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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 External Guarantee of China Molybdenum Co., Ltd.\*” 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, 20 June 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*



**CHINA MOLYBDENUM CO., LTD.\*  
ANNOUNCEMENT ON EXTERNAL GUARANTEE**

**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.**

**IMPORTANT NOTICE:**

- The guaranteed party is CMOC Limited, a wholly-owned subsidiary of the Company.
- The amount of the guarantee provided by the Company to CMOC Limited does not exceed RMB1.7 billion. As of the date of this announcement, the Company has provided guarantees to CMOC Limited in the amount of EUR282,287,822.88.
- There is no counter-guarantee for this guarantee.
- As of the date of this announcement, there is no overdue external guarantee provided by the Company.

**I. GUARANTEE OVERVIEW**

1. Based on the need of substituting the original loans and guarantee, CMOC Limited, a wholly-owned subsidiary of the Company, proposed to apply for loans from the bank. To support the development of CMOC Limited and reduce its financing cost, the Company proposed to provide a guarantee with a maximum amount not exceeding RMB1.7 billion in order for CMOC Limited to obtain the bank loan to substitute the original loans and guarantee for a term not exceeding the term of the guarantee as agreed in the loan contract.
2. The Resolution on the Provision of the Guarantee to CMOC Limited has been passed at the tenth extraordinary meeting of the fourth session of the board of directors of the Company held on 20 June 2016. Independent directors of the Company has issued independent opinions on the provision of the guarantee by the Company to CMOC Limited, its wholly-owned subsidiary.

## II. BASIC INFORMATION OF THE GUARANTEED PARTY

1. Date of establishment: 27 August 2013
2. Registered capital and paid-up capital: USD93.87 million
3. Registered address: Hong Kong, China
4. Main business scope: Metal and mining investment
5. Structure of shareholdings: The Company holds 100% equity interests in CMOC Limited, thus being a wholly-owned subsidiary of the Company.
6. Financial position of CMOC Limited for the year of 2015 and as at 31 May 2016 (unit: RMB 0'000) (as converted at the prevailing exchange rates):

<b>Item</b>	<b>As of 31 December 2015</b>	<b>As of 31 May 2016</b>
Total assets	245,942.16	408,862.11
Total liabilities	196,396.55	284,538.58
Including: total bank loans	194,803.66	198,671.73
Total current liabilities	196,396.55	284,538.58
Net assets	49,545.61	124,323.53
	<b>For the year of 2015</b>	<b>From January to May 2016</b>
Operating income	–	–
Net profit	-4,923.50	73,699.31

## III. PRINCIPAL DETAILS OF THE GUARANTEE AGREEMENT

The Company has not yet entered into a guarantee agreement with relevant financial institutions for the provision of the guarantee to CMOC Limited. The specific terms of the guarantee shall be subject to the final guarantee agreement to be executed.

#### **IV. OPINIONS OF THE BOARD OF DIRECTORS AND INDEPENDENT DIRECTORS**

The board of directors is of view that: the provision of the guarantee by the Company to CMOC Limited is for the purpose of substituting the original loans and guarantee and the risk arising from the provision of the guarantee thereof is relatively insignificant as CMOC Limited is a wholly-owned subsidiary of the Company with high profitability and indirectly holds 80% equity interests in Northparkes Joint Venture, which the Company operates in Australia, and its relevant rights and asset projects. The board of directors has approved that the Company shall provide a guarantee with a maximum amount not exceeding RMB1.7 billion to CMOC Limited.

The independent directors are of view that: the provision of the guarantee by the Company to CMOC Limited is for the purpose of substituting the original loans and guarantee and the risk arising from the provision of the guarantee thereof is relatively insignificant as CMOC Limited is a wholly-owned subsidiary of the Company with high profitability and indirectly holds 80% equity interests in Northparkes Joint Venture, which the Company operates in Australia, and its relevant rights and asset projects. As such, the provision of the guarantee by the Company to CMOC Limited does not prejudice the interests of the Company and investors. Independent directors has approved that the Company shall provide a guarantee with a maximum amount not exceeding RMB1.7 billion to CMOC Limited.

#### **V. ACCUMULATED EXTERNAL GUARANTEE AMOUNT AND OVERDUE GUARANTEE AMOUNT**

As of the date of this announcement, based on the median price of the exchange rate promulgated by the People's Bank of China on 20 June 2016 of USD1= RMB6.5708, AUD1= RMB4.8805 and EUR1= RMB7.4563, the aggregate amount of external guarantees provided by the Company is RMB6,262,615,900, accounting for 35.15% of the audited net assets of the Company for the latest period, among which, the aggregate amount of guarantees provided by the Company to its controlled subsidiaries is RMB6,262,615,900, accounting for 35.15% of the audited net assets of the Company for the latest period.

As of the date of this announcement, there is no overdue external guarantee provided by the Company.

Announcement is hereby given.

**The board of directors of China Molybdenum Co., Ltd.\***  
20 June 2016