

HERBERT SMITH FREEHILLS ADVISES CMOC ON THE ACQUISITION OF FREEPORT'S INDIRECT 56% INTEREST IN TENKE FUNGURUME FOR US\$2.65 BILLION

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News

On 9 May 2016 China Molybdenum Co., Ltd (“CMOC”) announced that its wholly-owned subsidiary CMOC Limited has entered into a definitive agreement with Freeport-McMoRan Inc. (“Freeport”) to acquire 100% of its interest in Freeport-McMoRan DRC Holdings Ltd., which holds Freeport’s indirect 56% interest in the Tenke Fungurume copper-cobalt mine (“Tenke”) in the Democratic Republic of Congo (“DRC”).

In addition, Freeport has agreed to negotiate exclusively with CMOC to sell its interests in the Kokkola Cobalt Refinery in Finland for US\$100 million and the Kisanfu exploration project in DRC for US\$50 million, subject to the parties' entering into definitive agreements with respect to such separate transactions before December 31 2016.

Tenke is a world-class producing copper-cobalt mine located in the DRC within the Central African Copperbelt, which contains one of the largest resources of copper and cobalt in the world.

CMOC Chairman Mr Steele Li commented: "This acquisition is consistent with our strategic objective to expand and diversify our international portfolio with high-quality assets located in prolific mining regions that are conducive to significant long-term growth. We are enthusiastic about participating in the DRC, which hosts one of the largest known copper belts in the world and some of the highest grade and most prospective mineral deposits ever discovered."

Herbert Smith Freehills advised jointly with Osler, Hoskin & Harcourt LLP (partner Marc Kushner and associate Amma Anaman) on the DRC aspects of the deal, in liaison with Mr Alex Ngoy Kabinda and his team at Etude Kabinda for local law advice. Osler, Hoskin & Harcourt acted as overall lead legal advisor on the transaction. CMOC's other legal advisors were King & Wood Mallesons LLP and Covington & Burling LLP.

The Herbert Smith Freehills team was led from Paris and Johannesburg by Africa Co-Chairs Stéphane Brabant and Peter Leon, supported by Raphaël Wagner (lead Of Counsel, corporate aspects), Nicolas Heurzeau (Of Counsel, mining rights, land, environmental and social aspects), Lucien Bou Chaaya (lead associate, corporate aspects), Linda Feniniche (associate, corporate aspects) and Erwann Nicot (associate, corporate aspects). Further assistance was provided by Bertrand Montembault (partner, corporate aspects), Rebecca Major (partner, corporate aspects), Emma Röhsler (partner, employment), Lauriane Gregor (associate, employment), Sergio Sorinas (partner, competition), Marguerite de la Droitière (associate, competition), Eglantine Lioret (partner, tax), Julien Bertheas (associate, tax), Patrick Leyden (director, material contracts) and Ben Winks (associate, material contracts). Additional support was provided by the firm's offices in Greater China, Germany and Japan.

Stéphane Brabant commented: "This is an excellent result for our client and a further demonstration of the continued depth and quality of the firm's practice in Francophone Africa and of our global mining capabilities. The deal also highlights the strength of our international offering and our ability to work seamlessly as one firm to assist clients wherever they are doing business in the world".

Peter Leon added: "This transaction - the largest mining deal of the year to date - is testament to the combined strength of the firm's Anglophone and Francophone mining practice as well as a significant vote of confidence in the firm's on the ground Africa practice."

About Herbert Smith Freehills

Operating from 26 offices across Asia Pacific, EMEA and the US, Herbert Smith Freehills is at the heart of the new global business landscape providing premium quality, full-service legal advice. The firm provides many of the world's most important organisations with access to market-leading dispute resolution, projects and transactional legal advice, combined with expertise in a number of global industry sectors, including Banks, Consumer products, Energy, Financial buyers, Infrastructure & Transport, Mining, Pharma & Healthcare, Real estate and TMT. www.herbertsmithfreehills.com

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About Herbert Smith Freehills' Africa Group

Africa is an exciting region which continues to attract the interest of many of Herbert Smith Freehills' clients. The firm already has a leading and long-established practice in Africa, having advised on numerous matters throughout the whole of the continent over the last three decades.

Our experience over the past 12 months includes advising on over 300 matters across a range of industry sectors and practice areas involving over 150 partners from across our global network. Recent deal highlights include advising Bharti Airtel on the sale of its operations in Burkina Faso and Sierra Leone to Orange SA; Vitol SA on the project finance and commercial aspects of its US\$7 billion oil and gas project in Ghana with ENI supplying gas for power generation, reportedly the largest single project Foreign Direct Investment inflow to Ghana since Independence; and Mitsui on the negotiation of the acquisition from Vale of an interest in the Moatize coal mine in Mozambique and in the related Nacala rail and port infrastructure.

Herbert Smith Freehills is ranked top tier for Africa by Legal 500 EMEA 2016, which says that our "Johannesburg presence now gives the firm a virtually unrivalled offering in Africa". Peter Leon is recognised as a "leading mining specialist" and Brigette Baillie is regarded as "hugely impressive".