

**FOR IMMEDIATE RELEASE**

**9M2015 Results: World's First Tungsten Mining Success Story in Over a Decade**

Hanoi, 13 November 2015 – Masan Resources Corporation (HNX: MSR, “Masan Resources” or the “Company”), one of Vietnam’s largest integrated resource producer and processor, reported its first nine months management accounts for fiscal year 2015.

**9M2015 MANAGEMENT ACCOUNTS**

- **Cash net sales up 13.7%** - As a result of a ramp up in production across all four minerals at its Nui Phao mine, Masan Resources recorded cash net sales of VND2,078 billion for 9M2015, up 13.7% compared to 9M2014. Due to joint venture operations commissioning causing capitalization of net sales against operating costs, the Company reported net sales of VND1,573 billion.
- **Increase in EBITDA by 28.3%** - Due to initiatives implemented to improving processing recoveries, further plant utilization and streamline of operating costs, the Company’s EBITDA increased by 28.3% when calculated on reported net revenue. EBITDA margins were 43%, calculated on a cash sales basis, reflecting a 5% increase over 9M2014.
- **Driving profitability through improved efficiencies and focus on costs** - Average prices for all four commodities have declined in 9M2015 compared to same period last year, with average prices of tungsten and bismuth products falling in excess of 30%. In such a challenging commodity price environment, the Company recorded net profit after tax of VND72 billion for 9M2015 compared to a loss of VND312 billion for the same period last year.

VND Billion	9M2015	9M2014 <sup>(1)</sup>	Growth
<b>Masan Resources Consolidated Financial Results<sup>(2)</sup></b>			
Net Revenue			
Cash sales <sup>(3)</sup>	2,078	1,827	13.7%
Reported	1,573	1,827	(13.9)%
EBITDA <sup>(4)</sup>	894	697	28.3%
Net Profit After Tax (VAS)	72	(312)	NM

<sup>(1)</sup> Nui Phao commercial production commenced 1<sup>st</sup> March 2014

<sup>(2)</sup> Interim financial numbers are based on management figures

<sup>(3)</sup> 9M2015 includes capitalization of net revenues against operating costs during the commissioning phase for the joint venture operation

<sup>(4)</sup> Earnings before interest, taxation, depreciation and amortization (EBITDA) excludes other income and other expenses

## TUNGSTEN MARKET STABILIZING

- Tungsten prices have a strong correlation to global economic growth conditions. Demand was negatively impacted by declining growth particularly in the energy sector. Falling crude prices resulted in the sector reducing its drilling and exploration activities, consequently decreasing demand for drill bits and hardened steel rods for which tungsten is a key raw material. This was partially offset by improved demand growth in other sectors including the automotive and aerospace industries that require tungsten products in their cutting tools.
- After a rapid fall in tungsten prices during the period, recently observed transactions have indicated that price stability is being established from a series of mine shutdowns, production cutbacks from producers, and initiatives by the Chinese government to stockpile tungsten concentrate. As global growth returns and prices start to recover, the Company will capitalize on its leading position to expand production through acquisition initiatives and further bolster its presence outside of China.

AVERAGE COMMODITY PRICES	unit	Average 9M2015	Average 9M2014	% change	At 30.09.15	At 30.09.14
APT European Low*	\$/mtu	<b>232</b>	349	(33)	<b>180</b>	345
Bismuth Low*	\$/lb	<b>6.7</b>	10.7	(37)	<b>4.9</b>	12.2
Copper (LME)	\$/t	<b>5,697</b>	6,942	(18)	<b>5,093</b>	6,735
Fluorspar Acid Grade*	\$/t	<b>278</b>	305	(9)	<b>260</b>	280

\* Metal Bulletin

## GREATER AND MORE STABLE PRODUCTION

- The Nui Phao operations key plant parameters have ramped up in line with expectations. In the 9M2015 the average plant throughput rates reached 396 tonnes per hour.
- Tonnes of processed ore increased by 5% to 2.4 million tonnes due to a 4% improvement in plant utilization levels, which was made possible by efficient maintenance planning activities.
- Final product production across all of Nui Phao's commodities increased significantly over 2014 levels with tungsten and copper production increasing by 27% and 36%, respectively. Presented on a tungsten equivalent basis, which includes all commodities, mineral production increased 77%. The increase in production levels was due to post commissioning ramp up, improved head grades and higher recoveries across all of our processing circuits.
- As part of the drive to increase productivity, over the next six months a number of expansion projects are scheduled for completion and are expected to deliver higher recovery yields, particularly for tungsten and fluorspar products.
- The Company's joint venture ("JV") to produce value-added tungsten products, namely: Ammonium Para-Tungstate (APT), Blue Tungsten Oxide (BTO) and Yellow Tungsten Oxide (YTO), has been ramping up production rates during the course of this year. During the reporting period, the JV received "Hi-Tech" status from regulatory bodies, recognizing the JV's use of world-class technology.

SUMMARY PRODUCTION DATA	Unit	9M2015	9M2014	Growth	7M2014 <sup>(1)</sup>	10M2014 <sup>(1)</sup>
Ore mined	kt	<b>2,683</b>	2,104	28%	1,695	2,531
Ore processed	kt	<b>2,435</b>	2,321	5%	1,836	2,615
Tungsten concentrate (contained)	t	<b>3,734</b>	2,951	27%	2,327	3,510
Tungsten equivalent units (contained)	t	<b>7,200</b>	4,064	77%	3,292	5,039

<sup>(1)</sup> Nui Phao commercial production commenced 1 March 2014



## **CAPITAL INITIATIVES TO SUPPORT DELIVERING LONG TERM OBJECTIVES**

- Masan Resources was listed on the UPCoM board of the Hanoi Stock Exchange on 10 September 2015, with a book value of over VND11 trillion, becoming one of the largest companies that can be publicly traded on the northern bourse. This will brand UPCoM as a bourse for promising companies in the middle of transformation.
- Masan Resources completed a 5 year bond issuance in September 2015, raising VND8,100 billion at a fixed 8% first year coupon rate. The proceeds from the bond were used to refinance existing borrowings, which resulted in the reduction in the Company's average cost of funds and a more prolonged debt maturity profile. The refinancing is one of the many initiatives that supports Nui Phao's competitive position as one of the largest and lowest cost producers of tungsten.

## **GLOBAL AND LOCAL RECOGNITION TO THE HIGHEST STANDARDS**

- In September 2015, Masan Resources hosted the International Tungsten Industry Association ("ITIA") global annual conference in Hanoi and at Nui Phao, with over 220 delegates attending. It was the first time such an event for the tungsten industry had been held in Vietnam and the CEO of Masan Resources was appointed onto the ITIA Executive Committee.
- Masan Resources continues in its efforts to be a model of corporate and social responsibility for the mining industry in Vietnam. The Nui Phao mine has received several awards from government authorities during 2015 to reflect that business practices are being carried out in a socially responsible manner. It also received a prestigious Top 100 Vietnam Gold Star Award from the Vietnam Central Association of Young Enterprises for brand international competitiveness in October 2015.

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## ABOUT MASAN RESOURCES CORPORATION

Masan Resources Corporation (“Masan Resources” or the “Company”), is one of the largest private sector mineral resources and chemical processing companies in Vietnam, currently operating the world-class Nui Phao polymetallic project in Northern Vietnam. Nui Phao is the largest tungsten mine in the world and the industry’s first new tungsten project to be commissioned in over a decade. Masan Resources is also a globally significant producer of fluorspar and bismuth. Masan Resource’s objective is to show the world that a Vietnamese company can lead the transformation of the global tungsten market.

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