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China Vanadium Titano-Magnetite Mining Company Limited

中國鈦磁鐵礦業有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00893)

**DISCLOSEABLE TRANSACTION
ACQUISITION OF PANZHIHUA YIXINGDA
INDUSTRIAL TRADING CO., LTD.*
EXECUTION OF SECOND SUPPLEMENTAL AGREEMENT**

Reference is made to the announcements of China Vanadium Titano-Magnetite Mining Company Limited (the “**Company**”) dated 29 December 2011 in relation to the acquisition of Panzhihua Yixingda Industrial Trading Co., Ltd.* (攀枝花易興達工貿有限責任公司) (the “**December 2011 Announcement**”) and dated 22 April 2013 in relation to the extension of time for the fulfilment of a condition precedent to such acquisition (the “**April 2013 Announcement**”) (collectively, the “**Announcements**”). Unless otherwise specified, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

As disclosed in the April 2013 Announcement, pursuant to the Acquisition Agreement, completion of the Acquisition is conditional upon, among other things, the Mineral Resources and Reserves Report having been issued by an independent geological agent (the “**Geological Agent**”) before 30 March 2013 (the “**Report Date**”) showing that the Mine has a minimum of 100 million tonnes of mineral resources and reserves with a minimum average iron content (Type 333 or above) of 15% or above. As disclosed in the April 2013 Announcement, on 22 April 2013, Lingyu and the Sellers entered into a supplemental agreement to extend the Report Date from 30 March 2013 to 30 March 2014 or such later date as Lingyu and the Sellers may agree (the “**Extended Report Date**”). All other terms and conditions of the Acquisition Agreement remained unchanged.

In March 2014, the Geological Agent issued the Mineral Resources and Reserves Report, in which it was estimated that the Mine had approximately 40 million tonnes of mineral resources and reserves with a minimum average iron content (Type 333 or above) of 15% or above, well below the 100 million tonnes required to satisfy the condition precedent to the completion of the Acquisition under the Acquisition Agreement. After considering the contents of the Mineral Resources and Reserves Report and the extent of the works done by the Geological Agent, the Company is of the view that the bases upon which the volume of the relevant mineral resources and reserves at the Mine is estimated in the Mineral Resources and Reserves Report are not sufficient. As such, it is of the view that further exploration works should be carried out to further confirm the estimated volume of the relevant mineral resources and reserves at the Mine. Therefore, on 28 May 2014 (after trading hours), Lingyu and the Sellers entered into a second supplemental agreement (the “**Second Supplemental Agreement**”), whereby the Sellers will instruct the Geological Agent to carry out further exploration works on the Mine for a period of six months from 1 June 2014. The Board will consider the results of the further exploration works, and also conduct its own analysis of the economic value of the Mine based on such results. Pursuant to the Second Supplemental Agreement, if, based on the results of the further exploration works carried out by the Geological Agent, the estimated volume of mineral resources and reserves at the Mine with a minimum average iron content (Type 333 or above) of 15% or above is still below 100 million tonnes, Lingyu may either choose to terminate the Acquisition Agreement and not complete the Acquisition, or re-negotiate the terms of the Acquisition with the Sellers, with reference to the economic value of the Mine.

As at the date of this announcement, Lingyu has paid to the Sellers a refundable deposit of RMB200 million (equivalent to approximately HK\$250 million) (the “**Deposit**”). Pursuant to the Acquisition Agreement, Lingyu is entitled to terminate the Acquisition Agreement as a result of, among other things, a non-fulfilment of any condition precedent provided in the Acquisition Agreement, in which event Lingyu will be entitled to recover all sums paid by it under the Acquisition Agreement, including the Deposit.

As completion of the Acquisition is subject to the fulfilment of a number of conditions precedent under the Acquisition Agreement, the Acquisition may or may not proceed. Shareholders and potential investors are urged to exercise caution when dealing in the Shares.

* *denotes an English translation of a Chinese name and is for identification purpose only. If there is any inconsistency between the Chinese name and English translation, the Chinese name shall prevail.*

Unless otherwise specified, the exchange rate adopted in this announcement, for illustration purpose, is RMB1.00 = HK\$1.25. No representation is made and there is no assurance that RMB or HK\$ can be purchased or sold at such rate.

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

Hong Kong, 28 May 2014

As at the date of this announcement, the Board 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.

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