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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 is pleased to inform the shareholders of the Company that the construction and installation works at the Perak Magnesium Smelter have been completed. In addition, the Board also wishes to update the shareholders on other matters related to the business of the Company.

The Hot Test procedures at the major workshops in the Perak Magnesium Smelter are still on-going and no major issues have arisen so far. All utility systems including water and electricity supplies and drainage at the site have been tested and are ready for use. The Perak Magnesium Smelter is now producing magnesium ingots, but the plant has yet to ramp up to commercial levels of production.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company as it has yet to generate revenues. Updates in relation to the progress of the Perak Magnesium Smelter will be the subject of further announcements of the Company as and when appropriate.**

Reference is made to the last announcement of the Company pertaining to the Update on the Progress of the Perak Magnesium Smelter dated 7 April, 2010.

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 Company has sufficient major raw materials, namely dolomite, ferrosilicon and flux, in store for producing magnesium ingots.

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 issuance of the physical certificates of fitness for certain machinery and 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 in relation to the operation of the Perak Magnesium Smelter.

As at 31 May 2010, the Perak Magnesium Smelter has 109 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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## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the meanings set out below:

“Board”	the board of directors of the Company;
“Company”	CVM Minerals Limited, a company incorporated in Hong Kong with limited liability and whose shares are listed on The Stock Exchange of Hong Kong Limited;
“CVMSB”	Commerce Venture Magnesium Sdn. Bhd., a company incorporated under the laws of Malaysia and a wholly owned subsidiary of the Company;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and CVMSB;
“Hot Test”	as defined in the prospectus of the Company dated 21 November, 2008; and
“Perak Magnesium Smelter”	the magnesium smelting plant of the Company constructed on a piece of land measuring 263,046 square metres held under HS (D) 24477, PT 19594, Mukim Asam Kumbang, District of Larut & Matang in the State of Perak, Malaysia and situated in the Kamunting Raya III Industrial Estate, Taiping, Perak, Malaysia.

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

Hong Kong, 17 June, 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.*