

To: Financial Reporters
[Immediate Release]



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

China VTM Mining Achieved Satisfactory Growth for 2011 Annual Results

Revenue Increased by 8.7%
Profit and Total Comprehensive Income Attributable to
Owners of the Company Increased by 11.8%

Financial Highlights			
	2011 (RMB '000)	2010 (RMB '000)	Change
Revenue	1,712,978	1,576,428	+8.7%
Gross profit	826,571	840,446	-1.7%
Profit before tax	747,500	713,106	+4.8%
Profit and total comprehensive income attributable to owners of the Company	605,892	541,816	+11.8%
Earnings per share attributable to ordinary equity holders of the Company (RMB) – basic and diluted	0.29	0.26	+11.5%
Proposed final dividend per share (HK\$)	0.073	0.062	+17.7%

[19 March 2012, 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 its annual results for the year ended 31 December 2011 (“the year”).

Amid the continuous slowdown of the global economy, the Group has achieved a stable growth and recorded an impressive performance results during the year, benefitted from its growing sale volume of vanadium-bearing iron concentrates and increasing selling price and sale volume of high-grade titanium concentrates. For the year ended 31 December 2011, the Group’s revenue amounted to approximately RMB1,713.0 million, representing an increase of 8.7% over the previous year. In particular, revenue generated from high-grade titanium concentrates recorded a significant increase from RMB32.9 million to RMB114.2 million in 2011, representing an increase of 246.9% over the previous year. The significant increase was mainly due to sharp increase in

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high-grade titanium concentrate price in the Sichuan region during the year. Profit and total comprehensive income attributable to owners of the Company amounted to approximately RMB605.9 million, representing an increase of 11.8% over the previous year. Basic and diluted earnings per share attributable to ordinary equity holders of the Company was RMB0.29 per share. To reward the shareholders, the board of directors recommended the payment of a final dividend of HKD0.073 per share (equivalent to approximately RMB0.059 per share) for the year, representing 20.2% of the profit and total comprehensive income attributable to owners of the Company.

In spite of the weak global economic condition, China's economic growth still surpassed many regions of the world driven by enormous domestic demand and rapid economic development. During the year, favourable government policies such as the great western development strategy and Regional Planning of Chengdu-Chongqing Economic Zone has been promulgated in China and thus brought tremendous development opportunities for the enterprises in the western region. In addition, the Guidance Opinion Regarding Accelerating High Tensile Steel Application encouraged the utilisation of high tensile steel, which boosted the demand for vanadium-bearing titano-magnetite iron ore as vanadium is the only widely used additive to improve steel strength. Meanwhile, demand for high-grade titanium concentrates in China was also keen along with the rising demand of titanium dioxide and worsening supply shortfall due to Vietnam ceased its export of high-grade titanium concentrates to China in 2011. These policies and favourable market conditions have encouraged industry growth and provided a valuable business opportunity for the Group.

Self-constructions, acquisitions and cooperation are the key drivers for the Group's sustainable growth. Regarding resources acquisition, the Group has completed the acquisition of Aba Mining Co., Ltd. ("Aba Mining") during the year and thus obtained the Maoling mine and the Yanglongshan mine. Together with the Maoling mine's extended exploration area, this acquisition has added approximately 60.8 Mt ordinary iron ore resources to the Group's portfolio. In addition, regarding cooperation, the Group has also entered into a cooperative agreement to develop the Dashanshu section of the Pingchuan mine through a joint venture arrangement. This mine has an estimated resource of approximately 50.0 Mt iron ore. Meanwhile, the Group has also entered into an acquisition agreement to acquire Panzhihua Yixingda Industrial Trading Co., Ltd., which owns the exploration right of the Haibaodang mine. Upon completion, this acquisition will add no less than 100.0 Mt of resources to the Group's portfolio.

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For capacity expansion, the construction of a high-grade titanium concentrate production line with an annual production capacity of 40.0 Ktpa at the Baicao Processing Plant, and the construction of a vanadium-bearing iron concentrate production line and a high-grade titanium concentrate production line with an annual production capacity of 300.0 Ktpa and 60.0 Ktpa, respectively at the Xiushuihe Processing Plant were completed. In addition, the Group has completed the first phase construction of the new iron pelletising plant, and thus boosted its self-production capacity of iron pellets from 360.0 Ktpa to 1,360.0 Ktpa. In addition, the completion of the Aba Mining acquisition agreement has also enabled the Group to obtain an iron concentrate production line of 150.0 Ktpa equipped in the Maoling processing plant. Constant expansion of the production capacity led the Group to achieve satisfactory growth in the output volume of its three products. As at 31 December 2011, the Group's production capacity (on a wet basis) of vanadium-bearing iron concentrates, ordinary iron concentrates, iron pellets and high-grade titanium concentrates amounted to the followings:

Product category	Self-production capacity (Ktpa)
Vanadium-bearing iron concentrates	2,600.0
Ordinary iron concentrates	150.0
Iron pellets	1,360.0
High-grade titanium concentrates	280.0

During the year, the Group has also tapped into offshore strategic resources in Indonesia with an option to convert an exchangeable note into a minority stake in Oriental Mining and Mineral Resources Co., Ltd. and to secure a stable supply of vanadium-bearing iron concentrates.

Looking ahead, **Mr. Jiang Zhong Ping, Chairman of China VTM Mining said**, "With favourable policies launched by the PRC government and potential rising demand in the industry, we will strive to capture the market dynamics and maintain future business growth. It is expected that an additional total production capacity of 12.5 Mt newly added by major steel enterprises in southwest area of the PRC gradually commence production by the end of 2012 and it is expected to push up the future demand for iron concentrates in the region. Looking into the future, we will continue to pursue organic growth and potential acquisitions to achieve resource and production capacity expansion. Moreover, we will make every effort to expand the geographic span of our products' market. We endeavor to become an industry leader and are well prepared for any upcoming business opportunities."

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About China Vanadium Titano-Magnetite Mining Company Limited

China VTM Mining was listed on the main board of the Hong Kong Stock Exchange on 8 October 2009. 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 mines are located in Sichuan province, a region with the most abundant vanadium-bearing titano-magnetite resources in China.

During 2011, the Group achieved several milestones. In May 2011, the Group secured an offshore supply together with an exchangeable note with an option to convert it into a minority stake in Oriental Mining and Mineral Resources Co., Ltd.. In the second half of 2011, the Group entered into a cooperative agreement in relation to establishing a joint venture for the purpose of the development of the Dashanshu section of the Pingchuan mine and entered into an acquisition agreement to acquire Panzhihua Yixingda Industrial Trading Co., Ltd. (which owns the exploration right of the Haibaodang mine). In addition to the aforesaid acquisitions and cooperative arrangements, the Group had significantly increased its self iron pelletising production capacity from 360.0 Ktpa to 1,360.0 Ktpa after the construction of a new pelletising plant was completed in May 2011.

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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