

To: Financial Reporters
[Immediate Release]



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

China VTM Mining Enters into Iron Concentrate Sale Contract with Weiyuan Steel

[21 October 2011, 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) today announced that Huili County Caitong Iron and Titanium Co., Ltd. (“Huili Caitong”), an indirect wholly-owned subsidiary of the Company entered into an iron concentrate sale contract with Weiyuan Steel Co., Ltd. (“Weiyuan Steel”), a connected person of the Company on 21 October, 2011, given that the existing iron concentrate sale contract will expire on 31 December 2011.

Pursuant to the sale contract, Huili Caitong agreed to sell (or procure another member of the Group (other than the Company) to sell), and Weiyuan Steel agreed to purchase, vanadium-bearing iron concentrates (standard TFe grading of 54%) for a period commencing from 1 January 2012 to 31 December 2014 at the market price during the relevant period. The Company confirms that the price of vanadium-bearing iron concentrates to be sold by Huili Caitong under the sale contract to Weiyuan Steel is determined based on arm’s length negotiations, will follow the market price during the relevant period, and is no less favourable than those independent customers of the Group in the same region.

Purchasing iron ore products from suppliers abroad or other regions of China is more costly than purchasing from suppliers in Sichuan province due to related significant transportation costs as well as the higher prices of imported iron ore products. In addition, iron ore from different area has different mineral contents. Accordingly, steel producers must invest time and resources into formulating the appropriate mix of iron ore with other additives to produce steel of the same quality and specifications from such different ore lots. As a result, Weiyuan Steel has the commercial incentive to purchase the iron ore products it requires from Huili Caitong to reduce its costs and secure a stable source of supply close to its production facilities.

Commenting on the agreement, **Mr. Jiang Zhong Ping, Chairman of China VTM Mining** said “Given that Weiyuan Steel has been our stable customer since 2005 and is willing to offer market prices for our iron ore products, we are of the view that the entering into the sale contract is in the ordinary and usual course of business and the terms of the sale contract are fair and reasonable and in the best interests of Huili Caitong, the Company and our shareholders as a whole. Looking ahead, we will be dedicated to become an industry leader in the industry, and strive to generate the greatest 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 province. The Group is primarily engaged in mining, ore processing, iron pelletising and the sale of iron concentrates, iron pellets and titanium concentrates to steel producers and downstream users of titanium-related products. The Group now owns and operates four vanadium-bearing titano-magnetite mines (namely the Baicao mine, the Xiushuihe mine, the Yangqueqing mine and the Cizhuqing mine), two ordinary iron ore mines (namely the Maoling mine and the Yanglongshan mine), five processing plants (namely the Baicao processing plant, the Xiushuihe processing plant, the Hailong processing plant, the Heigutian processing plant and the Maoling processing plant) and two iron pelletising plants, all of which are located in Sichuan province, a region with the most abundant vanadium-bearing titano-magnetite resources in China.

For more information on China VTM Mining, please visit: <http://www.chinavtmmining.com>.

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

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