

To: Financial Reporters  
 [Immediate Release]



**China Vanadium Titano-Magnetite Mining Company Limited**  
**中國釩鈦磁鐵礦業有限公司**

***China VTM Mining Recorded Significant Growth for 2010 Interim Results  
 Revenue and Total Comprehensive Income Attributable to Owners of the  
 Company Increased by 41.1% and 75.1%***

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***Strong Acquisition Pipeline  
 Maximising Profit Growth with Accelerated Capacity and Resource Expansion***

| <b>Financial Highlights (For the six months ended 30 June)</b>                 |                            |                            |               |
|--|----------------------------|----------------------------|---------------|
|  | <b>2010<br/>(RMB '000)</b> | <b>2009<br/>(RMB '000)</b> | <b>Change</b> |
| <b>Revenue</b>   | <b>685,920</b>             | 486,041                    | ↑41.1%        |
| <b>Gross Profit</b>  | <b>359,599</b>             | 209,503                    | ↑71.6%        |
| <b>Profit for the Period and Total<br/>Comprehensive Income for the Period</b> | <b>255,606</b>             | 149,878                    | ↑70.5%        |
| <b>Total Comprehensive Income Attributable<br/>to Owners of the Company</b>    | <b>233,565</b>             | 133,445                    | ↑75.1%        |
| <b>Basic Earnings per Share (RMB)</b>  | <b>0.11</b>                | 0.09                       | ↑22.2%        |

[22 August 2010, Hong Kong] **China Vanadium Titano-Magnetite Mining Company Limited** (“**China VTM Mining**” or the “Company”, together with its subsidiaries, the “Group”; stock code: 00893.HK), the second largest operator and the largest non state-owned operator of iron ore mines in Sichuan Province, the PRC, announced its interim results for the six months ended 30 June 2010 (“Reporting Period”).

For the first half of 2010, the Group has recorded strong revenue surge and remarkable profit growth, as a result of the increasing production capacity and average selling prices of the iron ore products. The Group achieved revenue of RMB685.9 million, an increase of 41.1% from the same period of last year. The gross profit for the Reporting Period has increased by 71.6%, from approximately RMB209.5 million to approximately RMB359.6 million. Total comprehensive income

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for the Reporting Period recorded an increase of 70.5%, from approximately RMB149.9 million to approximately RMB255.6 million. Concurrently, the total comprehensive income attributable to owners of the Company for the Reporting Period amounted to approximately RMB233.6 million, an increase of 75.1% as compared to the same period of last year. Basic earnings per share was RMB11 cents for the Reporting Period. The board of directors of the Company does not recommend the payment of an interim dividend for the Reporting Period.

Driven by the recovering economy of the PRC, together with the development of the country's western region, ongoing post-earthquake construction in Sichuan Province and the Chengdu-Chongqing Economic Zone development, all these favourable market conditions have further stimulated strong demand for steel in Sichuan Province and thus boosting that for iron ore. Furthermore, the consolidation and uplift of the steel industry have stimulated the need for vanadium in the PRC. According to the Blueprint for the Adjustment and Revitalisation of the Steel Industry (鋼鐵產業調整和振興規劃) issued on 20 March 2009, nationwide utilisation of hot-rolled ribbed steel bars with a strength of more than 400 MPa has to reach 60% or above by 2011. As vanadium is the only widely used steel additive to increase steel strength, this policy has led to an explosive new demand for vanadium-bearing titano-magnetite.

To capture the immense potential leverage on such favourable market dynamics, the Group has proactively implemented acquisitions on mineral resources and achieved substantial expansion. On 16 January 2010, the Group has entered a definitive agreement to obtain the mining right of Yangqueqing Mine, under which there is currently 17.9 Mt of iron ore resources. In addition, the transaction provides the Group with the opportunity to expand the current permitted mining area and to explore the neighbouring iron ore resources, which is estimated to be up to 81.6 Mt at a low cost. Furthermore, on 3 February 2010, the Group has entered into an assets transfer agreement to acquire the exploration right of the Cizhuqing Mine, with an estimated iron ore resource of 25.6 Mt..

Capacity expansion has long been one of the Group's key focuses for sustainable development. In view of this, the Group has determined to further uplift its production capacity through upgrading its existing processing facilities as well as acquiring external plants. During the Reporting Period, the Group has acquired the Hailong Processing Plant and the Heigutian Processing Plant, uplifting the annual production capacity of iron concentrates and high-grade titanium concentrates. As at 30 June 2010, the Group's total production capacity of iron concentrates and iron pellets (including the 400 Kt production capacity allocated to the Group by the independent third party pelletising contractors) amounted to 2,300 Kt and 760 Kt respectively. With the ongoing acquisition and production capacity expansion, the Group strived to upgrade its existing medium-grade titanium concentrates production lines and thus uplifting the production capacity of the high-grade titanium concentrates.

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Leveraging on the expanding production scale and favourable market conditions, the Group achieved satisfactory output levels in its three core products. For the Reporting Period, the Group's total production volume of iron concentrates increased by approximately 16.5% from approximately 743.5 Kt to approximately 865.9 Kt, as compared to the same period of last year, while its total production volume of iron pellets increased by approximately 15.2% from approximately 313.8 Kt to approximately 361.6 Kt, compared to the same period of last year. The Group has also started its high-grade titanium concentrates production during the Reporting Period and recorded a production volume of approximately 34.0 Kt.

Forging ahead, the Group is set to maintain our business growth through expansion of mineral resources as well as its production capacity. The Group has extended the option period in relation to the acquisition of the Xiaoheiqing Jingzhi Mine by an additional year. Furthermore, the Group also intends to acquire the exploration right of Maoling Mine, with resource of 10.0 Mt and mining area of 1.9 sq.km., and Yanglongshan Mine upon certain conditions being satisfied by the end of 2010. For production capacity expansion, the Group intends to construct a new iron pelletising plant with an annual production capacity of approximately 1,500 Kt, thus uplifting the Group's aggregate annual iron pellets self-production capacity to approximately 1,860 Kt. The Group has commenced the construction of the first phase of the plant with a planned annual production capacity of approximately 1,000 Kt and expected that the first phase of the project will be completed in the second quarter of 2011. In addition, Aba Mining Co., Ltd. intends to construct new production facilities with an annual production capacity of 250 Kt for iron concentrates and related production infrastructure by January 2011. Furthermore, the Group has commenced the construction of a new iron concentrates production line with a planned annual capacity of 300 Kt, and a new high-grade titanium concentrates production line with a planned annual production capacity of 60 Kt. These two constructions are expected to be completed by the end of September 2010.

Mr. Jiang Zhong Ping, Chairman of China VTM Mining said, "As the forerunner of the market, we are well positioned to capture the opportunities in the dynamic industry and further expand our business development. We expect that the strong market demand for iron ore products would bring satisfactory profit growth for the upcoming future. We will continue to improve product structure and enlarge its customer base, committing to achieve excellence in every aspect."

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## **About China Vanadium Titano-Magnetite Mining Company Limited**

Listed on the main board of the Hong Kong Stock Exchange on 8 October 2009, China VTM Mining is the second largest operator and the largest non state-owned operator of iron ore mines in Sichuan Province. The Group is primarily engaged in mining, ore processing, iron pelletising and the sale of iron concentrates, iron pellets, medium-grade titanium concentrates and high-grade titanium concentrates to steel producers and downstream users of titanium-related products. The Group owns and operates four vanadium-bearing titano-magnetite mines – the Baicao Mine, the Xiushuihe Mine, the Yangqueqing Mine and the Cizhuqing Mine, four processing plants, the Baicao Processing Plant, the Xiushuihe Processing Plant, the Hailong Processing Plant and the Heigutian Processing Plant and one Iron Pelletising Plant, all located in Sichuan's Panxi region, a region with the most abundant vanadium-bearing titano-magnetite resources in the PRC.

For more information on China VTM Mining, please visit: <http://www.chinavtmmining.com>

Issued by Porda International (Finance) PR Company Limited for and on behalf of **China Vanadium Titano-Magnetite Mining Company Limited**. For further information, please contact:

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