

To: Financial Reporters  
[Immediate Release]



China Vanadium Titano-Magnetite Mining Company Limited  
中國鈦鈷磁鐵礦業有限公司

**China VTM Mining Recorded Admirable Performance for 2011 Interim Results**

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**Revenue Increased by 20.8%**  
**Profit and Total Comprehensive Income Attributable to**  
**Owners of the Company Increased by 30.2%**

Financial Highlights (For the six months ended 30 June)			
	2011 (RMB '000)	2010 (RMB '000)	Increases
Revenue	845,391	699,761	↑20.8%
Gross profit	431,359	365,437	↑18.1%
Profit and total comprehensive income for the period	303,683	250,560	↑21.2%
Profit and total comprehensive income attributable to owners of the Company	300,594	230,840	↑30.2%
Earnings per share attributable to ordinary equity holders of the Company (RMB) – basic and diluted	0.14	0.11	↑27.3%

[29 Aug 2011, 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 People’s Republic of China (the “PRC”), today announced its interim results for the six months ended 30 June 2011 (the “Reporting Period”).

For the first half of 2011, the Group recorded an admirable performance in both revenue and profit. The Group’s revenue amounted to approximately RMB845.4 million for the Reporting Period, representing an increase of 20.8% over the corresponding period of 2010. The gross profit for the Reporting Period increased by 18.1%, from approximately RMB365.4 million to approximately RMB431.4 million.

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The profit and total comprehensive income for the Reporting Period recorded an increase of 21.2%, from approximately RMB250.6 million to approximately RMB303.7 million. Concurrently, the profit and total comprehensive income attributable to owners of the Company amounted to approximately RMB300.6 million, representing a significant increase of 30.2% as compared to the same period of last year. The basic and diluted earnings per share attributable to ordinary equity holders of the Company was RMB0.14 per share. The board of directors of the Company does not recommend the payment of an interim dividend for the Reporting Period.

During 2011, in line with the on-going development of China's economy, domestic demand has been growing vigorously as infrastructure and manufacturing industries continued their rapid development. With China's 12<sup>th</sup> Five-Year Plan, the enhancement of traditional industries is set to bring about greater structural growth to the steel industry. Moreover, the development of China's western region and the Chengdu-Chongqing Economic Zone Development Plan have provided further stimulation on the demand for steel and iron ore in Sichuan province. Furthermore, the PRC government's plans relating to vanadium and titanium industry have been successively promulgated. The Plan for the Integrated Utilisation of Vanadium and Titanium Resources and Production Base, which has been led and formulated by the National Development and Reform Commission of the PRC, will drive greater growth for the vanadium and titanium industry and will be beneficial to the overall business development of the Group.

Currently, the Group owns the Baicao processing plant, the Xiushuihe processing plant, the Hailong processing plant, the Heigutian processing plant and two iron pelletising plants in the Panxi region, Sichuan province. The Group also owns the Maoling processing plant in the Aba region, Sichuan province. As at 30 June 2011, the Group's annual production capacity (on a wet basis) of vanadium-bearing iron concentrates, ordinary iron concentrates, iron pellets and high-grade titanium concentrates amounted to 2,700.0 Kt (including 100.0 Kt production capacity allocated to the Group by an independent third party processing contractor), 150.0 Kt, 1,860.0 Kt (including 500.0 Kt production capacity allocated to the Group by independent third party pelletising contractors) and 280.0 Kt, respectively.

To meet strong demand, the Group has upgraded its existing facilities and technologies to further expand the production capacity and output. The first phase of construction of the new iron pelletising plant with an annual production capacity of 1,000.0 Kt was completed on 6 May 2011. Upon the completion of the first phase of construction, the Group's annual iron pellet self-production capacity increased to 1,360.0 Kt.

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In addition, the acquisition of Aba Mining Company Limited was completed on 31 May 2011 and as a result, the Group possesses the Maoling Mine, the Yanglongshan Mine and an iron concentrate production line with an annual production capacity of 150.0 Kt. In the same month, the Group has successfully entered into a secured exchangeable note purchase agreement with a private company in the principal amount of US\$20.0 million. Under this agreement, the Group can explore similar mineral-related business investment opportunities and strategic resources outside the PRC. In addition, benefitted from the iron concentrate sale and purchase agreement, it also allows the Group to obtain a stable and substantial source of high quality iron concentrates at a favourable price.

Leveraging expanding production scales and more favourable market conditions, the Group has achieved satisfactory growth in the output volume of its core products. For the Reporting Period, the Group's total production volume of vanadium-bearing iron concentrates increased by 20.0% from approximately 865.9 Kt to approximately 1,038.7 Kt, as compared to the same period of last year. The total production volume of medium-grade titanium concentrates was approximately 72.0 Kt, representing an increase of 79.1% as compared to approximately 40.2 Kt in the corresponding period of 2010. The total production volume of high-grade titanium concentrates was approximately 57.6 Kt, representing an increase of 69.4% as compared to approximately 34.0 Kt in the corresponding period of 2010.

Looking ahead, **Mr. Jiang Zhong Ping, Chairman of China VTM Mining said**, "Recent favourable policies introduced by China nationally as well as in Sichuan have provided the Group with enormous developmental opportunities. Leveraging its role as an industry leader and key integrator in the mining industry, we will take full advantage of every market opportunity as well as those opportunities brought about by government policies in order to proactively and swiftly implement prudent development strategies. Increased level of resources, higher production capacity and a more robust product chain will also be achieved through strategic merger and acquisition activities as well as expansion of various mining areas, so as to achieve a breakthrough in the growth of our mine resources. We are gearing up our strategic planning over the next five years to bolster favourable prospects for rapid growth. The Group will strive to accelerate the expansion of production capacity, develop overseas market and coastal markets in China to help the expansion of the geographic span of the market for the Group's products, and proactively seek new business growth drivers. We are looking forward to becoming a large and influential mining group in Hong Kong backed by a strong foundation in the capital markets."

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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 and titanium concentrates to steel producers and downstream users of titanium-related products. The Group now owns and operates four vanadium-bearing titano-magnetite mines (namely the Baicao mine, the Xiushuihe mine, the Yangqueqing mine and the Cizhuqing mine), two ordinary iron ore mines (namely the Maoling mine and the Yanglongshan mine), five processing plants (namely the Baicao processing plant, the Xiushuihe processing plant, the Hailong processing plant, the Heigutian processing plant and the Maoling processing plant) and two iron pelletising plants, all of which are located in Sichuan province, a region with the most abundant vanadium-bearing titano-magnetite resources in China.

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

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

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