



IDENTIFICATION OF THE ENTITY

Basic Information

Company Name

Molibdenos y Metales S.A.

Mnemonic

Molymet

Legal Address

Camino Nos a Los Morros 66,
San Bernardo

RUT

93.628.000-5

Type of Entity

Public Listed Corporation

Registration in the Securities
Registry N° 0191

A photograph of a lush green park. In the foreground, there's a light-colored, winding path that curves through the scene. To the right of the path, there's a large, dense, rounded bush with dark green leaves. The background is filled with various trees, some with thick trunks and others with more delicate branches. Sunlight filters through the leaves, creating dappled light on the path and grass. The overall atmosphere is peaceful and natural.

44 YEARS OF SUSTAINABLE DEVELOPMENT
CONSTANT INNOVATION ADVANCES IN TECHNOLOGY



Values

For Molymer, our Human Team is the fundamental pillar of its work; the value of people is part of its mission.

Its work teams are positively influenced by leaders who promote communication, generating a good work environment that contributes to commitment and productivity.

All those who are part of Molymer base their work activities on the values that represent the company:

Integrity: acting consistently with what is said and what is thought.

Excellence: guide work towards continuous improvement of productivity, efficiency and cost indexes.

Confidentiality: make responsible use of the knowledge one has about the company.

Innovation: looking for new technologies and better products.

Sustainability: minimizing the environmental impact of the operation, respecting the natural and social environment.

Significance: Molymer's legacy will be the present for future generations.



Molymet leaders give a testimony about the challenges they had to face with their work teams during 2019.

With the aim of projecting Molymet towards a sustainable future, in 2019 we carried out important internal transformations to optimize the resources available for the benefit of our shareholders, collaborators and stakeholders. Based on the “Purpose” of the company, we work on the implementation of the LEAN philosophy, the consolidation of a new organizational structure and the digital transformation. Faced with an uncertain global economic and social scenario, the way to face the challenges, both contemplated and extraordinary, was to generate spaces for reflection and communication with a spirit of consensus among executives, unions and workers, who showed at all times a deep commitment to the company.

JOHN GRAELL MOORE
Chief Executive Officer



With an unexpected slowdown in demand for molybdenum metal powder, our most important product, we had to react quickly to compensate through additional business of other products and achieve the expected sales volume for 2019. In addition, we managed to equip the built areas of the third production line of molybdenum metal powder, which is part of the plant’s production capacity expansion project approved in 2018.

KLAUS ANDERSSON
CEO CM Chemiemetall GmbH, Germany



HISTORIC OVERVIEW



1936



Carburo y Metalurgia S.A. was created by Antonio Gianoli and George Mustakis.

1975

The company acquired its current name as a result of the division of the company Carburo y Metalurgia S.A., entering the industry of production and sales of molybdenum oxide, ferromolybdenum and by-products.

2003

In Europe Molymet acquires 100% of Sadaci's shares, increasing its roasting capacity by 30%.

2009

Successful placement of bonds in Mexico for approximately US \$ 52 million, being the first Chilean company to issue in that country.

2010

That year, Molymet acquired 50% of the Luoyang Hi-Tech Molybdenum & Tungsten Material Co. Ltd. company in China, for the production of molybdenum metal parts.

2018

Successful placement of bonds in Colombia for approximately US \$ 69 million, being the first foreign issuer of corporate bonds in the Colombian real sector.

2019

The MolymetNos gas cleaning system modernization project is approved, with an investment of US \$ 50 million.



2016

Expansion of the Belgian subsidiary, Sadaci, ends, increasing the group's oxidation capacity and reaching 207 MMlb Mo.

2017



Construction of the chemical plant project begins in the Sadaci subsidiary (Belgium). With a planned investment of US \$ 44 million, this contemplates the production of products with higher added value and greater flexibility in the processing of molybdenum concentrates.

2014



The Molymet corporate building is inaugurated, which was conceptualized, designed and built under the guidelines and principles of "Green Building". The work materializes and incorporates all the technological elements necessary for effective energy control and low environmental impact. The building achieved Platinum status in LEED certification (Leadership in Energy & Environmental Design), the most demanding in the industry and the first in Chile and South America.

2008



Complejo Industrial Molynor S.A. is born in Mejillones, constituting the company's second industrial operation in Chile.

2001



Molymet acquires Chemiemetall (Germany), where mainly molybdenum metal is made.

1994



The internationalization of the company begins thanks to the purchase of a plant in Mexico, which gives rise to MolyMex.

1964



The sons of the founders, Ciro Gianoli and Constantino Mustakis, begin to develop the idea of giving value to molybdenum produced in Chile. For this they installed the first roasting oven of what would later be Molymet.

COMPLEJO INDUSTRIAL MOLYNOR S.A.

Complejo Industrial Molynor S.A. is located in the Mejillones Port Complex (CPM), 65 km from the city of Antofagasta, in Region II. The Industrial Port Complex of the borough of Mejillones is located in an exclusive and large industrial area. The property where Complejo Industrial Molynor S.A. is located has an area of 30 hectares, owned by the Complejo Industrial Molynor S.A., free of encumbrances, prohibitions and mortgages in guarantee of third-party obligations and has a two-lane paved road in front of the land (Via Longitudinal). At the regional level, it has two easy-access asphalt tracks, the main one being Route 1, which connects to Route 5 (Panamericana Highway), through Route B-400 (35 km).

Additionally, Molynor has the necessary service facilities for the operation of the main processes: seawater adduction and reverse osmosis plant, compressed air, cooling towers, chemical laboratory, sampling station, an uninterrupted backup system of electrical energy, plus a backup diesel generation park.

These facilities use 15 of a total of 30 hectares of land, with nine years of operation to date.

Complejo Industrial Molynor S.A. has a maritime concession located in the bay of Mejillones, Antofagasta Region, with an area of 3,754.97 square meters since November 21, 2011. The concession land has the objective of capturing sea water, which is fed in the reverse osmosis process for the generation of industrial water, and in turn receive the return of generated brine.

MOLYMEX S.A. DE C.V

Molymex in Mexico has its industrial plant located at kilometer 29 of the Moctezuma-Nacozari Cumpas highway, Sonora, on land of approximately 40.8 hectares, and buildings that cover 692 square meters of offices and 11.1 hectares of plants, warehouses and laboratory, which are also their property, free of encumbrances, prohibitions and mortgages in guarantee of third party obligations, in addition to their administrative offices in Hermosillo, Sonora.

Molymex has facilities for the recovery of metals from liquid and solid industrial waste, and for the neutralization of liquid waste: solvent extraction plant; and neutralization plant. Likewise, it also has facilities for the capture and treatment of dust and process gases: inertial and electrostatic dusting systems; gas washing plant and a sulfuric acid plant. Furthermore, Molymex has sampling facilities and a complete chemical analysis laboratory.

CM CHEMIEMETALL GMBH

The company is located within the Chemiepark Bitterfeld-Wolfen industrial park and has a plot of 2.7 hectares, of which 9,000 square meters are built: industrial plant, offices, warehouses and laboratory, all free of liens, prohibitions and collateral mortgages of third party obligations.

SADACI N.V.

Sadaci NV in Belgium is located on a land spanning 26.1 hectares owned by the company, in the industrial district of the port of Ghent, and has 49,645 square meters of: industrial plant, offices, warehouses and laboratory, also free of charges, prohibitions and mortgages to guarantee third-party obligations.

Within its facilities, Sadaci has a roasting plant, a briquette plant, a ferromolybdenum plant, sampling facilities and a modern chemical analysis laboratory. It also has a plant under construction for the production of pure oxide. It also has a gas treatment plant and a sulfuric acid plant.



(vii) **In order to remain competitive, Molymet must develop and apply cutting-edge technologies**

The nature of the molybdenum business requires significant financial investment and human resources to develop and apply cutting-edge technology. Molymet's historical success has been largely achieved through its ability to efficiently extract molybdenum from the raw material, which contains high levels of impurities, which it has achieved through the development and use of state-of-the-art technology.

(viii) **Investments in assets**

Since the industrial sector in which it does business requires the use of high-tech facilities, machinery and equipment, Molymet requires significant amounts of capital to finance its asset investments.

(ix) **Environmental permits or authorizations**

The roasting and processing of molybdenum concentrate are subject to many different environmental and other regulations in many jurisdictions. Most local regulatory authorities require permits or authorizations for the construction of molybdenum roasting facilities of the type operated by Molymet and, in some instances, such permits or authorizations are not issued by the relevant authorities. However, as of the date of this annual report, all the environmental permits or authorizations requested by Molymet have been granted.

(x) **Environmental risks**

Despite the fact that Molymet has so far all the permits and / or authorizations required for the construction and operation of its molybdenum roasting facilities by the legislation in force in the different jurisdictions in which it operates, the violation of said legislation in environmental and any possible liability derived from it could result in the imposition of remediation obligations or pecuniary sanctions that could compromise significant amounts of resources, as well as the prohibition of using certain facilities, which could have an adverse effect on molybdenum production capacity and ultimately be reflected in the Molymet results.

xi) **Variation in energy costs**

Due to the type of industrial operations carried out by Molymet and some of its subsidiaries, certain energy products are indispensable to them. In the event of an unforeseen increase in the costs of procuring such energy products, Molymet's operations and results may be affected.

Other Factors

(i) **Economic, political and social conditions in other countries could adversely affect Molymet's results.**

Recently, many countries have experienced significantly volatile economic, political and social conditions, and this could continue to occur in the future. Global instability has been caused by various factors, including substantial fluctuations in economic growth, changes in inflation levels, movements in exchange rates, changes in economic and fiscal policies and regulations, as well as political, social and economic instability in general. No assurance can be given that such unstable conditions will no longer occur or that they will not have a material adverse effect on Molymet's financial position and results of operations.

(ii) **The credit rating of the bonds may be subject to review.**

The credit ratings granted in relation to the Bonds may be subject to revision (either downward or upward) due to different circumstances related to Molymet, Chile, Mexico or other issues that in the opinion of the rating agencies are relevant. Investors should carefully estimate any consideration indicated in the corresponding ratings.

(iii) **Fluctuations in exchange rates**

Fluctuations in exchange rates could affect the economic performance of the countries in which Molymet and its clients operate, and therefore their operating results and ability to pay. Also, the valuation of Molymet's liabilities and assets may vary depending on such fluctuations.

(iv) **Risk associated with derivative financial instruments**

When market conditions are favorable, Molymet executes transactions designed to hedge and reduce its risks related to currency fluctuations or variations in interest rates through financial derivative instruments. The risks associated with derivative financial instruments may occur due to market circumstances and the solvency of the institutions with which they are contracted.

INVESTMENT PLANS

Chemical Plant Project, Sadaci N.V., Belgium

To date, the Chemical Plant Project is under development, in the subsidiary Sadaci NV, in Belgium. This project, which complements its current roasting operations, will allow the production of higher value-added products, as well as greater flexibility in the processing of molybdenum concentrates. It is noted that the aforementioned project considers a start of commissioning during the first half of 2020; an estimated investment of US \$ 55.00 million; It will be carried out with company resources, without participating partners, and no financial effects are expected in the short term. At the end of December 2019, this project presents a physical progress of 97%.

Molybdenum Metallic Productive Capacity Increase Project, Chemiemetall GmbH, Germany

The Chemiemetall Plant Increasing Productive Capacity Project is currently underway in Germany. Said investment project contemplates, mainly, incorporating a third production line, thereby increasing its installed capacity by 56%, equivalent to 645 annual tons of additional molybdenum metal powder. The project considers an estimated total investment amount of US \$ 9.20 million. The new production line will be fully operational during the first half of 2020.

Project for the Modernization of Toasting Gas Cleaning Systems, MolymetNos, Chile

On May 29, 2019, the Board of Directors of Molymet approved the necessary investment for the modernization of certain facilities of the Molymet plant located in Nos, San Bernardo, which has been called "Modernization of Toasting Gas Cleaning Systems", in order to modernize the gas cleaning processes, making them more efficient and robust. This project contemplates an investment of approximately US \$ 50.60 million, over a period of three years, which will be financed entirely with through owned resources.



Authorities

MISSION

For a long time, we have cultivated a relationship with the authorities based on transparency, honesty and diligence in complying with regulations.

This constant interaction has allowed us not only to face contingencies, but also to work together to add value to new company projects that benefit the community they represent.

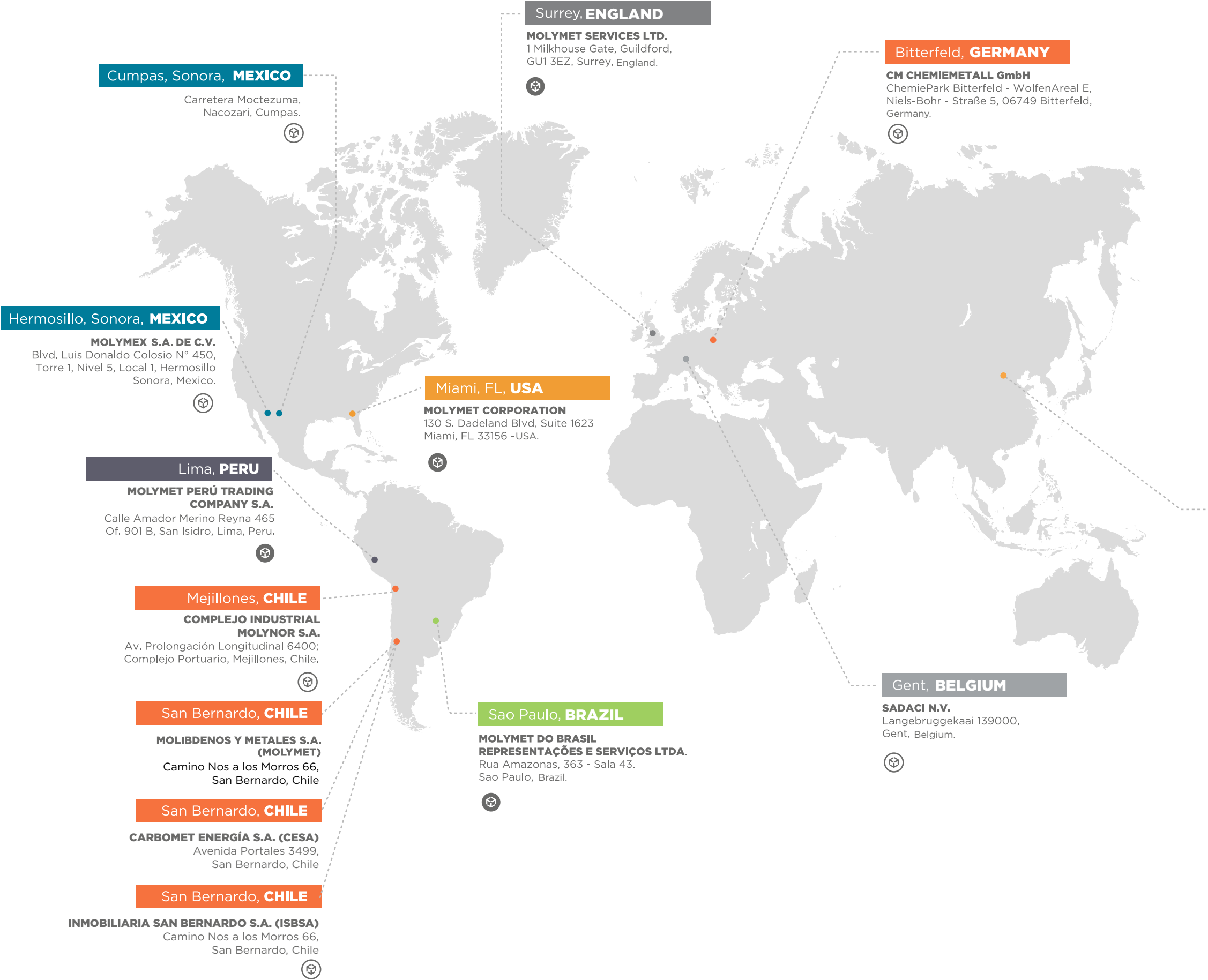
Miguel Dunay Osses
VP Corporate and Legal Affairs



CHAPTER 03

PROPERTY AND SHARES

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GLOBAL COMPANY

Molymet supplies more than

35%

of the world demand for Molybdenum products. In a highly technical and competitive market.

- **COMMERCIAL OFFICES**
USA / England / China / Brazil / Peru
- **PRODUCTIVE UNITS**
Chile / Mexico / Germany / Belgium / China



CARBOMET
ENERGÍA S.A.



1 DENOMINATION AND CORPORATE TYPE

Carbomet Energía S.A. is a closed stock company incorporated in Chile.

2 REGISTERED AND PAID CAPITAL

As of December 31, 2019, the registered and paid capital amounts to ThUS \$ 609.

3 COMPANY PURPOSE

Carbomet Energía S.A.'s purpose is the production, commercialization and distribution of electrical energy, as well as the performance of other acts related to said activities.

4 DIRECTORS AND CEO

Board	
Chairman	Mr. John Graell Moore
Director	Ms. Claudia Avendaño Rozas
Director	Mr. Miguel Dunay Osses
Director	Mr. Juan Cristóbal Valenzuela Béjares
Director	Mr. Edinson Román Matthey
CEO	Mr. Leonardo Moraga Hernández

5 PERCENTAGE OF PARENT COMPANY HOLDING

Molibdenos y Metales S.A. has a 52.763385% stake in Carbomet Energía S.A.

6 DIRECTORS, CEO OR MANAGERS OF THE PARENT COMPANY WHO HOLD A POSITION IN THE SUBSIDIARY

Name	Position in Molymet
Mr. John Graell Moore	CEO
Ms. Claudia Avendaño Rozas	Corporate Vice President of Compliance and Risk
Mr. Miguel Dunay Osses	Vice President of Corporate and Legal Affairs
Mr. Juan Cristóbal Valenzuela Béjares	Vice President of Information

7 BUSINESS RELATIONS WITH THE SUBSIDIARY

The commercial operations carried out correspond to the purchase of energy and administrative financial services.

8 BRIEF SUMMARY OF THE ACTS AND CONTRACTS ENTERED INTO WITH THE SUBSIDIARIES THAT SIGNIFICANTLY INFLUENCE THE OPERATIONS AND RESULTS OF THE PARENT COMPANY

The transactions carried out with the subsidiary Carbomet Energía S.A. have been carried out at market values and do not significantly influence the operations and results of the parent company.

9 PROPORTION THAT REPRESENTS THE INVESTMENT IN THE ASSETS OF THE PARENT ENTITY

As of December 31, 2019, Carbomet Energía S.A.'s investment in the parent's assets was 0.1281%.



CARBOMET
INDUSTRIAL S.A.



1 DENOMINATION AND CORPORATE TYPE

Carbomet Industrial S.A. is a closed stock company incorporated in Chile.

2 REGISTERED AND PAID CAPITAL

As of December 31, 2019, the registered and paid capital amounts to ThUS \$ 16,338.

3 COMPANY PURPOSE

Investment company of the Molymet group and provision of leasing services of facilities and administrative offices to companies of the Molymet Group.

4 DIRECTORS AND CEO

Board	
Chairman	Mr. Jorge Ramírez Gossler
Director	Mr. Edgar Pape Arellano
Director	Ms. Claudia Avendaño Rozas
CEO	Mr. Jerónimo Soffia Errázuriz

5 PERCENTAGE OF PARENT COMPANY HOLDING

Molibdenos y Metales S.A. has a 99.989482% stake in Carbomet Industrial S.A.

6 DIRECTORS, CEO OR MANAGERS OF THE PARENT COMPANY WHO HOLD A POSITION IN THE SUBSIDIARY

Name	Position in Molymet
Mr. Jorge Ramírez Gossler	Vice President of Finance
Mr. Edgar Pape Arellano	Vice President of Information
Ms. Claudia Avendaño Rozas	Corporate Vice President of Compliance and Risk
Mr. Jerónimo Soffia Errázuriz	Finance Deputy Manager

7 BUSINESS RELATIONS WITH THE SUBSIDIARY

The commercial operations carried out correspond to leases and administrative financial services.

8 BRIEF SUMMARY OF THE ACTS AND CONTRACTS ENTERED INTO WITH THE SUBSIDIARIES THAT SIGNIFICANTLY INFLUENCE THE OPERATIONS AND RESULTS OF THE PARENT COMPANY

The transactions carried out with the subsidiary Carbomet Industrial S.A. have been carried out at market values and do not significantly influence the operations and results of the parent company.

9 PROPORTION THAT REPRESENTS THE INVESTMENT IN THE ASSETS OF THE PARENT ENTITY

As of December 31, 2019, Carbomet Industrial S.A.'s investment in the parent's assets was 2.1725%.



www.molymet.com