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China Vanadium Titano-Magnetite Mining Company Limited

中國鈦鈹磁鐵礦業有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00893)

CLARIFICATION ANNOUNCEMENT

Reference is made to the joint announcement of China Vanadium Titano-Magnetite Mining Company Limited (the “**Company**”), Trisonic International Limited and Keen Talent Holdings Limited dated 21 December 2012 (the “**Offer Announcement**”) which sets out the proposed privatisation of the Company by way of a scheme of arrangement (the “**Proposal**”).

Reference is also made to the profit warning announcement of the Company dated 24 January 2013 (the “**Profit Warning Announcement**”) and the clarification announcement dated 24 January 2013 clarifying certain issues in the Profit Warning Announcement. This clarification announcement is published for the purpose of clarifying the format of the Profit Warning Announcement. Accordingly, the Company sets out below a revised announcement in relation to a profit warning which complies with Rule 10 and Practice Note 2 of the Codes on Takeovers and Mergers and Share Repurchases (the “**Takeovers Code**”).

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and 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 accounts, the Group is expected to record a significant decline in profit by no more than **40%** for the year ended 31 December 2012, as compared with the profit recorded for the year ended 31 December 2011.

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**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the 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 accounts, the Group is expected to record a significant decline in profit by no more than **40%** for the year ended 31 December 2012, as compared with the profit recorded for the year ended 31 December 2011. Such a decrease in profit is mainly attributable to the decrease in sales volume and market prices of iron ore products during the year ended 31 December 2012, as compared to that for the year ended 31 December 2011.

The information contained in this announcement is only based on the preliminary review of the unaudited accounts of the Group for the year ended 31 December 2012, which have not been reviewed or audited by the Company’s auditors. As at the date of this announcement, the Group’s consolidated results for the year ended 31 December 2012 have not yet been finalised, and are subject to necessary adjustments, if required. Further details of the Group’s financial information will be disclosed as and when the annual results of the Group for the year ended 31 December 2012 are announced in March 2013.

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

Shareholders and potential investors should note that the contents of this announcement do not meet the standard required by rule 10 of the Takeovers Code and have not been reported on in accordance with the Takeovers Code. The Company will as soon as practicable issue the audited results of the Group for the year ended 31 December 2012. Shareholders and potential investors should exercise caution in placing reliance on this announcement in assessing the merits and demerits of the Proposal and/or in dealing in the Shares, Options and other securities of the Company (as such terms are defined in the Offer Announcement).

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

Hong Kong, 25 January 2013

As at the date of this announcement, the Board of the Company comprises Mr. Jiang Zhong Ping (Chairman), 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.

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

Website: www.chinavtmmining.com