

To: Financial Reporters
[Immediate Release]



China Vanadium Titano-Magnetite Mining Company Limited
中國鈮鈦磁鐵礦業有限公司

China VTM Mining Announces 2012 Annual Results

**Revenue and Net Profit Amounted to RMB1,533.7 Million and RMB410.6 Million,
Respectively
High-grade Titanium Concentrates Remains a Key Growth Driver**

[28 March 2013, 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) today announced its annual results for the year ended 31 December 2012 (“the Year”).

During the Year, the Group’s performance was adversely affected by the occasional power suspension and power supply restriction measures adopted for upgrading of the power grid during the first half of 2012 in the Panxi region, the region where the Group’s major processing plants are located. The recorded adverse effects were the sales volume drop in iron pellets and the decrease in the average selling prices of iron ore products. However, the increased sales volume and selling price of high-grade titanium concentrates during the Year have partially offset the adverse effects aforesaid. Revenue generated from high-grade titanium concentrates recorded a 52.1% increase from RMB114.2 million in 2011 to approximately RMB173.7 million in 2012, and accounted for approximately 11.3% of the total revenue (2011: 6.7%). For the Year ended 31 December 2012, the Group’s revenue was approximately RMB1,533.7 million. Gross profit during the Year amounted to approximately RMB693.2 million. Profit and total comprehensive income attributable to owners of the Company amounted to approximately RMB403.0 million. The board of directors of the Company does not recommend the payment of a final dividend for the Year.

The complex global economy experienced a great deal of volatility during 2012. In view of the challenging economic conditions, the Chinese government has fast-tracked domestic development plans to stimulate the economy, particularly with respect to the nation’s great western development strategy, which is entering its 13th year. According to the “China Western Development: Review for 2011 and the 2012 Work Plan” (《西部大開發 2011 年進展情況和 2012 年工作安排》) issued by the National Development and Reform Commission of the PRC, infrastructure construction is currently the key focus for driving growth. In 2012, 22 major western development projects were launched, with a total investment of RMB577.8 billion. These favourable policies will not only improve people’s living standards in China’s western regions, but they will also boost local demand for steel throughout the entire area. The upstream mining companies within the region will thus benefit from the opportunities brought to the domestic steel enterprises. The Group will, in turn, enjoy the favourable business prospects.

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High-grade titanium concentrates were in short supply and enjoyed higher profitability. Such product has become a key growth driver for the Group. Since early 2012, the Group cooperated with two independent partners to produce high-grade titanium concentrates by making use of several production lines in the Group's processing plants. During the Year, total production volume and total sales volume of high-grade titanium concentrates were 146.7Kt and 147.8Kt respectively, which is an increase of 36.2% and 40.2% respectively.

As at 31 December 2012, the Group owned 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. The Group also owned the Maoling Processing Plant in the Aba prefecture. As at 31 December 2012, the Group's annual self-production capacity (on a wet basis) of vanadium-bearing iron concentrates, ordinary iron concentrates, iron pellets and high-grade titanium concentrates is as follows:

Product category	Self-production capacity (Ktpa)
Vanadium-bearing iron concentrates	2,600.0
Ordinary iron concentrates	150.0
Iron pellets	1,360.0
High-grade titanium concentrates	280.0

Commenting the business outlook, **Mr. Jiang Zhong Ping, Chairman of China VTM Mining said**, "With the support of the great western development strategy, it is expected that economic growth and infrastructure construction will bring considerable stable downstream demand for the steel industry throughout the southwest region. In line with the ongoing industrial restructuring of steel enterprises in Sichuan province and Chongqing, coupled with the production capacity ramping up of steel plants in southwest China, further importance will be placed on the iron ore market throughout the region.

To cope with future demand, the Group will strive to actively develop its own valuable mineral resources. With respect to the Maoling-Yanglongshan Mine, because its resource volumes, reserve warranties and guarantees have all been met, the Group will start development there with expected commercial production beginning by the end of 2014. Secondly, the exploration of the Dashanshu Section of the Pingchuan Mine was completed in April 2012; and the preliminary exploration report was concluded, thus allowing the Group to start generating income from this area. As the industry's leader and prime integrator, the Group will continue to consolidate its economic advantages and proactively seek out all viable market opportunities. The Group will fully leverage its leading position in the iron ore mining industry and strive for satisfactory business performance."

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About China Vanadium Titano-Magnetite Mining Company Limited

China VTM Mining has been listed on the main board of The Stock Exchange of Hong Kong Limited (“Stock Exchange”) since 8 October 2009, 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 within Sichuan province. The Group currently owns four vanadium-bearing titano-magnetite mines (namely the Baicao Mine, the Xiushuihe Mine, the Yangqueqing Mine and the Cizhuqing Mine), and one ordinary iron ore mine (namely the Maoling-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 mines are located in Sichuan province, a region with the most abundant vanadium-bearing titano-magnetite resources in China.

In August 2011 the Group also entered into an agreement to develop the Dashanshu Section of the Pingchuan Mine through a joint venture arrangement. Subsequently, exploration of the Dashanshu Section of the Pingchuan Mine was completed in April 2012 and the related preliminary exploration report was concluded. Moreover, in December 2011 the Group entered into an agreement to acquire Panzhihua Yixingda, which owns the exploration right of the Haibaodang Mine. On 21 December 2012, Keen Talent Holdings Limited (“Keen Talent”) requested the board of the Company to put forward the privatisation proposal to the scheme shareholders which, if approved and implemented, would result in the Company becoming wholly-owned by Keen Talent and Trisonic International Limited and the withdrawal of the listing of the shares on the Stock Exchange.

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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