

FOR IMMEDIATE RELEASE**RECOVERY SIGNS IN MARKETS CONTINUING TO EMERGE**

Hanoi, 22 January 2020 – Masan Resources Corporation (**HNX-UpCOM**: “MSR”, “Masan Resources” or the “Company”), one of Vietnam’s largest integrated industrial mineral and chemical producers, reports its results for the full year of the 2019 fiscal year (“12M2019”).

As reported in 3Q2019, green shoots are emerging in Tungsten pricing. As of 30 September 2019, the APT price was sitting at US\$205/mtu and by 31 December the price had improved to US\$235/mtu, a 14% increase. The price has remained stable throughout January 2020 in the lead up to Tet and Chinese New Year, indicative of positive market sentiment. Customer inquiries are increasing and on the back of the sale of the Fanya stocks in China as reported in 3Q2019 and recent improvement in the US-China trade relations, management is expecting to see further improvements post-Tet and Chinese New Year. For other products, the copper price has increased by 8% since 3Q2019, also on the back of the improved trade relations, whilst Fluorspar pricing has decreased by 9% and Bismuth pricing remained steady. Bismuth pricing is expected to improve throughout 2020 on the back of the sale of the Bismuth Fanya stocks in China during 4Q2019. Management is cautiously optimistic pricing for all products will generally move upwards throughout the first half of 2020 on the back of continuing improvements in trade relations in the lead up to US elections in late 2020 and the resolution of Fanya stock sales for Tungsten and Bismuth that weighed heavily on those products in 2019.

As reported in 3Q2019, MSR announced it had reached agreement to acquire H.C. Starck’s Tungsten (“HCS”) business, in line with the Company’s strategy to move further downstream and become a high-tech global advanced materials platform. The settlement remains subject to relevant government approvals. This acquisition provides MSR with a global competitive edge, enabling it to generate stronger, more consistent cash flows across commodity price cycles and expands its addressable market 3.5x from US\$1.3 billion to US\$4.6 billion in the Tungsten market.

Attributable net profit for 12M2019 was VND 352 billion, a 47% decrease over the same period last year due to the difficult market conditions experienced in 2019, and partially offset by the one-off impact of Jacobs on the profit and loss as reported during 3Q2019. MSR EBITDA margins were 40% in 2019 despite the significant reduction in pricing for its Tungsten products and limited sales of Copper, as compared to 49% for 2018. MSR remains well placed to respond quickly to any changing circumstance and completion of the HCS acquisition will provide management greater flexibility to maximize returns to shareholders throughout the commodity price cycle.

MARKET DEVELOPMENT: US-CHINA TRADE TENSIONS CONTINUE TO IMPACT MARKET

- In Tungsten the impact of the reduced demand in downstream products during 2019 caused by the trade tensions, mainly in the automotive space, was also exacerbated by uncertainty over the impact of the sale of the Fanya Stockpile in China. Prices dropped significantly in the lead up to the auction in 3Q2019 but recovered quickly with the stockpile being purchased by China Molybdenum Corporation. Even at current prices, it is understood that >70% of Chinese producers are still losing money and will therefore continue to push prices higher. In the ex-China markets, management is cautiously optimistic, with demand expected to increase in 2020 on the back of the improved sentiment and low stock holdings. Given the improvements that are now evident, management expects the benchmark price to improve further over the first half of 2020.
- Fluorspar prices remain robust, although some softening of the benchmark price was evident in 4Q2019. With the continuing reduction in Chinese exports and the ongoing robust downstream demand, prices are expected to remain strong in the short to medium term.

- The LME copper price was sitting at US\$6,156/ton as of 31 December 2019, an 8% increase over 30 September 2019. Copper prices as with Tungsten are impacted by the trade tensions between the US and China and management expects prices to be maintained or further improved from these levels unless there is a breakdown in discussions between the US and China. As reported in 3Q2019, management expected a resolution to realize value on Copper before the end of 2019, this event did not occur and is now expected to occur in 1Q2020.

AVERAGE COMMODITY PRICES	Unit	Average 12M2019	Average 12M2018	% change	At 31.12.19	At 31.12.18
APT European Low*	USD/mtu	240	308	-22%	234	270
Bismuth Low*	USD/lb	3.1	4.4	-30%	2.6	3.4
Copper*	USD/t	6,021	6,514	-8%	6,156	6,018
Fluorspar Acid Grade**	USD/t	486	493	-1%	425	565

* Metals Bulletin, ** Industrial Minerals

12M2019 FINANCIAL HIGHLIGHTS: PRICING AND COPPER INVENTORY SIGNIFICANTLY IMPACTS UPON REVENUE AND PROFIT

- **Net revenue down 31%** – MSR posted net revenue of VND4,706 billion in 12M2019, a 31% decrease compared to VND6,865 billion recorded in 12M2018. Production volumes were slightly down for Tungsten on lower production partially offset by higher third-party purchases, down for Copper due to lower head grades partially offset by higher recovery with Fluorspar broadly in line with 12M2018. Bismuth production was impacted by an extended maintenance shutdown as has been reported in prior quarters. Revenues were also 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 continues to seek solutions for local processing and seeks approval for export from relevant authorities. Partially offsetting this was an increase in Fluorspar revenues on the back of higher realized pricing.
- **EBITDA of VND1,881 billion** – EBITDA decreased by 44% for 12M2019. This was primarily due to the impacts of lower Tungsten pricing and limited sales of copper. MSR's ongoing focus on cost control delivered approximately a 12% reduction or US\$14 million in cash cost savings year on year, partially offsetting the Tungsten price impacts. On a cost per unit basis, Tungsten increased on lower feed grades and recoveries, Copper costs were in line despite lower feed grades which were offset by higher recoveries, Fluorspar costs increased on the back of lower feed grades which was partially offset by higher recoveries. Bismuth unit costs increased due to lower feed grades, again partially offset by higher recoveries. EBITDA margins remained at a healthy 40% despite the significant drop in pricing for Tungsten products and limited sales of copper as compared to 49% for 12M2018.
- **VND352 billion attributable net profit** – The Company delivered an attributable net profit of VND352 billion for 12M2019, a 47% decrease over the same period last year. As compared to 12M2018, EBITDA reduced by VND1,450 billion, while attributable net profit decreased by VND312 billion. The favorable difference between EBITDA movement and attributable net profit movement is due to the impacts of accounting for the Jacobs settlement.

VND Billion	12M2019	12M2018	Growth
Masan Resources Consolidated Financial Results⁽¹⁾			
Net Revenue	4,706	6,865	-31%
EBITDA ⁽²⁾	1,881	3,331	-44%
Attributable Net Profit/(Loss) After Tax (VAS)	352	664	-47%

⁽¹⁾ Financial numbers are based on management figures.

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

OPERATIONAL HIGHLIGHTS

- Despite a 1% reduction in Tungsten head grades and a 2% reduction in recoveries, APT production decreased by only 1% over 12M2018 due to an increase in third-party purchased tungsten concentrates

of 109 tons of contained WO₃. As reported in 3Q2019 third-party purchased material was reduced in the second half of the year to match production and market demand.

- Performance of the Fluorspar circuit for the year was strong with a 2% improvement in recoveries over the same period last year, offsetting a 2% reduction in head grade.
- Copper production was 14% lower than 12M2018 on lower feed grades but partially offset by record Copper recovery whilst Bismuth was 65% lower on the back of reduced head grades and the extended maintenance shutdown.

SUMMARY PRODUCTION DATE	Unit	12M2019	12M2018	Growth
Ore processed	kt	3,788	3,804	-0.4%
APT / BTO / YTO / ST (contained)	t	6,073	6,155	-1.3%
Copper in Copper Concentrate (Contained)	t	8,026	9,331	-13.9%
Acid Grade Fluorspar	t	238,003	238,702	-0.3%
Bismuth in Bismuth Cement (Contained)	t	917	2,639	-65.2%

2020 FINANCIAL AND STRATEGIC OUTLOOK

- Based on continued improvement in market conditions, realization of value in relation to copper stocks and closure of the HCS acquisition by no later than 1st April 2020, management is confident in being able to deliver net revenue and attributable profit to shareholders in the ranges of VND12,000 – VND12,500 billion and VND450 billion – VND700 billion respectively. It is important to note the closure date for the HCS transaction is dependent on the various government approvals processes required for the transaction.
- In line with the Company's five-year strategic plan, the Company has announced the acquisition of the HCS business with closure subject to various government approvals. Management continues to see the justification in downstream expansion where pricing and sales have shown far less volatility than in the intermediate and oxide markets where the company currently operates. The HCS acquisition is the next step in delivering on the strategy MSR has consistently communicated to the market over the past few years and will provide significantly more flexibility.

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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