



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

***China VTM Mining Acquires Certain Assets at the Heigutianshe
Production Facility at a Consideration of RMB550 million***

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***Greater Production Output Contributes to
Long-term Revenue Generation***

[12 March 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, announced that on 11 March 2010, the Group has successfully entered into an asset transfer agreement to acquire certain assets at Heigutianshe Production Facility (“Target Assets”). Upon entering into the assets transfer agreement, the existing Assets Lease Agreement has been simultaneously terminated. The total consideration of the acquisition amounted to RMB550 million and is payable by 5 installments after applying the deposit of RMB88.76 million as part payment.

Heigutianshe Production Facility is an iron concentrates and high-grade titanium concentrates production facility at Heigutianshe, Xinjiu Town, Yanbian County, Sichuan. The Target Assets in Heigutianshe includes (a) a recently revamped iron concentrates production line with an annual capacity of 800kt iron concentrates and 120kt high-grade titanium concentrates, together with a tailing storage facility at Heigutianshe, Xinjiu Town, Yanbian County, Sichuan owned by the Transferor, (b) land use rights for Land Parcel 1, Land Parcel 2 and Land Parcel 3, (c) machinery and equipment at the Heigutianshe Production Facility, and (d) permanent right of way of a pavement at the length of 9.18 km at the Heigutianshe Production Facility.

The Target Assets have been previously leased to the Group. During the term of the assets lease agreement, the Group has the option to acquire the leased assets which is subject to the results of due diligence and at its sole discretion. As due diligence against the Target Assets has been completed to the satisfaction of the Group, the Group has decided to exercise the option and proceed with the completion of the acquisition.

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Regarding the acquisition, Mr. Jiang Zhong Ping, Chairman of China VTM Mining said, "Through acquiring the Heigutianshe Production Facility, the Group will internalize the increase in production capacities and integrate the Target Assets in our production facilities. The acquisition will increase our iron concentrates production capacity by 800kt per annum, and that of high-grade titanium concentrates by 120kt per annum. This will yield greater production output and contribute to our long-term revenue generation. Looking ahead, the Group will continue to optimize its role as the mining industry's leader, seek business opportunities in the interest of the Company and the shareholders as a whole, and commit to bringing solid financial returns to our shareholders."

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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>

Issued by Porda International (Finance) PR Company Limited for and on behalf of **China Vanadium Titano-Magnetite Mining Company Limited**. For further information, please contact:

Porda International (Finance) PR Company Limited

Ms. Kylie Yeung	+852 3150 6770	kylie.yeung@pordafinance.com.hk
Ms. Ada Leung	+852 3150 6732	ada.leung@pordafinance.com.hk
Ms. Effie Ng	+852 3150 6733	effie.ng@pordafinance.com.hk
Ms. Irene Chan	+852 3150 6739	irene.chan@pordafinance.com.hk
Fax: +852 3150 6728		

