



洛陽樂川鉬業集團股份有限公司 China Molybdenum Co., Ltd. *

CMOC Announces 2018 First Quarterly Results

Highlights:

■ CMOC achieved a net profit of RMB 1.86 billion for 2018 first quarter, representing a 86% increase compared to the prior year (with consolidated net profit attributable to parent company of RMB 1.55 billion, increasing 160%). The sustained rise in metal prices drives a strong growth of the Company's profitability.

■ In the first quarter of 2018, the Company achieved a cash flow from operating activities of RMB 2.57 billion, representing an 80% increase compared to the prior year, demonstrating a continuous enhancement of its cash flow creation capability. At the end of first quarter, the Company held monetary funds totaling RMB 27.7 billion.

■ TFM realized a cobalt production volume of 4,843 tonnes which peaks a historical high. Due to the sustained rise of cobalt price, TFM's copper C1 cash cost fell to USD-1.96/lb in the first quarter.

Beijing - On 27 April 2018, CMOC announced its 2018 first quarterly results. According to the report, the Company realized an operating income of RMB 7.43 billion, with year-on-year growth of 28.5%; and a net profit of RMB 1.86 billion, with year-on-year growth of 86%. The net profit attributable to parent company was RMB 1.55 billion (an increase of 160%) and on an adjusted basis (after removal of non-recurring gains and losses) was RMB 1.56 billion (increasing by 171%).

In the first quarter of 2018, our molybdenum and tungsten production in China was 4,589 tonnes and 2,635 tonnes respectively; copper and cobalt production in our DRC operation was 39,464 tonnes and 4,843 tonnes respectively, with a quarterly cobalt production reaching a record high;

niobium and phosphate fertilizer production in Brazil was 2,281 tonnes and 272 thousand tonnes, respectively; and copper and gold production (based on 80% equity interests) in NPM was 8,680 tonnes and 7,528 ounces respectively. Although affected by China's winter, Spring Festival and DRC's rainy season, the Company's main metal production outputs remained stable, and the production of molybdenum and cobalt has increased compared to the same period of last year.

In the first quarter of 2018, the cash cost of the molybdenum business was RMB 60,956 per tonne; the tungsten cash cost was RMB 24,007 per tonne; the NPM copper C1 cash cost was \$1.19 per pound; and the TFM copper C1 cash cost was -\$1.96 per pound. Under the impact of continued rise in the prices of the main production materials, some products' cash cost is higher than the same period of last year, but the Company still maintains a very competitive cost advantage.

In the first quarter of 2018, the production and cash cost of main products are as follow:

Category	2018 first quarter		2018 Guidance	
	Production	C1 Cash Cost	Production	C1 Cash Cost
Molybdenum (tonne) (RMB yuan/tonne)	4,589	60,956	13,500~14,900	60,000~66,300
Tungsten (tonne) (RMB yuan/tonne)	2,635	24,007	11,000~12,000	20,200~24,600
Copper (TFM) (tonne) (C1 \$/lb)	39,464	-1.96	190,000~205,000	-0.44~-0.40
Cobalt (tonne)	4,843	N/A	16,000~17,500	N/A
Copper (NPM 80%) (tonne) (C1 \$/lb)	8,680	1.19	30,000~32,000	1.07~1.19
Gold (NPM 80%) (ounce)	7,528	N/A	26,400~28,000	N/A
Niobium (tonne)	2,281	N/A	——	——

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

“Based on its existing resource endowment, the Company will focus on improving its management and efficiency, and building its core competitiveness in 2018.” The board secretary Mr. Yue Yuanbin said, “with the subsequent recovery of the global commodities and the sustained rise of commodities price, thanks to our unique product portfolio with scarce resources built up by strategic acquisitions, the Company maintained a rapid growth in its profitability, all business sectors sustained positive development, showing a strong cash flow creation capability.”

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).