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## **China Vanadium Titano-Magnetite Mining Company Limited**

**中國釩鈦磁鐵礦業有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 00893)**

### **PROFIT WARNING**

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

The Board wishes to inform the Shareholders and potential investors that, based on the initial assessment of available financial information, the Group is expected to record a significant decline in profit by no more than 40% for the six months ended 30 June 2012, as compared with the profit recorded for the corresponding period in 2011.

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

This announcement is made by China Vanadium Titano-Magnetite Mining Company Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on an initial assessment of available financial information, the Group is expected to record a significant decline in profit by no more than 40% for the six months ended 30 June 2012, as compared with the profit recorded for the corresponding period in 2011. Such decrease in profit is mainly attributable to:

- (i) the decrease in sales volume of the Group’s iron concentrates for the first six months of 2012 primarily due to a decrease in production volume of the Group’s iron concentrates in the same period which was mainly a result of the periodic power suspension and power supply restriction measures adopted for upgrading

of the power grid since late March 2012 in the Panxi region (攀西地區) of the Sichuan province of the People's Republic of China, the region where the Group's major processing plants are located. For details on the power suspension and power supply restriction measures, please refer to the announcement made by the Company on 5 May 2012;

- (ii) the decrease in market prices of iron ore products during the first six months of 2012 compared to that for the first six months of 2011; and
- (iii) the increase in production cost for the first six months of 2012 compared to that for the first six months of 2011.

The information contained in this announcement is only based on the preliminary review of the management accounts of the Group for the six months ended 30 June 2012, which have not been reviewed by the Company's auditors. As at the date of this announcement, the Group's consolidated results for the six months ended 30 June 2012 have not yet been finalised, and are subject to necessary adjustments, if required. Further details of the Group's financial information will be disclosed as and when the interim results of the Group for the six months ended 30 June 2012 are announced in August 2012.

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

By order of the Board  
**China Vanadium Titano-Magnetite Mining Company Limited**  
**Jiang Zhong Ping**  
*Chairman*

Hong Kong, 13 July 2012

*As at the date of this announcement, the Board comprises Messrs. Jiang Zhong Ping (Chairman), Liu Feng, and Yu Xing Yuan as executive directors; Messrs. Wang Jin and Teo Cheng Kwee as non-executive directors; and Messrs. Yu Haizong, Gu Peidong and Liu Yi as independent non-executive directors.*

*Website: [www.chinavtmmining.com](http://www.chinavtmmining.com)*