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

**中國鈇鈦磁鐵礦業有限公司**

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

**(Stock Code: 00893)**

**INSIDE INFORMATION  
UPDATE ON EXPLORATION OF  
NIOBIUM AND TANTALUM AT THE BAICAO MINE  
AND  
PROFIT WARNING**

This announcement is made pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board announces that all Exploration Work will be terminated from 5 March 2014 and the normal mining operations at the Baicao Mine will resume on or before 13 March 2014.

As disclosed in the Announcement, it was expected that the Exploration Work would be completed by May 2014. As the Exploration Work will now be terminated from 5 March 2014, the decrease in the production volume of the Group's vanadium-bearing iron concentrates as a result of the Exploration Work is expected to reduce from a maximum of 250,000 tonnes (as disclosed in the Announcement) to a maximum of 125,000 tonnes only. Notwithstanding the foregoing, the revenue and profits of the Group for the first half of 2014 are expected to be substantially reduced, as compared to those for the same period in 2013.

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

Reference is made to the Announcement in relation to the discovery of niobium and tantalum at the Baicao Mine and profit warning.

This announcement is made pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

## **Termination of exploration of niobium and tantalum ore resources at the Baicao Mine**

Since July 2013, the Group has engaged Sichuan Geochemistry Exploration Team to prepare a geological exploration report and engaged two independent research institutes to prepare beneficiation and metallurgical testing reports on niobium and tantalum ore resources at the Baicao Mine. Although the geological exploration report prepared by Sichuan Geochemistry Exploration Team indicates that there may be substantial niobium and tantalum ore resources at our Baicao Mine, the two independent research institutes have concluded in their beneficiation and metallurgical testing reports that the niobium and tantalum ore resources at the Baicao Mine cannot be economically recovered from the ore. After considering the results of the beneficiation and metallurgical testing reports, the Board is of the view that it will not be in the best interest of the Company to pursue the Exploration Work further. As such, the Board has decided to terminate all Exploration Work from 5 March 2014. The normal mining operations at the Baicao Mine will resume on or before 13 March 2014.

## **Impact on production of vanadium-bearing iron concentrates**

As disclosed in the Announcement, it was expected that the Exploration Work would be completed by May 2014. As the Exploration Work will now be terminated from 5 March 2014, the decrease in the production volume of the Group's vanadium-bearing iron concentrates as a result of the Exploration Work is expected to reduce from a maximum of 250,000 tonnes (as disclosed in the Announcement) to a maximum of 125,000 tonnes only. Notwithstanding the foregoing, the revenue and profits of the Group for the first half of 2014 are expected to be substantially reduced, as compared to those for the same period in 2013.

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

## **DEFINITIONS**

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

“Announcement”	the Company's announcement dated 11 July 2013
“Baicao Mine”	白草鐵礦, the vanadium-bearing titano-magnetite mine located in Xiaoheiqing Townlet, Huili County, Sichuan and operated by Huili Caitong with a mining area of 1.88 square kilometers
“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
“Director(s)”	the director(s) of the Company

“Exploration Work”	exploration work in relation to niobium and tantalum ore resources at the Baicao Mine
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huili Caitong”	Huili County Caitong Iron and Titanium Co., Ltd.* (會理縣財通鐵鈦有限責任公司), established in the PRC on 7 July 1998 and is a foreign equity joint venture in the PRC since 29 December 2010, an indirect wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, not including Taiwan, Hong Kong and the Macau Special Administrative Region of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
“Share(s)”	ordinary share(s) with nominal value of HK\$0.10 each in the share capital of the Company
“Shareholders”	holders of Shares
“Sichuan Geochemistry Exploration Team”	Geochemistry Exploration Brigade of Sichuan Bureau of Exploration and Development of Geology and Mineral Resources (四川省地質礦產勘查開發局化探隊)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

\* *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, 4 March 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](http://www.chinavtmmining.com)*