

FOR IMMEDIATE RELEASE

Productivity and Cost Initiatives Deliver First Sustainable Supplier of Scale

Hanoi, 2 February 2017 – Masan Resources Corporation (**HNX-UpCOM**: “MSR”, “Masan Resources” or the “Company”), one of Vietnam’s largest integrated resource producer and chemical processor, is pleased to report its management accounts for twelve months of 2016 (‘12M2016’).

MSR achieved record revenue and EBITDA in the fourth quarter of 2016 (‘4Q2016’) on account of productivity and cost initiatives. Production in 4Q2016, on a contained tungsten equivalent basis, exceeded that of the same period in 2015 by 54%.

12M2016 FINANCIAL HIGHLIGHTS

- **Net revenue up 52%** – Despite lower average prices across all commodities, record production resulted in net revenue of VND4,049 billion for 12M2016, a 52% increase over the same period last year. All production remained fully sold and the Company’s order book continued to be over-subscribed. Sustained production and quality has resulted in additional demand for the Company’s products which in turn has allowed for new potential long-term sales arrangements with strategic customers.
- **EBITDA increased by 66%** - In a commodity pricing environment that is still recovering from global demand and supply rebalancing, cost control remains a core focus. Optimization of the Company’s cost structure has enabled EBITDA to grow 66% year on year. The Nui Phao project, amongst all global tungsten players, continues to operate in the lowest quartile for cash costs, solidifying its position as a reliable supplier in any pricing environment.
- **Positive attributable net profit of VND110 billion** - Ability to reduce cash costs while increasing overall productivity has allowed Masan Resources to report a positive profit attributable to shareholders of VND110 billion in 12M2016. A depressed commodity price environment continues to be the primary drag on profitability. Normalized for prices witnessed over the same period last year, MSR’s attributable net profit would have exceeded VND350 billion for this reporting period.

VND Billion	2016	2015	Growth
Masan Resources Consolidated Financial Results⁽¹⁾			
Net Revenue	4,049	2,658	52%
EBITDA ⁽²⁾	2,055	1,237	66%
Attributable Net Profit/(Loss) After Tax (VAS)	110	152	-28%

⁽¹⁾ Financial numbers are based on management figures.

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

RANGE BOUND COMMODITY PRICES SEEK GROWTH CATALYST

- Tungsten prices stabilized in the first half of 2016 but have since been range bound between US\$180/mtu and US\$215/mtu, with the APT LMB Low notation currently at US\$191/mtu. With demand growth needing a catalyst to push prices higher, market participants are turning to the oil and gas sector, previously one of the hardest hit tungsten end-use markets. Advocates of a pricing increase are pointing to a potential recovery in drilling activities on account of OPEC’s agreement to cut crude oil production.

- Supply side fundamentals will continue to find support from China's persistent focus on clamping down its illegal mining activities, controlled production output and stricter environmental policies. A lower than anticipated pricing environment and future uncertainty has led to tungsten projects outside of China facing difficulties in securing funding. As a result, projects that were forecasted to come to market in the near future have been postponed.
- Management is cautiously optimistic, expecting the tungsten APT European Low notation to continue to be range bound with a chance of an upward swing.
- With over 90% of 2016 planned production being delivered into long-term off-take agreements with prices linked to benchmark quotations, management is well positioned to monetize any breakout in pricing.

AVERAGE COMMODITY PRICES	Unit	Average 2016	Average 2015	% change	At 31.12.16	At 31.12.15
APT European Low*	\$/mtu	182	217	-16%	187	170
Bismuth Low*	\$/lb	4.3	6.1	-30%	4.6	4.1
Copper*	\$/t	4,863	5,494	-11%	5,501	4,702
Fluorspar Acid Grade**	\$/t	260	283	-8%	260	250

* Metals Bulletin, ** Industrial Minerals

INCREASING PRODUCTION BY CONTINUING EFFICIENCY IMPROVEMENTS

- Productivity initiatives, that have increased efficiency, have enabled the Company to further leverage its low cost base to capture additional market share in pricing environment where others are struggling.
- Optimization of productivity initiatives commissioned in the first half of 2016 has resulted in production increasing by 37% in the second half of 2016 over the first half of the year, with fluorspar and tungsten production increasing 31% and 62%, respectively. With all production initiatives now performing to management's expectations, adjustments are being tested in an effort to maximize performance and further increase yields.
- With the bismuth cement circuit being brought into commercial production during the year, all of the Company's major circuits are now in commercial production and operating as per expectations.
- Feed grades and recovery rates were in line with forecasts. Mill throughput exceeded targets and achieved record rates, performance that the Company will seek to replicate in the future.

SUMMARY PRODUCTION DATA	Unit	2016	2015	Growth
Ore mined	kt	3,654	3,543	3%
Ore processed	kt	3,642	3,229	13%
Tungsten concentrate (contained)	t	6,357	5,123	24%
Tungsten equivalent units (contained) ⁽¹⁾	t	12,926	10,250	26%

⁽¹⁾ Nui Phao finished products are converted to a tungsten equivalent units

ABOUT MASAN RESOURCES CORPORATION

Masan Resources 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 operating tungsten mine in the world by reserves 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 vision is to show the world that a Vietnamese company can lead the transformation of the global tungsten market.

CONTACTS:

(Investors/Analysts)

Tanveer Gill

T: +848 6256 3862

E: tanveer@msn.masangroup.com

(Media)

Van Nguyen

T: +848 6256 3862

E: van.nguyen@msn.masangroup.com

This press release contains forward-looking statements regarding Masan Resources' expectation, intentions or strategies that may involve risks and uncertainties. These forward-looking statements, including Masan Resources' expectations, involve known and unknown risks, uncertainties and other factors, some of which are beyond Masan Resources' control, which may cause Masan Resources' actual results of operations, financial condition, performance or achievements to be materially different from those expressed or implied by the forward-looking statements. You should not rely upon forward-looking statements as predictions, future events or promises of future performance.