less than 100%, the Transaction constitutes a major transaction of the Company for the purposes of the Listing Rules, and is therefore subject to the notification, announcement and shareholders’ approval requirements under Chapter 14 of the Listing Rules.

SHAREHOLDERS AND POTENTIAL INVESTORS SHOULD NOTE THAT THE TRANSACTION IS SUBJECT TO VARIOUS CONDITIONS PRECEDENT AND MAY OR MAY NOT BECOME UNCONDITIONAL OR BE COMPLETED. SHAREHOLDERS AND POTENTIAL INVESTORS SHOULD THEREFORE EXERCISE CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY.

CONTINUED SUSPENSION OF TRADING IN H SHARES OF THE COMPANY

As at the date of this announcement, the Company is in the process of preparing the detailed announcement in relation to the Transaction pursuant to the Listing Rules (the “**Full Announcement**”). The Full Announcement is expected to be published on Tuesday, 3 May 2016. At the request of the Company, trading in the H shares of the Company was suspended with effect from 9:00 a.m. on Thursday, 28 April 2016, and will remain suspended pending the publication of the Full Announcement.

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

Luoyang City, Henan Province, PRC, 28 April 2016

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*