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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)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors that, based on the initial assessment of the Group's unaudited management accounts, the Group is expected to record a significant decline in profit for the six months ending 30 June 2014, as compared with the profit recorded for the corresponding period in 2013.

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

This announcement is made by China Vanadium Titano-Magnetite Mining Company Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) (the "**SFO**").

The board of directors of the Company (the "**Board**") wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on the initial assessment of the Group's unaudited management accounts, the Group is expected to record a significant decline in profit for the six months ending 30 June 2014, as compared with the profit recorded for the corresponding period in 2013. Such a significant decline in profit is mainly attributable to:

- (i) the decrease in sales volume and market prices of iron ore products as a result of the decrease in market demand. Such decrease in market demand is mainly due to the severe unfavourable downstream market and production reduction of steel companies within the region, which led to our periodic production suspension during the six months ending 30 June 2014 and adversely affect our performance;
- (ii) the increase in unit cost of sales of iron ore products as a result of our decrease in production volume and periodic production suspension during the six months ending 30 June 2014, as compared with that for the corresponding period in 2013; and
- (iii) the decrease in sales volume and market price of high-grade titanium concentrates which was a key growth driver for the Group as a result of the decrease in market demand during the six months ending 30 June 2014, as compared with that for the corresponding period in 2013.

The information contained in this announcement is only based on the preliminary assessment by the Board with reference to the information currently available including the unaudited management accounts of the Group, which have not been audited or reviewed by the Company's auditors. As at the date of this announcement, the Group's results for the six months ending 30 June 2014 have not yet been finalised, and are subject to necessary adjustments. Further details of the Group's financial information will be disclosed as and when the interim results of the Group for the six months ending 30 June 2014 are announced in August 2014.

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

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

Hong Kong, 3 June 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.

Website: www.chinavtmmining.com