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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)

INCREASE IN SHAREHOLDING OF THE COMPANY BY A SHAREHOLDER AND REORGANISATION OF CERTAIN SHAREHOLDERS OF THE COMPANY

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

INCREASE IN SHAREHOLDING

The Board has been informed by Sapphire on its increased shareholding in the Company through purchases from the open market.

THE REORGANISATION

The Board announces that pursuant to the Reorganisation carried out by Trisonic, Sapphire and the Founders, (i) Sapphire transferred 25,000,000 shares in Kingston, representing approximately 40.0% of the total issued share capital of Kingston, to the Founders for an amount of USD30,080,000 and RMB231,344,162, and (ii) Trisonic transferred 190,944,000 Shares to Sapphire for an amount of RMB231,344,162.

The effective interest of the Founders and Sapphire in the Company immediately before and after the Reorganisation remained unchanged.

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

INCREASE IN SHAREHOLDING

On 18 May 2010, the Board was informed by Sapphire on its increased shareholding in the Company through purchases from the open market, details of which are set out below:

Since 8 October 2009 (being the date on which the Shares were listed on the main board of the Stock Exchange), Sapphire did not purchase any Shares, apart from those purchased pursuant to the Reorganisation as described below. After the market purchases on 13, 14 and 17 May 2010, Sapphire increased its original shareholding from 190,944,000 Shares, representing approximately 9.20% of the total issued share capital of the Company, to 193,188,000 Shares, representing approximately 9.31% of the total issued share capital of the Company.

Sapphire intends to continue to increase its shareholding in the Company if and when appropriate.

THE REORGANISATION

The Board announces that pursuant to the Reorganisation carried out by Trisonic, Sapphire and the Founders:

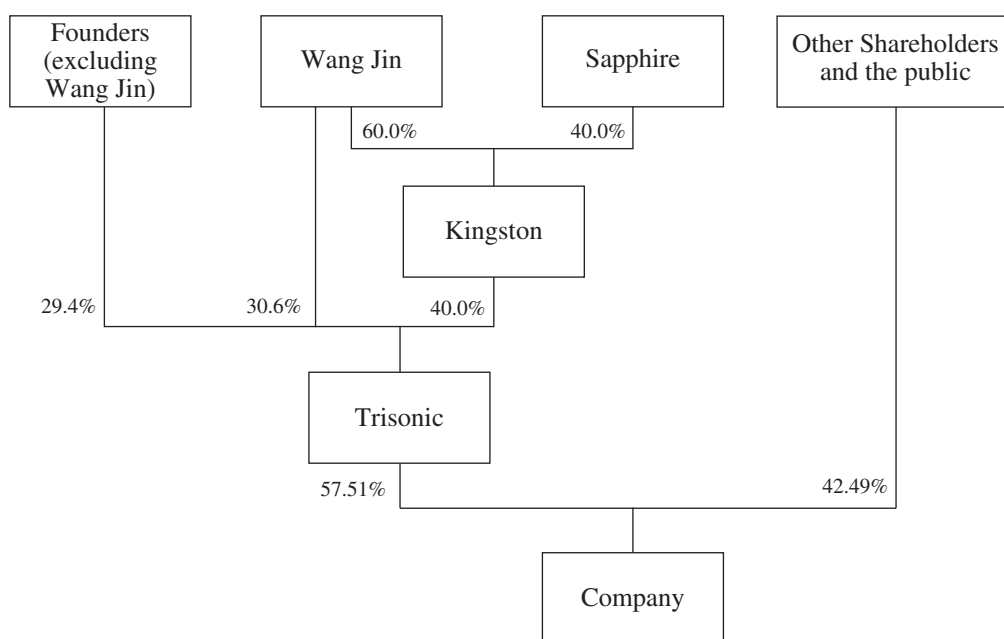
- (i) Sapphire transferred 25,000,000 shares in Kingston, representing approximately 40.0% of the total issued share capital of Kingston, to the Founders for an aggregate amount of USD30,080,000 (being the consideration for Sapphire's indirect interest in the other operating subsidiaries of Trisonic excluding the Company) and RMB231,344,162 (being the consideration for Sapphire's indirect shareholding of approximately 9.20% of the total issued share capital of the Company), pursuant to the Deed; and
- (ii) Trisonic transferred 190,944,000 Shares, representing approximately 9.20% of the total issued share capital of the Company, to Sapphire for an amount of RMB231,344,162, pursuant to the Sale and Purchase Agreement.

The effective interest of the Founders and Sapphire in the Company immediately before and after the Reorganisation remained unchanged.

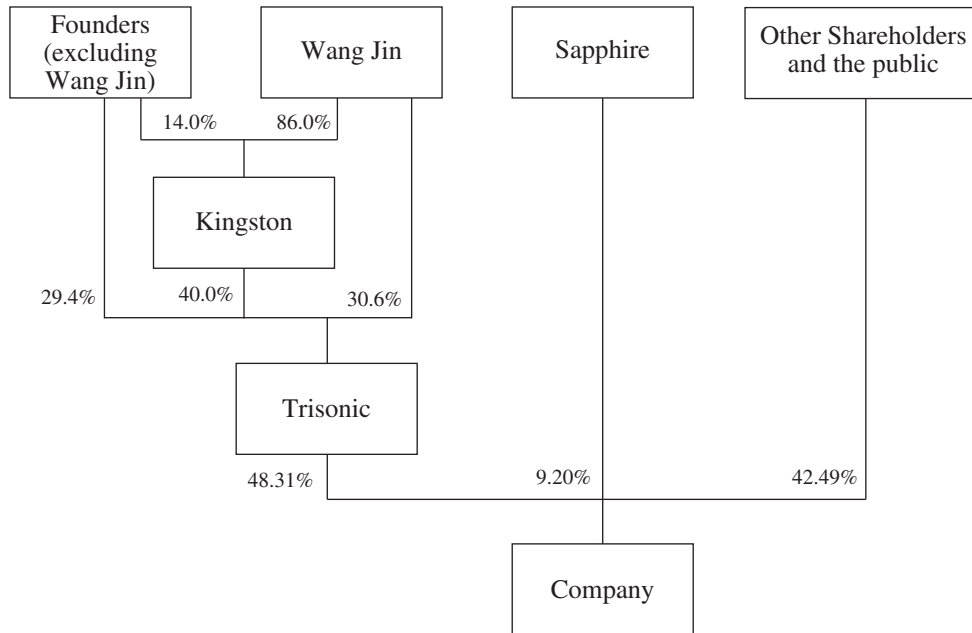
SHAREHOLDING STRUCTURE

Set out below are the shareholding structures of the Company before and after the Reorganisation:

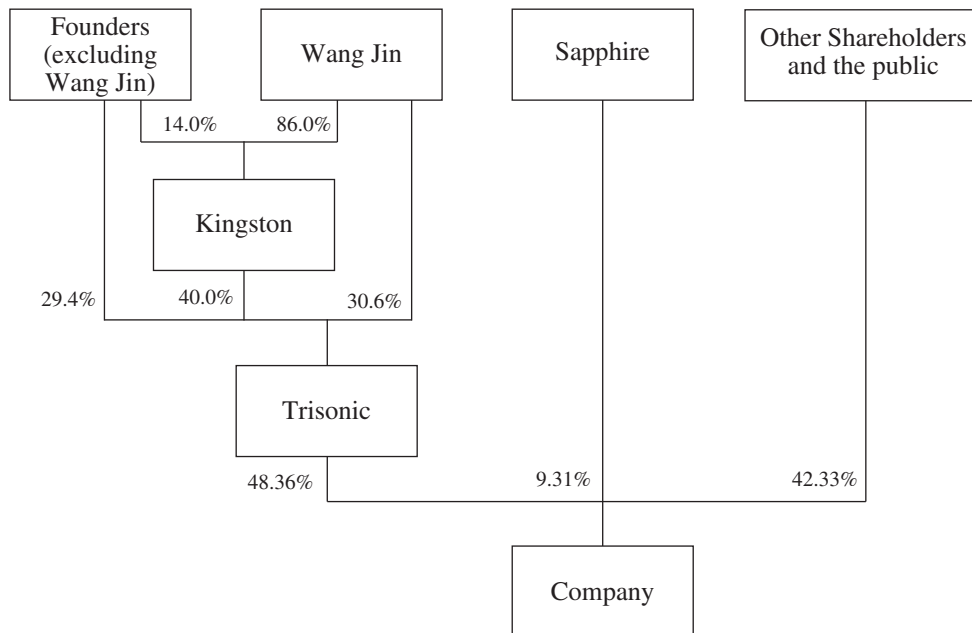
Shareholding structure immediately before the Reorganisation:



Shareholding structure immediately after the Reorganisation:



Shareholding structure as of 17 May 2010:



PURPOSE OF THE REORGANISATION

The purpose of the Reorganisation is to provide greater flexibility to Trisonic and Sapphire for future mergers and acquisitions and other corporate restructuring exercises.

The Reorganisation does not have any implications under the Takeovers Code.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

DEFINITIONS

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

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| “Board” | the board of Directors |
| “Company” | China Vanadium Titano-Magnetite Mining Company Limited |
| “Deed” | the deed entered into between the Founders and Sapphire for the transfer of approximately 40.0% of the issued share capital of Kingston held by Sapphire to the Founders pursuant to the Reorganisation |
| “Directors” | the directors of the Company |
| “Founders” | Mr. Wang Jin, Mr. Wu Wen Dong, Mr. Zhang Yuan Gui, Mr. Li He Sheng, Mr. Shi Yin Jun and Mr. Yang Xian Lu, being the founders of the Company |
| “Group” | the Company and its subsidiaries |
| “Kingston” | Kingston Grand Limited, a company incorporated in the British Virgin Islands on 20 February 2007 |
| “Listing Rules” | The Rules Governing the Listing of Securities on the Stock Exchange |
| “Reorganisation” | the intra-group reorganisation carried out pursuant to the Deed and the Sale and Purchase Agreement by Trisonic, Sapphire and the Founders, all being shareholders of the Company |
| “RMB” | Renminbi, the lawful currency of the People’s Republic of China |
| “Sale and Purchase Agreement” | the sale and purchase agreement entered into between Trisonic and Sapphire on 13 April 2010 for the transfer of approximately 9.20% of the total issued share capital of the Company by Trisonic to Sapphire pursuant to the Reorganisation |
| “Sapphire” | Sapphire Corporation Limited, a company incorporated under the laws of Singapore and listed on the Singapore Stock Exchange on 1 November 1999 |
| “Shareholders” | the shareholders of the Company |
| “Shares” | the ordinary shares of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Takeovers Code” | The Codes on Takeovers and Mergers and Share Repurchases |

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| “Trisonic” | Trisonic International Limited (合創國際有限公司), a company incorporated in Hong Kong on 19 July 2006 |
| “USD” | United States dollars, the lawful currency of the United States of America |

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

Hong Kong, 18 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