



China Vanadium Titano-Magnetite Mining Company Limited

中國鈦鈦磁鐵礦業有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號: 00893



Opportunities  
Open Up for  
Future Growth

**2010 Annual Results  
Corporate Presentation**

March 2011



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# Agenda

- ① ***Performance Overview in 2010*** 3
- ② ***Industry and Business Update*** 9





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**Performance  
Overview in 2010**



# Results Highlights

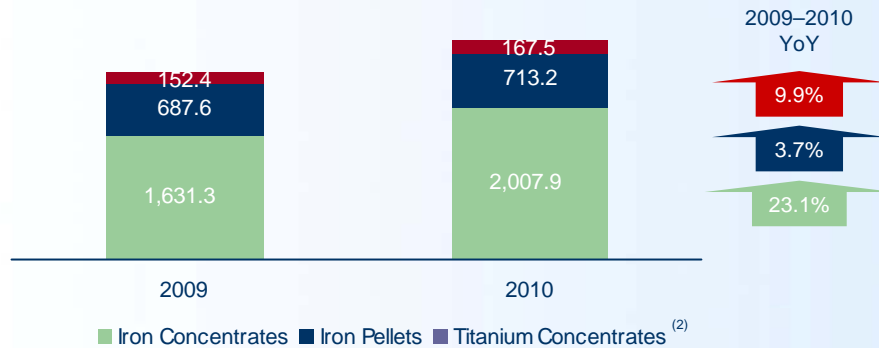
For the year ended 31 December

	2010 (RMB mm)	2009 (RMB mm)	Change (%)
Revenue	1,554.1	1,083.9	+43.4
Gross profit	830.4	501.7	+65.5
<i>Gross profit margin</i>	<i>53.4%</i>	<i>46.3%</i>	<i>+7.1%pts</i>
EBIT	719.1	445.9	+61.3
EBITDA	806.4	488.4	+65.1
Profit before tax	701.3	436.6	+60.6
Profit and total comprehensive income for the year	584.0	366.9	+59.2
Profit and total comprehensive income attributable to owners of the Company	533.4	327.9	+62.7
<i>Net profit margin</i>	<i>37.6%</i>	<i>33.8%</i>	<i>+3.8%pts</i>
	(RMB cents)	(RMB cents)	
Basic earnings per share	26	20	+30.0

# Strong Growth in 2010

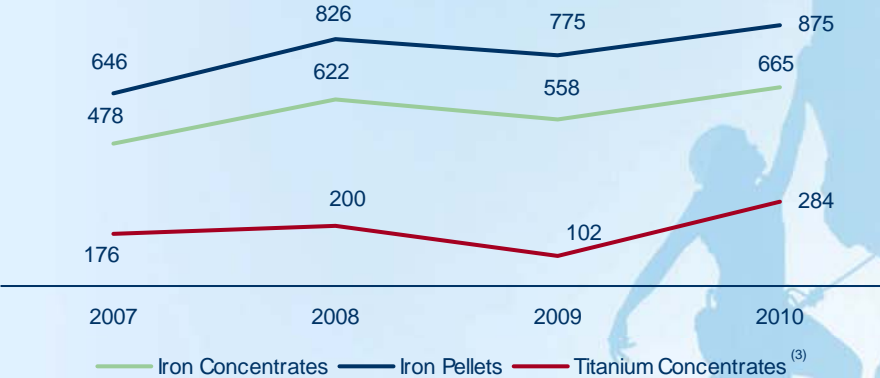
## Production Volume Increased

(Unit: kt)



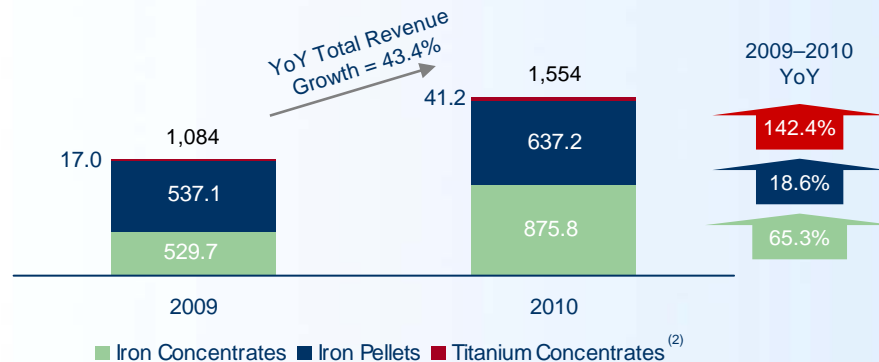
## ASP Increased Reaching All Time High<sup>(1)</sup>

(Unit: RMB/t)



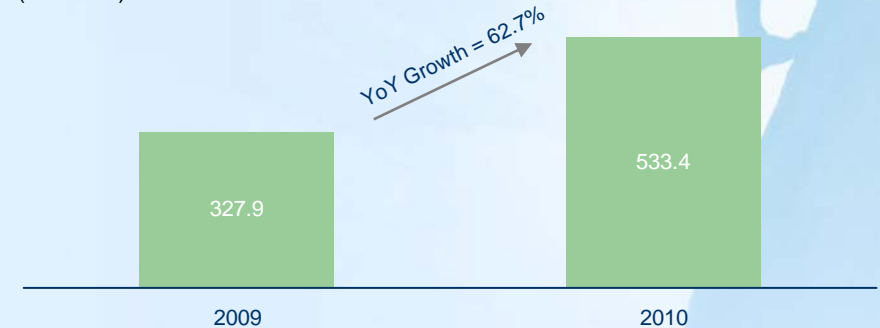
## Total Revenue Grew Significantly

(RMBmm)



## Profit and Total Comprehensive Income Attributable to Owners of the Company Rose 62.7%

(RMBmm)



Source: Company information.

(1) Total revenue by product / Total sales volume by product.

(2) Consist of medium-grade titanium concentrates and high-grade titanium concentrates.

(3) Weighted-average prices of medium-grade titanium concentrates and high-grade titanium concentrates for 2010.

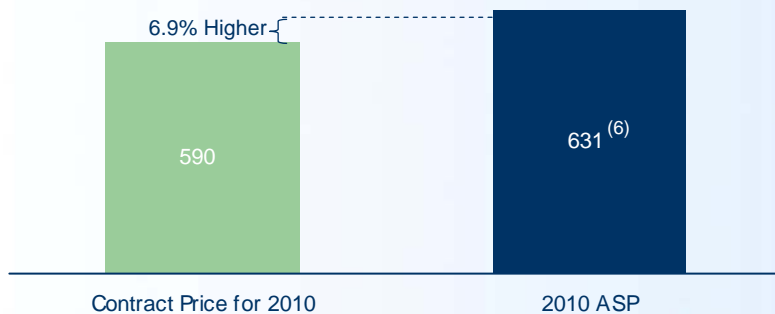
# Capacity and Price Increased Significantly

## Baicao and Xiushuihe Mines' Resources and Reserves Update

	Baicao Mine	Xiushuihe Mine <sup>(1)</sup>	Total
M&I&I Resources (mt)	113.5	97.3	210.8
Avg TFe (%)	25.1%	24.6%	24.9%
2P Reserves (mt)	51.6	67.0	118.6
Avg TFe (%)	25.6%	24.3%	24.8%

## Iron Concentrate Price Exceeded Contract Price

(Unit: RMB/t)

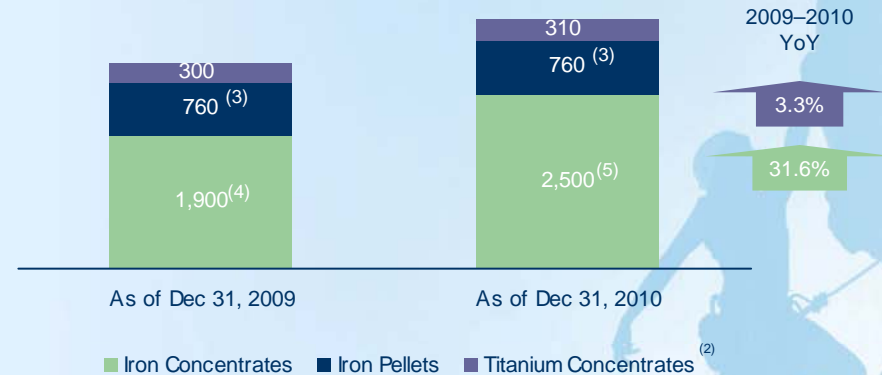


Source: Company information.

- (1) Including the extension area.
- (2) Consist of medium-grade titanium concentrates and high-grade titanium concentrates.
- (3) Including contracted capacity of 400ktpa.
- (4) Including contracted capacity of 700ktpa.
- (5) Including contracted capacity of 200ktpa.
- (6) Excluding reimbursement of transportation costs, assumed to be equal to selling & distribution costs.

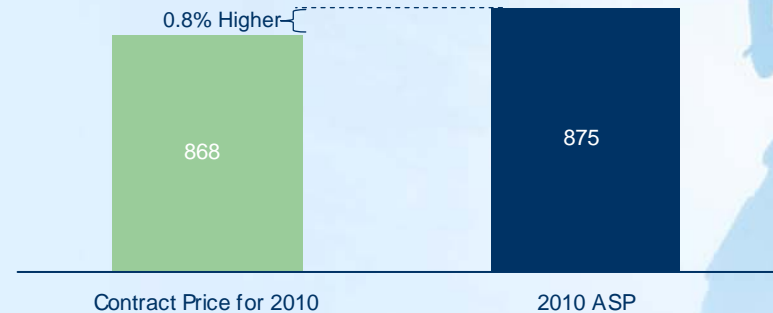
## Full Year Production Capacity Expanded

(Unit: ktpa)



## Iron Pellet Price Exceeded Contract Price

(Unit: RMB/t)

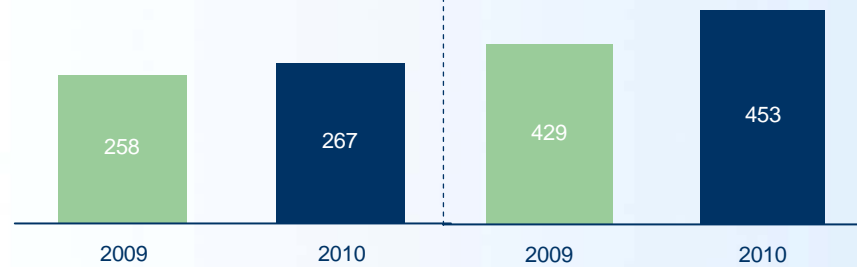


# Stable Cost and Improving Margins

## Unit Costs of Iron Concentrates and Iron Pellets

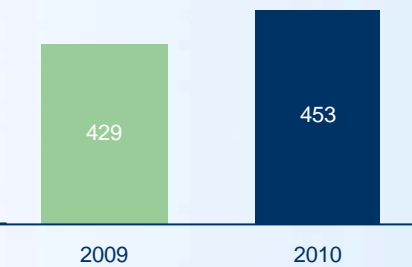
### Iron Concentrates

(Unit: RMB/t)



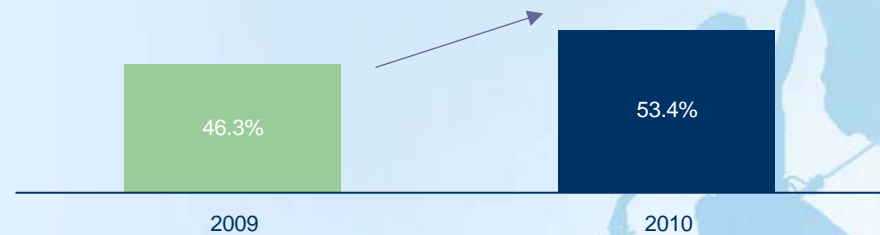
### Iron Pellets

(Unit: RMB/t)



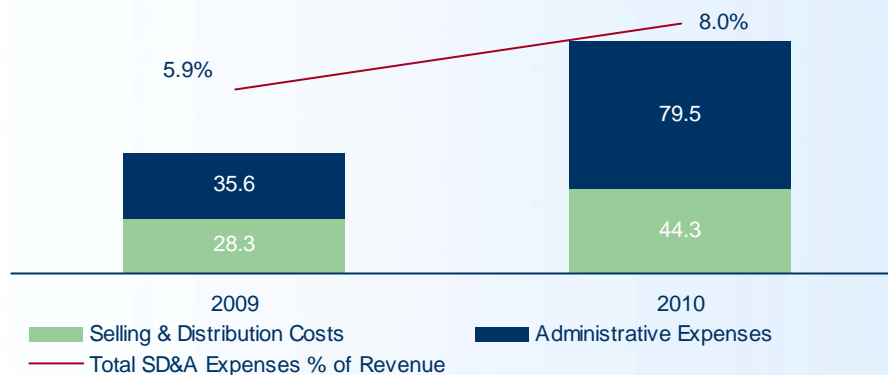
## Gross Profit Margin

(Unit: %)



## Selling & Distribution Costs and Administrative Expenses

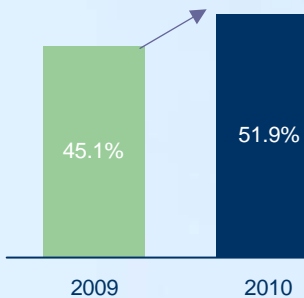
(unit: RMB mm)



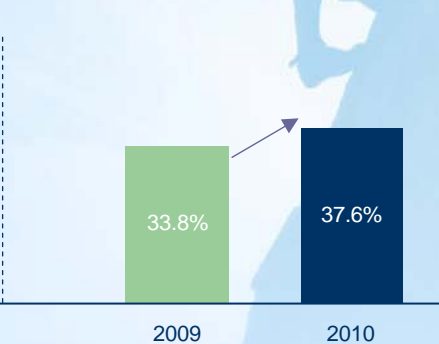
## EBITDA Margin and Net Profit Margin

### EBITDA Margin

(Unit: %)



### Net Profit Margin <sup>(1)</sup>



Source: Company information.

(1) Profit and total comprehensive income / Total revenue.

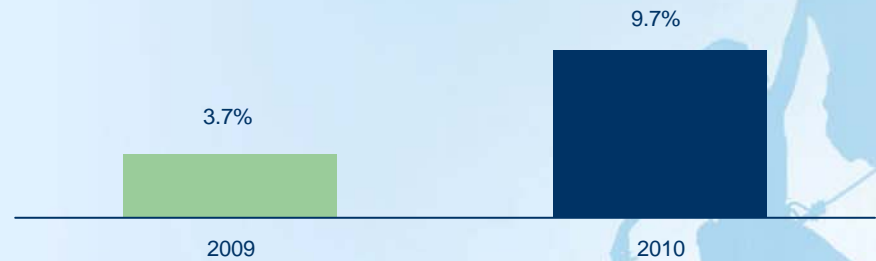


# Low Leverage Maintained

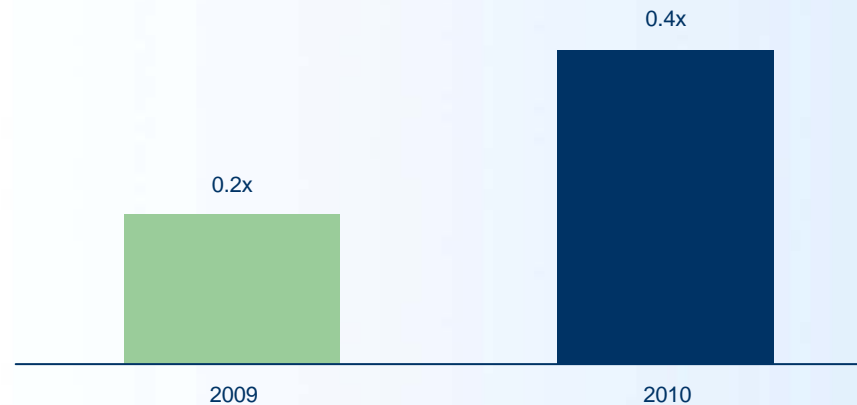
Net Debt/Total Capitalization <sup>(1)</sup>



Total Debt/Total Capitalization <sup>(1)</sup>



Total Debt/EBITDA



EBITDA/Interest Expense



We are still in a net cash position ready for acquisition/consolidation opportunities.

Source: Company information.

(1) Total Capitalization = Total Debt + Total Equity.



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**Industry and  
Business Update**



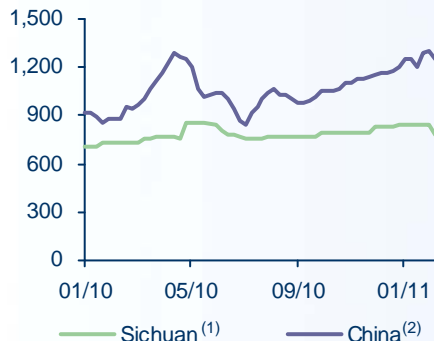
# Industry Update

## Favorable Environment for the Sichuan Steel / Iron Ore Industry

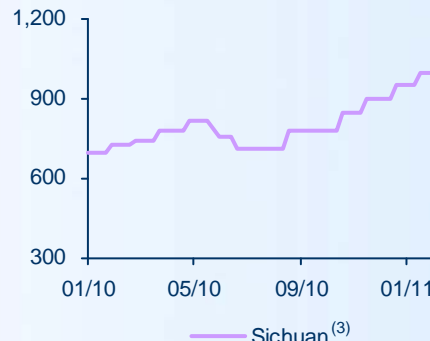
- The National “12th Five-Year Plan” promulgated in October 2010
  - Western Development Strategy should be prioritized in the country's regional development strategy
- Announced by NDRC in July 2010
  - **23 new infrastructure** construction projects will be conducted in the western region of China
  - **Total investment of RMB 682bn**
- Such massive infrastructure construction plans will greatly benefit Sichuan's steel / iron ore industry
- Consolidation and uplift of the steel industry have further led to an increasing demand in Sichuan
- China iron ore CFR price reached 52-week high in Feb 2011 at RMB1,300/t

## Stable Iron Concentrate Price and Rising High-grade Titanium Concentrate Price in Sichuan (RMB/t)

Iron Concentrate



High-grade Titanium Concentrate



Source: Bloomberg, Shanxi Fenwei, Company Information

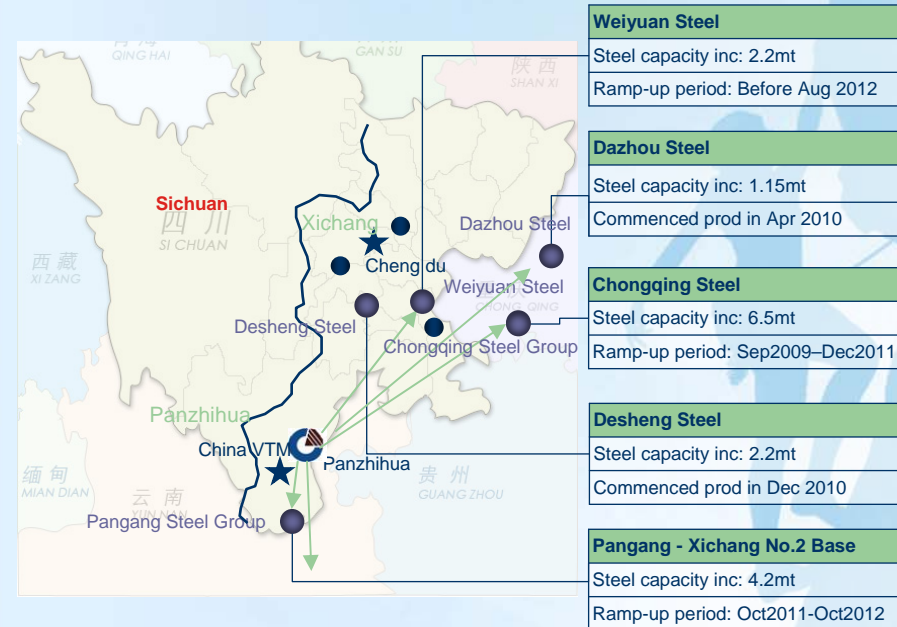
(1) Sichuan iron concentrate: Fe grade is adjusted to 63.5%, dry basis. Source: SteelHome.

(2) China iron concentrate: Fe grade is 63.5%, CFR price of major ports, dry basis. Source: Bloomberg.

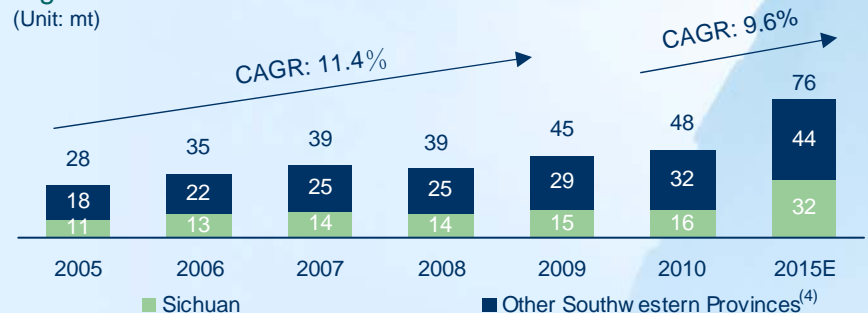
(3) Sichuan high-grade titanium concentrate: Ti grade is 46%, dry basis. Source: SteelHome.

(4) Including Chongqing, Guangxi, Guizhou and Yunnan.

## Steel Production Capacity Expansion in Sichuan Continues to Drive Iron Ore Demand



## Pig Iron Production in Southwest China (Unit: mt)



# Successfully Completed 5 Acquisitions in 2010

## Resource and Capacity Increased from Acquisitions in 2010



◆ Mines, ▲ Processing plants, ▲ Pelletizing plants, ● Cities / counties, ● Steel plants  
— railways, --- Railways (under construction), — expressways / Highways, --- expressways (under construction).

BC: Baicao, XHS: Xiushuihe, YQQ: Yangqueqing, CZQ: Cizhuqing, ML: Maoling, YLS: Yanglongshan, HL: Hailong, HGT: Heigutian.

**4 November 15, 2010**

- Announced acquisition of Aba Mining (incl. Maoling mine and Yanglongshan mine) <sup>(1)</sup>
- Consideration: RMB150 million

	ML Mine	YLS Mine
- Resources	44.6mt <sup>(2)</sup>	33.6mt
- Production Capacity	150 ktpa	

- Announced acquisition of minority interest in Caitong

**3 March 11, 2010**

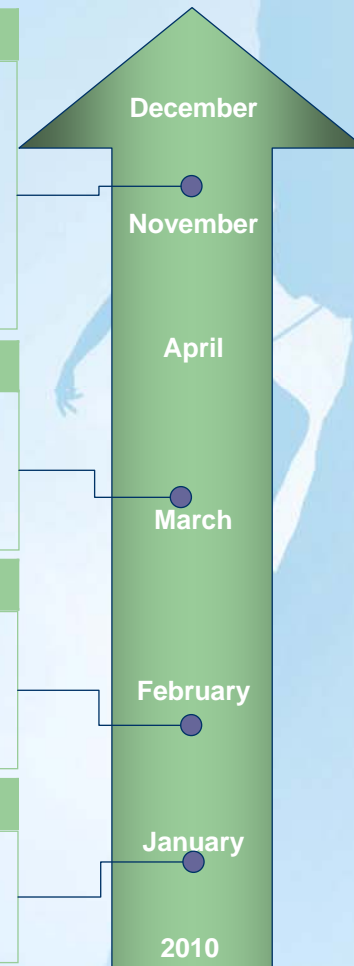
- Acquisition of Heigutian processing plant
- Consideration: RMB550 million
- Production Capacity Add:
  - Iron concentrates: 800 ktpa
  - Titanium concentrates: 120 ktpa

**2 February 3, 2010**

- Acquisition of Cizhuqing mine and Hailong processing plant
- Consideration: RMB310 million
- Resources Add: 25.6mt
- Production Capacity Add: 300ktpa

**1 January 16, 2010**

- Acquisition of Yangyueqing mine
- Consideration: RMB200 million
- Resources Add: 17.9mt
- Potential Resources: 81.6mt



**We will continue to pursue potential acquisition opportunity of iron ore mines and to expand our processing and production capacity**

Source: Company Filings.

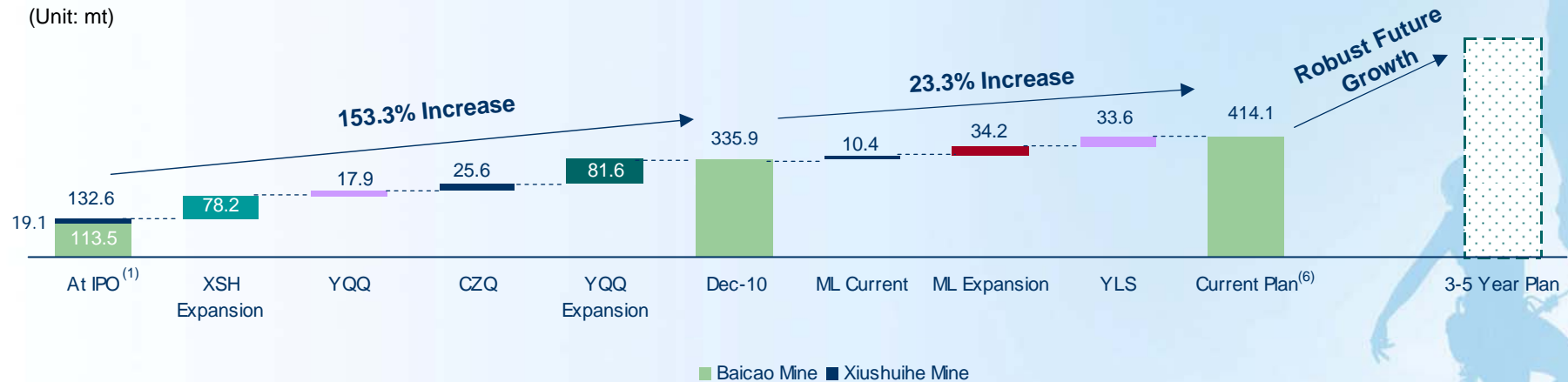
(1) The acquisition will be completed by end of April 2011

(2) Including Maoling mine's 10.4mt existing resources and 34.2mt additional resources from its expansion

# Continuous Resource and Production Capacity Expansion Since Listing

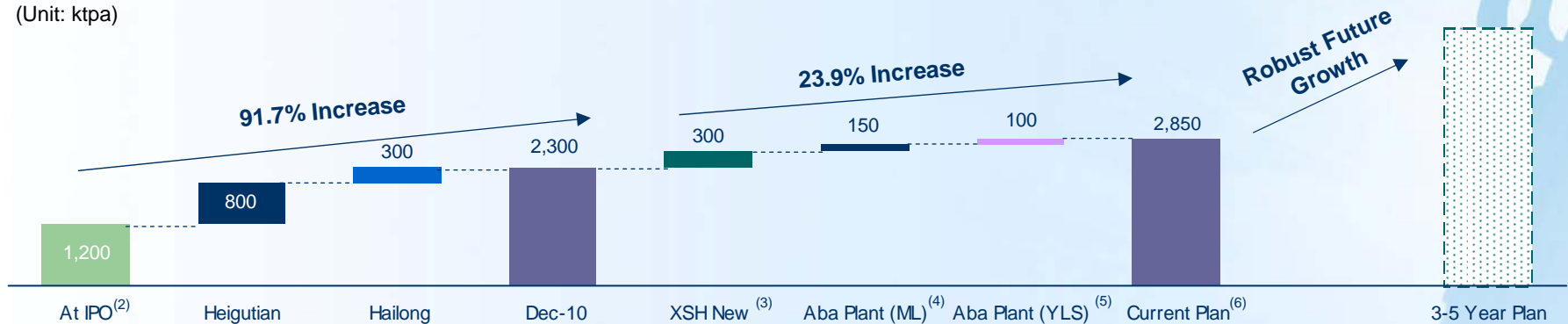
## Significant Resource Increase from Acquisition

(Unit: mt)



## Impressive Growth in Iron Concentrate Production Capacity

(Unit: ktpa)



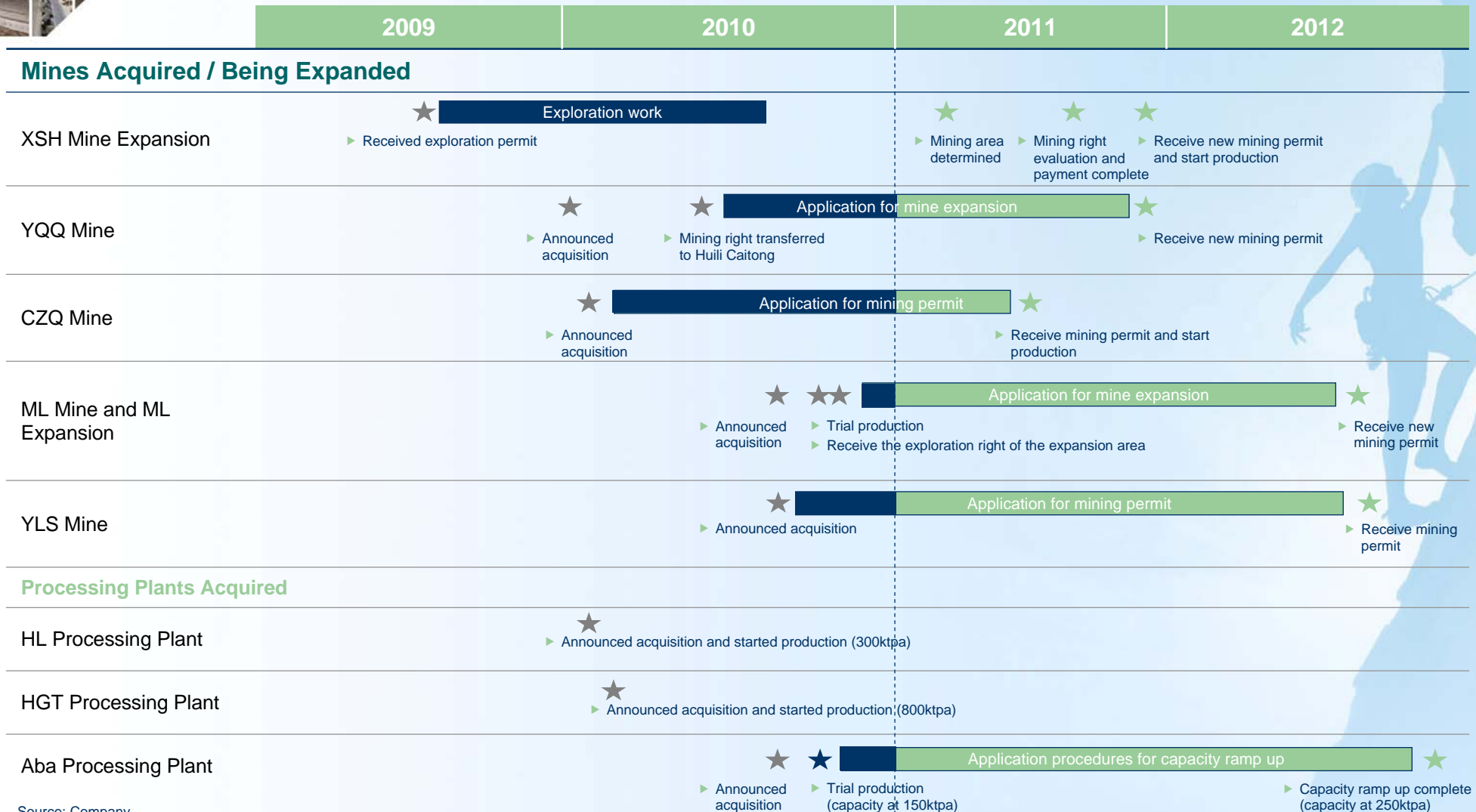
Source: Company prospectus, filing and Circular.

(1) Excluding the resources mined since IPO. (2) Excluding outsourced capacity.

(3) Started operations in February 2011. (4) Started trial operation in December 2010. (5) To commence production in 2013

XSH: Xiushuihe, YQQ: Yangqueqing, CZQ: Cizhuqing, ML: Maoling, YLS: Yanglongshan, (6) Acquisition of Aba Mining to be completed by 30 Apr 2011.

# Status of Mine Acquisitions and Expansions



Source: Company.

Notes: ★ Already completed; ☆ yet to be completed.

XHS: Xiushuihe, YQQ: Yangqueqing, CZQ: Cizhuqing, ML: Maoling, YLS: Yanglongshan, HL: Hailong, HGT: Heigutian.