

**FOR IMMEDIATE RELEASE****China Vanadium Titano-Magnetite Mining Company Limited**  
**中國鈦鈦磁鐵礦業有限公司****China VTM Mining Announces 2013 Annual Results**

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***Strengthening Foundations Exploring New Opportunities***

**Hong Kong, 17 March 2014 – 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 2013 (the “Reporting Year”).

The Reporting Year has proved to be a difficult year for the Group. Excessive production capacity and the shortage of capital resources are the key issues that hovered over the steel industry in 2013. Affected by the decline in each product’s selling price, significant fall in demand for iron pellets, temporary mining suspension at the Baicao mine, along with a surge in production cost primarily due to the lower grade of raw iron ore being mined, revenue of the Group for the Reporting Year decreased by 6.8% to approximately RMB1,429.9 million, while profit and total comprehensive income attributable to owners of the Company declined by 58.7% to approximately RMB179.1 million. The basic and diluted earnings per share attributable to ordinary equity holders of the Company amounted to approximately RMB0.09. The board of directors (the “Board”) of the Company recommended the payment of a final dividend of HK\$0.022 per share (equivalent to approximately RMB0.017 per share) for the Reporting Year.

During the Reporting Year, the Group sought new opportunities to develop its business and entered into trading business agreements for ordinary iron concentrates with independent third parties entitling the Group to a 5% discount compared to the prevailing market price with a certain amount of prepayment. In addition, the management has been actively pursuing potential acquisition opportunities and conducted site visits in China and various countries, including Australia, the Philippines and Indonesia and reviewed the proposals for several mines in China, Malaysia and Brazil, etc.

On 4 March 2014, the Group announced the termination of the exploration work in relation to niobium and tantalum ore resources at the Baicao mine and its operations resumed as normal on 13 March 2014. Thus, the earlier-than-expected normalisation meant that the decrease in the production volume of the Group’s vanadium-bearing iron concentrates for the first half of 2014 would be reduced by a maximum of 250,000 tonnes to a maximum of only 125,000 tonnes, alleviating negative revenue pressure. Separately,

due to uncertainties surrounding the time required to obtain the necessary mining permit for operation and additional expenses required for commercial production, the shareholders of the joint venture established for the development of the Dashanshu section unanimously decided to voluntarily wind-up the joint venture. The Board maintains the view that such action will not have any adverse material impact on the business of the Group.

Commenting on the business outlook, **Mr. Jiang Zhong Ping, Chairman of China VTM Mining** said, “Despite the recent tough market conditions, opportunities nonetheless exist in the market in the long run, driven by Chinese government policies and increasing market demand. The Chinese government is committed to eliminating backward steel production in order to combat air pollution and industry overcapacity. Urbanisation and the development of western China will continue to accelerate in the future, leading to long-term infrastructure investments and fresh demand for steel. The combination of these trends should create new opportunities for the steel market, which we can tap to support our long-term development.”

“In the short-term, the Group will nonetheless face obstacles such as decelerating economic growth and rising production costs, which may hinder our business development. We have however formulated strategies aimed at ensuring our long-term development. These include continuing expansion of our business by bolstering the capacity at the Maoling-Yanglongshan mine, and exploring the procurement of quality resources in China and overseas. By adopting a holistic approach, the management will endeavour to seize opportunities in the market, achieve sustainable growth and reward the support of our shareholders,” **Mr. Jiang concluded.**

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#### **About China VTM Mining**

China VTM Mining has been listed on the main board of The Stock Exchange of Hong Kong Limited 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), one ordinary iron ore mine (namely the Maoling-Yanglongshan mine) and 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 one iron pelletising plant. All mines are located in Sichuan province, a region with the most abundant vanadium-bearing titano-magnetite resources in China. As at 31 December 2013, 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 amounted to 2,600.0 Ktpa, 150.0 Ktpa, 1,000.0 Ktpa and 280.0 Ktpa, respectively. In addition, the Group has also entered into an agreement to acquire Panzhuhua Yixingda Industrial Trading Co., Ltd., which owns the exploration right of the Haibaodang mine. For more information, please visit: <http://www.chinavtmmining.com>.

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