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China Vanadium Titano-Magnetite Mining Company Limited

中國鈦鈹磁鐵礦業有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 893)

PROPOSED CONSTRUCTION OF A NEW IRON PELLETTIZING PLANT

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

The Board is pleased to announce that the Company intends 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. Based on the feasibility study report prepared by Shanghai Greenland Construction Design Institute* (上海綠地建設設計研究院有限公司), subject to the completion of the Construction Project, a new production line in the New Plant can potentially reach an annual iron pellets production capacity of up to approximately 1,500.0 Kt. Assuming the Construction Project is completed in accordance with the planning, construction and implementation schedules, 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 Company will make further announcements in respect of the Construction Project as and when appropriate.

This announcement is made pursuant to Rule 13.09 of the Listing Rules. The purpose of this announcement is to keep Shareholders and potential investors of the Company apprised of the latest developments relating to the Group.

The Board is pleased to announce that the Company intends 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. Based on the feasibility study report prepared by Shanghai Greenland Construction Design Institute* (上海綠地建設設計研究院有限公司), subject to the completion of the Construction Project, a new production line in the New Plant can potentially reach an annual iron pellets production capacity of up to approximately 1,500.0 Kt. Assuming the Construction Project is completed in accordance with the planning, construction and implementation schedules, 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.

Based on preliminary planning and construction schedules, the Construction Project is expected to be completed in two phases. The first phase of the Construction Project (the “First Phase”) focuses on the construction of a new iron pelletizing production line with a planned annual production capacity of up to approximately 1,000.0 Kt. The construction of the First Phase is expected to commence in the second quarter of this year. 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 Company’s internal resources.

The second phase of the Construction Project (the “Second Phase”) 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. The Company plans on finalizing details relating to the Second Phase (including the timetable and the total investment) after completion of the First Phase.

The Company takes the view that the demand for iron pellets has been growing and, assuming this trend continues, the Company expects demand will continue to increase in the foreseeable future. As at 31 December 2009, the Group’s annual iron pellets production capacity at its existing iron pelletizing plant (including the 400.0 Kt production capacity allocated to the Group by independent third party pelletizing contractors) was approximately 760.0 Kt. To meet the increased market demand for iron pellets, the Company has decided to construct the New Plant. The Directors expect that the new production line established after completion of the First Phase and Second Phase, together with its existing iron pelletizing facilities (including production capacity covered under arrangements with independent third party pelletizing contractors), has the potential of increasing the Group’s annual production capacity of iron pellets up to approximately 2,260.0 Kt, and believe that the New Plant will enhance the Group’s market share in supply and sale of iron pellets, and therefore increasing revenues generated through the sales of iron pellets. In addition, the Company believes that, 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. Unlike iron concentrates, iron pellets can be used directly in the manufacture of steel and 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. 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. As such, the Board is of the view that the Construction Project will be beneficial to the business of the Company and the Shareholders as a whole.

The Company will make further announcements in respect of the Construction Project as and when appropriate.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the following meanings:

“Board”	the board of Directors
“Company”	China Vanadium Titano-Magnetite Mining Company Limited (中國釩鈦磁鐵礦業有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange
“Construction Project”	the construction of a new iron pelletizing plant in Ailang Townlet, Huili County, Sichuan, the PRC
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huili Caitong”	Huili County Caitong Iron and Titanium Co. Ltd.* (會理縣財通鐵鈦有限責任公司), a limited liability company established in the PRC on 7 July 1998 and a subsidiary of the Company
“km”	kilometer, a metric unit measure of distance
“Kt”	thousand tonnes
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shares”	ordinary shares of HK\$0.10 each in the share capital of the Company
“Shareholders”	holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Xichang Vanadium”	Xichang Vanadium and Titanium Products Co., Ltd* (西昌釩鈦製品有限公司), a limited liability company established in the PRC on 19 August 2003 and a connected person to the Group

“Xiushuihe Mine”	the Xiushuihe Vanadium-bearing Titanomagnetite Mine located in Ailang Townlet, Huili County, Sichuan, the PRC and operated by Xiushuihe Mining
“Xiushuihe Mining”	Huili Country Xiushuihe Mining Co. Ltd.* (會理縣秀水河礦業有限公司), a limited liability company established in the PRC on 26 June 2007 and a member of the Group beneficially owned as to 95.0% by Huili Caitong and 5.0% by Xichang Vanadium
“%”	per cent.

* For identification purpose only

By order of the Board
China Vanadium Titano-Magnetite Mining Company Limited
Jiang Zhong Ping
Chairman

Hong Kong, 23 April 2010

As at the date of this announcement, the Board comprises Mr. Jiang Zhong Ping, Mr. Liu Feng and Mr. Yu Xing Yuan as Executive Directors; Mr. Wang Jin and Mr. Teo Cheng Kwee as Non-executive Directors; and Mr. Yu Haizong, Mr. Gu Peidong and Mr. Liu Yi as Independent Non-executive Directors.

Website: www.chinavtmmining.com