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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)

ANNOUNCEMENT

INSIDE INFORMATION LETTER OF INTENT IN RELATION TO THE PROPOSED ACQUISITION

This announcement is made by China Molybdenum Co., Ltd. (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

INTRODUCTION

The board of directors of the Company (the “**Board**”) was pleased to announce that on 29 October 2018, the Company and NCCL Natural Resources Investment Fund LP (the “**Fund**”) entered into a letter of intent (the “**Letter of Intent**”) in relation to the proposed acquisition of 100% equity interests in IXM B.V. (formerly known as Louis Dreyfus Company Metals B.V., “**IXM**”) held by New Silk Road Commodities Limited (“**NSR**”), a wholly-owned subsidiary of the Fund (the “**Proposed Acquisition**”).

PRINCIPAL TERMS OF THE LETTER OF INTENT

Date:	29 October 2018
Parties:	the Company; and the Fund
Target of the Proposed Acquisition:	100% equity interests in IXM held by NSR
Consideration:	The consideration of the Proposed Acquisition will be determined by the Company and the Fund after the completion of due diligence.
Assignment of the Shareholder Loans:	The Company will directly or indirectly assume, and be entitled to receive all repayment of, the shareholder loans that NSR assumed at the closing of the Fund's indirect acquisition of IXM.
Due Diligence and Process:	As soon as reasonably practicable after the date of the Letter of Intent, the Company and the Fund will establish a project working team to discuss the details of the definitive agreements and coordinate the due diligence on IXM.
Definitive Agreement:	As soon as reasonably practicable after the date of the Letter of Intent, the parties to the Letter of Intent will commence negotiation of the definitive agreement with respect to the Proposed Acquisition (the " Definitive Agreement ").
Exclusivity:	The Fund has agreed to, and will also procure its respective affiliates, directors, officers, employees and advisors to, work exclusively with the Company towards the completion of due diligence and the signing of the Definitive Agreement for a period commencing on the date of the Letter of Intent and ending on 30 September 2019 (the " Exclusivity Period "). The Fund has agreed not to, and has agreed to cause NSR and their respective affiliates, directors, officers, employees and advisors to not, directly or indirectly, participate in any discussions, negotiations, provide any information or cooperate with any third party that could impede or conflict the Proposed Acquisition.

Termination: The Letter of Intent will terminate and be of no further force and effect upon the earlier of (i) the execution of the Definitive Agreement, (ii) a mutual agreement of the parties to the Letter of Intent; and (iii) the expiry of the Exclusivity Period.

Governing Law: The Letter of Intent will be governed by the laws of Hong Kong. Any dispute or claim arising out of or relating to this Letter of Intent shall be referred to and finally resolved by arbitration administered by the Hong Kong International Arbitration Centre (“**HKIAC**”) under the HKIAC Administered Arbitration Rules in force when the notice of arbitration is submitted.

The Board would like to emphasize that the Letter of Intent is not legally binding in nature (save for provisions on exclusivity, confidentiality, termination and governing law and other miscellaneous provisions), and that no legally binding agreement or Definitive Agreement in respect of the Proposed Acquisition has been entered into by the Company with any party as at the date of this announcement.

If the Proposed Acquisition materialises, it may constitute a notifiable transaction for the Company under the Listing Rules. Further announcement(s) in relation to the Proposed Acquisition will be made by the Company as and when appropriate in compliance with the Listing Rules.

INFORMATION ON IXM

IXM is a company incorporated in Netherlands with limited liability and is indirectly owned by the Fund as at the date of this announcement. IXM sources, blends, exports, transports and merchandizes copper, zinc, lead concentrates, copper blister and refined base metals and the majority of its sales are to Asia and Europe. IXM expands its logistical presence notably in Peru, Mexico, Taiwan (China) and Mainland China. Currently, IXM operates warehouses in Peru, Mexico and Taiwan (China) and has a minority interest in a logistics activity in Namibia.

The Potential Acquisition may or may not materialise. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

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

Luoyang City, Henan Province, the PRC, 29 October 2018

As at the date of this announcement, the Company's executive directors are Mr. Li Chaochun and Mr. Li Faben; the Company's non-executive directors are Mr. Ma Hui, Mr. Yuan Honglin and Mr. Cheng Yunlei; and the Company's independent non-executive directors are Mr. Wang Gerry Yougui, Ms. Yan Ye and Mr. Li Shuhua.

* *For identification purposes only.*