

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 Acquires  
Panzhuhua Yixingda Industrial Trading Co., Ltd.**

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**Further Increase Iron Ore Resources  
Implement Sustained Expansion Strategy**

[29 December 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 Sichuan Lingyu Investment Co., Ltd. (四川省凌御投資有限公司), an indirect wholly-owned subsidiary of the Group, entered into the acquisition agreement to acquire the entire paid-up registered capital of Panzhuhua Yixingda Industrial Trading Co., Ltd. (攀枝花易興達工貿有限責任公司, “Panzhuhua”) for a consideration of at least RMB600,000,000 on 28 December 2011.

The asset of Panzhuhua is the Mine which covers an area of 20.37 sq. km. at Renhe District, Panzhuhua City, Sichuan Province. The term of the Exploration Permit runs from 14 November 2011 to 31 December 2013. It is estimated by an independent geological agent that the Mine has a minimum of 100 million tonnes of resources and reserves with minimum average iron content (Type 333 or above) of 15% or above. It is currently expected that mining with respect to the Mine will commence before 31 December 2014.

The consideration of the acquisition is subjected to increase depending on the volume of mineral resources and reserves with minimum average iron content (Type 333 or above) of 15% or above in the Mine), which will be settled by cash in the following manner: (i) payment of RMB200,000,000 to be made within 5 business days of execution of the Acquisition Agreement; (ii) payment of a further RMB100,000,000 to be made within 30 business days of the date on which the Panzhuhua Mine Volume Note is issued; (iii) payment of a further sum depending on the final determined volume of mineral resources and reserves with minimum average iron content (Type 333 or above) of 15% or above in the Mine, within 90 business days of the completion of the sale and purchase of the Equity Interests, subtracting by RMB350,000,000; and (iv) payment of a further RMB50,000,000 within 30 business days of the receipt by Panzhuhua of the Mining Permit.

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Commenting on the Acquisition Agreement, **Mr. Jiang Zhong Ping, Chairman of China VTM Mining** said “The Panzhihua Mine is a vanadium-bearing titanomagnetite mine with an expectedly large volume of mineral resources and reserves. The iron content of the vanadium-bearing iron concentrates from the Mine could reach 55% or more through magnetic beneficiation. In addition, there is sufficient water and power supply and transportation system within close proximity of the Mine, which makes it ideal for large scale mining operation and construction of large scale processing plant for the Mine. Therefore, acquisition of the Panzhihua Mine will efficiently facilitate the Group’s new iron concentrates production line, which in turn will enable the Group to increase its production capacity substantially in the next three years. Such acquisition is in line with the Group’s key expansion strategies to further develop its current business by increasing its iron ore resources and reserves and iron concentrates production capacity. Looking ahead, we will continue to implement the Group’s expansion strategy, enhance the Group’s growth potentials, 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 titanomagnetite 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 titanomagnetite 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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