

FOR IMMEDIATE RELEASE

Cost Savings and Initiatives Result in 1H 2016 Profitability Despite Lower Commodity Prices.

Hanoi, 29 July 2016 – Masan Resources Corporation (“MSR”, “Masan Resources” or the “Company”), one of Vietnam’s largest integrated resource producer and chemical processors, is pleased to report its management accounts for the first half of 2016 (‘1H 2016’). MSR recorded profit attributable to its shareholders of VND70 billion during 1H2016, a decrease of VND34 billion over the same period last year. Attributable profit remained positive despite a volatile economic climate and was made possible through plant optimization measures and initiatives started in 2H 2015.

1H2016 FINANCIAL HIGHLIGHTS

- **Net revenue up 45% year on year** – The initiatives undertaken in 2015 and commissioned during 2016, paved the way for increased production in 1H2016. Despite lower prices across all commodities produced, the increase in revenue stands as testament to the success of overall plant operations that has resulted in considerably higher production. Yet again, all quantities produced remained fully sold, with an oversubscribed order-book. Continuous focus on quality control and improvement across all products have started to pay dividends through higher price realizations, and will continue to do so.
- **EBITDA increased by 49%** - Cost control remains a central theme to support our competitive position. Initiatives undertaken in 2015 have resulted in improved processing recoveries and plant utilization parameters. Together they have enabled EBITDA margin growth of 49% over the same period last year. The Nui Phao project, amongst all global tungsten players, continues to operate in the lower quartile for cash costs and continues to explore opportunities to further reduce its cost base.
- **Attributable net profit decreased by 33%** - With significantly lower commodity prices leading to substantial effects on profitability, the Company’s ability to continue to reduce its operational costs and still increase overall productivity has allowed Masan Resources to report a positive profit attributable to shareholders of VND70 billion in 1H 2016. MSR’s industry leading margins will enable the Company to capitalize on a recovery in commodity prices much more quickly and substantially than peers.

VND Billion	H12016	H12015	Growth
Masan Resources Consolidated Financial Results⁽²⁾			
Net Revenue	1,745	1,201	45%
EBITDA ⁽³⁾	877	588	49%
Attributable Net Profit/(Loss) After Tax (VAS)	70	104	-33%

⁽¹⁾ Financial numbers are based on management figures.

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

COMMODITY MARKETS FACE RENEWED UNCERTAINTY DUE TO BREXIT

- The stabilization of market dynamics during the middle of the first half of 2016 prompted an increase in demand of tungsten products from end users. As a result, average tungsten prices began to increase from the end of the first quarter of 2016, reaching a high of US\$215/mtu. The ramp up in prices was brought to a halt in June as renewed market uncertainty surfaced on account of Brexit. Tungsten prices, along with all other GDP linked commodities, retraced some earlier gains to finish at \$200/mtu at the end of 1H 2016. On supply side, global rebalancing coupled with China's efforts to stabilize commodity prices by way of production cuts and stricter environmental policies continue to support tungsten prices.
- The Company is expecting the tungsten APT European Low notation to trade range bound at slightly lower prices over the next quarter as the market once again tries to find stability.
- Management is expecting commodity prices to be range bound in the coming months with potential downside pressure. However, with over 90% of 2016 planned production committed to long-term off-take agreements with prices linked to benchmark quotations, management is confident in its ability to weather any upcoming pricing pressure and will look to leverage the period of volatility as it turns to M&A opportunities to realize growth aspirations communicated during the April 2016 AGM.

AVERAGE COMMODITY PRICES	unit	Average H12016	Average H12015	% change	At 30.06.16	At 31.03.16
APT European Low*	\$/mtu	179	250	-28%	200	168
Bismuth Low*	\$/lb	4.3	7.5	-43%	4.2	4.3
Copper*	\$/t	4,701	5,929	-21%	4,827	4,856
Fluorspar Acid Grade**	\$/t	255	296	-14%	280	240

* Metals Bulletin, ** Industrial Minerals

INCREASING PRODUCTION BY CONTINUING EFFICIENCY IMPROVEMENTS

- As a result of its productivity initiatives, in comparison to the comparable period last year, production increased 14% on a tungsten equivalent basis, with tungsten and copper production increasing by 12% and 41%, respectively.
- Feed grades, mill throughput and recovery rates increased in line with expectations. The commissioning of a number of low cost and high return projects commenced during the reporting period and particularly yielded results in tungsten recovery which increased 16% over the same period last year. Going forward, these projects are expected to yield further efficiencies as they are optimized.
- Continuous focus on safety has helped in maintaining MSR's worldwide best-in-class status. Man-hours worked without Lost Time Injury increased to over 15 million hours by the end of the second quarter.

SUMMARY PRODUCTION DATA	Unit	H12016	H12015	Growth
Ore mined	kt	1,670	1,839	-9%
Ore processed	kt	1,727	1,611	7%
Tungsten concentrate (contained)	t	2,756	2,450	12%
Tungsten equivalent units (contained) ⁽¹⁾	t	5,466	4,815	14%

⁽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.

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