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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 2016 Interim Results

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### *Optimise Resources Seek New Opportunities*

Hong Kong, 29 August 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 interim results for the six months ended 30 June 2016 (the “Reporting Period”).

During the Reporting Period, the market conditions of the iron ore industry remained volatile. As a result, the capacity utilisation of the Group’s plants was still low and below optimal levels. Nonetheless, the Group’s revenue increased significantly by 682.0% year-on-year to approximately RMB1,184.8 million during the Reporting Period mainly due to the new trading of steels and coals, as part of the diversification plans which the Group embarked on. On the back of higher revenue from new trading of steels and coals, the Group recorded a gross profit of approximately RMB2.5 million for the Reporting Period, reversing a gross loss of approximately RMB17.0 million for the corresponding period in 2015.

Furthermore, the Group recorded a lower loss and total comprehensive loss attributable to owners of the Company of approximately RMB217.5 million for the Reporting Period as compared with that of approximately RMB865.5 million for the corresponding period in 2015 mainly due to the lower administration expenses and in the absence of impairment losses for key operating assets. The basic and diluted loss per share attributable to ordinary equity holders of the Company was approximately RMB10 cents for the Reporting Period. The board of directors of the Company did not recommend the payment of an interim dividend for the Reporting Period.

On the back of market uncertainty and commodity prices volatility, the Group has scaled back part of its capacity, streamlined those loss-making operations, kept its cost control discipline; and will continue to improve production efficiency and boost asset utilisation rates. The Group has also initiated discussions with various strategic partners and/or foreign experts in (i) performing technical reviews on the existing mining methodology and for sustainable mines development; and (ii) conducting strategic reviews on current operating models and the related business development strategies (which could involve revenue sharing and/or cost recovery).

Commenting on the business outlook, **Mr. Jiang Zhong Ping, Chairman and Acting Chief Executive Officer of China VTM Mining** said, “The Group recognises that there exists an immediate need to make strategic moves, adopt asset-light strategies and reallocate part of its resources to improve our financial performance, cap segmental losses and enhance shareholder value. Whilst the Group has taken a proactive approach towards such operational improvements, the Group remains cautious about the volatility of commodity prices and emphasises that continual cost control discipline and operational streamlining are key factors to keep operations nimble and adaptive in this dynamic business environment.”

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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, trading of steels and coals, and sale of iron concentrates 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 gypsum mine (namely the 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 of today, 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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