



洛阳栾川钼业集团股份有限公司

China Molybdenum Co., Ltd

November 16, 2016

## **MEDIA RELEASE**

### **CMOC Announces Acquisition of Freeport-McMoRan's Indirect 56% Interest in Tenke Fungurume for US\$2.65 billion (USD)**

China Molybdenum Co., Ltd ("CMOC") is pleased to announce that all conditions precedent set out in the Stock Purchase Agreement with Freeport-McMoRan ("FCX") to acquire their indirect 70 percent interest in TF Holdings Limited ("TFHL") has been fulfilled and the transaction completed. TFHL is a Bermuda holding company that indirectly owns an 80 percent interest in Tenke Fungurume Mining S.A. ("Tenke") located in the Democratic Republic of Congo ("DRC"). FCX had a 70 percent interest in TFHL and an effective 56 percent interest in Tenke.

CMOC paid approximately \$2.65 billion in cash, with contingent consideration of up to \$120 million in cash, consisting of \$60 million if the average copper price exceeds \$3.50 per pound and \$60 million if the average cobalt price exceeds \$20 per pound, both during calendar years 2018 and 2019.

"We are excited to be a miner in the DRC which hosts one of the largest known copper belts in the world. We are pleased to complete this transaction with the full support of the DRC Government. We look forward to developing long-term partnership and friendship with all the stakeholders" CMOC Chairman and Executive Director Mr. Li Chaochun commented.

Tenke Fungurume is a world-class, large-scale, long-lived 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.

"The acquisition of Tenke is consistent with our international growth strategy and our disciplined approach while achieving earnings, commodity, and geographic diversification. By virtue of its substantial mineral endowment, and proper stewardship, we look for Tenke to continue producing high-grade copper for decades to come. I am looking forward to working with the Tenke Leadership Team and all employees of this world-class operation." CMOC International CEO Mr. Kalidas Madhavpeddi said.

CMOC retained Citigroup Global Markets Inc. as financial advisor, Osler, Hoskin & Harcourt LLP as lead legal advisor, and Herbert Smith Freehills LLP, King & Wood Mallesons LLP and Covington & Burling LLP as legal advisors.

#### **For Further Information**

Charles O'Brien  
Finsbury  
P +44 (0) 207 251 3801, M +44 (0) 7825 043 656  
Charles.O'Brien@Finsbury.com

#### **About CMOC**

CMOC is primarily engaged in the mining, processing and marketing of mineral products. CMOC is one of the world's largest molybdenum, tungsten and niobium producers, the second largest phosphate producer in Brazil, and Australia's fourth largest producer of copper. CMOC's key operating assets include Sandaozhuang molybdenum-tungsten mine and facilities located in Luoyang China, niobium and phosphate mines and operation facilities located in Catalao and Cubatao, Brazil as well as the Northparkes copper-gold mine located near Parkes, NSW Australia. CMOC is dual-listed on the Hong Kong Stock Exchange (HK3993) and the Shanghai Stock Exchange (SH603993).

[www.cmocinternational.com](http://www.cmocinternational.com)