

FOR IMMEDIATE RELEASE

Masan Resources Well Positioned for Market Rebound

Hanoi, 24 April 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 first quarter of the 2019 fiscal year (“1Q2019”).

The Company delivered a small profit for Q1 but failed to reach the profit levels of the same time last year. This was predominantly due to a soft APT market post Lunar New Year resulting in a build-up of tungsten stocks. Copper stocks have also increased as the company seeks solutions for local processing and continues to investigate financial viability of constructing its own Copper/Gold smelter. The fluorspar market, on the other hand remains robust.

The ongoing US-China trade tensions and its impacts on world economic growth forecasts are making for cautious buyers in the tungsten market. Despite this, Management believes tungsten market fundamentals remain strong with indications that European markets are low on stocks and increased interest being shown by Asian buyers for MSR’s APT products. MSR is well positioned to take advantage of any improvement in demand and will continue to monitor market fundamentals closely.

1Q2019 FINANCIAL HIGHLIGHTS: STABLE BUSINESS WITH STABLE DEMAND AND METAL PRICES

- **Net revenue down 20%** – MSR posted net revenue of VND1,190 billion in 1Q2019, 20% decrease compared to VND1,487 billion recorded in 1Q2018. Production volumes were broadly in line with 1Q2018 but revenues impacted by lower realized prices for Tungsten and a build-up in Tungsten stocks due to soft market conditions as well as a build-up in Copper stocks as the company seeks solutions for local processing and continues to investigate the financial viability of constructing its own Copper/Gold smelter. Partially offsetting this was an increase in Fluorspar revenues on the back of higher pricing and production.
- **EBITDA of VND645 billion** – Despite the 20% reduction in net revenues noted above, EBITDA decreased by only 18%. This was due to two main factors, the continued integration of the Masan Tungsten LLC (“MTC”) plant into the overall business and improved recoveries for Fluorspar. The Company recorded an EBITDA margin of 54.2% for 1Q2019, up from 52.9% in 1Q2018. Management continues to strictly monitor cost and deliver synergistic benefits from the integration of the MTC business to maintain the Company’s position as one of the lowest cost global producers.
- **Breakeven attributable net profit** – The Company delivered an attributable net profit of VND1.5 billion for 1Q2019, 99% decrease over the same period last year, mainly on the back of lower net revenues and EBITDA as described above. As compared to 1Q2018, EBITDA reduced by VND142 billion, while attributable net profit decreased by VND115 billion. The VND27 billion difference is predominantly due to MTC being consolidated on a 100% basis as compared to last year.

VND Billion	1Q2019	1Q2018	Growth
Masan Resources Consolidated Financial Results ⁽¹⁾			
Net Revenue	1,190	1,487	-20%
EBITDA ⁽²⁾	645	787	-18%
Attributable Net Profit/(Loss) After Tax (VAS)	1.5	117	-99%

⁽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 TENSIONS CONTINUE TO IMPACT TUNGSTEN MARKET

- As reported in 4Q2018, US-China trade tensions continue to influence market sentiment, and this has again limited price momentum in 1Q2019. Despite this, tungsten prices have remained stable as compared to 4Q2018, but the expected increase in pricing post Lunar New Year has not occurred as expected. Global economic growth drivers have been revised during 1Q2019, with the IMF and World Bank both revising down their forecasts for 2019 as a result of the ongoing trade tensions.
- For Tungsten, supply-side structural shift continues to take place in China. As reported in 4Q2018 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 likely result in a solid platform for tungsten pricing, once market sentiment improves.
- Tungsten prices have been stable for the last 5-6 months despite the unsettled macro-economic backdrop. MSR Management still expects the benchmark price to strengthen in the medium term, despite US-China trade tensions, as stock levels remain low in Europe and consolidation within China continues.
- Fluorspar prices continue to remain positive. With continuing reduction in Chinese exports and ongoing robust downstream demand, prices are expected to remain strong in the short to medium term.

AVERAGE COMMODITY PRICES	Unit	Average 1Q2019	Average 1Q2018	% change	At 31.3.19	At 31.3.18
APT European Low*	USD/mtu	265	319	-17%	271	325
Bismuth Low*	USD/lb	3.5	5.1	-32%	3.3	5.2
Copper*	USD/t	6,215	6,951	-10%	6,485	6,685
Fluorspar Acid Grade**	USD/t	524	486	8%	483	500

* Metals Bulletin, ** Industrial Minerals

OPERATIONAL HIGHLIGHTS: RECOVERING MORE WITH LESS

- The purchase of the MTC business has provided the Company with additional flexibility to purchase third party tungsten concentrate. Despite 18% reduction in tungsten head grades, APT production was in line with 1Q2018 due to an increase in third party purchased material of 258 tons, which will enable the Company to capitalize on improved market sentiment which is expected to occur in the second half of the year.
- Performance of the fluorspar circuit for the quarter was exceptional with a 25% improvement in recoveries over the same period last year, despite a 15% reduction in head grade, resulting in an overall improvement to production of 3.5%.
- Copper production was broadly in line with 1Q2018 whilst Bismuth was 21% lower on the back of reduced head grades.

SUMMARY PRODUCTION DATE	Unit	1Q2019	1Q2018	Growth
Ore processed	kt	899	916	-1.8%
APT / BTO / YTO / ST (contained)	t	1,519	1,512	0.0%
Copper in Copper Concentrate (Contained)	t	1,979	1,991	-0.6%
Acid Grade Fluorspar	t	53,197	51,405	3.5%
Bismuth in Bismuth Cement (Contained)	t	558	702	-20.6%

2019 FINANCIAL AND STRATEGIC OUTLOOK

- On the back of the Company's 2018 results, management expects continued growth in both revenue and profit to shareholders from the solid base delivered in 2018. Based on no further worsening of global economic performance and improvement in market sentiment in the second half of the year, management

remains confident of being able to deliver net revenue and attributable profit to shareholders in the range of VND7,700 – 8,500 billion and VND700 – 1,000 billion, respectively.

- In line with Company's 5-year strategic 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.

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 Resources'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)

Thuy Vu

T: +84 28 6256 3862

E: thuy@msn.masangroup.com

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