



LETTER OF INTENT

Date: 23th.July.2009

Cotton & Western Mining, Inc.
6942 FM 1960 East
PMB 518
Humble, Texas 77346 U.S.A.

Attention: Robert L. Cotton
President & C.E.O.

Reference: Letter of Intent
Subject: Baja Iron Ore Production

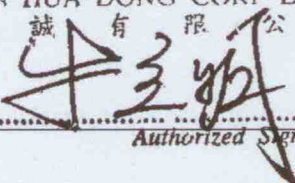
Dear Mr. Cotton,

We are pleased to inform you that we herein give our letter of intent to sign an annual fixed price contract with Cotton & Western Mining, Inc. for year 2010, for the purchase of 624,000 Dry Metric Tons of Baja Pacific Magnetite Iron Ore (plus or minus 10%), based on one (1) shipment per month at 52,000 DMT, (plus or minus 10%), on FOB bases to be shipped from the Pacific Ocean Port of Ensenada, Baja California, Mexico, to our designated port of entry, the People's Republic of China, beginning on January, 2010. The base price per unit Fe together with the chemical analysis specification shall be agreed upon prior to the execution of the buy and sale contract.

Thank you for your time and consideration for our company.

Respectfully,

For and on behalf of
CHINA HUA DONG CORP LIMITED
嘉 誠 有 限 公 司


Authorized Signature(s)