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中國鎳資源控股有限公司
CHINA NICKEL RESOURCES
HOLDINGS COMPANY LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2889)

**THE LATEST DEVELOPMENT OF GROUP'S BUSINESS AND
OPERATIONS SINCE 30 JUNE 2010**

**THE LATEST DEVELOPMENTS OF THE NEW PLANT
CONSTRUCTION PROJECT IN LIANYUNGANG, JIANGSU
PROVINCE (“LIANYUNGANG PROJECT”)**

**BUSINESS INTEGRATION AND THE LATEST DEVELOPMENT
OF PRODUCT SALES**

This announcement is made by China Nickel Resources Holdings Company Limited (the“**Company**”) pursuant to Rule 13.09 of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

“Lianyungang Project” of Lianyungang East Harvest Mining Limited Company(“East Harvest Mining”), a subsidiary of the Group, located in Jiangsu Province has begun pilot production.

Since then the positioning of the Group's business is as follows: (1) nickel pig iron (“NPI”) products, including high NPI and low NPI, mainly produced by East Harvest Mining; (2) the stainless steel series products - including stainless steel base material, slabs, square billets and wires, mainly produced by Yongan Special Steel Company Limited (“Yongan Special steel”)

and Zhengzhou Yongtong Special Steel Company Limited (“Yongtong Special Steel”), both located in Henan Province; (3) alloy steel products - including Ni-Cr alloy steel and other special steel products, mainly produced by Yongtong Special Steel; and (4) ore trading business, mainly arranged by the subsidiaries which engaged in trading activities of the Group.

Further the Group flexibly integrates the capacity of East Harvest Mining and the processing capacity of Yongan Special Steel and Yongtong Special Steel to response to the market economy: nickel output of East Harvest Mining can be sold directly to the third party and it can also be supplied to the Yongan Special Steel and Yongtong Special Steel to further be processed into stainless steel series or alloy steel products, then be sold to the third party. The Board considers this integration arrangement could optimize the production capacity of East Harvest Mining, Yongan Special Steel and Yongtong Special Steel, and make full use of the Group's overall cost advantage, thereby enhance the overall economic value.

Further to the agreement of the five-year ore sale between the Group and a separate mining company in Mainland China has been signed on 18th of last month, the Board pleased to announce again that the Group has signed a few large mid to long-term sales agreements with major steel companies in Mainland China in October 2010. According to those agreements, the Group will sell the stainless steel series product, i.e. base materials contained more than five percent nickel on a monthly basis. Meanwhile, the Group is also actively negotiating with other major steel companies to enter into the purchase and sale arrangements. The Group is expected to conclude more sale orders and make the sales of the company increase efficiently.

By Order of the Board of
China Nickel Resources Holdings Company Limited
Dong Shutong
Chairman

Hong Kong, 1 November 2010

As at the date of this announcement, the executive Directors are Mr. Dong Shutong, Mr. He Weiquan, Mr. Lau Hok Yuk, Mr. Song Wenzhou, Mr. Zhao Ping, Mr. Dong Chengzhe and Mr. Yang Fei; the non-executive Director is Mr. Yang Tianjun; and the independent non executive Directors are Mr. Bai Baohua, Mr. Huang Changhuai, Mr. Wong Chi Keung and Mr. Fahmi Idris.