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China Vanadium Titano-Magnetite Mining Company Limited

中國鈦鈹磁鐵礦業有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00893)

VOLUNTARY ANNOUNCEMENT VOLUNTARY WINDING-UP OF THE JOINT VENTURE

This is a voluntary announcement made by the Company for the purpose of providing the latest information on the business development of the Group to the Shareholders and potential investors of the Company.

The Board wishes to inform the Shareholders and potential investors of the Company that on 17 January 2014, the shareholders of the Joint Venture unanimously resolved to terminate the Cooperative Agreement and voluntarily wind-up the Joint Venture.

Reference is made to the announcement of the Company dated 30 August 2011 in relation to the Cooperative Agreement of a vanadium bearing titano-magnetite mine in the PRC. The Board wishes to inform the Shareholders and potential investors of the Company that on 17 January 2014, the shareholders of the Joint Venture unanimously resolved to terminate the Cooperative Agreement and voluntarily wind-up the Joint Venture.

INFORMATION ON THE JOINT VENTURE

The Joint Venture was established pursuant to the Cooperative Agreement for the purpose of development of the Dashanshu Section, including the carrying out of the basic infrastructure construction works at the Dashanshu Section, namely those relating to the supply of water, electricity and roads, the construction of the processing plant, including providing funds, and production and sale of iron ore products from the Dashanshu Section. Lingyu, an indirect wholly-owned subsidiary of the Company, owns 51% equity interest in the Joint Venture at the investment cost of RMB10.5 million (equivalent to approximately HK\$13.4 million).

REASONS FOR THE VOLUNTARY WINDING-UP OF THE JOINT VENTURE

The Joint Venture has experienced severe delays in obtaining the necessary mining permit for its operation. After considering the uncertainty on the timing as to when the necessary mining permit will be obtained and that the Joint Venture would incur additional expenses to reach the stage of commercial production, the shareholders of the Joint Venture unanimously decided to terminate the Cooperative Agreement and voluntarily wind-up the Joint Venture.

The value of the total revenue of the Joint Venture for the year ended 31 December 2013 is less than 1% of the consolidated total revenue of the Company shown in the Company's latest published audited consolidated financial statements for the year ended 31 December 2012, and the total assets of the Joint Venture as at 31 December 2013 is less than 1% of the consolidated total assets of the Company shown in the Company's latest published audited consolidated financial statements as at 31 December 2012. According to the management accounts of the Joint Venture, the Joint Venture suffered a net loss of approximately RMB285,000 (equivalent to approximately HK\$364,800) for the year ended 31 December 2013. The Board does not foresee that the voluntary winding-up of the Joint Venture will lead to any material adverse impact on the business of the Group.

DEFINITIONS

The following terms have the following meanings in this announcement unless the context otherwise requires:

“Board”	the board of Directors
“Company”	China Vanadium Titano-Magnetite Mining Company Limited (中國釩鈦磁鐵礦業有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange
“Cooperative Agreement”	the cooperative agreement dated 30 August 2011 entered into between the Parties in relation to the development of the Dashanshu Section
“Dashanshu Section”	the Dashanshu section of the Pingchuan Iron Mine which has an exploration area of approximately 5 square kilometres within the exploration area set out in the Exploration Permit
“Director(s)”	the director(s) of the Company

“Exploration Permit”	the exploration permit (勘查許可證) for 鹽源縣平川鐵礦接替資源普查 (Survey on the Handover Reserves of Pingchuan Iron Mine of Yanyuan County*) held by Pingchuan Iron Mining Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Joint Venture”	涼山州威川礦業有限公司 (Liangshan Weichuan Mining Co., Ltd.*), a joint venture formed pursuant to the Cooperative Agreement
“Lingyu”	四川省凌御投資有限公司 (Sichuan Lingyu Investment Co., Ltd.*), a limited liability company established in the PRC on 9 June 2010
“Nanyu”	四川南譽信息技術有限公司 (Sichuan Nanyu Information Technology Company Limited*), a company established in the PRC
“Parties”	the Company, Pingchuan Iron Mining Company and Nanyu
“Pingchuan Iron Mine”	the Pingchuan Iron Mine which is located in Yanyuan County (鹽源縣), Liangshan Prefecture (涼山州), Sichuan Province, the PRC) which has an exploration area of 69.09 square kilometres as set out in the Exploration Permit
“Pingchuan Iron Mining Company”	四川省鹽源縣平川鐵礦 (Sichuan Province Yanyuan County Pingchuan Iron Mine*) currently known as 鹽源縣金鐵礦業集團有限公司 (Yanyuan County Gold and Iron Mining Group Co., Ltd.*), a state-owned enterprise under the authority of the People’s Government of Yanyuan County
“PRC”	the People’s Republic of China, not including Taiwan, Hong Kong and the Macau Special Administrative Region of the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) with nominal value of HK\$0.10 each in the share capital of the Company

“Shareholders” holders of Shares

“Stock Exchange” The Stock Exchange of Hong Kong Limited

For the purpose of this announcement, the exchange rate of RMB1 = HK\$1.28 has been used for currency translation, where applicable. Such exchange rates are for illustration purposes and do not constitute representations that any amount in HK\$ of RMB has been, could have been or may be converted at such rate.

* *For reference purposes only, the Chinese name of the PRC entity has been translated into English in this announcement. If there is any inconsistency between the Chinese name and the English translation, the Chinese name shall prevail.*

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

Hong Kong, 17 January 2014

As at the date of this announcement, the Board of the Company comprises Mr. Jiang Zhong Ping (Chairman), Mr. Tang Wei, and Mr. Roy Kong Chi Mo as executive Directors; Mr. Wang Jin, Mr. Teo Cheng Kwee and Mr. Yu Xing Yuan as non-executive Directors; and Mr. Yu Haizong, Mr. Gu Peidong and Mr. Liu Yi as independent non-executive Directors.

Website: www.chinavtmmining.com