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**CVM Minerals Limited**

**南亞礦業有限公司**

*(incorporated in Hong Kong with limited liability)*

**Stock Code: 705**

**UPDATE ON THE PROGRESS  
OF THE PERAK MAGNESIUM SMELTER**

**PRICE SENSITIVE INFORMATION**

The Board wishes to update the shareholders of the Company and potential investors on the progress of the Perak Magnesium Smelter and other matters related to the business of the Company.

As of the date of this announcement, save for certain outstanding technical issues to be dealt with in, amongst others, the dolomite quicklime storage yard and the waste heat boiler house in the material calcination workshop, the construction and installation works at the Perak Magnesium Smelter have been substantially completed, with the Company doing final touch-ups to the major buildings and planning a final Hot-Testing phase on the various workshops. Trial tests on site utility systems including water and electricity supply and drainage are being performed.

The Company is arranging to complete the Hot-Test procedures in the relevant workshops and as the Company enters into the commercial production phase, it will focus on the generation of magnesium ingot samples for the five prospective customers with whom it has entered into off-take agreements, validating production quality and pushing to settle and enter into definitive supply agreements with these five prospective customers and/or others, with the goal that production orders will be generated from them. This process will continue throughout the second quarter of 2010.

**Shareholders of the Company and potential investors are advised to exercise caution in dealing in the shares of the Company. Announcements in relation to further updates on, amongst other things, the business progress of the Perak Magnesium Smelter, will be published by the Company as and when appropriate.**

Reference is made to the announcements of the Company dated 27th February, 2009, 24th July, 2009, 15th October, 2009 and 22nd December, 2009. Capitalised expressions used in this announcement shall have the same meanings as attributed to them in the announcement dated 15th October, 2009.

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

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The specifications of the magnesium ingots to be produced by CVMSB will have to meet customers' requirements. The production and shipment schedules of the Company may be affected if the magnesium ingots' specifications do not meet their requirements or if customers make further requirements in the future.

In the meantime, the Company expects the first shipment of ferrosilicon and flux, the two major raw materials for producing magnesium ingots, to arrive at the Perak Magnesium Smelter in April 2010.

The Directors are of the view that the Group has sufficient means to finance the Group's present and future working capital requirements, in the absence of any unforeseeable circumstances.

Save for the certificates of fitness for certain machinery, the relevant employment visas and permits for the foreigners/foreign workers to be employed, the Malaysian legal advisers of the Company have opined that CVMSB has obtained all major/material licences, approvals and permits with a view to commencing the operation of the Perak Magnesium Smelter.

As of the date of this announcement, the Perak Magnesium Smelter has 69 employees responsible for various duties in the office and production floor. Additional workers will be recruited as the Company gradually ramps up the production capacity of the first production line of the Perak Magnesium Smelter.

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By order of the Board  
**CVM Minerals Limited**  
**Tony Tan**  
*Chairman*

Hong Kong, 7 April, 2010

*As at the date of this announcement, our Executive Directors are Mr. Chong Wee Chong, Mr. Gao Qi Fu and Mr. Lim Ooi Hong, and our Independent Non-executive Directors are Mr. Tony Tan, Ms. Wong Choi Kay, Mr. Chong Lee Chang and Mr. Lam Cheung Shu.*