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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)

**SUPPLEMENTAL AGREEMENT
RELATING TO THE PLACING OF
CONVERTIBLE BONDS UNDER GENERAL MANDATE**

The Board wishes to announce that the Supplemental Agreement was entered into on 27 August 2010 after trading hours between the Company and the Placing Agent to (i) amend the terms of the Placing Agreement so as to allow the Placing be completed by tranches and (ii) embed the Cash Settlement Option to the Convertible Bonds.

INTRODUCTION

Reference is made to the announcement of CVM Minerals Limited (the “Company”) dated 20 August 2010 in relation to the placing of the convertible bonds (the “Announcement”). Unless otherwise stated herein, words and expressions defined in the Announcement shall have the same meanings when used in this announcement.

SUPPLEMENTAL AGREEMENT

The Board wishes to announce that a supplemental agreement was entered into on 27 August 2010 after trading hours (the “Supplemental Agreement”) between the Company and the Placing Agent to (i) amend the terms of the Placing Agreement so as to allow the Placing be completed by tranches and (ii) embed the Cash Settlement Option (as defined below) to the Convertible Bonds.

Placing by tranches

Pursuant to the Supplemental Agreement, the Placing Agent as agent of the Company shall during the period commencing upon the execution of the Placing Agreement and terminating at 5:00 p.m. on the Business Day prior to the relevant Completion Date to procure, on a best endeavour basis, Placeses to subscribe for the Convertible Bonds.

Pursuant to the Supplemental Agreement, Completion of the Placing is conditional upon the satisfaction of the conditions set out under the paragraph headed “Conditions of the Placing” in the Announcement (the “Conditions”) on or before 29 October 2010 (the “Long Stop Date”). In the event that the Conditions have not been fulfilled on or before the Long Stop Date (or such later date as the parties under the Placing Agreement may agree in writing), all rights, obligations and liabilities of the Placing Agent and of the Company under the Placing Agreement shall cease and none of them shall have any claims against any of the others in relation to the Placing, save for any antecedent breach thereof. For the avoidance of doubt, if any part of the Convertible Bonds shall have been completed on or before the Long Stop Date, the above provision shall apply to the remaining part of the Convertible Bonds not placed on or before the Long Stop Date.

The Placing can be completed partially. Save for the last tranche of the Convertible Bonds, the aggregate principal amount of the Convertible Bonds to be issued by the Company for each partial completion shall not be less than HK\$40 million, save for the last tranche of the Placing where the aggregate principal amount of the Convertible Bonds to be issued by the Company may be less than HK\$40 million. In light of the proposed issue of the Convertible Bonds in a maximum aggregate principal amount of HK\$116 million, the Placing can be completed partially by a maximum of 3 tranches. The Company will issue an announcement upon each partial completion of the Placing.

The Company will make a maximum of 3 listing applications to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the relevant Conversion Shares once the Placing Agent confirms to the Company that the aggregate principal amount of the Convertible Bonds to be subscribed by the Placees procured by the Placing Agent has reached HK\$40 million and that partial completion of the Placing can take place.

The Company and the Placing Agent have also agreed in the Supplemental Agreement that in the event that the Placing Agent or the Company terminates the Placing Agreement in accordance with its terms at any time before the Placing of all Convertible Bonds are completed, such termination will not affect any partial completion of the Convertible Bonds that have taken place prior to such date of termination.

The Board considers that Placing of the Convertible Bonds in tranches shall give flexibility to the Company in raising funds and the Company may receive funds in a quicker manner as partial completion can take place once the amount of Convertible Bonds placed by the Placing Agent has reached HK\$40 million. Accordingly, the Board considers that placing of the Convertible Bonds in tranches is fair and reasonable to the Company and its Shareholders as a whole.

Cash settlement option

Pursuant to the Placing Agreement, the Company and the Placing Agent have agreed to include a cash settlement option (the “Cash Settlement Option”) into the terms of the Convertible Bonds. The Cash Settlement Option is an option of the Company to pay to the relevant holders of the Bonds (the “Bondholders”) an amount of cash in HK\$ equal to the Cash Settlement Amount (as defined below) in order to satisfy the Conversion Right of the Bondholder in respect of the relevant Convertible Bond.

The maximum number of Shares issuable upon conversion of the Convertible Bonds by the Company pursuant to the General Mandate is 432,800,000. The Conversion Shares will be issued under the General Mandate. If there is any event occurred which leads to the number of Conversion Shares issuable to exceed the General Mandate, pursuant to the terms of the Convertible Bonds, the Company shall exercise the Cash Settlement Option, at any time upon issuance of a written notice to the respective Bondholders, to pay to the relevant Bondholders in cash in HK\$ equal to the multiple of (i) the number of Conversion Shares otherwise deliverable upon exercise of the Conversion Right in respect of the Convertible Bonds to which the Company has elected the Cash Settlement Option and (ii) the Conversion Price, in order to satisfy such Conversion Right in full or in part.

If the number of Conversion Shares issuable upon exercise of conversion rights attaching to the Convertible Bonds exceeds the General Mandate, the Company is obligated to exercise the Cash Settlement Option in respect of any Convertible Bond to the extent that Shares are not issuable on conversion for such Convertible Bonds for reason as mentioned above.

Save for the above, the Placing Agreement shall continue in full force and effect.

By Order of the Board
CVM Minerals Limited
Tony Tan
Chairman

Hong Kong, 27 August 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.