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**APPENDIX IV**

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**PROPERTY VALUATION**

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*The following is the text of a letter, summary of values and valuation certificates, prepared for the purpose of incorporation in this document received from Jones Lang LaSalle Sallmanns Limited, an independent valuer, in connection with its valuation as at June 30, 2009 of the property interests of the Group.*



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[● 2009]

The Board of Directors  
China Vanadium Titano-Magnetite Mining Company Limited  
Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman  
KY1-1111  
Cayman Islands

Dear Sirs,

In accordance with your instructions to value the properties in which China Vanadium Titano-Magnetite Mining Company Limited (the "Company") and its subsidiaries (hereinafter together referred to as the "Group") have interests in the People's Republic of China (the "PRC"), we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the capital values of the property interests as at June 30, 2009 (the "date of valuation").

Our valuation of the property interests represents the market value which we would define as intended to mean "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion".

Due to the nature of the buildings and structures of the properties in Group I and the particular locations in which they are situated, there are unlikely to be relevant market comparable sales readily available. The property interests have therefore been valued on the basis of their depreciated replacement cost.

Depreciated replacement cost is defined as "the current cost of replacement (reproduction) of a property less deductions for physical deterioration and all relevant forms of obsolescence and optimization". It is based on an estimate of the market value for the existing use of the land, plus the current cost of replacement (reproduction) of the improvements, less deductions for physical deterioration and all relevant forms of obsolescence and optimization. The depreciated replacement cost of the property interest is subject to adequate potential profitability of the concerned business.

We have attributed no commercial value to the property interests in Group II, which were held by the Group for short-term mining operations in the PRC due to the short-term nature of the relevant land use rights.

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We have attributed no commercial value to the property interests in Group III, which are rented by the Group, due either to the short-term nature of the lease or the prohibition against assignment or sub-letting or otherwise due to the lack of substantial profit rent.

Our valuation has been made on the assumption that the seller sells the property interests in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the values of the property interests.

No allowance has been made in our report for any charge, mortgage or amount owing on any of the property interests valued nor for any expense or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

In valuing the property interests, we have complied with all requirements contained in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited; the RICS Valuation Standards (6<sup>th</sup> Edition) published by the Royal Institution of Chartered Surveyors; and the HKIS Valuation Standards on Properties (1<sup>st</sup> Edition 2005) published by the Hong Kong Institute of Surveyors.

We have relied to a very considerable extent on the information given by the Group and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, and all other relevant matters.

We have been shown copies of various title documents including State-owned Land Use Rights Certificates, Building Ownership Certificates and official plans relating to the property interests and have made relevant enquiries. Where possible, we have examined the original documents to verify the existing title to the property interests in the PRC and any material encumbrance that might be attached to the property interests or any tenancy amendment. We have relied considerably on the advice given by the Company's PRC legal advisors – King & Wood, concerning the validity of the property interests in the PRC.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the properties but have assumed that the areas shown on the title documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

We have inspected the exterior and, where possible, the interior of the properties unless we have been otherwise instructed. However, we have not carried out investigation to determine the suitability of the ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory.

A serious earthquake struck certain areas of Sichuan Province in the PRC on May 12, 2008 causing damage to many properties. Properties inspected after that date will have attention drawn to the fact that they lie in an earthquake zone and may have been affected by the quake. We are not structural engineers and are unable to give expert opinion whether or not properties are in satisfactory structural condition. Therefore in the course of our valuation, we have relied considerably on the advice given by the Huili County Housing Safety Appraisal Office, concerning the structural condition of the properties located in this area in the PRC, and have made appropriate adjustments to our valuation as a result.

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We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also sought confirmation from the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to arrive at an informed view, and we have no reason to suspect that any material information has been withheld.

Unless otherwise stated, all monetary figures stated in this report are in Renminbi (RMB).

Our valuation is summarized below and the valuation certificates are attached.

Yours faithfully,  
for and on behalf of  
**Jones Lang LaSalle Sallmanns Limited**  
**Paul L. Brown**  
*B.Sc. FRICS FHKIS*  
*Director*

*Note: Paul L. Brown is a Chartered Surveyor who has 26 years' experience in the valuation of properties in the PRC and 29 years of property valuation experience in Hong Kong, the United Kingdom and the Asia-Pacific region.*

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### SUMMARY OF VALUES

#### GROUP I — PROPERTY INTERESTS HELD AND OCCUPIED BY THE GROUP IN THE PRC

No.	Property	Capital value in existing state as at June 30, 2009	Interest attributable to the Group	Capital value attributable to the Group as at June 30, 2009
		RMB		RMB
1.	3 parcels of land, various buildings and structures located at Xiaoheiqing and Ailang Town Huili County Liangshan Yi Autonomous Prefecture Sichuan Province The PRC	67,673,000	85.98%	58,185,000
2.	5 parcels of land, various buildings and structures located at Xiaoheiqing Town Huili County Liangshan Yi Autonomous Prefecture Sichuan Province The PRC	151,599,000	90.50%	137,197,000
3.	A parcel of land, various buildings and structures located at Lima River Village Guanhe Town Huili County Liangshan Yi Autonomous Prefecture Sichuan Province The PRC	16,760,000	90.50%	15,168,000
<b>Sub-total:</b>		<b>236,032,000</b>		<b>210,550,000</b>

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### GROUP II — PROPERTY INTERESTS HELD BY THE GROUP FOR SHORT-TERM MINING OPERATIONS IN THE PRC

No.	Property	Capital value in existing state as at June 30, 2009	Interest attributable to the Group	Capital value attributable to the Group as at June 30, 2009
		RMB		RMB
4.	2 parcels of land located at Ailang and Xiaoheiqing Town Huili County Liangshan Yi Autonomous Prefecture Sichuan Province The PRC	No commercial value	85.98%	No commercial value
5.	5 parcels of land located at Xiaoheiqing Town Huili County Liangshan Yi Autonomous Prefecture Sichuan Province The PRC	No commercial value	90.50%	No commercial value
<b>Sub-total:</b>		<b>Nil</b>		<b>Nil</b>

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### GROUP III — PROPERTY INTERESTS RENTED AND OCCUPIED BY THE GROUP IN THE PRC

No.	Property	Capital value in existing state as at June 30, 2009	Interest attributable to the Group	Capital value attributable to the Group as at June 30, 2009
		RMB		RMB
6.	Various office units on Levels 2 to 5 of a 5-storey office building located at Jianshe Road Huili County Liangshan Yi Autonomous Prefecture Sichuan Province The PRC	No commercial value	90.50%	No commercial value
7.	Various office units of Longwei Mansion No. 198 Longdu South Road Longquanyi District Chengdu City Sichuan Province The PRC	No commercial value	90.50%	No commercial value
<b>Sub-total:</b>		<u>Nil</u>		<u>Nil</u>
<b>Grand total:</b>		<u><u>236,032,000</u></u>		<u><u>210,550,000</u></u>

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### VALUATION CERTIFICATE

#### GROUP I — PROPERTY INTERESTS HELD AND OCCUPIED BY THE GROUP IN THE PRC

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at June 30, 2009
				RMB
1.	3 parcels of land, various buildings and structures located at Xiaohaiqing and Ailang Town Huili County Liangshan Yi Autonomous Prefecture Sichuan Province The PRC	<p>The property comprises 3 parcels of land with a total site area of approximately 203,790.73 sq.m. and 63 buildings and various ancillary structures erected thereon which were completed in various stages between 2000 and 2008.</p> <p>The buildings have a total gross floor area of approximately 10,184.36 sq.m.</p> <p>The buildings mainly include industrial buildings, dormitories, canteens and guard houses.</p> <p>The structures mainly include tailing reservoirs, tunnels, sheds, and conveyer facilities.</p> <p>The land use rights of the property have been granted for a term of 50 years expiring on November 12, 2058 for industrial use.</p>	<p>The property is currently occupied by the Group for production purpose.</p>	<p>67,673,000</p> <p>85.98% interest attributable to the Group: RMB58,185,000</p>

*Notes:*

- The property is currently occupied by Huili County Xiushuihe Mining Co., Ltd. ("Xiushuihe Mining"), an 85.98% owned subsidiary of the Company.
- Pursuant to a State-owned Land Use Rights Grant Contract dated November 12, 2008 entered into between the Huili County Land and Resources Bureau and Xiushuihe Mining, the land use rights of the property were contracted to be granted to Xiushuihe Mining for a term of 50 years expiring on November 12, 2058 for industrial use. The land premium was RMB17,118,530.
- Pursuant to 3 State-owned Land Use Rights Certificates — Hui Guo Yong (2008) Di Nos. 50700010, 50700009 and 50800005, the land use rights of 3 parcels of land with a total site area of approximately 203,790.73 sq.m. have been granted to Xiushuihe Mining for a term of 50 years expiring on November 12, 2058 for industrial use.
- Pursuant to 9 Building Ownership Certificates — Huili Fang Quan Zheng Huili Zi Di Nos. 0009697 to 0009705, 63 buildings with a total gross floor area of approximately 10,184.36 sq.m. are owned by Xiushuihe Mining.
- We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisors, which contains, *inter alia*, the following:
  - As confirmed by the directors of Xiushuihe Mining, the land premium of the property has been paid in full, and the land use rights of the property are not subject to mortgage;
  - The land use rights of the property can be legally used, occupied, transferred, leased and mortgaged by Xiushuihe Mining in accordance with the valid term stipulated in the State-owned Land Use Rights Certificates; and
  - The buildings of the property are legally owned by Xiushuihe Mining and can be legally used, occupied, transferred, leased, mortgaged or otherwise disposed of by Xiushuihe Mining.

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No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at June 30, 2009
				RMB
2.	5 parcels of land, various buildings and structures located at Xiaohaiqing Town Huili County Liangshan Yi Autonomous Prefecture Sichuan Province The PRC	<p>The property comprises 5 parcels of land with a total site area of approximately 249,257.51 sq.m. and 32 buildings and various ancillary structures erected thereon, which were completed in various stages between 1999 and 2008.</p> <p>The buildings have a total gross floor area of approximately 9,945.40 sq.m.</p> <p>The buildings mainly include industrial buildings, dormitory, canteens and guard house.</p> <p>The structures mainly include tailing reservoirs, tunnels, sheds and conveyer facilities.</p> <p>The land use rights of the property have been granted for a term of 50 years expiring on February 17, 2059 for industrial use.</p>	The property is currently occupied by the Group for production purpose.	<p>151,599,000</p> <p>90.50% interest attributable to the Group:</p> <p>RMB137,197,000</p>

*Notes:*

- The property is currently occupied by Huili County Caitong Iron and Titanium Co., Ltd. ("Huili Caitong"), a 90.50% owned subsidiary of the Company.
- Pursuant to a State-owned Land Use Rights Grant Contract dated February 17, 2009 entered into between the Huili County Land and Resources Bureau and Huili Caitong, the land use rights of the property were contracted to be granted to Huili Caitong for a term of 50 years commencing from February 17, 2009 for industrial use. The land premium was RMB20,937,693.
- Pursuant to 5 State-owned Land Use Rights Certificates — Hui Guo Yong (2009) Di Nos. 50800007 to 50800011, the land use rights of 5 parcels of land with a total site area of approximately 249,257.51 sq.m. have been granted to Huili Caitong for a term of 50 years expiring on February 17, 2059 for industrial use.
- Pursuant to 6 Building Ownership Certificates — Huili Fang Quan Zheng Huili Zi Di Nos. 0009687 to 0009691 and 0009841, 32 buildings with a total gross floor area of approximately 9,945.40 sq.m. are owned by Huili Caitong.
- We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisors, which contains, *inter alia*, the following:
  - As confirmed by the directors of Huili Caitong, the land premium of the property has been paid in full, and the land use rights of the property are not subject to mortgage;
  - The land use rights of the property can be legally used, occupied, transferred, leased and mortgaged or otherwise disposed of by Huili Caitong in accordance with the valid term stipulated in the State-owned Land Use Rights Certificates; and
  - The buildings of the property are legally owned by Huili Caitong and can be legally used, occupied, transferred, leased, mortgaged or otherwise disposed of by Huili Caitong.



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No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at June 30, 2009
				RMB
3.	A parcel of land, various buildings and structures located at Lima River Village Guanhe Town Huili County Liangshan Yi Autonomous Prefecture Sichuan Province The PRC	<p>The property comprises a parcel of land with a site area of approximately 45,372.01 sq.m. and 25 buildings and various ancillary structures erected thereon which were completed in various stages between 2005 and 2008.</p> <p>The buildings have a total gross floor area of approximately 6,715.62 sq.m.</p> <p>The buildings mainly include industrial buildings and guard houses.</p> <p>The structures mainly include boundary fences, sheds, storerooms and conveyer facilities.</p> <p>The land use rights of the property have been granted for a term of 50 years expiring on May 28, 2058 for industrial use.</p>	The property is currently occupied by the Group for production purpose.	<p>16,760,000</p> <p>90.50% interest attributable to the Group: RMB15,168,000</p>

*Notes:*

- The property is currently occupied by Huili County Caitong Iron and Titanium Co., Ltd. ("Huili Caitong"), a 90.50% owned subsidiary of the Company.
- Pursuant to a State-owned Land Use Rights Grant Contract — 2008-004 dated June 2, 2008 entered into between the Huili County Land and Resource Bureau and Huili Caitong, the land use rights of the property were contracted to be granted to Huili Caitong for a term of 50 years for industrial use. The land premium was RMB5,217,781.15.
- Pursuant to a State-owned Land Use Rights Certificate — Hui Guo Yong (2008) No. 30200048, the land use rights of a parcel of land with a site area of approximately 45,372.01 sq.m. have been granted to Huili Caitong for a term of 50 years expiring on May 28, 2058 for industrial use.
- Pursuant to 5 Building Ownership Certificates — Huili Fang Quan Zheng Huili Zi Di Nos. 0009692 to 0009696, 25 buildings with a total gross floor area of approximately 6,715.62 sq.m. are owned by Huili Caitong.
- We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisors, which contains, *inter alia*, the following:
  - As confirmed by the directors of Huili Caitong, the land premium of the property has been paid in full, and the land use rights of the property are not subject to mortgage;
  - The land use rights of the property can be legally used, occupied, transferred, leased and mortgaged by Huili Caitong in accordance with the valid term stipulated in the State-owned Land Use Rights Certificate; and
  - The buildings of the property are legally owned by Huili Caitong and can be legally used, occupied, transferred, leased, mortgaged or otherwise disposed of by Huili Caitong.

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#### Group II — PROPERTY INTERESTS HELD BY THE GROUP FOR SHORT-TERM MINING OPERATIONS IN THE PRC

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at June 30, 2009
				RMB
4.	2 parcels of land located at Ailang and Xiaohaiqing Town Huili County Liangshan Yi Autonomous Prefecture Sichuan Province The PRC	<p>The property comprises 2 parcels of land with a total site area of approximately 131,694.02 sq.m., which is an open-pit mine site.</p> <p>The land use rights of the property refer to collectively-owned land. (refer to notes 2 to 4)</p>	The property is currently occupied by the Group for short-term mining use.	No commercial value

*Notes:*

1. The property is currently occupied by Huili County Xiushuihe Mining Co., Ltd. ("Xiushuihe Mining"), an 85.98% owned subsidiary of the Company.
2. Pursuant to 2 Short-term Land Use Rights Approvals — Hui Guo Tu Zi Jian (2009)016 and (2009)017 both dated March 6, 2009 issued by the Huili County Land and Resource Bureau, Xiushuihe Mining has obtained a short-term land use rights of 2 parcels of land with a total site area of approximately 131,694.02 sq.m. for a term of one year commencing from January 1, 2009 and expiring on December 31, 2009 for short-term mining use.
3. In our valuation, we have attributed no commercial value to the property as the land use rights of the property refer to collectively-owned land which is temporarily occupied and used by Xiushuihe Mining.
4. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisors, which contains, *inter alia*, the following:
  - a. The land use rights of the property can be legally held by Xiushuihe Mining in accordance with the valid term and usages stipulated in the relevant Short-term Land Use Rights Approvals;
  - b. As confirmed by the directors of Xiushuihe Mining, there are not any perpetual buildings or structures erected on the land; and
  - c. Pursuant to a Mining Permit dated May 6, 2008 issued by the Land and Resource Bureau of Sichuan Province, the mining permit rights with a site area of approximately 0.5208 sq.km. are authorized to Xiushuihe Mining commencing from May 2008 and expiring on December 2027. After Xiushuihe Mining obtains the Short-term Land Use Rights Approvals issued by relevant Land and Resource Bureau and enters into relevant collective land use agreement, Xiushuihe Mining can use the land under the mining permit rights by stages in accordance with the mine development plan within the valid term and site area stipulated in the Mining Permit.

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No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at June 30, 2009
				RMB
5.	5 parcels of land located at Xiaohaiqing Town Huili County Liangshan Yi Autonomous Prefecture Sichuan Province The PRC	<p>The property comprises 5 parcels of land with a total site area of approximately 443,748.56 sq.m., which is an open-pit mine site.</p> <p>The land use rights of the property refer to collectively-owned land. (refer to notes 2 to 4)</p>	The property is currently occupied by the Group for short-term mining use.	No commercial value

*Notes:*

1. The property is currently occupied by Huili County Caitong Iron and Titanium Co., Ltd. ("Huili Caitong"), a 90.50% owned subsidiary of the Company.
2. Pursuant to 5 Short-term Land Use Rights Approvals — Hui Guo Tu Zi Jian (2009)018 to (2009)022 all dated March 6, 2009 issued by the Huili County Land and Resource Bureau, Huili Caitong has obtained a short-term land use rights of 5 parcels of land with a total site area of approximately 443,748.56 sq.m. for a term of one year commencing from January 1, 2009 and expiring on December 31, 2009 for short-term mining use.
3. In our valuation, we have attributed no commercial value to the property as the land use rights of the property refer to collectively-owned land which is temporarily occupied and used by Huili Caitong.
4. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisors, which contains, *inter alia*, the following:
  - a. The land use rights of the property can be legally held by Huili Caitong in accordance with the valid term and usages stipulated in the relevant Short-term Land Use Rights Approvals;
  - b. As confirmed by the directors of Huili Caitong, there are not any perpetual buildings or structures erected on the land; and
  - c. Pursuant to a Mining Permit dated September 8, 2009 issued by the Land and Resource Bureau of Sichuan Province, the mining permit rights with a site area of approximately 1.8818 sq.km. are authorized to Huili Caitong commencing from September 8, 2009 and expiring on December 8, 2027. After Huili Caitong obtains the Short-term Land Use Rights Approvals issued by relevant Land and Resource Bureau and enters into relevant collective land use agreement, Huili Caitong can use the land under the mining permit rights by stages in accordance with the mine development plan within the valid term and site area stipulated in the Mining Permit.

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#### GROUP III — PROPERTY INTERESTS RENTED AND OCCUPIED BY THE GROUP IN THE PRC

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at June 30, 2009
				RMB
6.	Various office units on Levels 2 to 5 of a 5-storey office building located at Jianshe Road Huili County Liangshan Yi Autonomous Prefecture Sichuan Province The PRC	<p>The property comprises various office units on Levels 2 to 5 of a 5-storey office building completed in about 2004.</p> <p>The property has a total lettable area of approximately 531.13 sq.m.</p> <p>The property is rented to Huili Caitong from an independent third party for a term of one year expiring on February 1, 2010, at an annual rent of RMB48,000.</p>	The property is currently occupied by the Group for office purpose.	No commercial value

*Notes:*

1. The property is currently occupied by Huili County Caitong Iron and Titanium Co., Ltd. ("Huili Caitong"), a 90.50% owned subsidiary of the Company.
2. Pursuant to a Tenancy Agreement, the property is rented to Huili Caitong (the "Lessee") from an independent third party (the "Lessor"), for a term of one year commencing from February 1, 2009 and expiring on February 1, 2010, at an annual rent of RMB48,000.
3. As advised by Huili Caitong, the total lettable area of the property is approximately 531.13 sq.m.
4. We have been provided with a legal opinion on the legality of the Tenancy Agreement to the property issued by the Company's PRC legal advisors, which contains, *inter alia*, the following:
  - a. The Lessor has obtained the State-owned Land Use Rights Certificate and Building Ownership Certificate of the property;
  - b. The validity of the Tenancy Agreement will not be affected due to the lack of registration of the Tenancy Agreement; and
  - c. The Lessee can occupy and use the property during the lease term.

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No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at June 30, 2009
				RMB
7.	Various office units of Longwei Mansion No. 198 Longdu South Road Longquanyi District Chengdu City Sichuan Province The PRC	<p>The property comprises various office units on level 7 of a 16-storey building completed in about 1998.</p> <p>The property has a total lettable area of approximately 131 sq.m.</p> <p>The property is rented to Huili Caitong from a connected party for a term of two years and four months expiring on August 14, 2011, at a monthly rent of RMB8,122.</p>	The property is currently occupied by the Group for office purpose.	No commercial value

*Notes:*

1. The property is currently occupied by Huili County Caitong Iron and Titanium Co., Ltd. ("Huili Caitong"), a 90.50% owned subsidiary of the Company.
2. Pursuant to a Tenancy Agreement, the property with a total lettable area of approximately 131 sq.m. is rented to Huili Caitong (the "Lessee") from Sichuan Longwei Hotel Management Co., Ltd. ("Longwei Hotel", a connected party), for a term of two years and four months commencing from April 16, 2009 and expiring on August 14, 2011, at a monthly rent of RMB8,122, exclusive of management fees, water and electricity charges.
3. Pursuant to a Permission entered into between Longwei Hotel and Sichuan Jinli Property Development Co., Ltd. ("Jinli Company", the owner of the property), Longwei Hotel has the right to lease the property.
4. We have been provided with a legal opinion on the legality of the Tenancy Agreement to the property issued by the Company's PRC legal advisors, which contains, *inter alia*, the following:
  - a. Jinli Company has obtained the State-owned Land Use Rights Certificate and Building Ownership Certificate of the property;
  - b. The validity of the Tenancy Agreement will not be affected due to the lack of registration of the Tenancy Agreement; and
  - c. The Lessee can occupy and use the property during the lease term.