

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

UPDATE ON THE ACQUISITIONS OF THE XIAOHEIQING JINGZHI MINE, THE MAOLING MINE AND THE YANGLONGSHAN MINE

This announcement is made by China Vanadium Titano-Magnetite Mining Company Limited (the “Company”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). Reference is made to the prospectus of the Company dated 24 September 2009.

Acquisition of the Xiaoheiqing Jingzhi mine

The board of directors of the Company (the “Board”) announces that on 12 May 2010, the Company extended the option period in the option agreement dated 18 June 2009 (the “Jingzhi Agreement”) between the Company and Panzhihua Jingzhi Mining Co., Ltd.* (攀枝花市經質礦產有限責任公司) (“Panzhihua Jingzhi”) in relation to the acquisition of the Xiaoheiqing Jingzhi mine by an additional year from 12 May 2010 to 11 May 2011.

The Company decided to extend the option period in the Jingzhi Agreement because given the large amount of resources within the Xiaoheiqing Jingzhi mine and the relatively small scale of mining operations in Panzhihua Jingzhi’s mining permit, Panzhihua Jingzhi is actively in the process of applying for an expansion of the current scale of the mining operations and the application process will not be completed prior to the expiry of the original option period. Upon the completion of such application with the relevant authorities in the People’s Republic of China (the “PRC”) and the relevant procedures required under the laws and regulations of the PRC, the Company will enter into further negotiations with Panzhihua Jingzhi to proceed with the acquisition of the Xiaoheiqing Jingzhi mine.

Acquisition of the Maoling mine and Yanglongshan mine

The Company understands that following the Sichuan earthquake in May 2008, Aba Mining Co., Ltd.* (阿壩礦業有限公司) (“Aba Mining”) plans to recommence its mining operations of the Maoling mine in the first quarter of 2011. The Company has agreed with Aba Mining that it shall proceed with the acquisition of the Maoling mine in accordance with the undertaking dated 17 June 2009 in relation to the transfer of the mining rights to Maoling mine to the Company, on the condition that Aba Mining obtains all necessary governmental approvals by the end of 2010 to recommence its mining operations of the Maoling mine.

In addition, the Company and Aba Mining entered into a memorandum of understanding dated 12 May 2010 pursuant to which the parties shall enter into an option agreement to grant the Company an option to acquire the exploration rights for a mine of an area of 8.79 square kilometers located at Yanglongshan in Wenchuan, Sichuan Province (the “Yanglongshan mine”) which Aba Mining recently obtained. Aba Mining currently owns 75% interest of the exploration rights to the Yanglongshan mine, and the remaining 25% is owned by an independent third party.

As the acquisitions of the Xiaoheiqing Jingzhi mine, the Maoling mine and the Yanglongshan mine may or may not proceed, shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

The entering into of the formal agreement for acquiring the Xiaoheiqing Jingzhi mine, if it materializes, may constitute a notifiable transaction for the Company under the Listing Rules. Further, the entering into of the formal agreements for acquiring the Maoling mine and the Yanglongshan mine, if they materialize, may constitute notifiable and connected transactions for the Company under the Listing Rules. Should the acquisitions proceed, the Company shall comply with the relevant requirements under the Listing Rules, including the making of announcements.

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

Hong Kong, 13 May 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

* *For identification purpose only.*