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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)**

## **UPDATE ON FURTHER SUBSCRIPTION OF THE EXCHANGEABLE NOTE**

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

The Directors hereby announce that following the meeting of the board of Directors on 16 December 2011, it was decided that the Investor will not make a further payment of US\$20,000,000 (equivalent to approximately HK\$155,600,000) for the further subscription of the Exchangeable Note on or before 31 December 2011. Therefore, the total aggregate principal amount of the Exchangeable Note subscribed by the Investor will remain as the sum of the Initial Subscription and the Second Subscription, being US\$30,000,000 (equivalent to approximately HK\$233,400,000).

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

Reference is made to the announcements of the Company dated 2 May 2011 (the “May Announcement”), 9 August 2011 (the “August Announcement”), 30 September 2011 (the “September Announcement”), 18 November 2011 (the “First November Announcement”) and 25 November 2011 (the “Second November Announcement”). Unless the context otherwise requires, capitalised terms used in this announcement have the same meaning given to them in the May Announcement.

## **INTRODUCTION**

It was announced in the May Announcement, among other things, that:

- (a) the Investor, a direct wholly-owned subsidiary of the Company, had entered into the Secured Exchangeable Note Purchase Agreement with the Issuer, Rui Tong Limited, pursuant to which, the Issuer had conditionally agreed to issue and the Investor had conditionally agreed to subscribe for the Exchangeable Note in the principal amount of US\$20,000,000 (equivalent to approximately HK\$155,600,000); and
- (b) the Investor may increase the subscription of the principal amount of the Exchangeable Note to US\$50,000,000 (equivalent to approximately HK\$389,000,000) after payment of up to a further US\$30,000,000 (equivalent to approximately HK\$233,400,000) (the “Further Subscription”) on or before 10 August 2011.

It was announced in the August Announcement, among other things, that the Investor and the Issuer had agreed to extend the time for the Further Subscription from on or before 10 August 2011 to on or before 30 September 2011.

It was announced in the September Announcement, among other things, that the Investor and the Issuer had agreed to extend the time for the Further Subscription from on or before 30 September 2011 to on or before 31 December 2011.

It was announced in the First November Announcement, among other things, that on 17 November, the Investor had made a further subscription by payment of a further US\$10,000,000 (equivalent to approximately HK\$77,800,000) (the “Second Subscription”).

It was further announced in the Second November Announcement, among other things, that on 25 November 2011, the Final Maturity Date of the Exchangeable Note had been extended from 11 May 2014 to 25 November 2014.

The principal terms of the Exchangeable Note, the Secured Exchangeable Note Purchase Agreement and other relevant information had been disclosed in the May Announcement and the First November Announcement.

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The Directors hereby announce that following the meeting of the board of Directors on 16 December 2011, it was decided that the Investor will not make a further payment of US\$20,000,000 (equivalent to approximately HK\$155,600,000) for the Further Subscription on or before 31 December 2011. Therefore, the total aggregate principal amount of the Exchangeable Note subscribed by the Investor will remain as the sum of the Initial Subscription and the Second Subscription, being US\$30,000,000 (equivalent to approximately HK\$233,400,000).

*Unless otherwise specified, the exchange rate adopted in this announcement for illustration purpose is US\$1.00 = HK\$7.78. No representation is made and there is no assurance that US\$ 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, 16 December 2011

*As at the date of this announcement, the Board comprises Mr. Jiang Zhong Ping, Mr. Liu Feng, and Mr. Yu Xing Yuan as Executive Directors; Mr. Wang Jin and Mr. Teo Cheng Kwee as Non-executive Directors; and Mr. Yu Haizong, Mr. Gu Peidong and Mr. Liu Yi as Independent Non-executive Directors.*

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