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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)

**SUPPLEMENTAL ANNOUNCEMENT
ON DISCLOSEABLE TRANSACTION
REGARDING THE ACQUISITION OF
THE 51% EQUITY INTEREST IN
SICHUAN HAUYUAN NEW MATERIALS CO., LTD.**

Reference is made to the announcement of China Vanadium Titano-Magnetite Mining Company Limited (the “**Company**”) dated 22 May 2014 (the “**Announcement**”) relating to a discloseable transaction of acquisition of the 51% equity interest in the Target Company, namely, Sichuan Haoyuan New Materials Co., Ltd. (四川省浩遠新材料有限公司). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The Board of the Company wishes to provide supplemental information on the Acquisition. Under Rule 18.09(3) of the Listing Rules, in the case of a major (or above) acquisition, a listed issuer shall produce a valuation report in compliance with Rule 18.34 of the Listing Rules, as part of the relevant circular, on the mineral assets acquired. As the current transaction is not a major (or above) acquisition, the valuation report, which is based on replacement cost method, mentioned in the Announcement differs from the valuation report prepared in compliance with Rule 18.34 of the Listing Rules.

The Consideration is determined based on arm's length negotiations between the Parties after taking into account primarily comparable transaction analysis of mining company acquisitions, consideration paid per unit of mining resource and discount applied to the prevailing market price of the mining products. The result of the comparable transaction analysis amounts to approximately RMB467 million. The Consideration represents approximately 20.8% discount against the result of the comparable transaction analysis. Accordingly, the Directors are of the view that the Acquisition (including the Consideration) is fair and reasonable and in the interests of the Company and the Shareholders as a whole. For the avoidance of doubt, the comparable transaction analysis does not take into account any revenue nor income of the mining assets under the Acquisition.

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

Hong Kong, 27 May 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