

Date: 30 March 2018  
For Immediate Release



洛陽欒川鉬業集團股份有限公司  
China Molybdenum Co., Ltd.

### CMOC Announces 2017 Annual Results

*Strategic acquisitions and rising commodity prices help drive strong results*

#### Highlights

- CMOC achieved a net profit of RMB 3.6 billion for the year, representing a 253% increase compared to the prior year (with consolidated net profit attributable to parent company of RMB 2.7 billion, increasing 173%). Net profit attributable to parent company after adjusting for non-recurring gains and losses was RMB 3.1 billion. The rise in metal prices and major acquisitions completed toward the end of 2016 helped drive strong results growth for the Company.
- In 2017, the Company continued to focus on cash flow generation, achieving an EBITDA of RMB 11.3 billion and a cash flow from operating activities of RMB 8.4 billion. At year-end, the Company held monetary funds totaling RMB 26.5 billion.
- The Company successfully raised RMB 18 billion in its non-public issuance of A Shares, with an over-subscription of more than 2 times driven by the active participation of strategic investment institutions. By the end of 2017, the asset-liability ratio had been reduced to 53.1% and the interest-bearing net debt ratio was 10.4%, demonstrating the health of our balance sheet.
- After a smooth transition period, our newly acquired assets in Brazil and the DRC maintained stable operations.
- We secured an exclusive option to buy an additional 24% interest in TFM, our DRC mining operation, increasing our actual control rights in the project to 80%;
- Following our dividend policy, the Board of Directors proposed a total dividend of RMB 1.642 billion, equivalent to 0.076 yuan/share, continuing our long-term strategy of strong returns to shareholders.

Beijing - On 29 March 2018, CMOC announced its annual 2017 results. According to the report, the Company realized an operating profit of RMB 24.1 billion, with year-on-year growth of 246%; and a net profit of RMB 3.6 billion, with year-on-year growth of 253%. The net profit attributable to parent company was RMB 2.7 billion (an increase of 173%) and on an adjusted basis (after removal of non-recurring gains and losses) was RMB 3.1 billion (increasing by 244%). The Board of Directors proposed a total dividend of RMB 1.642 billion, equivalent to 0.076 yuan/share.

Mr. Li Chaochun, Chairman of the Board of Directors of CMOC said: “Thanks to the Company's major acquisitions completed at the end of 2016, and the subsequent recovery of the global commodities market, we are now benefitting from the Chinese economic structure upgrade and the vigorous development of the global “new energy” automobile sector.”

In July 2017, CMOC successfully raised RMB 18 billion in its non-public issuance of A Shares,

introducing a series of long-term strategic investors, optimizing the shareholder and financial structure. By the end of 2017, the Company had total assets worth RMB 97.8 billion, with net assets of RMB 45.9 billion, and RMB 26.5 billion in monetary funds. The asset-liability ratio was reduced to 53.1%, and the interest-bearing net debt ratio to 10.4%, both of which are relatively low for the industry. In 2017, the Company achieved an EBITDA of RMB 11.3 billion and a cash flow from operating activities of RMB 8.4 billion.

In 2017, our molybdenum and tungsten production in China was 16,700 tonnes and 11,700 tonnes respectively; copper and cobalt production in our DRC operation was 213.8 thousand tonnes and 16,400 tonnes respectively; with niobium and phosphate fertilizer production in Brazil of 8,700 tonnes and 1.15 million tonnes, respectively; and Australia-based Northparkes' (NPM) copper and gold production was 34,900 tonnes and 28,200 ounces respectively. The Company's main metal production outputs remained stable.

In 2017, the cash cost of the molybdenum business was RMB 54,638 per tonne; the tungsten cash cost was RMB 17,896 per tonne; the NPM copper C1 cash cost was \$0.92 per pound; and the TFM copper C1 cash cost was \$0.15 per pound. The cost of each operation remained very competitive.

The 2018 guidance for production and cash costs of major products is as follows:

Category	2018 Guidance	
	Production	C1 Cash Cost
Molybdenum (tonne) (RMB yuan/tonne)	13,500~14,900	60,000~66,300
Tungsten (tonne) (RMB yuan/tonne)	11,000~12,000	20,200~24,600
Copper (TFM) (tonne) (C1 \$/lb)	190,000~205,000	-0.44~-0.40
Cobalt (tonne)	16,000~17,500	N/A
Copper (NPM 80%) (tonne) (C1 \$/lb)	30,000~32,000	1.07~1.19
Gold (NPM 80%) (ounce)	26,400~28,000	N/A

1. Copper unit costs include the benefit of by-product credits and therefore vary depending on market prices

“In 2017, we achieved a smooth transition following the acquisitions that occurred at the end of 2016, and our focus in 2018 will be on efficient integration.” Said Mr. Li. “We will prove to the market that CMOC is not only good at acquisitions, but also is a good operator. Efficient integration can bring additional value creation.”

## **About CMOC**

China Molybdenum Co., Ltd. (CMOC) engages in mining, processing and marketing of mineral products. The Company is one of the leading copper producers, one of the top five molybdenum producers, one of the largest tungsten producers and the second largest cobalt and niobium producer in the world. It is also the fourth largest copper ore producer in Australia and the second largest phosphate fertilizer producer in Brazil. CMOC is dual-listed on the Hong Kong Stock Exchange (Stock Code: 03993) and the Shanghai Stock Exchange (SH603993).