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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)

**CLARIFICATION ANNOUNCEMENT
REGARDING CERTAIN MEDIA REPORTS**

Reference is made to the announcements of China Molybdenum Co., Ltd.* (the “**Company**”) dated 18 March 2012, 17 September 2012 and 8 October 2012 in relation to, among others, the risks of litigation (the “**Announcements**”).

The board of directors of the Company (the “**Board**”) noted that, on 11 July 2016, certain media agencies published news reports entitled “China Molybdenum Co., Ltd. Is Exposed To Have Concealed A Material Dispute, Alleged Of Serious Violations in Information Disclosure” (“洛陽鉬業被爆隱瞞重大糾紛涉嫌信披嚴重違規”) (the “**Reports**”), alleging that the Company has failed to disclose certain disputes between the Company and Luanchuan Chengling Molybdenum Co., Ltd.* (欒川縣成凌鉬業有限公司) (“**Chengling**”) and was suspected of serious violation of disclosure requirements.

After careful verification of the content of the Reports, the Company wishes to clarify on relevant matters as follows:

1. THE COMPANY HAS DISCLOSED ITS DISPUTE WITH CHENGLING

According to the Announcements, Chengling initiated a claim in the Henan High People's Court ("**Henan High People's Court**") on 30 December 2008 (the "**Claim**"), alleging that the Company constructed a mineral processing plant with the capacity of a million tonnes (the "**Plant**") on the main mining area of Chengling, which directly overlaid its mining area for 2,083 tonnes of molybdenum as calculated based on its first phase of construction, and caused Chengling's obtainable profits to decrease by RMB130 million (the "**Dispute**"). The Claim was heard in the Intermediate People's Court of the Luoyang City on 6 July 2009. On 8 October 2011, the Luoyang Intermediate People's Court issued the (2009) Luomin Yi Chuzi No. 17 Civil Judgment ((2009)洛民一初字第17號《民事裁定書》) which dismissed the Claim. Chengling then applied for an appeal in the Henan High People's Court on 17 October 2011. The Henan High People's Court dismissed the appeal application on 26 March 2012 (the "**Judgment**"). The Judgment issued by the Henan High People's Court is the final judgment.

2. THE DISPUTE REMAINS UNDER THE ADMINISTRATIVE LITIGATION PROCEEDINGS

On 13 October 2015, the Department of Land and Resources of Henan Province issued a Letter in Relation to the Compensation Issue for the Mine Resources of Luanchuan Chengling Molybdenum Co., Ltd. being overlaid by the Mineral Processing Plant of China Molybdenum Co., Ltd. by the Department of Land and Resources of Henan Province (《河南省國土資源廳關於商請做好洛陽欒川鉬業集團股份有限公司選礦廠壓覆欒川縣成凌鉬業有限公司礦產資源補償問題的函》) ("**Henan Letter**") to the People's Government of Luoyang City ("**Luoyang Government**"). On 10 November 2015, the People's Government of Luanchuan County ("**Luanchuan Government**") forwarded the Henan Letter to the Company by issuing Luan Zheng Han [2015] No. 17, the Letter in Relation to the Compensation Issue for the Mine Resources of Luanchuan Chengling Molybdenum Co., Ltd. being overlaid by the Mineral Processing Plant of China Molybdenum Co., Ltd. by the Luanchuan Government (欒政函[2015]17號《欒川縣人民政府關於做好洛陽欒川鉬業集團股份有限公司選礦廠壓覆欒川縣成凌鉬業有限公司礦產資源補償問題的函》) (the "**Luanchuan Letter**", together with the "**Henan Letter**", the "**Letters**"). According to the Letters, the Luanchuan Government considered that the Company's construction of the Plant overlaid the mining resources of Chengling, which should go through the review and approval procedures of the construction project that overlaid the mining resources in accordance with the law. The Luanchuan Government should coordinate both parties to reach a compensation agreement as soon as possible and the Company's construction of the Plant involved illegal land occupation.

The Company had different understandings of the definitions of “overlaid Chengling’s mineral resources” and “illegal land occupation” as set out in the Letters. Accordingly, on 7 January 2016, the Company applied to the Luoyang Government for an administrative review of the Luanchuan Letter (the “**Administrative Review**”).

On 1 March 2016, the Luoyang Government issued the Luo Zheng Fu Jue Zi [2016] No. 22 Decision on the Administrative Review (洛政覆決字[2016]第22號《行政覆議決定書》) (the “**Decision**”) and was of view that the Luanchuan Letter was forwarded to the Luanchuan Government by the Department of Land and Resources of Henan Province where such forwarding of the Henan Letter did not have an actual impact on the Company’s rights and obligations, did not constitute a specific administrative action as stipulated by Article 6 of the Law of Administrative Review of the People’s Republic of China (《中華人民共和國行政覆議法》第六條規定), and did not comply with the acceptance conditions under Article 28(5) of the Implementation Rules on the Law of Administrative Review of the People’s Republic of China (《中華人民共和國行政覆議法實施條例》第二十八條第(五)項). The Decision dismissed such application for Administrative Review.

On 15 March 2016, the Company initiated an administrative claim to the Luoyang Intermediate People’s Court in relation to the Luanchuan Letter, which claim is in progress as at the date of this announcement.

3. THE COMPANY HAS NOT BEEN SUBJECTED TO ADMINISTRATIVE PUNISHMENT IN RELATION TO THE DISPUTE WITH CHENGLING, AND THE DISPUTE WITH CHENGLING HAS NOT AFFECTED THE COMPANY’S USUAL PRODUCTION OPERATIONS

The Letters do not constitute decisions on administrative punishment, and no “compensation” amount has been specified in the relevant administrative proceedings.

Since the date of the Judgment to the date of the publication of this announcement, the Company has not been subjected to administrative punishment in relation to the Dispute with Chengling. The Company’s usual production operations have not been affected by the Dispute with Chengling.

The designated media for information disclosure by the Company are Shanghai Securities News, Securities Times, the website of the Shanghai Stock Exchange and the website of the Hong Kong Stock Exchange. Investors are advised to refer to the announcements of the Company to make rational investment decisions and be aware of risks.

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

Luoyang City, Henan Province, People's Republic of China, 13 July 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*