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

China VTM Mining Announces 2015 Annual Results

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Streamlining Foundation to Seek Greater Prospects

Hong Kong, 21 March 2016 – **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 2015 (the “Reporting Year”).

2015 was another challenging year for the steel industry in China as it continued to suffer in an environment of losses. As China’s economic growth continued to slow down, coupled with overcapacity and weak demand in the steel industry, the price of iron ore was significantly affected. The implementation of measures to tackle overcapacity issues and comply with new environmental protection policies seriously affected domestic mining companies and further dragged down their profitability. These challenging upstream and downstream conditions resulted in severe declines in the sales volume and selling price of the Group’s iron ore products in 2015. Despite best efforts on all fronts from management, the Group’s revenue decreased significantly by 20.4% to approximately RMB516.4 million as compared to the corresponding period of last year, which resulted in a gross loss of approximately RMB23.2 million for the Reporting Year.

During the Reporting Year, the Group intensified efforts to streamline operations and rationalise assets and initiated various strategic plans to reduce direct cost per unit, improve efficiency per factory, minimise loss on operations, scale back capacity, reduce headcounts, trim operating expenses budgets and reduce marketing investments.

In view of the unfavorable environment of steel industry, management made strategic decision during the Reporting Year to close down the entire production line of the Heigutian processing plant in an effort to improve capacity utilisation. The Group classified it as assets held for sale of approximately RMB378.3 million and has since been actively seeking for potential buyer. As such, the impairment losses on goodwill, property, plant and equipment, intangible assets, trade receivables and assets held for sale were in aggregate of approximately RMB551.8 million. The fair value loss on the exchangeable notes was approximately RMB69.0 million and the loss and total comprehensive loss attributable to owners of the Company was approximately RMB1,105.5 million. The basic and diluted loss per share attributable to ordinary equity holders of the Company amounted to approximately RMB0.53. The board of directors of the Company (the “Board”) did not recommend the payment of a final dividend for the Reporting Year.

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Commenting on the business outlook, **Mr. Jiang Zhong Ping, Chairman and Acting Chief Executive Officer of China VTM Mining** said, “The Board remains cautious about the Group’s short-term development prospects, and sees need to continue its production suspension, scale back facilities, keep operating costs low and reduce capital expenditure. The Group’s operations have since become more nimble and adaptive to the highly volatile operating environment following the operational streamlining exercise and cost control discipline. Meanwhile, the Group will further evaluate various opportunities and other operating models – potentially, to collaborate with other industrial players or possibly, to diversify its businesses for sustainable growth strategies.”

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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 now owns five vanadium-bearing titano-magnetite mines (namely the Baicao mine, the Xiushuihe mine, the Yangqueqing mine, the Cizhuqing mine and the Haibaodang mine), one ordinary iron ore mine (namely the Maoling-Yanglongshan mine), one shigou gypsum 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 one iron pelletising plant. All mines are located in Sichuan province.

As at 31 December 2015, the Group’s annual capacity (on a wet basis) of vanadium-bearing iron concentrates, ordinary iron concentrates, iron pellets and high-grade titanium concentrates amounted to 2,600 Ktpa, 150 Ktpa, 1,000 Ktpa and 280 Ktpa, respectively.

For more information, please visit: <http://www.chinavtmmining.com>.

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