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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)

**VERY SUBSTANTIAL ACQUISITION OF CONTROLLING
INDIRECT INTEREST IN WORLD-CLASS COPPER AND COBALT
MINE FROM FREEPORT-MCMORAN INC.
AND
RESUMPTION OF TRADING IN H SHARES**

TRANSACTION

(1) Acquisition

On 9 May 2016, the Buyer, a wholly owned subsidiary of the Company, and the Company, as guarantor, entered into the Stock Purchase Agreement with the Seller and the Seller's Guarantor, pursuant to which the Seller has agreed to sell and the Buyer has agreed to purchase 100% interest in FMDRC (a Bermuda exempted company), which holds 70% interest in TFHL (a Bermuda exempted company), which in turn holds 80% interest in TFM, which in turn owns the Tenke mine located in the DRC. The consideration is USD2.65 billion (equivalent to approximately HKD20.67 billion) (subject to customary adjustments) plus Contingent Purchase Price (up to USD120 million, if any) (equivalent to approximately HKD936 million).

Upon completion of the Acquisition, FMDRC will become a wholly owned subsidiary of the Company, and the Company will own 56% indirect interest in Tenke.

(II) Option

On 9 May 2016, the Company entered into the Exclusivity Agreement with the Seller's Guarantor, pursuant to which, the Seller's Guarantor agreed to negotiate exclusively with the Company with respect to the possible acquisition of (i) Freeport Cobalt for a purchase price of USD100 million (equivalent to approximately HKD780 million), and (ii) Kisanfu for an aggregate purchase price of USD50 million (equivalent to approximately HKD390 million), subject to the parties entering into definitive agreements with respect to such separate transactions during the Exclusivity Period.

IMPLICATIONS UNDER LISTING RULES

As one or more of the applicable ratios calculated under Rule 14.07 of the Listing Rules with respect to the Acquisition exceeds 100%, the Acquisition constitutes a very substantial acquisition 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.

A circular containing, among other things, further details of the Acquisition, the financial information of Target Companies, competent person's report on the ore reserves and mineral resources of Target Companies in accordance with Chapter 18 of the Listing Rules and a valuation report on the mineral assets of Target Companies in accordance with Chapter 18 of the Listing Rules will be despatched to the Shareholders in due course. As additional time is required to prepare the financial and other information to be included in the circular in relation to the Acquisition, the circular is expected to be despatched to the Shareholders on or before 29 July 2016.

In the event that the Company exercises the Option, the Company will comply with the Listing Rules in due course.

RESUMPTION OF TRADING IN H SHARES

At the request of the Company, trading in the H Shares was suspended with effect from 1:00 p.m. on 9 May 2016 pending the release of this announcement. Application has been made by the Company to the Hong Kong Stock Exchange for the resumption of trading in the H Shares with effect from 9:00 a.m. on Monday, 16 May 2016.

CONTINUED SUSPENSION OF TRADING IN A SHARES

Trading in A Shares remains suspended as the acquisition of Anglo American plc's niobium and phosphates businesses as previously disclosed by the Company and the Acquisition constitute material assets reorganisation of the Company, and the Company is in the process of preparing the material assets reorganisation proposal to ensure fair information disclosure, protect the interest of investors and avoid unusual fluctuations in price of A Shares.

SHAREHOLDERS AND POTENTIAL INVESTORS SHOULD NOTE THAT THE ACQUISITION AND THE OPTION ARE SUBJECT TO VARIOUS CONDITIONS PRECEDENT AND MAY OR MAY NOT BECOME UNCONDITIONAL OR BE COMPLETED. THERE IS THEREFORE NO ASSURANCE THAT THE ACQUISITION AND THE OPTION WILL PROCEED. SHAREHOLDERS AND POTENTIAL INVESTORS ARE REMINDED TO EXERCISE CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY.

BACKGROUND

Reference is made to the announcements of the Company dated 9 May 2016.

On 9 May 2016, the Buyer, a wholly owned subsidiary of the Company, and the Company, as guarantor, entered into the Stock Purchase Agreement with, among others, the Seller, pursuant to which: (i) the Seller has agreed to sell and the Buyer has agreed to purchase the Subject Shares; (ii) the Company, as guarantor, has agreed to guarantee the due and punctual performance of the Buyer with its obligations under the Stock Purchase Agreement; and (iii) the Seller's Guarantor, as guarantor, has agreed to guarantee the due and punctual of the Seller with its obligations under, among others, the Stock Purchase Agreement.

On 9 May 2016, the Company entered into the Exclusivity Agreement with the Seller's Guarantor, pursuant to which, the Seller's Guarantor agreed to negotiate exclusively with the Company with respect to the possible acquisition of (i) Freeport Cobalt for a purchase price of USD100 million (equivalent to approximately HKD780 million), and (ii) Kisanfu for an aggregate purchase price of USD50 million (equivalent to approximately HKD390 million), subject to the parties entering into definitive agreements with respect to such separate transactions during the Exclusivity Period.

STOCK PURCHASE AGREEMENT

The principal terms and conditions of the Stock Purchase Agreement are as follows:

Date

9 May 2016

Parties

- (i) the Seller;
- (ii) the Buyer;

(iii) the Seller's Guarantor; and

(iv) the Company.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Seller and the Seller's Guarantor and their ultimate beneficial owners are third party independent of the Company, and are not connected persons of the Company or its connected persons (as defined in the Listing Rules). The Directors also confirm that to the best of their knowledge, information and belief after having made all reasonable enquiries, there is no prior transaction with each of the Seller, the Seller's Guarantor or its ultimate beneficial owners which is required to be aggregated with the Acquisition pursuant to Rule 14.22 of the Listing Rules.

Assets to be Acquired

Upon Closing, the Buyer will acquire the Subject Shares free and clear of any lien. The Group will hold 100% interest in FMDRC (a Bermuda exempted company), which holds 70% interest in TFHL (a Bermuda exempted company), which in turn holds 80% interest in TFM, which in turn owns the Tenke mine located in the DRC. The Target Companies will become subsidiaries of the Company.

Consideration

The consideration for the Acquisition comprises of:

- (i) USD2.65 billion (equivalent to approximately HKD20.67 billion); plus
- (ii) the Contingent Purchase Price (if any); plus
- (iii) the product of (i) 70%, and (ii) regardless of whether positive or negative, Final Closing Cash; minus
- (iv) Closing Cash Target.

Save and except for the Contingent Purchase Price (if any), which shall be made on or before 10 January 2020, the consideration for the Acquisition shall be paid at Closing.

The Purchaser will satisfy the consideration through a combination of the Group's existing cash reserves and undrawn credit facilities.

The consideration was determined on an arm's length basis following due diligence and financial analysis by the Company and its professional advisors on information provided by the Seller and negotiations with the management of the Seller as part of a competitive situation, and by reference to, among others, the reserves and resources, mine plan and projected cash flows of Tenke, financial terms of certain other transactions involving producing copper assets, and the Company's assessment of the

benefits of Tenke to the future earnings per share of the Company and cash flow per share of the Company.

Adjustments to Consideration

If the Final Closing Cash exceeds the Estimated Closing Cash, the Buyer shall pay to the Seller, as an adjustment to the consideration, the amount equal to 70% of such excess. If the Estimated Closing Cash exceeds the Final Closing Cash, the Seller shall pay to the Buyer, an amount equal to 70% of such excess.

Condition Precedents

Closing is conditional upon the fulfillment or waiver (as the case may be) of a number of conditions, including but not limited to the following:

- i. PRC Regulatory Approvals: the receipt of the following regulatory approvals:
 - a) the National Development and Reform Commission of the PRC;
 - b) Outbound Investment Certificate from MOFCOM;
 - c) relevant foreign exchange registration from the State Administration of Foreign Exchange of the PRC, its competent local counterpart, or the relevant handling bank;
 - d) merger control approval from MOFCOM Anti-Monopoly Bureau.
- ii. Pre-emptive rights: the right of first offer held by THL under the terms of the TFHL JVSA shall have expired or been waived in writing by THL;
- iii. Shareholder approval: the affirmative vote of the holders of 66 2/3% of the outstanding shares of the Company;
- iv. Antitrust approval under applicable law, including in South Africa, Turkey and Zambia; and
- v. Bermuda approval: the exchange control approval issued by the Bermuda Monetary Authority.

In respect of condition (iii), the Company shall, prior to the later of later of (A) 94 days after the date of the Stock Purchase Agreement, and (B) 45 days following the receipt from the Seller of certain financial information related to the Company's circular, despatch notice of general meeting to the Shareholders, and no later than 46 days after the despatch of such notice, convene and hold a general meeting of the Shareholders.

Guarantee

The Company, as guarantor, unconditionally and irrevocably guarantees to the Seller the due and punctual compliance of the Buyer of all its obligations under the Stock Purchase Agreement.

Termination Fee

If Closing does not occur as a result of a default by the Buyer under the Stock Purchase Agreement, or if the Buyer fails to obtain the PRC regulatory approvals or the Shareholders' approval on or prior to the End Date, the Buyer has agreed to pay a termination fee of USD132.5 million (equivalent to approximately HKD1.0335 billion) to the Seller. The termination fee was determined after arm's length negotiation between the Company and the Seller, taking into account (i) the undertakings given by the controlling shareholders of the Company to vote in favour of the resolutions to approve the Acquisition, (ii) the Company's confidence in obtaining the PRC regulatory approvals, and (iii) the amount of the termination fee, 5.0% of the consideration payable (without taking into account the Contingent Purchase Price), which is generally in line with termination fees of other transactions involving PRC bidders.

If THL exercises its right of first offer held by THL under the terms of the TFHL JVSA, the Seller shall pay an expense reimbursement of USD20 million (equivalent to approximately HKD156 million) to the Buyer.

Closing

Closing shall take place as soon as possible, but in no event later than five business days, after satisfaction or, to the extent permissible, waiver by the party or parties entitled to the benefit of the conditions set forth in the Stock Purchase Agreement (other than conditions that by their nature are to be, satisfied at the Closing, but subject to the satisfaction or, to the extent permissible, waiver of those conditions at the Closing), or at such other time or place as the Buyer and the Seller may agree.

EXCLUSIVITY AGREEMENT

The principal terms and conditions of the Exclusivity Agreement are as follows:

Date

9 May 2016

Parties

- (i) the Seller's Guarantor; and
- (ii) the Company.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Seller's Guarantor and its ultimate beneficial owners are third party independent of the Company, and are not connected persons of the Company or its connected persons (as defined in the Listing Rules). The Directors also confirm that to the best of their knowledge, information and belief after having made all reasonable enquiries, there is no prior transaction with the Seller's Guarantor or its ultimate beneficial owners which is required to be aggregated with the transactions contemplated under the Exclusivity Agreement pursuant to Rule 14.22 of the Listing Rules.

Nature of the Transaction

Pursuant to the Exclusivity Agreement, the Seller's Guarantor agreed to negotiate exclusively with the Company with respect to the possible acquisition of (i) the Seller's Guarantor's direct or indirect interest in Freeport Cobalt for a purchase price of USD100 million (equivalent to approximately HKD780 million), and (ii) all of the Seller's Guarantor's direct or indirect interest in Kisanfu for an aggregate purchase price of USD50 million (equivalent to approximately HKD390 million), subject to the parties entering into definitive agreements with respect to such separate transactions during the Exclusivity Period.

Freeport Cobalt consists of the Kokkola Cobalt Refinery, located in Finland, which refines cobalt that is produced at Tenke, and a global sales and distribution network. Freeport Cobalt has a comprehensive portfolio of cobalt products serving the chemical, pigments and ceramics, powder metallurgy, and battery industries. Kisanfu holds advanced exploration projects with defined deposits that are being evaluated for exploitation and transport to the processing facilities at Tenke.

The consideration with respect to the possible acquisition of each of Freeport Cobalt and Kisanfu was determined on an arm's length basis following due diligence and financial analysis by the Company and its professional advisors on information provided by the Seller and negotiations with the management of the Seller as part of a competitive situation.

UNDERTAKINGS BY CONTROLLING SHAREHOLDERS

Cathay Fortune Corporation* (鴻商產業控股集團有限公司) and Luoyang Mining Group Co., Ltd.* (洛陽礦業集團有限公司), 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 Acquisition.

INFORMATION ON TENKE

Tenke is a world-class producing copper-cobalt mine located in the DRC within the prolific Central African Copperbelt. In 2015, Tenke produced 204 thousand tonnes of copper and 16 thousand tonnes of cobalt (100% basis) at a net cash cost of approximately US\$1.21 per pound of copper. As of 31 December 2015, Tenke had proven and probable mineral reserves of 3.8 million tonnes of contained copper and 0.5 million tonnes of contained cobalt, which support a reserve life of approximately 25 years, and, in addition, measured and indicated resources of 13.1 million tonnes of contained copper and 1.3 million tonnes of contained cobalt, and inferred resources of 11.6 million tonnes of contained copper and 1.3 million tonnes of contained cobalt (100% basis), which represent substantial upside potential.

	Ore (kt)	Cu %	Co %	Cu (kt)	Co (kt)
Reserves					
Proven	57,096	3.4	0.4	1,968	220
Probable (Stockpile)	45,075	1.3	0.3	590	140
Probable	42,191	2.8	0.4	1,201	150
Total Reserves	144,362	2.6	0.4	3,760	510
Resources (Exclusive of Reserves)					
Measured	154,493	2.7	0.3	4,102	410
Indicated	381,486	2.4	0.2	8,996	912
M&I	535,979	2.4	0.2	13,098	1,322
Inferred	531,651	2.2	0.2	11,594	1,291
Total Resources	1,067,630	2.3	0.2	24,692	2,613

(Source: Lundin Mining Corporation, 100% basis)

The financial results attributable to Tenke (100% basis) for the two years ended 31 December 2014 and 31 December 2015, are as follows:

	2014		2015	
	US\$ (million)	HK\$ (million) ⁽²⁾	US\$ (million)	HK\$ (million) ⁽²⁾
Revenue	1,558	12,075	1,385	10,726
EBITDA ⁽¹⁾	749	5,797	481	3,728

⁽¹⁾ Based on the audited consolidated financial statements of TFHL (based on Operating Income plus Depreciation, Depletion and Amortization).

⁽²⁾ US\$ to HK\$ exchange rate of 1.00 to 7.75.

Tenke includes surface mining, leaching and solvent extraction and electrowinning operations, and its copper-cobalt deposits are among the largest known copper-cobalt resources in the world. The deposits are located on contiguous concessions which total approximately of 1,500 square kilometers in the southeast region, DRC, approximately 175 kilometers northwest of Lubumbashi, the provincial capital.

Seller is the operating partner of TFHL and holds a 56% indirect interest in TFM, THL holds a 24% indirect interest in TFM and Gécamines holds a 20% free carried interest in TFM. Capital funding is provided by Seller and THL on the basis of 70% and 30%, respectively.

In 1996, TFM was established under the DRC Companies Act, and received a controlling interest in the concessions of Tenke from Gécamines in exchange for commercial and development commitments. Construction started in late 2006, and initial copper production commenced in March 2009. Targeted copper production rates were achieved in September 2009 and the cobalt and sulphuric acid plants were commissioned in third-quarter 2009. TFM completed its second phase expansion project in early 2013, which included increasing mine, mill and processing capacity. Construction of a second sulphuric acid plant is substantially complete.

INFORMATION ON THE SELLER AND THE SELLER'S GUARANTOR

The Seller is an indirect wholly owned subsidiary of the Seller's Guarantor.

The Seller's Guarantor is a premier U.S.-based natural resources company with headquarters in Phoenix, Arizona. The Seller's Guarantor operates large, long-lived, geographically diverse assets with significant proven and probable reserves of copper, gold, molybdenum, cobalt, oil and natural gas. The Seller's Guarantor has a dynamic portfolio of operating, expansion and growth projects in the copper industry. The Seller's Guarantor is the world's largest publically traded copper producer, the world's largest producer of molybdenum and a significant gold, oil and natural gas producer.

The Seller's Guarantor's portfolio of minerals assets includes the Grasberg minerals district in Indonesia, one of the world's largest copper and gold deposits; significant mining operations in the Americas, including the large-scale Morenci minerals district in North America and the Cerro Verde operation in South America.

The Seller's Guarantor's portfolio of oil and natural gas assets includes significant oil production facilities and growth potential in the Deepwater Gulf of Mexico, established oil production onshore and offshore California, large onshore natural gas resources in the Haynesville shale play in Louisiana, natural gas production from the Madden area in central Wyoming, and a position in the Inboard Lower Tertiary/Cretaceous natural gas trend located onshore in South Louisiana.

INFORMATION ON THE BUYER AND THE COMPANY

The Purchaser is an investment holding company with limited liability incorporated in Hong Kong. The Purchaser is a wholly owned subsidiary of the Company.

The Group is primarily engaged in the mining, processing and marketing of mineral products. The Group is one of the world's largest molybdenum and tungsten producers, and Australia's fourth largest producer of copper. The Group's key operating assets include Sandaozhuang molybdenum-tungsten mine and facilities located in Luoyang, the PRC as well as the Northparkes copper-gold mine located near Parkes, New South Wales, Australia. The Company is dual-listed on the Hong Kong Stock Exchange (HK3993) and the Shanghai Stock Exchange (SH603993).

REASONS AND BENEFITS OF THE ACQUISITION AND OPTION

The Acquisition and the Option represent a compelling fit with the Company's strategy of acquiring high-quality growth assets that provide earnings, commodity and geographic diversification:

- Add to the Group's portfolio a scarce, world-class producing copper-cobalt mine with substantial upside;
- Establish the Group as a leading copper producer and one of the largest cobalt producers globally;
- Diversifies the Group's portfolio geographically with a strategic position in the Central African Copperbelt;
- Position the Group to benefit from growing demand for cobalt, particularly from electric vehicles; and
- Enhance the Group's earnings and cash flow, given Tenke's lowest-quartile cost position in the industry.

Taking into account the reasons and benefits of the Transaction, the Board is of the unanimous view that the terms of the Acquisition and the Option are fair and reasonable and are in the best interest of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER LISTING RULES

As one or more of the applicable ratios calculated under Rule 14.07 of the Listing Rules with respect to the Acquisition exceeds 100%, the Acquisition constitutes a very substantial acquisition 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.

A circular containing, among other things, further details of the Acquisition, the financial information of the Target Companies, competent person's report on the ore reserves and mineral resources of Tenke in accordance with Chapter 18 of the Listing Rules and a valuation report on the mineral assets of Tenke in accordance with Chapter 18 of the Listing Rules will be despatched to the Shareholders in due course. As additional time is required to prepare the financial and other information to be included in the circular in relation to the Acquisition, the circular is expected to be despatched to the Shareholders on or before 29 July 2016.

In the event that the Company exercises the Option, the Company will comply with the Listing Rules in due course.

RESUMPTION OF TRADING IN H SHARES

At the request of the Company, trading in the H Shares was suspended with effect from 1:00 p.m. on 9 May 2016 pending the release of this announcement. Application has been made by the Company to the Hong Kong Stock Exchange for the resumption of trading in the H Shares with effect from 9:00 a.m. on Monday, 16 May 2016.

CONTINUED SUSPENSION OF TRADING IN A SHARES

Trading in A Shares remains suspended as the acquisition of Anglo American plc's niobium and phosphates businesses as previously disclosed by the Company on 2 May 2016 and 28 April 2016, and the Acquisition constitute material assets reorganisation of the Company, and the Company is in the process of preparing the material assets reorganisation proposal to ensure fair information disclosure, protect the interest of investors and avoid unusual fluctuations in price of A Shares.

DEFINITIONS

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

“A Share(s)”	domestic share(s) with a nominal value of RMB0.20 each issued by the Company which are listed on the Shanghai Stock Exchange and traded in Renminbi (stock code: 603993)
“Accountant”	an independent accountant of nationally recognised standing reasonably satisfactory to the Buyer and the Seller, provided that if the Buyer and Seller are unable to reach an agreement on the identity of the Accountant within ten days of a request by either the Buyer or the Seller to refer any applicable dispute, Alvarez & Marsal shall be the Accountant
“Acquisition”	the acquisition of the Subject Shares

“Board”	the board of directors of the Company
“Buyer”	CMOC Limited, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of the Company
“Closing”	the closing of the purchase and sale of the Subject Shares
“Closing Cash”	the aggregate amount of all cash and cash equivalents of TFHL and its subsidiaries in the aggregate, determined in accordance with the generally accepted accounting principles in the United States applied on a basis consistent with that used in the preparation of the financial statements, as of immediately prior to the Closing
“Closing Cash Target”	USD50 million
“Closing Date”	the date on which the Closing takes place
“Company”	China Molybdenum Co., Ltd., a joint stock company established in the PRC with limited liability, the H Shares and A Shares of which are listed and traded on the main board of the Hong Kong Stock Exchange and the Shanghai Stock Exchange, respectively
“Contingent Purchase Price”	the aggregate of (i) if the average copper price is greater than USD3.50 per pound copper (using LME Grade A Cash Settlement monthly average closing price for copper as published by Platt’s Metals Week) for the 24-month period beginning on 1 January 2018 and ending at the close of business on 31 December 2019, then the Buyer shall pay the Seller a sum of USD60 million (equivalent to approximately HKD468 million); and (ii) if the average cobalt price is greater than USD20.00 per pound cobalt (using Monthly Average LME Cobalt Official Cash Settlement Price, as published by Platt’s Metals Week) for the 24-month period beginning on 1 January 2018 and ending at the close of business on 31 December 2019, then the Buyer shall pay the Seller a sum of USD60 million (equivalent to approximately HKD468 million)
“controlling shareholder(s)”	has the meaning given to it under the Listing Rules
“Director(s)”	the director(s) of the Company

“DRC”	the Democratic Republic of Congo
“End Date”	the 9-month anniversary of the date of the Stock Purchase Agreement
“Estimated Closing Cash”	the Buyer’s good faith estimate of the Closing Cash
“Exclusivity Agreement”	the exclusivity agreement dated 9 May 2016 entered into between the Seller’s Guarantor and the Company in relation to the Option
“Exclusivity Period”	the period commencing upon execution and delivery of the Exclusivity Agreement and continuing until such period is terminated by the Company or the Seller’s Guarantor by written notice to the other, provided that Seller’s Guarantor may not deliver any such termination notice prior to the earliest to occur of (i) 11:59 p.m. Eastern time on 30 December 2016, and (ii) the termination of the Stock Purchase Agreement
“Final Closing Cash”	the amount of Closing Cash (i) as shown in the Buyer’s calculation delivered pursuant to Stock Purchase Agreement, if no notice of disagreement with respect thereto is delivered pursuant to the Stock Purchase Agreement; or (ii) if such a notice of disagreement is delivered, (A) as agreed by the Buyer and the Seller pursuant to the Stock Purchase Agreement or (B) in the absence of such agreement, as shown in the Accountant’s calculation delivered pursuant to the Stock Purchase Agreement; provided that in no event shall the Final Closing Cash be less than the Buyer’s calculation of Closing Cash delivered pursuant to the Stock Purchase Agreement or more than Seller’s calculation of Closing Cash delivered pursuant to the Stock Purchase Agreement
“FMDRC”	Freeport-McMoRan DRC Holdings Ltd., a Bermuda exempted company
“Freeport Cobalt”	the Seller’s Guarantor’s direct or indirect interest in Freeport McMoRan Cobalt Holdings Limited
“Gécamines”	Générale des Carrières et des Mines S.A.R.L., the DRC state mining company

“H Share(s)”	overseas listed foreign share(s) with a nominal value 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 are traded in Hong Kong dollars
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Kisanfu”	the Seller’s Guarantor’s direct or indirect interest in Kisanfu Holdings Ltd., Jenny East Holdings Ltd. and Purveyors South Africa Mine Services (Proprietary) Limited
“Listing Rules”	The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“MOFCOM”	the Ministry of Commerce of the PRC
“Option”	the right of the Company to acquire Freeport Cobalt for a purchase price of USD100 million (equivalent to approximately HKD780 million) and/or Kisanfu for an aggregate purchase price of USD50 million (equivalent to approximately HKD390 million), subject to entering into definitive agreements with respect to such separate transactions during the Exclusivity Period
“PRC” or “China”	the People’s Republic of China (for the purposes of this announcement, excluding Hong Kong and the Macau Special Administrative Region of the PRC and Taiwan)
“RMB”	Renminbi, the lawful currency in the PRC
“Seller”	Phelps Dodge Katanga Corporation, a Delaware corporation, an indirect wholly owned subsidiary of the Seller’s Guarantor
“Seller’s Guarantor”	Freeport-McMoRan Inc., a Delaware corporation
“Share(s)”	A Share(s) and H Share(s)
“Shareholder(s)”	shareholder(s) of the Company

“Stock Purchase Agreement”	the Stock Purchase Agreement dated 9 May 2016 entered into between the Seller, the Seller’s Guarantor, the Buyer and the Company in relation to the Acquisition
“Subject Shares”	all of the issued and outstanding ordinary shares of FMDRC
“Target Companies”	FMDRC, TFHL, TFM and its subsidiaries
“Tenke”	Tenke Fungurume copper-cobalt mine
“TFHL”	TF Holdings Limited, a Bermuda exempted company
“TFHL JVSA”	the amended and restated joint venture and shareholders agreement dated as of 26 April 2013 among THL, TFHL and the Seller
“TFM”	Tenke Fungurume Mining S.A., a public limited liability company under the laws of the Democratic Republic of the Congo
“THL”	Tenke Holdings Ltd, a Bermuda exempted company, which is ultimately owned by Lundin Mining Corporation, a company whose shares are listed on the Toronto Stock Exchange
“USD” or “US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

The translations of USD into HKD throughout this announcement are based on the exchange rate of USD1.00 to HKD7.8, respectively and are provided for information purposes only.

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

Luoyang City, Henan Province, People’s Republic of China, 15 May 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