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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)

**INSIDE INFORMATION
OCCURRENCE OF EVENT OF DEFAULT UNDER
EXCHANGEABLE NOTE**

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 Directors hereby announce that the Investor, a wholly-owned subsidiary of the Company, is considering the potential course of action, including potential enforcement actions against the Issuer Group or potential extension of the Final Maturity Date, in response to the Issuer's failure to redeem the Exchangeable Note within five business days following the Final Maturity Date, which constitutes an Event of Default under the Exchangeable Note. The Investor's legal advisor has issued a formal notice to the Issuer informing the occurrence of an Event of Default and preserving the rights of the Investor under the relevant transaction documents.

The Board is in the process of assessing the financial impact of the Event of Default on the Group and will take into account the final course of action adopted by the Investor in making its assessment.

The Company will issue further announcement with respect to the final course of action taken in response to the Event of Default together with the Board's assessment in relation thereto as and when required in accordance with the Listing Rules.

This announcement is made by China Vanadium Titano-Magnetite Mining Company Limited (the "**Company**") 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 of the Laws of Hong Kong) (the "**SFO**").

INTRODUCTION

Reference is made to the announcements of the Company dated 2 May 2011, 9 August 2011, 30 September 2011, 18 November 2011, 25 November 2011, 2 December 2014, 31 December 2014, 8 January 2015 in relation to the subscription by Sure Prime Limited, a wholly-owned subsidiary of the Company, of the Exchangeable Note issued by Rui Tong Limited (collectively, the “**Exchangeable Note Announcements**”), and the annual results announcement for the year ended 31 December 2014 issued by the Company on 30 March 2015 (together with the Exchangeable Note Announcements, the “**Preceding Announcements**”). Unless the context otherwise requires, capitalised terms used in this announcement have the same meaning given to them in the Preceding Announcements.

THE EXCHANGEABLE NOTE

It was announced in the Preceding Announcements, among other things, that:

- (a) Sure Prime Limited, as the Investor, subscribed for the Exchangeable Note in the aggregate principal amount of US\$30,000,000 issued by Rui Tong Limited, as the Issuer, which is exchangeable into minority shareholding interest in Oriental Mining and Mineral Resources Co., Ltd., as the Target Company. The Target Group is principally engaged in the exploration and development of a vanadium bearing titano-magnetite iron sand ore mine located in Indonesia;
- (b) the Final Maturity Date of the Exchangeable Note was extended to 25 March 2015; and
- (c) as at 25 March 2015, the Investor did not receive any part of the redemption amount payable to it under the Exchangeable Note; and, on the same date, under the instruction of the Investor, its legal advisor issued a notice of potential event of default to the Issuer, which, among other things, requests the Issuer to pay the redemption amount in accordance with the terms of the Exchangeable Note.

OCCURRENCE OF EVENT OF DEFAULT

There is a term under the Note Certificate that all of the Exchangeable Note, which has not been exchanged into shares, shall be redeemed on the Final Maturity Date. As at the date of this announcement, the Investor has not received any part of the redemption amount payable by the Issuer under the Exchangeable Note.

It is an event of default under the Note Certificate (the “**Event of Default**”) if, among other things, the Issuer fails to pay any money payable by it under the Note Certificate within five business days following the Final Maturity Date. Accordingly, as at the date of this announcement, an Event of Default has occurred. The Investor’s legal advisor has issued a formal notice to the Issuer informing the occurrence of an Event of Default and preserving the rights of the Investor under the relevant transaction documents.

RESPONSE TO THE EVENT OF DEFAULT

The Directors hereby announce that the Investor is considering the potential course of action, including potential enforcement actions against the Issuer, the Target Group and their respective beneficial owners (the “**Issuer Group**”) or potential extension of the Final Maturity Date, in response to the occurrence of the Event of Default.

The Board is in the process of assessing the financial impact of the Event of Default on the Group and will take into account the final course of action adopted by the Investor in making its assessment.

The Company will issue further announcement with respect to the final course of action taken in response to the Event of Default and the Board’s assessment in relation thereto as and when required in accordance with the Listing Rules.

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

Hong Kong, 1 April 2015

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. Teo Cheng Kwee and Mr. Yu Xing Yuan as non-executive Directors; and Mr. Yu Haizong, Mr. Wu Wen and Mr. Liu Yi as independent non-executive Directors.

Website: www.chinavtmmining.com