

FOR IMMEDIATE RELEASE

Masan Resources Delivers Record Profit of VND 664 billion in 2018

Hanoi, 30 January 2019 – Masan Resources Corporation (**HNX-UpCOM**: “MSR”, “Masan Resources” or the “Company”), one of Vietnam’s largest integrated industrial mineral and chemical producers, is pleased to report its management accounts for the twelve months of the 2018 fiscal year (‘12M2018’).

The Company delivered outstanding financial results for another quarter on the back of stable tungsten prices (APT European Low) as compared to Q3, but prices remained down on earlier months of the year. The tungsten concentrate market remains tight with limited supply available globally, which is expected to be positive for prices through 2019. Importantly, the underlying demand drivers for tungsten end use products also remain strong, despite the ongoing US-China trade tensions.

During the quarter benefits were being realized from the integration of Masan Tungsten Limited Liability Company (“MTC”) into Masan Resources, contributing to the outstanding performance for the quarter. From a financial perspective, new records were achieved for revenue, EBITDA and NPAT.

MSR was also awarded Top 100 GOLD STAR AWARD by the Vietnam Young Entrepreneurs Association. This is the second consecutive year to be honored with this prestigious award.

12M2018 FINANCIAL HIGHLIGHTS: STABLE BUSINESS WITH STABLE DEMAND AND METAL PRICES

- **Net revenue up 27%** – MSR posted revenue of VND6,865 billion in 12M2018, a 27% increase over the VND5,405 billion recorded in 12M2017, supported by the prices for the Company’s main products in 12M2018 revenues were significantly higher in comparison to the same period last year. Management’s initiative to increase price realization continued to be successful with price realization on a tungsten equivalent unit basis being 7.2% higher in 12M2018 over the same period last year.
- **EBITDA of VND3,331 billion** – Despite lower tungsten head grades resulting in 9.4% reduction in Tungsten equivalent units production, the Company’s EBITDA in 12M2018 grew 20% over the same period last year. Notably the company increased third party tungsten raw material processing from 237 tonnes of WO₃ equivalent units in 12M2017 to 958 tonnes of WO₃ equivalent units in 12M2018. Due to lower margins on processing of third party purchased material the Company recorded an EBITDA margin of 48.5% for 12M2018 down from 51.5% in 12M2017. Management is strictly monitoring cost and accelerating the delivery of synergy benefits from the integration of the MTC business, to maintain the Company’s position as one of the lowest cost global producers.
- **Attributable net profit increased by 222%** - The Company delivered a record attributable net profit of VND664 billion for 12M2018, representing a 222% increase over the same period last year on a profit margin of 9.7%. In line with the refinancing initiatives discussed in the 1H2018 management accounts, the Company has successfully issued a bond with face value VND1,500 billion on attractive terms to partially refinance the Company’s existing debt with the aim of extending the maturity of the Company’s debt profile to optimally utilize cashflows generated in the shorter term.

VND Billion	12M2018	12M2017	Growth
Masan Resources Consolidated Financial Results⁽¹⁾			
Net Revenue	6,865	5,405	27%
EBITDA ⁽²⁾	3,331	2,784	20%
Attributable Net Profit/(Loss) After Tax (VAS)	664	206	222%

⁽¹⁾ Financial numbers are based on management figures.

⁽²⁾ Earnings before interest, taxation, depreciation and amortization (EBITDA) excludes other income and other expenses.

MARKET DEVELOPMENT: US-CHINA TRADE SHORT TERM UNCERTAINTY IN A FUNDAMENTALLY STRONG TUNGSTEN MARKET

- As anticipated at the start of the 4Q2018, US-China trade tensions continue to influence the market sentiment, and this has limited upward price momentum in Q4. Tungsten prices remained stable even though European seasonal demand issues and Year End inventory considerations have had their usual effect.
- Global economic growth drivers have remained robust during 12M2018. A supply-side structural shift continues to take place in China. This is due to ongoing enforcement of stringent environmental regulations, rising production and environmental compliance costs and continuing regulatory inspections. These pressures continue to aid a process of tungsten industry consolidation within China. This, coupled, with ongoing solid demand from oil & gas, aviation, and aerospace industry sectors will result in a solid platform for tungsten.
- Tungsten prices have been stable for the last 2-3 months despite the unsettled macro-economic backdrop. As the market settles in the New Year, and supported by continuing strong enquiries for product, MTC management expects the Index price to strengthen and outperform, despite US-China trade tensions.
- Fluorspar prices continue to remain in positive territory. With decreasing Chinese exports and robust downstream demand, the price is expected to remain strong in short to medium term.

AVERAGE COMMODITY PRICES	Unit	Average 12M2018	Average 12M2017	% change	At 31.12.18	At 31.12.17
APT European Low*	USD/mtu	308	239	28.7%	270	294
Bismuth Low*	USD/lb	4.4	4.8	-8.5%	3.4	5.1
Copper*	USD/t	6,514	6,166	5.6%	6,018	7,157
Fluorspar Acid Grade**	USD/t	493	345	43.0%	565	410

* Metals Bulletin, ** Industrial Minerals

OPERATIONAL HIGHLIGHTS: RECOVERING MORE WITH LESS

- The upgrades to the tungsten circuit have increased tungsten recovery from ore processed by 2.6% over the same period last year and 3.7% on a full year basis. Ongoing optimization of the circuit is expected to deliver further incremental improvements through 2019. Despite the improvements to tungsten recoveries and increased third party purchases overall tungsten production was down on 2017 due to lower feed grades.
- Performance of the fluorspar circuit for the quarter was exceptional with a 13.7% improvement in recoveries over the same period last year. On a full year basis recovery improved 4.0%. Focus is now on maintaining these higher recoveries through 2019.

SUMMARY PRODUCTION DATE	Unit	12M2018	12M2017	Growth
Ore processed	kt	3,804	3,888	-2.2%
APT / BTO / YTO / ST (contained)	t	6,155	6,301	-2.3%
Copper in Copper Concentrate (Contained)	t	9,331	8,498	9.8%
Acid Grade Fluorspar	t	238,702	234,905	1.6%
Bismuth in Bismuth Cement (Contained)	t	2,639	2,403	9.8%

2019 FINANCIAL AND STRATEGIC OUTLOOK

- On the back of the Company's 2018 results the company expects to continue to grow both revenue and profit to shareholders from the solid base delivered in 2018. Based on no worsening of global economic performance management is confident in being able to deliver net revenue and attributable profit to shareholders in the ranges of VND7,700 – 8,500 billion and VND700 – 1,000 billion, respectively.
- In line with Company's 5-year strategy plan, the Company continues to discuss various opportunities to further consolidate its upstream business and remains in discussions with selected partners to explore strategic partnerships in and outside Vietnam for further downstream integration.

- Through ongoing debottlenecking works at the Masan Tungsten Chemical processing facility, management has unlocked additional processing capacity. Through 2019 the Company will continue to source third party concentrates and tungsten raw materials to fully utilize this excess capacity.

ABOUT MASAN RESOURCES CORPORATION

Masan Resources a leading supplier of critical minerals including tungsten, fluorspar and bismuth. Masan Resources is currently operating the world class polymetallic mineral resource and chemical processing plant in Northern Vietnam. Masan Resource's vision is to show the world that a Vietnamese company can lead the transformation of the global tungsten market.

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