

To: Financial Reporters
[Immediate Release]



China Vanadium Titano-Magnetite Mining Company Limited
中國鈮鈦磁鐵礦業有限公司

China VTM Mining plans to construct a new iron pelletizing plant
Enhancing market share in supply and sale of iron pellets

[23 April 2010, Hong Kong] **China Vanadium Titano-Magnetite Mining Company Limited** (“**China VTM Mining**” or the “Company”, together with its subsidiaries, the “Group”; stock code: 00893.HK), the second largest operator and the largest non state-owned operator of iron ore mines in Sichuan Province, the PRC, is pleased to announce that the Company plans to construct a new iron pelletizing plant (the “New Plant”) in Ailang Townlet, Huili County, Sichuan, the PRC, which is approximately 5.5 km from the Xiushuihe Mine. After the completion of the construction of the New Plant with iron pellets production capacity of up to approximately 1,500.0 Kt, together with the Group’s current annual iron pellets production capacity of 760.0 Kt, the aggregate annual iron pellets production capacity is expected to reach approximately 2,260.0 Kt.

The construction project is expected to be completed in two phases. The construction of the first phase is expected to commence in the second quarter of this year, focusing on the construction of a new iron pelletizing production line with a planned annual production capacity of up to approximately 1,000.0 Kt. It is currently anticipated that full commercial production using the first phase production line will commence by 30 June 2011. The Company estimates that the total investment in connection with the first phase will be approximately RMB104 million which will be fully funded by the Group’s internal resources.

The second phase of the construction project is targeted to expand the first phase production line to further increase the planned annual production capacity at the New Plant to up to 1,500.0 Kt in total. Details relating to the second phase will be finalized after completion of the first phase.

With a completed and fully operating first phase production line, the Group may enhance its operating profits as the selling price for iron pellets is generally higher than that of iron concentrates, and as iron pellets contain less water than iron concentrates, the transportation costs for iron pellets are relatively lower compared to the costs of transporting iron concentrates for an equivalent amount of metal content.

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In addition, unlike iron concentrates, iron pellets can be used directly in the manufacture of steel. As such, the Group believes that iron pellets are preferred by steel manufacturers over iron concentrates, and this can potentially increase the Group's market share in this area.

Mr. Jiang Zhong Ping, Chairman of China VTM Mining said, "The demand for iron pellets has been growing and, assuming this trend continues, we expect demand will continue to increase in the foreseeable future. We believe that the New Plant will enhance the Group's market share in supply and sale of iron pellets, and hence increasing revenues generated through the sales of iron pellets. Besides, with the increased production capacity from its own facilities, the Group will have the flexibility of reducing the allocation to the third party pelletizing contractors the production of iron pellets on behalf of the Group. We believe that the construction project will be beneficial to the business of the Company and the Shareholders as a whole."

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About China Vanadium Titano-Magnetite Mining Company Limited

Listed on the main board of the Hong Kong Stock Exchange on 8 October 2009, China VTM Mining is the second largest operator and the largest non state-owned operator of iron ore mines in Sichuan. The Group is primarily engaged in mining, ore processing, iron pelletizing and the sale of iron concentrates, iron pellets and titanium concentrates to steel producers and downstream users of titanium-related products. The Group owns and operates four vanadium-bearing titanomagnetite mines – the Baicao Mine, the Xiushuihe Mine, the Yangqueqing Mine and the Cizhuqing Mine, four production facilities, the Baicao Processing Plant, the Xiushuihe Processing Plant, the Hailong Production Facility and the Heigutianshe Production Facility and one Iron Pelletizing Plant, all located in Sichuan's Panxi region, a region with the most abundant vanadium-bearing titanomagnetite resources in the PRC.

More information please visit: <http://www.chinavtmmining.com>

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