

(A) FURTHER INFORMATION ABOUT THE COMPANY**1. Incorporation**

The Company was incorporated in Hong Kong under the Companies Ordinance on 4 June 2010 under the name of Thor Limited. The Company changed its name to IRC Limited 鐵路現貨有限公司 on 13 August 2010 and to IRC Limited 鐵江現貨有限公司 with effect from 13 September 2010. The Company's registered office is at Unit H, 6th Floor, 9 Queen's Road Central, Hong Kong. A summary of various parts of the Company's Memorandum and Articles is set out in Appendix VI — "Summary of the Articles of the Company" to this prospectus.

2. Changes in share capital

The authorised share capital of the Company as at the date of its incorporation was HK\$1,000 divided into 1,000 shares of par value HK\$1.00 each.

On 4 June 2010, one share was allotted and issued as fully paid to Cayiron Limited as the initial subscriber. Pursuant to the written resolutions passed by the Shareholders of the Company on 14 June 2010, each of the then issued and un-issued shares with a nominal value of HK\$1.00 each was subdivided into 100 shares with a nominal value of HK\$0.01 each. Accordingly, the capital of the Company, comprising of 1,000 shares with a nominal value of HK\$1.00 each, was subdivided into 100,000 Shares with a nominal value of HK\$0.01 each.

On 14 June 2010, the Company acquired Thorholdco Limited from Cayiron Limited in consideration for US\$260,015,001 (determined after negotiations at arm's length based on the book value of the underlying net assets of Thorholdco Limited) satisfied by the issue by the Company of a further 700 Shares credited as fully paid to Cayiron Limited at a premium of HK\$2,894,512.98 per Share (equivalent to a price per Share of US\$371,450 at the date of the transfer).

On 25 June 2010, the Company acquired Thorrouble Limited and Thordollar Limited from Cayiron Limited in consideration for US\$437,621,871.70 satisfied by the issue by the Company of a further 800 Shares credited as fully paid to Cayiron Limited at a premium of HK\$4,255,145.15 per Share (equivalent to a price per Share of US\$4,255,145.16 at the date of the transfer).

On 11 August 2010, 1,600 Shares were issued to Cayiron Limited pursuant to, and in connection with, the intra-group equity financing of the Group's mining operations.

On 19 August 2010, the Company resolved to allot and issue an additional 1,600 Shares to Cayiron Limited, pursuant to the arrangements under the employee benefit trust, as described in the sub-section headed "Employee benefit trust" in this Appendix VIII — "Statutory and General Information".

On 26 August 2010, 360 new Shares were issued to the Pre-IPO Investors pursuant to the Pre-IPO Investment Agreement for cash in return for their combined equity investment of US\$60m in the share capital of the Company, as further described in the sub-section headed "Pre-IPO investment" of the section headed "History and Restructuring" in this prospectus.

On 17 September 2010, the Company resolved, by special resolution of the Shareholders, to increase the authorised share capital of the Company from HK\$1,000 to HK\$100,000,000 by

the creation of an additional 9,999,900,000 Shares with a nominal value of HK\$0.01 each, such additional Shares ranking *pari passu* in all respect with the existing Shares in the Company's share capital with effect from 30 September 2010.

On 22 September 2010, Petropavlovsk and the Pre-IPO Investors agreed to unwind the Pre-IPO Investment Agreement pursuant to the Pre-IPO Investment Supplemental Agreement as further described in the sub-section headed "Pre-IPO Investment" of the section headed "History and Restructuring" in this prospectus. The Pre-IPO Investment Supplemental Agreement is conditional on the Listing proceeding and there will be no impact on the share capital of the Group save the transfer in ownership of the Shares, from the Pre-IPO Investors to Cayiron.

Save as aforesaid, there has been no alteration in the share capital of the Company since its incorporation.

3. Written resolutions of the Shareholders

Pursuant to the written resolutions of the Shareholders passed on 17 September 2010, the following matters, among other things, were resolved:

- (a) the Company approved and adopted its new Memorandum and Articles;
- (b) the authorised share capital of the Company was increased from HK\$1,000 to HK\$100,000,000 by the creation of an additional 9,999,900,000 Shares, such additional Shares ranking *pari passu* in all respects with the existing Shares in the Company's share capital with effect from the date of passing the relevant resolution. Accordingly, the Company has 10,000,000,000 authorised Shares;
- (c) conditional on the (i) issue of the Prospectus in connection with the Global Offering on or around 30 September 2010 and (ii) the Underwriting Agreements being entered into no later than 10 October 2010:
 - (A) the Global Offering and the Over-allotment Option were approved and the Directors were authorised to allot and issue the Offer Shares and the Shares as may be required to be allotted and issued upon the exercise of the Over-allotment Option on and subject to the terms set out in the Prospectus and the Application Forms; and
 - (B) conditional on the share premium account of the Company having sufficient balance or being credited as a result of the Global Offering, the Directors were authorised to capitalise the amount of HK\$23,219,948.40 from the amount standing to the credit of the share premium account of the Company to pay up in full at par 2,321,994,840 Shares for allotment and issue to the person(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the fifth day after the date of the International Underwriting Agreement, pro-rata to their then existing shareholdings in the Company ("Capitalisation Issue");
- (d) the Company's LTIP (details of which are set out in the sub-section headed "3. Summary of the principal terms of the Company's Long Term Incentive Plan" of the section headed "(D) Further Information about Directors, Management and Employees" in this Appendix VIII) was approved, ratified and adopted;

- (e) a general unconditional mandate was given to the Directors to allot, issue and deal with (otherwise than (i) pursuant to Shares issued as a result of a rights issue; (ii) pursuant to the exercise of the options or other awards which may be granted under any share option scheme of the Company or similar arrangement; (iii) an issue of Shares in lieu of the whole or part of a dividend on Shares; or (iv) pursuant to the Global Offering, the Over-allotment Option or the Capitalisation Issue) Shares with an aggregate nominal value not exceeding 20 per cent. of the aggregate nominal value of the share capital of the Company in issue and to be issued as mentioned herein (including but not limited to Shares which may be issued pursuant to the exercise of the Over-allotment Option) until the conclusion of the next annual general meeting of the Company, the expiration of the period within which the next annual general meeting of the Company is required by the Articles or by the Companies Ordinance or any other applicable laws of Hong Kong to be held, or the revocation of variation by an ordinary resolution of the Shareholders in a general meeting, whichever is the earlier;
- (f) a general unconditional mandate was given to the Directors authorising them to exercise all powers of the Company to repurchase on the Stock Exchange or on any other approved stock exchange on which the securities of the Company may be listed and which is recognised by the SFC and the Stock Exchange for this purpose, such number of Shares with an aggregate nominal value not exceeding 10 per cent. of the aggregate nominal value of the share capital of the Company in issue immediately following completion of the Global Offering and the Capitalisation Issue, such mandate to remain in effect until the conclusion of the next annual general meeting of the Company, or the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws to be held, or until revoked or varied by an ordinary resolution of the Shareholders in general meeting, whichever occurs first; and
- (g) the general unconditional mandate mentioned in paragraph (e) above was extended by the addition to the aggregate nominal value of the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted, issued or dealt with by the Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the share capital of the Company repurchased by the Company pursuant to the mandate to repurchase Shares referred to in paragraph (f) above provided that such extended amount shall not exceed 10 per cent. of the aggregate of the total nominal value of the share capital of the Company in issue immediately following completion of the Global Offering and the Capitalisation Issue but before the exercise of the Over-allotment Option.

Immediately following the Global Offering becoming unconditional and the issue of Shares as mentioned herein being made, but taking no account of any Shares which may be issued upon the exercise of the Over-allotment Option, the authorised share capital of the Company will be HK\$100,000,000 divided into 10,000,000,000 Shares and the issued share capital will be HK\$33,920,000.00 divided into 3,392,000,000 Shares, all fully paid or credited as fully paid, and 6,608,000,000 Shares will remain unissued. Other than pursuant to the exercise of the Over-allotment Option and any options which may be granted under the Share Incentive

Scheme, there is no present intention to issue any of the authorised but unissued share capital of the Company and no issue of Shares which would effectively alter the control of the Company will be made without the prior approval of members in a general meeting.

4. Corporate reorganisation

Information regarding the corporate reorganisation of the Group is set out in the section headed “History and Restructuring” in this prospectus.

5. Changes in share capital of subsidiaries

The Company’s subsidiaries are referred to in the Accountants’ Report, the text of which is set out in Appendix I — “Accountants’ Report” to this prospectus.

The following subsidiaries and joint venture have been incorporated within the two years immediately preceding the date of this prospectus:

<u>Name of subsidiary</u>	<u>Place of incorporation</u>	<u>Date of incorporation</u>
Thorholdco Limited	Cayman Islands	18 May 2010
Thorrouble Limited	Cayman Islands	18 May 2010
Thordollar Limited	Cayman Islands	18 May 2010
LLC Amursnab	Russia	28 December 2009
Lucilius Investments Limited	Cyprus	22 November 2008

Save as set out above and in the paragraph headed “4. Corporate reorganisation” in this Appendix VIII — “Statutory and General Information” to the prospectus and in the section headed “History and Restructuring” in this prospectus, there has been no alteration in the share capital of any of the subsidiaries of the Company within the two years immediately preceding the date of this prospectus.

(B) REPURCHASE BY THE COMPANY OF ITS OWN SECURITIES

This section sets out information required by the Stock Exchange to be included in a prospectus concerning the repurchase by the Company of its own securities.

1. Provisions of the Listing Rules

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their own securities on the Stock Exchange subject to certain restrictions, the more important of which are summarised below:

(i) Shareholders’ approval

All proposed repurchases of securities (which must be fully paid up in the case of shares) by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of the shareholders, either by way of general mandate or by a specific approval of a particular transaction.

(ii) Source of funds

Repurchases must be funded out of funds legally available for the purpose in accordance with the Memorandum, the Articles and the Listing Rules and the applicable laws of Hong Kong. A

listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement other than in accordance with the trading rules of the Stock Exchange. Subject to the foregoing, any repurchases by the Company may be made out of the Company's funds which would otherwise be available for dividend or distribution or out of the proceeds of a new issue of shares made for the purpose of the repurchase. Any amount of premium payable on the purchase over the par value of the shares to be repurchased must be out of the funds which would otherwise be available for dividend or distribution or from sums standing to the credit of the Company's share premium account.

(iii) Trading restrictions

The total number of shares which a listed company may repurchase on the Stock Exchange is the number of shares representing up to a maximum of 10 per cent. of the aggregate number of shares in issue. A company may not issue or announce a proposed issue of new securities for a period of 30 days immediately following a repurchase (other than an issue of securities pursuant to an exercise of warrants, share options or similar instruments requiring the company to issue securities which were outstanding prior to such repurchase) without the prior approval of the Stock Exchange. In addition, a listed company is prohibited from repurchasing its shares on the Stock Exchange if the purchase price is 5 per cent. or more than the average closing market price for the five preceding trading days on which its shares were traded on the Stock Exchange. The Listing Rules also prohibit a listed company from repurchasing its securities which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Stock Exchange.

A company is required to procure that the broker appointed by it to effect a repurchase of securities discloses to the Stock Exchange such information with respect to the repurchase as the Stock Exchange may require.

(iv) Status of repurchased Shares

All repurchased securities (whether effected on the Stock Exchange or otherwise) will be automatically delisted and the certificates for those securities must be cancelled and destroyed.

(v) Suspension of repurchase

A listed company may not make any repurchase of securities after a price sensitive development has occurred or has been the subject of a decision until such time as the price sensitive information has been made publicly available. In particular, during the period of one month immediately preceding the earlier of: (i) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of a listed company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules) and (ii) the deadline for publication of an announcement of a listed company's results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), the listed company may not repurchase its shares on the Stock Exchange other than in exceptional circumstances. In addition, the Stock Exchange may prohibit a repurchase of securities on the Stock Exchange if a listed company has breached the Listing Rules.

(vi) Reporting requirements

Certain information relating to repurchases of securities on the Stock Exchange or otherwise must be reported to the Stock Exchange not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the following business day. In addition, a listed company's annual report is required to disclose details regarding repurchases of securities made during the year, including a monthly analysis of the number of securities repurchased, the purchase price per share or the highest and lowest price paid for all such purchases, where relevant, and the aggregate prices paid.

(vii) Connected persons

A listed company is prohibited from knowingly repurchasing securities on the Stock Exchange from a "connected person", that is, a director, chief executive or substantial shareholder of the company or any of its subsidiaries or their associates and a connected person is prohibited from knowingly selling his securities to the company.

2. Reasons for repurchases

The Directors believe that the ability to repurchase Shares is in the interests of the Company and the Shareholders. Repurchases may, depending on the circumstances, result in an increase in the net assets and/or earnings per Share. The Directors sought the grant of a general mandate to repurchase Shares to give the Company the flexibility to do so if and when appropriate. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time having regard to the circumstances then pertaining.

3. Funding of repurchases

In repurchasing securities, the Company may only apply funds lawfully available for such purpose in accordance with its Memorandum and Articles of Association, the Listing Rules and the applicable laws of Hong Kong. There could be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in this prospectus) in the event that the repurchase mandate were to be carried out in full at any time during the share purchase period. However, the Directors do not propose to exercise the general mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

4. General

Exercise in full of the repurchase mandate, on the basis of assuming that there are approximately 3,392,000,000 Shares in issue as at the date on which dealings in the Shares commence on the Stock Exchange (without taking into account the exercise of the Over-allotment Option), could accordingly result in up to 339,200,000 Shares being repurchased by the Company during the period prior to:

- the conclusion of the next annual general meeting of the Company;
- the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and

- the revocation or variation of the repurchase mandate by an ordinary resolution of the Shareholders in general meeting,

whichever is the earliest.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates currently intend to sell any Shares to the Company or its subsidiaries. The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the repurchase mandate in accordance with the Listing Rules and the applicable laws in Hong Kong.

The Directors are not aware of any consequences which the exercise in full of the repurchase mandate would have under the Takeovers Code.

No connected person of the Company has notified the Company that he or she has a present intention to sell Shares to the Company, or has undertaken not to do so, if the repurchase mandate is exercised.

(C) FURTHER INFORMATION ABOUT THE BUSINESS

1. Summary of material contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the Group within the two years preceding the date of this prospectus and are or may be material:

- (a) an iron ore concentrate sale and purchase contract dated 10 February 2009 between LLC Olekminsky Rudnik and Heilongjiang Jianlong Steel Company Limited;
- (b) a joint venture agreement dated 11 February 2009, entered into between Jianlong, Ariva HK Limited, a subsidiary of the Company and Kuranakii, pursuant to which the parties established the Vanadium JV in Shuangyashan city, Heilongjiang Province, the PRC and through which the parties intend to process vanadium slag and produce, sell and distribute vanadium pentoxides and other vanadium products derived from vanadium slag;
- (c) the Pre-IPO Investment Agreement dated 17 June 2010, entered into between (1) MHL, (2) CEF (together with MHL, the “Pre-IPO Investors”), (3) Petropavlovsk, (4) the Company and (5) Cayiron Limited, pursuant to which the Pre-IPO Investors agreed to invest US\$50 million and US\$10 million respectively into the Company. Information regarding the Pre-IPO Investment is set out in the sub-section headed “Pre-IPO Investment” of the section headed “History and Restructuring” in this prospectus;
- (d) the Pre-IPO Investment Supplemental Agreement dated 22 September 2010, entered into between (1) MHL, (2) CEF (together with MHL, the “Pre-IPO Investors”), (3) Petropavlovsk, (4) the Company and (5) Cayiron Limited, pursuant to which the parties agreed, conditional upon Listing, to (i) terminate the Pre-IPO

Investment Agreement and transfer all the Shares held by the Pre-IPO Investors to Cayiron Limited. Information regarding the Pre-IPO Investment is set out in the sub-section headed “Pre-IPO Investment” of the section headed “History and Restructuring” in this prospectus;

- (e) the Cornerstone Investment Agreements dated 22 September 2010, entered into between (1) MHL (in the case of the first Cornerstone Investment Agreement) and CEF (in the case of the second Cornerstone Investment Agreement) (the “Cornerstone Investors”), (2) Petropavlovsk, (3) Cayiron Limited (4) the Company, (5) Merrill Lynch International, (6) UBS AG, Hong Kong Branch, and (7) BOCI Asia Limited (together with Merrill Lynch International and UBS AG, Hong Kong Branch, the “Joint Bookrunners”), pursuant to which the Cornerstone Investors agree to acquire and the Joint Bookrunners cause to be placed and allocated Shares at the Offer Price under and as part of the International Offering up to an aggregate amount of approximately US\$60 million (of which US\$10 million is contributed by CEF and US\$50 million is contributed by MHL). Information regarding the Cornerstone Investors is set out in the section headed “Cornerstone Investors” in this prospectus;
- (f) the tax indemnity dated 11 August 2010 entered into between Petropavlovsk and the Company, pursuant to which Petropavlovsk granted a tax indemnity in favour of the Company in relation to tax liabilities arising as a result of the Restructuring;
- (g) the Deed of Non-Competition dated 22 September 2010, entered into between the Company and Petropavlovsk, which commences from the date of Listing and shall continue for the time during which the Shares are listed on the Stock Exchange and until such time as Petropavlovsk controls less than 50 percent of the issued share capital of the Company, and which is described more fully under the section headed “Relationship with Petropavlovsk” in this prospectus;
- (h) a deed of indemnity dated 22 September 2010 entered into between Petropavlovsk and the Company, pursuant to which Petropavlovsk provided a taxation indemnity for the benefit of the Company;
- (i) the Hong Kong Underwriting Agreement; and
- (j) the Cooperation Framework Agreement dated 23 March 2010, entered into between (1) ICBC, (2) Aricom, (3) LLC KS GOK and (4) CNEEC, pursuant to which CNEEC and Aricom acknowledge that they will proceed to the finalisation and implementation of an EPC contract for construction of the Kimkan iron ore deposit development and processing plant. The entry into the EPC contract is conditional upon ICBC arranging financing for the project, and the loan facility documentation being entered into simultaneously with the EPC contract.

2. Exploration and production licences

The following table sets forth details of the Company's exploration and production licences as at the Latest Practicable Date:

Licence number	Date granted	Licence holder	Area/licence type	Area (km ²)	Current term expiry date	Ultimate expiry date
BLG 01244 TR	25 June 2001	LLC Olekminsky Rudnik	Kuranakh and Flanks, Amur, Russia – Geological study, exploration and extraction (combined licence for exploration and production)	85	1 June 2026	Not Applicable
BIR 14037 TE	27 April 2007	LLC KS GOK	Kimkanskoye, EAO, Russia – Extraction (production licence)	22.4	30 December 2025	Not Applicable
BIR 14038 TE	27 April 2007	LLC KS GOK	Sutarskoye, EAO, Russia – Exploration and extraction (combined licence for exploration and production)	27	30 December 2025	Not Applicable
BLG 14123 TE	19 June 2007	LLC GMMC	Garinskoye, Amur, Russia – Extraction (production licence)	11.2	31 December 2026	Not Applicable
BLG 14664 TR	13 April 2009	LLC Orlovsko-Sokhatinskiy Rudnik	Garinskoye Flanks, Amur, Russia – Geological study, exploration and extraction (combined licence for exploration and production)	3,542	1 March 2033	Not Applicable
BIR 14650 TE	1 April 2009	LLC Kostenginskiy GOK	Kostenginskoye, EAO, Russia – Exploration and extraction (combined licence for exploration and production)	24	31 December 2027	Not Applicable
BLG 13384 TE	30 November 2005	LLC Uralmining	Bolshoi Seym, Amur, Russia – Exploration and extraction (combined licence for exploration and production)	26	1 December 2030	Not Applicable

Licence number	Date granted	Licence holder	Area/licence type	Area (km ²)	Current term expiry date	Ultimate expiry date
BIR 00420 TR	10 October 2007	LLC Karier Ushumunskiy	Ushumunskoye Yuzhniy, EAO, Russia – Geological study, exploration and extraction (combined licence for exploration and production)	2.8	31 December 2027	Not applicable
BIR 00428 TR	11 March 2009	LLC Karier Ushumunskiy	Ushumunskoye, EAO – Geological study, exploration and extraction (combined licence for exploration and production)	64.74	31 December 2019	Not applicable

3. Relevant conditions for exploration and production licences

All licences have been granted by the Federal Agency for Subsoil Use.

3.1 General conditions of the exploration and production licences

The general conditions which are applicable to all of the exploration, mining and production licences are, in summary, as follows:

- (a) Each licence holder has the exclusive right to carry out the licensed activities in the licensed area;
- (b) Annual licence fees, taxes and other charges are payable by the licence holders;
- (c) Each licence holder is responsible for compliance with health and safety regulations applicable to the licence area;
- (d) Each licence holder is obliged to take part in the socio-economic development of the region in which the licence area is located; and
- (e) Each licence holder is required to provide periodic reports to the authorities in relation to the implementation of the relevant licence agreement, the status of works at each licence area and the results of geological exploration and extraction carried out.

3.2 Specific material terms of the exploration, mining and production licences

The specific material terms of each exploration, mining and production licence which are applicable to the relevant licence holders are summarised below:

<u>Licence number</u>	<u>Licence holder</u>	<u>Project</u>	<u>Specific material terms of licence</u>
BLG 01244 TR	LLC Olekminsky Rudnik	Kuranakh	<p>The licence holder must ensure the following development phases of the project are performed:</p> <ul style="list-style-type: none"> ● commence geology explorations works in Q4 2001; ● complete the prospecting and evaluation works in Q4 2006 and provide final report to the State expert in Q1 2007; ● complete the exploration works on the objects of the first line with the submission of the geological report with the calculation of the Russian System reserves to the State expert in Q2 2006; ● complete the exploration works regarding the objects of the second line, including the submission of the geological report, with the calculation of the Russian System reserves to the State expert in Q1 2010; and ● ensure the completion of the first production line of the processing plant in 2008 and commence the extraction of titanium ore in 2008 at the extraction rate of 100,000 tonnes per annum.

Licence number	Licence holder	Project	Specific material terms of licence
BIR 14037 TE	LLC KS GOK	K&S – Kimkan only	<p>The licence holder must ensure the following development phases of the project are performed by 2015:</p> <ul style="list-style-type: none"> ● perform geological exploration works by 30 June 2013 for the purpose of verifying exploration results received during the period 1950-1955; the minimum programme of works shall be: <ul style="list-style-type: none"> 2010 <ul style="list-style-type: none"> ● core drilling – not less than 1000 running m; ● surface trenching – not less than 5000m³; 2011 <ul style="list-style-type: none"> ● core drilling – not less than 2000 running m; ● surface trenching – not less than 10000m³; 2012 <ul style="list-style-type: none"> ● core drilling – not less than 2000 running m; ● surface trenching – not less than 10000m³; ● provide a geological report on the calculation of the Russian System reserves of iron ore of categories A+B+C1 for State expert review; ● preparation and coordination of the technical project of development of the deposit and commencement of construction of the infrastructure of the mining processing plant, not later than 30 December 2013; ● commencement of industrial extraction of iron ore not later than 30 December 2014; and ● attainment of the mining enterprise for the projected capacity with an extraction rate envisaged by the approved technical design for development of the deposit, not later than 30 December 2015.

Licence number	Licence holder	Project	Specific material terms of licence
BIR 14038 TE	LLC KS GOK	K&S – Sutara only	<p>On environmental matters, the licence holder is, inter alia, obliged to:</p> <ul style="list-style-type: none"> ● conduct a baseline analysis of the state of the environment within the licensed area not later than 30 June 2007; and ● commence monitoring the condition of the environment within the licensed area from 30 December 2007. <p>The licence holder must ensure the following exploration and development phases of the project are performed up to 2014:</p> <ul style="list-style-type: none"> ● prepare and agree with the licensing authorities (subject to State ecological expert review) the geological study works project by 30 December 2006; ● commence the geological study works by 30 March 2007; ● completion of the geological exploration works, providing feasibility study report and geological report with calculation of Russian System reserves of the deposit to the State expert by 30 December 2010; ● technical development plan shall be agreed with the licensing authorities subject to State ecological expert review and State industrial development expert review by 30 December 2011; ● construction of infrastructure of the processing plant shall be commenced by 30 December 2012; and ● extraction of iron ore shall commence not later than 30 December 2013 with an extraction rate of 5,000,000 tonnes per annum by 30 December 2014. <p>On environmental matters, the licence holder is, inter alia, obliged to:</p> <ul style="list-style-type: none"> ● conduct a baseline analysis of the state of the environment within the licensed area by 30 June 2007; and ● begin monitoring the condition of the environment within the licensed area by 30 December 2007.

Licence number	Licence holder	Project	Specific material terms of licence
BLG 14123 TE	LLC GMMC	Garinskoye	<p>Licence holder has to ensure the following development phases of the project are performed:</p> <ul style="list-style-type: none"> ● prepare and agree by 31 July 2010 the geological exploration works for verification of the results of exploration of the deposit conducted in the period from 1950-1957 and verification of discovered magnetic anomalies; ● commence the geological exploration works by 1 September 2010; the minimum programme of works shall be: <ul style="list-style-type: none"> 2010 – core drilling – not less than 1000 running m; 2011 – core drilling – not less than 2000 running m; 2012 – core drilling – not less than 2000 running m; ● prepare the Feasibility Study Report of permanent conditions for the purpose of calculation of reserves of iron ore by 1 January 2013; ● complete the exploration works and provide geological report with the calculation of the Russian System reserves for State expert review by 1 June 2013; ● prepare and coordinate the project design documentation for development of the deposit by 1 January 2015; ● commence the construction of the infrastructure of the mining enterprise, processing plant and metals processing facility by 1 June 2015; ● commence the commercial extraction of ore by 1 June 2016; ● begin mining operations with the production capacity envisaged by the technical project but not less than 10 million tonnes of ore per year by 1 June 2017; and ● attain metals processing capacity of not less than 1 million tonnes of crude iron per year by 1 June 2021.

Licence number	Licence holder	Project	Specific material terms of licence
BLG 14664 TR	LLC Orlovsko-Sokhatinskiy Rudnik	Garinskoye Flanks	<p data-bbox="911 304 1406 365">On environmental matters, the licence holder is, inter alia, obliged to:</p> <ul data-bbox="911 394 1406 734" style="list-style-type: none"> <li data-bbox="911 394 1406 577">● perform the baseline analysis of the state of the environment within the licensed area under the programme agreed with the Amurnedra and other authorised state bodies by 1 July 2008; and <li data-bbox="911 607 1406 734">● begin monitoring the condition of the environment within the licensed area under the programme coordinated with Amurnedra by 1 January 2009. <p data-bbox="911 775 1406 869">The licence holder must ensure the following development phases of the project are performed up to 2019:</p> <ul data-bbox="911 898 1406 2016" style="list-style-type: none"> <li data-bbox="911 898 1406 1048">● to prepare and agree with the licensing authorities (subject to state expertise review) the project design for prospecting and evaluation works by 1 December 2008; <li data-bbox="911 1077 1406 1137">● to commence by 1 March 2009 prospecting and evaluation works; <li data-bbox="911 1167 1406 1413">● to complete prospecting and valuation works and prepare the geological report with calculation of C2 reserves and P1 resources under the Russian System by 1 March 2012 (minimum annual amount of works shall be 20,000m³ of trenching and 2,000m of drilling works); <li data-bbox="911 1442 1406 1626">● to prepare, co-ordinate and get approval of the exploration project with the preliminary evaluated reserves under the Russian System (subject to relevant State expert review) by 1 September 2012; <li data-bbox="911 1655 1406 1715">● to commence exploration by 1 March 2013; <li data-bbox="911 1744 1406 1872">● to complete exploration and provide the geological report with calculation of C1 and C2 reserves under the Russian System by 1 March 2016; <li data-bbox="911 1901 1406 2016">● to prepare, co-ordinate and obtain approval of the technical project of development of the deposit by 1 September 2016;

Licence number	Licence holder	Project	Specific material terms of licence
BIR 14650 TE	LLC Kostenginskiy GOK	Kostenginskoye	<ul style="list-style-type: none"> ● to commence the construction of infrastructure of the processing plant by 1 March 2017; ● to put the processing plan into operation by 1 March 2018; and ● to attain processing capacity by 1 March 2019. <p>On environmental matters, the licence holder is, inter alia, obliged:</p> <ul style="list-style-type: none"> ● to perform the baseline analysis of the state of the environment within the licensed area under the programme agreed with the Amurnedra and other authorised state bodies by 1 September 2009; and ● to monitor the condition of the environment within the licensed area under the programme coordinated with Amurnedra beginning not later than 1 March 2010. <p>The licence holder has to ensure the following development phases of the project are performed up to 2015:</p> <ul style="list-style-type: none"> ● to prepare, co-ordinate and obtain approval of the project design for geological exploration works (subject to relevant State expert reviews) by 28 February 2009; ● to commence exploration works by 31 May 2009; ● to complete the exploration works by 28 February 2011 (minimum amount of works shall be 20,000 running (long/linear) metres of drilling works and analysis of at least two technological samples); ● to prepare the geological report with calculation of C1 and C2 reserves under the Russian System by 30 September 2011; ● to prepare, co-ordinate and obtain approval of the technical project of development of the areas with approved reserves by 28 February 2013; ● to commence the construction of infrastructure of the processing plant by 31 August 2013;

Licence number	Licence holder	Project	Specific material terms of licence
BLG 13384 TE	LLC Uralmining (Company: 49%; LLC Management Company "Intergeo": 51%)	Bolshoi Seym	<ul style="list-style-type: none"> ● to put the processing plan into operation by 28 February 2014; and ● to attain processing capacity by 28 February 2015. <p>On environmental matters, licence holder is, inter alia, obliged:</p> <ul style="list-style-type: none"> ● to perform the baseline analysis of the state of the environment within the licensed area under the programme agreed with the Birnedra and other authorised state bodies by 30 June 2009; and ● to monitor the condition of the environment within the licensed area under the programme coordinated with Birnedra beginning not later than 31 December 2009. <p>Licence holder has to ensure the following exploration and extraction phases of the project are performed up to 2014:</p> <ul style="list-style-type: none"> ● prepare and agree with the licensing authorities (subject to State ecological expert review) the geological exploration works design by 1 December 2006; ● commence the geological exploration works on the deposit by 1 March 2007; ● completion of the geological exploration works and providing feasibility study report and geological report with calculation of reserves under the Russian System of the deposit to the State expert by 1 December 2010; ● technical development plan to be agreed with the licensing authorities (subject to State ecological expert review and State industrial safety and protection of the environment expert review) by 1 December 2011; ● construction of infrastructure of the processing plant shall be commenced by 1 December 2012; and

Licence number	Licence holder	Project	Specific material terms of licence
BIR 00420 TR	LLC Karier Ushumunskiy	K&S – coal (for power requirements)	<ul style="list-style-type: none"> ● extraction of titanomagnetite ore shall commence by 1 December 2013 with an extraction rate of 2,000,000 tonnes per annum by 1 December 2014. <p>On environmental matters, the licence holder is, inter alia, obliged to:</p> <ul style="list-style-type: none"> ● conduct the baseline analysis of the environment within the licensed area by 1 April 2007; and ● monitor the condition of the environment within the licensed area by no later than 1 December 2007. <p>The licence holder has to ensure the following development phases of the project are performed:</p> <ul style="list-style-type: none"> ● prepare and co-ordinate the project design of exploration of the licensed area which is subject to positive conclusion of the State expert by 1 July 2009; ● commence geological exploration works within the licensed area by 1 November 2009; ● complete the exploration of the deposit and to provide the geological report with the calculation of the Russian System reserves for State expert of mineral reserves review by 1 November 2010; ● prepare and co-ordinate the technical design for development of the licensed plot within the areas with approved Russian System reserves which is subject to State expert review by 1 March 2011; ● commence the construction of infrastructure for the mining enterprise by 1 November 2011; ● commence the commercial extraction of brown coal by 1 May 2012; ● begin operation of the mining enterprise with a capacity of not less than 100 thousand tonnes of brown coal by 1 May 2012.

Licence number	Licence holder	Project	Specific material terms of licence
BIR 00428 TR	LLC Karier Ushumunskiy	K&S – coal (for power requirements)	<p>On environmental matters, the licence holder is, inter alia, obliged to:</p> <ul style="list-style-type: none"> ● perform the baseline analysis of the state of the environment within the licensed area under the programme agreed with the Birnedra before the commencement of the commercial development of the deposit; and ● begin monitoring the condition of the environment within the licensed area under the programme coordinated with Birnedra by 1 November 2010. <p>The licence holder has to ensure the following development phases of the project are performed:</p> <ul style="list-style-type: none"> ● provide Birnedra with the information report on the results of geological exploration works conducted before 2009 by Q4 2009; ● prepare the design and commence the geological exploration works by Q4 2009; ● provide the Territorial commission of reserves with the report on the results of exploration works with the calculation of the Russian System reserves by Q2 2013; ● annual output level shall be established by the technical projects but shall be at least 90 thousand tonnes of coal per year; and ● commence the extraction of coal by Q3 2010. <p>On environmental matters, the licence holder is, inter alia, obliged to:</p> <ul style="list-style-type: none"> ● comply with environmental protection requirements of the protection of environment; and ● monitor the condition of the environment within the licensed area under the coordinated programme.

3.2 Amendments and variations to the licences

Based on current mining and production plans of the Group as summarised in this prospectus, certain conditions of the licence held by LLC KS GOK for the K&S project (Sutara only) (the “Sutara Licence”) and the licence held by LLC Kostenginskiy GOK for the Kostenginskoye project (the “Kostenginskoye Licence”) will need to be varied in order for LLC KS GOK and LLC Kostenginskiy GOK to remain in compliance with the relevant licences.

The Group has previously been granted a number of variations to licence conditions by the relevant licensing authorities and the Directors consider that the variations sought for the Sutara Licence and the Kostenginskoye Licence will be granted in the usual course of business.

3.3 Compliance with licence conditions

The Directors believe that, as at the Latest Practicable Date, each Licence Holder is in compliance with the material conditions of the relevant licence, any amendments to the licences were negotiated in a timely manner with the relevant licensing authorities, and that there are no material breaches of the licence conditions which may result in the termination of such licence.

4. Summary of permits and approvals material to the Group's operations

The following table sets forth a summary of the permits, licences and approvals material to the Group's operations. Where a Group company has not been included in the table, that company does not require a permit, licence or approval to carry on its business or operations.

Company	Type of permit	Registration Number	Issuing entity	Issue date	Expiry date	Comments
CJSC "SG MTP"	State environmental expert review	15-8/9497	Interregional territorial department of technological and environmental supervision of the Federal Service on Ecological, Technical and Nuclear Supervision for the Far East Federal District	31.10.2006	31.12.2011	
	Act of choice of the place of junction of non common access way at m. Marii near town Sovetskaya Gavan of the CJSC "Sovetsko-Gavanskiy Sea Trade Port" to the common ways of Far East Railway	8	CJSC "SG MTP", the Federal Railway Agency, OJSC "Russian Railways" FERW, OJSC "Dalgioprotrans"	06.06.2007	Not applicable	
LLC "KS-GOK"	Agreed scheme of water extraction (withdrawal) and discharge of wastes of LLC "KS GOK" for 2010 (limits of water extraction) SKV. 11 SN , water inlet "Snarsky"	No. 621	Water resources department for the EAO, Amurskoe basin water department	19.04.2010	Not applicable	
	Licence for extraction of drinking underground water in the area Izvestkovy for domestic and drinking water supply	BIR 00328 VR	Subsoil use department for the EAO	28.08.2007	31.07.2031	

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	Licence for extraction of drinking underground water in the area Snarsky for domestic and drinking water supply	BIR 00331 VR	Subsoil Use Department for the EAO	28.08.2007	31.07.2031	
	Licence for development of prevailing mineral resources (clays) in Kimkanskoie clay deposit	OBL 00092 PI	Department for mineral resources of the Government of the EAO	30.10.2008	31.12.2023	
	Licence for surveying works	PM-71-001071(O)	Far East Department of the Federal Service on Ecological, Technological and Nuclear Control	12.03.2010	16.06.2014	
	Certificate of work permit affecting the safety of the capital construction objects	0076-2009-150001701-CPO-C-019-06072009	Non commercial partnership "Sakhalinskoe Regionalnoie objedinenie stroiteley" (Sakhalin Regional Association of Constructors)	03.12.2009	Not applicable	
	Minutes of the meeting of the State Commission on Mineral Resources Reserves of the Council of Ministers of the USSR	No. 1407 of 29.09.1956	Ministry of Geology Head Department of Geological Funds	13.10.1956	Not applicable	
	Permit for the subsoil use for engineering and geological investigation	No. 7	Subsoil Use Department for EAO	05.09.2008	01.09.2011	
	Opinion on absence of mineral resources in the area designated for designing and construction of the objects of Kimkano-Sutarskiy integrated plant	No. 04-08/949	Subsoil Use Department for EAO	09.09.2009	Not applicable	

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	Positive opinion of the state expertise—designing documentation Vakhtovy poselok (Construction support facility), Hostel No. 2	No. 79-1-2-0109-10	Department of State Construction Control and Expertise of the EAO	09.06.10	Not applicable	
	Positive opinion of the state expertise—design documentation—Vakhtovy poselok	No. 79-1-4-0099-10	Department of State Construction Control and Expertise of the EAO	18.02.10	Not applicable	
	Sanitary and epidemiologic opinion on the object—Vakhtovy poselok	No. 79 01 02 000 T 000071 03 09	Department of the Federal Service for control for the consumer rights and human welfare of the EAO	03.03.09	Not applicable	
	Opinion of the state expertise of the design documentation—Concentrating mill		Federal State Department Glavgosexpertisa of the EAO			
	Certificate of work permit affecting the safety of the capital construction objects of the LLC “KS GOK”	No. 0076-2009-150001701-CPO-C-019-06072009	Non commercial partnership “Sakhalinskoe Regionalnoe objedinenie stroiteley” (Sakhalin Regional Association of Constructors)	03.12.09	Not applicable	
	Certificate of work permit affecting the safety of the capital construction objects of the CJSC “PKhMI”	No. CPO-P-054-16112009-002	Non commercial partnership “Objedinenie professionalnykh proektirovshchikov “RusStroy-proekt” (Association of Professional Designers)	30.11.09	Not applicable	
	Permit for all types of excavatory, construction and assembly works in accordance with the historic and cultural expertise (archeological examination)	No. 1	Department of Culture of the Government of the EAO	18.05.09	Not applicable	
	Permit for construction—preparation works Vakhtovy poselok	RU 79503104-06	Administration of the municipal entity “Obluchinskiy municipal district” of the EAO		Not applicable	

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	Construction permit for the object Fuel station and access way to construction support facility — preparation works	RU79503104-07	Department of Architecture and Construction of the Government of the EAO	30.10.09	01.12.10	
	Construction permit for the object Base of construction industry — preparation works	RU79503104-06	Department of Architecture and Construction of the Government of the EAO	30.10.09	01.12.10	
	Construction permit for the objects: PS20/35/6KB “Central”, station Promyshlennaya and access railway, Boilerhouse “Central” 65 MW, Concentrating mill, Sites GTK, RTsF, TsMTB, warehouse of fuel and lubricants, works for manufacturing of emulsion explosive - preparation works	RU79503104-05	Department of Architecture and Construction of the Government of the EAO	01.03.10	01.03.11	
	Construction permit for the object Base of construction industry. Hangar — reinforcement.	RU79503104-07	Department of Architecture and Construction of the Government of the EAO	17.03.10	17.03.11	
	Construction permit for the object Base of construction industry. Hangar — shop of not standard metal structures	RU79503104-08	Department of Architecture and Construction of the Government of the EAO	17.03.10	17.03.11	
	Specifications for design and construction of a railway	No. 6338	OJSC “Russian Railways”	13.04.09	Not applicable	
	Act of choice of place of connecting track of the constructed railway of not common use to the existing railway of common use at the railway station Izvestkovaya of the Far East Railway dated 29 May 2009		LLC “KS GOK”, OJSC “Russian Railways” FERW, OJSC “Dalgiprotrans”	27.05.09	Not applicable	

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	Minutes of the Working Committee for determination of the location of the connecting track for the constructed railway of not common use to the existing railway of common use at the railway station Izvestkovaya of the Far East Railway dated 29 May 2009		LLC "KS GOK", OJSC "Russian Railways" FERW, OJSC "Dalgiprotrans"	27.05.09	Not applicable	
	Adjustment of the specifications for design and construction of the railway dated 7 September 2009	No. 14826	OJSC "Russian Railways"	07.09.09	Not applicable	
	Design opinion "1st stage of Kimkano-Sutarsky GOK on the basis of Kimkanskoe deposit of BIF. Construction of access and intrasite railways"	No. ATEX-16/269	OJSC "Russian Railways"	28.05.10	Not applicable	
	Regulations on arrangement and carrying out of industrial control in compliance with the industrial safety requirements in dangerous industrial objects of the LLC "KS GOK"		LLC "KS GOK"	20.04.09	Not applicable	
	Standard of enterprise. Industrial safety and work safety management system	CTN 01-2009	LLC "KS GOK"	15.10.09	Not applicable	
	Quality guidelines		LLC "KS GOK"	06.10.09	Not applicable	
	Regulations on system controlling the quality of the performed works		LLC "KS GOK"		Not applicable	
	Sanitary and epidemiologic opinion on use of water supplies for drinking and domestic water supply	No. 79.01.02.000.M.000360.03.10	Department of Rospotrebnadzor for the EAO (Russian Federal Service for Consumer Right Protection and Human Welfare)	23.03.2010	Not applicable	

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	Sanitary and epidemiologic opinion on designing of sanitary protection zones of water inlet "Snarsky", the EAO, Obluchensky district, settlement Snarsky	No. 79.01.02.000.T.000425.02.10	Department of Rospotrebnadzor for the EAO	26.02.2010	Not applicable	
	Sanitary and epidemiologic opinion on use of water object for drinking and domestic water supply of SKV. 9SN area Snarsky	No. 79.01.02.000.M.000360.03.10	Department of Rospotrebnadzor for the EAO	23.03.2010	Not applicable	
	Sanitary and epidemiologic opinion on design of sanitary and protection zone of the concentrating mill of the KS GOK	No. 79.01.02.000.T.000420.02.10	Department of Rospotrebnadzor for the EAO	17.02.2010	Not applicable	
	Sanitary and epidemiologic opinion on allocation of land plot for construction of concentrating mill of KS GOK (area is 33,9 ha).	No. 79.01.02.000.T.000414.02.10	Department of Rospotrebnadzor for the EAO	15.02.2010	Not applicable	
	Sanitary and epidemiologic opinion on allocation of land plot for construction of concentrating mill of KS GOK (area is 12,3 ha).	No. 79.01.02.000.T.000415.02.10	Department of Rospotrebnadzor for the EAO	16.02.2010	Not applicable	
	Sanitary and epidemiologic opinion on allocation of land plot for construction of solid domestic and industrial waste landfilling of KS GOK (area is 11,4 ha).	No. 79.01.02.000.T.000445.03.10	Department of Rospotrebnadzor for the EAO	04.03.2010	Not applicable	
	Sanitary and epidemiologic opinion on allocation of land plot for construction of water intake stations, area Snarsky, Izvestkovy	No. 79.01.02.000.T.000437.03.10 No. 79.01.02.000.T.000446.03.10	Department of Rospotrebnadzor for the EAO	02.03.2010 10.03.2010	Not applicable	
	Sanitary and epidemiologic opinion on allocation of land plot for construction of a railway KS GOK. Area is 9,3 ha.	No. 79.01.02.000.T.000538.06.10	Department of Rospotrebnadzor for the EAO	25.06.2010	Not applicable	

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	Sanitary and epidemiologic opinion on allocation of land plot for construction of the railway station at KS GOK. Area is 17,0 ha.	No. 79.01.02.000.T.000536.06.10	Department of Rospotrebnadzor for the EAO	25.06.2010	Not applicable	
	Sanitary and epidemiologic opinion on allocation of land plot for construction of the railway station at KS GOK. Area is 22,1ha.	No. 79.01.02.000.T.000536.06.10	Department of Rospotrebnadzor for the EAO	25.06.2010	Not applicable	
	Sanitary and epidemiologic opinion on allocation of land plot for construction of the railway station at KS GOK. Total area is 99800 sq.m.	No. 79.01.02.000.T.000535.06.10	Department of Rospotrebnadzor for the EAO	25.06.2010	Not applicable	
	Sanitary and epidemiologic opinion on allocation of land plot for construction of the railway station at KS GOK. Total area is 21200 sq.m.	No. 79.01.02.000.T.000534.06.10	Department of Rospotrebnadzor for the EAO	25.06.2010	Not applicable	
	Fire safety statement	99401000-00181-912	Department of the State Fire Survey in and for the city of Birabidjan, Head Department of the Ministry for Extraordinary Situations of Russia for the EAO	30.04.2010	Not applicable	
	Safety data sheet		Main Department of the Ministry for Extraordinary Situations of Russia for the EAO			The documents are being prepared
	Licence for operation of explosive and fire dangerous industrial objects		Far East Department of Rotekhnadzor of Russia			On 11.06.2010 the documents were filed to obtain the licence

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	Opinion No. 200 dated 13.08.2009 of the expertise of industrial safety for the design documentation "Design of pilot operation of the Central area of Kimkanskoye iron ore deposit"	71-PD-13321-2009	Far East Department of Rostekhnadzor of Russia	01.09.2009	Not applicable	
	Certificate of registration with the state register of dangerous industrial objects	A71-01817	Far East Department of Rostekhnadzor of Russia	30.09.2009	06.10.2013	
	Civil liability insurance policy for organisations operating dangerous industrial objects for personal injury and damage to property of third parties and the environment due to accident involving dangerous industrial objects	No. 05V/DPO-001509	Insurance company LLC "SK ORANTA"	13.10.2009	<u>16.10.2010</u>	Note: under Russian law it is compulsory to have this type of permit. The policy will be renewed once it has expired.
	Lease agreement for forest area for development of Kimkan iron ore deposit	w/n	Department of Mineral Resources of the Government of the EAO	17.11.2009.	22.12.2014	
LLC "Orlovsko-Sokhatinsky Rudnik"	Licence for geological study, exploration and production of iron ores within Orlovsko-Sokhatinskaya Area	BLG 14664 TR	Department for subsoil use for the Amur Region	13.04.2009	01.03.2033	
	Lease Agreement for a forest land plot for geological study of iron ore deposit within Orlovsko-Sokhatinskaya Area	144	Department for forest management for the Amur Region	14.08.2009	14.08.2011	
	Project for prospecting, evaluation and exploration of iron ore within the Orlovsko-Sokhatinskaya licensed area	10-08-38	Department for subsoil use of the Amur Region	28.10.2008	2016	

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	Expert conclusion for project for prospecting, evaluation and exploration of iron ore within the Orlovsko-Sokhatinskaya licensed area	87-2008	FGUP "Geolexpertiza"	15.10.2008	1Q 2016	
LLC "Rubikon"	Certificate of access to work affecting the safety of capital construction objects	0173-2010-211020720-SRO-S-019-06072009	Non commercial partnership "Sakhalin Regional Association of Developers"	09.02.2010.	Not applicable	
	Insurance policy related to liability of developers in the event of damage caused by defects of works affecting the safety of capital construction objects	433-241-005993/10	OJSIC "Ingosstrakh"	15.02.2010	15.02.2011	
	Licence for subsoil use of widely spread natural resources of the settlement Churki	LEN 00121 PI	Department of Natural Resources of the Government of the EAO	29.12.2009	31.12.2013	
	Expert opinion on the project of exploration of building stone (sand-rock) in the deposit Churki, Leninskiy District of the EAO	36-2010	Far East branch of the Federal State Institution "Geolexpertisa"	21.05.2010	Not applicable	
	Specifications for design and construction of transshipping complex at the station Leninsk of the Khabarovsk subdivision of Far East Railway with junction to bridge across the river Amur	w/n	OJSC "Russian Railways"	11.01.2010	11.01.2012	
	Specifications for power supply of the objects of the designed bridge	w/n	OJSC "Russian Railways"	07.06.2010	07.06.2012	
	Act of Choice of the place of junction of the non common railway under construction to existing common railway at the railway station Leninsk of the FERW dated 21 August 2009		LLC "Rubikon", OJSC "Russian Railways" FERW, OJSC "Dalgiprotrans"	21.08.2009.	Not applicable	

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	Minutes of the work of the committee for determination of the place of junction of non common railway under construction to the existing common railway at railway station Leninsk of the FERW dated 21 August 2009		LLC "Rubikon", OJSC "Russian Railways" FERW, OJSC "Dalgiprotrans"	21.08.09	Not applicable	
OJSC "Giproruda"	Certificate of access to works on preparation of project documentation, which effect the safety of capital construction objects	P-044-006.1	Self-regulating organisation NP "Project organisations of the North-West"	01.07.2010	Not applicable	
	Licence for surveying works	56-PM-001383 (O)	Federal Service on Ecological, Technological and Nuclear Supervision	24.07.2008	24.07.2013	
	Licence for the work with use of the information constituting state secret	GT No. 008741 reg. number 4297	Federal Security Service	20.04.2009	20.04.2014	
	State licence of the Republic of Kazakhstan for design of mining operations	GLNo. 0003366	Committee for State Energy Supervision of the Ministry for Energy and Mineral Resources of the Republic of Kazakhstan	04.12.2009	Not applicable	
	Certificate evidencing the compliance of quality management system of OJSC "Giproruda" with the requirements of GOST R ISO 9001-2008 (ISO 9001:2008)	ROSS RU.IS09.K00981	LLC "Test — St. Petersburg"	07.06.2010	07.06.2013	
	Civil liability insurance policy related to defects of works effecting the safety of capital construction objects	Agreement No. 18-100023-16/10 dated 06.04.2010	OJSC "GSK "Yugoria"	25.04.2010	24.04.2011	

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	Certificate of State Registration	1673	Committee for Municipal Property Management	08.12.1992	Not applicable	
	Certificate of State Registration of Right	78-78-01/0161/2006-332	Main Department of the Federal Registration Service	18.04.2006	Not applicable	
	Lease Agreement for the land plot beneath the building of OJSC "Giproruda"	12/ZD-00716	Committee for Municipal Property Management	19.02.1998	30.06.2046	
	Lease Agreement for the land plot of the yard of OJSC "Giproruda"	12/ZD-00626	Committee for Municipal Property Management	20.01.1998	30.06.2046	
	Certificate of record registration of a representative office of a legal entity	64-1937-19-P-o-(IU)	Ministry of Justice of the Republic of Kazakhstan	08.06.2010	Not applicable	
	Lease Agreement for non-residential premises (office) in town Rudny, Republic of Kazakhstan	694/10/20ur	JSC "SSGPO"	15.04.2010	31.12.2010	
	State licence of the Republic of Kazakhstan for expert works and engineering services	0160274	Department of state architectural-construction control of Kostanayskiy region	30.07.2010	Not applicable	
	State licence of the Republic of Kazakhstan	0160273	Department of state architectural-construction control of Kostanayskiy region	30.07.2010	Not applicable	
LLC "GMMC"	Licence for prospecting and evaluation works related to underground water for technical and drinking water supply to "Garinsky mining and metallurgic integrated works"	BLG 02030 VP	Department for subsoil use for the Amur Region	03.09.2008	31.12.2010	The documents have been filed for the extension of the licence term till 31. 12. 2012

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	Licence for subsoil use for production of ores in Garinskoye ore deposit in the Amur Region	BLG 14123 TE	Department for subsoil use for the Amur Region	19.06.2007	31.12.2026	
	Lease agreement for a forest land plot for geological study of the subsoil of Garinskoye iron ore deposit	161	Department for forest management in the Amur Region	02.11.2009.	02.11.2011	
	Lease agreement for a forest land plot for geological study of the subsoil of Garinskoye iron ore deposit	5	Department for forest management in the Amur Region	27.01.2009	27.01.2011	
	Lease agreement for a forest land plot for prospecting and evaluating works for the underground water within Garinskoye iron ore deposit in the basin of rivers Orlovka and Gar	32	Department for forest management in the Amur Region	02.04.2010	29.12.2010	
	Lease agreement for a land plot for construction and operation of railroad base in village Chagoyan	1442	Administration of Shimanovsky District of the Amur Region	11.12.2009	02.12.2012	
	Minutes of the meeting of the State Committee for Natural Minerals Reserves of the Council of Ministers of the USSR	No. 2196	Ministry of Geology and Subsoil Protection of the USSR. General fund of DVGU	29.03.1958	Not applicable	
	Forest Land Lease Agreement for location of construction support facility and industrial zone for geological study of subsoil and development of mineral resources within Garinskiy iron ore deposit	118	Department for forest management in the Amur Region	20.07.2010	20.07.2013	

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	Additional exploration of flanks of Garinskoye iron ore deposit. Supplement to the project for additional appraisal of technological and mining-technical terms of operation of Garinskoye iron ore deposit (Garinskiy object)	No. 10-08-48 (suppl.)	Department for Subsoil Use for the Amur Region	18.02.2010	Q2 of 2013	
	Expert opinion regarding supplement to the project for additional appraisal of technological and mining-technical terms of operation of Garinskoye iron ore deposit (Garinskiy object)	No. 11-2010	Far East branch of Federal State Unitary Enterprise "Geoexpertise"	03.-2.2010	Q2 of 2013	
	Policy of third party, passengers liability and liability for the cargo related to aircraft	No. 495-042645/09	OIJSC "Ingosstrakh"	02.10.2009	<u>02.10.2010</u>	Note: under Russian law it is compulsory to have this type of permit. The policy will be renewed once it has expired.
	Sanitary and epidemiological opinion related to a land plot for construction and operation of railroad base	No. 28.22.12.000 T 00 1290 11.09	Territorial Department of Rospotrebnadzor (Federal Service for Supervision for Protection of Consumers' Rights) in the Amur Region	11.11.2009	Not applicable	
	Expert opinion on allocation of a land plot for construction	No. 16	Branch of FGUZ (Federal State Health Care Department) "Centre of Hygiene and Epidemiology in the Amur Region in towns Svobodny and Shimanovsk, Svobodnenskiy, Mazanovskiy and Seledjinskiy districts"	06.11.2009	Not applicable	

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	Opinion on preliminary approval for the location of property	No. 11-17/407	Western interregional department. Ministry of Natural Resources of the Amur Region. State Control Department	02.11.2009	Not applicable	
LLC "Olekminsky Rudnik"	Licence for surveying works	PM-72-000123(O)	Department for Ecological and Technological Supervision of Rostekhnadzor for the Amur Region	28.05.2007	28.05.2012	
	Licence for subsoil use in the widespread mineral resources deposits	BLG-00044-PR	Department for nature management and mining complex of the Administration of the Amur Region	31.05.2006	01.07.2026	
	Positive opinion of the state expertise on the object of capital construction —mining enterprise on the base of ores of Kuranakhscoe deposit — mine "Kuranakh"	054-10/GGE-5572/15	Federal State Institution "Main Department for State Expertise"	29.01.2010	Not applicable	
	Opinion on damage to wild animals caused by construction and operation of Kuranakh mining and beneficiation plant in Tynda District of the Amur Region		State Scientific Institution "All-Russia scientific-research institute of hunting farm and animal breeding named after Prof. B. M. Zhitkov"	08.12.2005	Not applicable	
	Licence for subsoil use, geological study, development of titanium-magnetite ores within Kuranakhscoe deposit and its sides	BLG-01244-TR	Committee for Natural Resources for the Amur Region	25.06.2001.	01.06.2026	
	Minutes of meeting of the territorial committee for mineral resources reserves (Amur TKZ)	612	Territorial Subsoil Use Agency for the Amur Region	25.12.2006	Not applicable	

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	Minutes of meeting of the territorial committee for mineral resources reserves (Amur TKZ)	633	Department for Subsoil Use for the Amur Region	30.07.2007	Not applicable	
	Licence for manufacturing industrial explosive materials	IV-00-008345 (V)	Federal Service for Ecological, Technological and Nuclear Supervision	01.02.2008	01.02.2013	
	Permission for explosive works	12	Department for Ecological and Technological Supervision of Rostekhnadzor for the Amur Region	22.12.2009	31.12.2010	
	Licence for storage of industrial explosive materials	XV-72-000116 (V)	Department for Ecological and Technological Supervision of Rostekhnadzor for the Amur Region	22.03.2007	22.03.2012	
	Licence for use of industrial explosive materials	PV-72-000117 (V)	Department for Ecological and Technological Supervision of Rostekhnadzor for the Amur Region	22.03.2007	22.03.2012	
	Civil liability insurance policy of the organisations operating dangerous industrial objects	OP 010442	LLC "National Insurance Group" "ROSENERGO"	20.05.2010	19.05.2011	
	Insurance Agreement	000043-10/OP-28BL	LLC "National Insurance Group" "ROSENERGO"	04.06.2010	Not applicable	
	Certificate of Registration with the State Register of Dangerous Industrial Objects	A72-01775	Far East Department of the Federal Service for Ecological and Technological Supervision (Amur Region)	29.04.2010	24.03.2011	
	Plan of measures for prevention and liquidation of emergency natural and man-triggered situations of LLC "Olekminsky Rudnik"		LLC "OR"	19.03.2010	Not applicable	

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	Opinion on engineering and geological conditions of the site of construction support facility of ore processing enterprise producing titanium-magnetite and ilmenite concentrate "Benefication plant "Olekma"	RG-03-246-13-53/09	LLC "Scientific and Industrial Geologic firm "Regis"	2010	Not applicable	
	Safety declaration of hydraulic facilities under construction of tail facilities of "Benefication plant "Olekma"	08-08(01)0279-10-GOR	Department of State Energy Supervision of the Federal Service for Ecological, Technological and Nuclear Supervision	12.12.2008	Not applicable	
	Opinion of expert review on safety declaration	10-DB-0279-2008	Federal State Institution "All-Russia Scientific-Research Institute for Matters of Civil Defence and Emergency Situations"	01.12.2008	Not applicable	
	Opinion on readiness of LLC "Olekminsky Rudnik" to localise a potential accident in hydraulic facilities under construction of the tail facilities of ore processing enterprise producing titanium-magnetite and ilmenite concentrate "Benefication Plant "Olekma" and sufficiency of measures for protection of people and territory	A-03/03-361	Federal State Institution "All-Russia Scientific-Research Institute for Matters of Civil Defense and Emergency Situations"	18.12.2008	Not applicable	
	Permit for emission of harmful (polluting) substances into open air	25	Department for Technological and Ecological Supervision of Rostekhnadzor for the Amur Region	01.04.2009	01.04.2014	

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	Permit for emission of harmful (polluting) substances into open air	52-04 A/09	Far East Department of Rostekhnadzor for the Amur Region	18.12.2009	18.12.2014	
	Permit for emission of harmful (polluting) substances into open air	26	Department for Technological and Ecological Supervision of Rostekhnadzor for the Amur Region	01.04.2009	01.04.2014	
	Permit for emission of harmful (polluting) substances into open air	40-04 A/10	Far East Department of Rostekhnadzor for the Amur Region	20.04.2010	20.04.2012	
	Expert opinion on the materials of the project "Report on inventory of emission of harmful substances into open air and their source for construction support facility of ore processing enterprise on the base of Kuranakhscoe iron ore deposit "Mine "Kuranakh"	21	Department for Technological and Ecological Supervision of Rostekhnadzor for the Amur Region	17.03.2009	01.01.2014	
	Expert opinion on materials of project "Protection of Environment". Project of norms of maximum permitted emissions for mining enterprise on the base of ores of Kuranakhscoe iron ore deposit "Mine "Kuranakh"	20	Department for Technological and Ecological Supervision of Rostekhnadzor for the Amur Region	17.03.2009	01.01.2014	
	Agreement for water use, agreed scheme of intake (withdrawal) of surface water from the river Kuranakh	No.28-18.03.04.003-R-DZIO-S-2010-00380/00	Water resources department for the Amur Region of the Amur basin water department	31.05.2010	31.12.2010	

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	Positive opinion of state expertise on the capital construction object "Ore processing enterprise for production of titanium-magnetite and ilmenite concentrate— "Benefication Plant "Olekma"	No. 581-10/GGE-6814/15	FGU "Glavexpertisa Rossii"	06.07.2010	Not applicable	
	Positive opinion of the expert committee of the state ecological expertise on working project "Mining enterprise on the base of Kuranakhskoe iron ore deposit Mine "Kuranakh"	No. 361	Department of the Federal Service for Ecological, Technological and Nuclear Supervision for the Amur Region	29.12.2006	01.01.2011	Not applicable
	Positive opinion of the expert committee of the state ecological expertise on project documentation "Solid domestic and industrial waste landfill" of LLC "Olekminsky Rudnik"	No. 2-04A/09	Department of the Federal Service for Ecological, Technological and Nuclear Supervision for the Amur Region	07.12.2009	07.12.2012	
	Positive opinion of the expert committee of the state ecological expertise on working project of construction of motor way station Olekma—mine "Kuranakh" and temporary bridge across the river Kuranakh in Tynda District of the Amur Region	No. 365	Department of the Federal Service for Ecological, Technological and Nuclear Supervision for the Amur Region	29.12.2006	01.01.2011	

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	Positive opinion of the expert committee of the state ecological expertise on working project "Ore processing enterprise for production of titanium-magnetite and ilmenite concentrate—Benefication Plant "Olekma"	No. 362	Department of the Federal Service for Ecological, Technological and Nuclear Supervision for the Amur Region	29.12.2006	01.01.2011	
	Construction permit for "Ore processing enterprise for production of titanium-magnetite and ilmenite concentrate—Benefication Plant "Olekma"	RU 28507000-09	Administration of Tynda District	30.10.2009	30.11.2011	
	Sanitary and epidemiological opinion on the project "Inventory of sources of emissions of polluting substances into the open air. Determination of maximum permitted emissions of polluting substances. Feasibility of accepted sizes of sanitary and protection zones. Solid domestic and industrial waste landfill" of LLC "Olekminsky Rudnik"	28.22.14.000.T.000993.08.2009	Territorial Agency of the Department of the Federal Service for Supervision in Consumer Rights Protection and Human Wealth for the Amur Region in town of Tynda, Tynda and Skovorodinskiy District	10.08.2009	Not applicable	
	Sanitary and epidemiological opinion on allocation of a land plot for construction of motor way of 33.5 km length, LLC "Olekminsky Rudnik"	No. 161	Territorial Agency of the Department of the Federal Service for Supervision in Consumer Rights Protection and Human Wealth for the Amur Region	22.05.2007	Not applicable	

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	Sanitary and epidemiological opinion on project "Ore processing enterprise for production of titanium-magnetite and ilmenite concentrate — Benefication Plant "Olekma"	28.22.14.000.T. 000136.02.2010	Territorial Agency of the Department of the Federal Service for Supervision in Consumer Rights Protection and Human Wealth for the Amur Region in town of Tynda, Tynda and Skovorodinskiy District	12.02.2010	Not applicable	
	Sanitary and epidemiological opinion on allocation of a land plot for solid domestic and industrial waste landfill of LLC "Olekminsky Rudnik"	No. 28.22.000.M. 000040.01	Department of the Federal Service for Supervision in Consumer Rights Protection and Human Wealth for the Amur Region in town of Tynda, Tynda and Skovorodinskiy District	30.01.2009	Not applicable	
	Sanitary and epidemiological opinion on allocation of a land plot for design and exploration works, construction and operation of Kuranakhskiy mining-concentrating integrated works for processing of titanium-magnetite ores	No. 116	Territorial Agency of the Department of the Federal Service for Supervision in Consumer Rights Protection and Human Wealth for the Amur Region in town of Tynda, Tynda and Skovorodinskiy District		Not applicable	
	Sanitary and epidemiological opinion on project "Arrangement of sanitary and protection zone of industrial site of mine "Kuranakh"	No. 28.22.14.000.T. 001390.12.2009	Territorial Agency of the Department of the Federal Service for Supervision in Consumer Rights Protection and Human Wealth for the Amur Region in town of Tynda, Tynda and Skovorodinskiy District	02.12.2009	Not applicable	

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	Sanitary and epidemiological opinion on the project "Arrangement of sanitary protection area of ore-processing enterprise producing titanium and magnetite and ilmenite concentrate "Beneficating factory "Olekma"	No. 28.22.14.000.T.000136.12,2010	Territorial Agency of the Department of the Federal Service for Supervision in Consumer Rights Protection and Human Wealth for the Amur Region in town of Tynda, Tynda and Skovorodinskiy District	12.02.2010	Not applicable	
	Approval of sitting of mining enterprise on the base of ores of Kuranakhscoe deposit "Mine "Kuranakh"	No. 09/441/05	Amur territorial department of the Federal Fishery Agency	23.11.2009	Not applicable	
	Sitting of power line VL 35 kW for power supply to the mining enterprise on the base of ores of Kuranakhscoe deposit "Mine "Kuranakh"	No. 10~190~05	Amur territorial department of the Federal Fishery Agency	20.05.2010	Not applicable	
	Approval of sitting of ore processing enterprise for manufacture of titanium magnetite and ilmenite concentrate "Beneficiating factory "Olekma"	No. 10/138/05	Amur territorial department of the Federal Fishery Agency	15.04.2010	Not applicable	
	Approval of the project of mined land reclamation for the ore processing enterprise on the base of the ores of Kuranakhscoe deposit "Mine "Kuranakh"	No. 06-32/4590	Department of Forestry Management of the Amur Region	13.07.2009	Not applicable	
	Approval of the project of mined land reclamation of the mining enterprise on the base of the ores of Kuranakhscoe deposit"	No. 27-1799	Administration of the Tyndinsky District	06.07.2009	Not applicable	

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	Approval of the project of mined land reclamation for the ore processing enterprise on the base of the ores of Kuranakhscoe deposit "Beneficiating factory "Olekma"	No. 27-508	Administration of Tyndinsky District	27.02.2009	Not applicable	
	Positive opinion on project of norms of waste generation and limits for its placement for mining enterprise on the base of ores of Kuranakhscoe deposit "Mine "Kuranakh"		Department for Technological and Ecological Supervision of Rostekhnadzor for the Amur Region	23.03.2009	23.03.2014	
	Positive opinion on project of norms of waste generation and limits for its placement for beneficiating factory "Olekma"		Department for Technological and Ecological Supervision of Rostekhnadzor for the Amur Region	02.07.2010	02.07.2015	
	Positive opinion on project of norms of waste generation and limits for its placement for base construction support facility of LLC "Olekminskiy Mine"		Department for Technological and Ecological Supervision of Rostekhnadzor for the Amur Region	01.06.2009	01.06.2014	
	Positive opinion on project of norms of waste generation and limits for its placement for base construction support facility of LLC "Olekminskiy Mine" (office in Blagoveschensk)		Department for Technological and Ecological Supervision of Rostekhnadzor for the Amur Region	09.07.2009	09.07.2014	
	Positive opinion on project of norms of waste generation and limits for its placement for base construction support facility of LLC "Olekminskiy Mine" (office in Tynda)		Department for Technological and Ecological Supervision of Rostekhnadzor for the Amur Region	09.07.2009	09.07.2014	

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LLC "Karier Ushumunskiy"	Agreed scheme of intake (withdrawal) of water and waste water disposal of LLC "Karier Ushumunskiy"		Department of water resources for the EAO, Amur basin water department			The documents are being prepared
	Licence for subsoil use with the designated purpose and works geological study (prospecting, exploration) and production of lignite coal in the Southern area of the Ushumanskoe deposit	No. 81/ BIR 00420 TR	Department for subsoil use in the EAO	10.10.2007	31.12.2027	
	Licence for subsoil use with the designated purpose and works geological study, exploration and production of lignite coal in the Ushumanskoe deposit	No. 19/ BIR 00428 TR	Department for subsoil use in the EAO	11.03.2009	31.12.2019	
	Licence for subsoil use with the designated purpose and works geological study, exploration and production of volcanic minerals in the deposit "Sopka+142 Urochischa Ushumun"	17/09 BIR 00118 PI	Department of Natural Resources of the EAO	24.07.2009	31.12.2018	
	Licence for surveying works	PM-71-001073 (O)	Far East Department of the Federal Service for Ecological, Technological and Nuclear Supervision	16.06.2009	16.06.2014	
	Land Lease Agreement	690	Administration of the Birabidjan Municipal District	13.03.2009	01.01.2019	

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	Lease Agreement for the forest land plot for geological study of subsoil and development of the mineral resources	w/n	Department of Natural Resources of the Government of the EAO	30.03.2009	11.05.2019	
	Lease Agreement for the forest land plot for geological study of subsoil and development of the mineral resources	w/n	Department of Natural Resources of the Government of the EAO	30.12.2009	27.01.2020	
	Mining allotment act to the licence BIR 00428 TR dated 11.03.2009	No. 2125	Federal Service for Ecological, Technological and Nuclear Supervision	06.05.2010	31.12.2019	
	Positive opinion of the expertise for industrial safety of design documentation "Change of procedure of development of the area "Centralny" in Usumunskoe lignite coal deposit"	No. 71-ID-15338-2010	Far East Department of the Federal Service for Ecological, Technological and Nuclear Supervision	20.04.2010		Not applicable
	Positive opinion of the expertise for industrial safety of design documentation "Change of procedure of development of the area "Centralny" in Usumunskoe lignite coal deposit"	w/n	Expert organization Scientific and industrial, design and constructive association LLC "ECOGEOPROEKT" (LLC "ECOGEOPROEKT NPPKO)	03.02.2010		Not applicable
	Minutes of the meeting of the committee for development of deposits of mineral resources	No. 1	Department of Natural Resources of the Government of the EAO	16.03.2010		Not applicable
	The Minutes of TKZ approved by the committee for reserves of mineral resources at Dalgeolkom	No. 238	Far East Territorial Committee for Reserves of Mineral Resources	04.03.1997		Not applicable

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	Opinion of the state expert review of the project documentation for the construction of the area "Centralny" in Ushumunskoe lignite coal deposit	No. 2-1/10-623	Glavgosexpertisa of Russia	06.04.1998	Not applicable	
	Regulations on arrangement and fulfillment of control on compliance with the requirements of industrial safety in dangerous industrial objects of LLC "Karier Ushumunskiy"	w/n	LLC «Karier Ushumunskiy»	22.05.2009	Not applicable	
	Standard of organisation "Karier Ushumunskiy". Coal of Ushumunskiy deposit, specifications	STO 95353348-002-2009	LLC «Karier Ushumunskiy»	15.12.2009	Not applicable	
	Standard of organisation "Karier Ushumunskiy". Standardisation system of LLC "Karier Ushumunskiy"	STO 95353348-001-2009	LLC «Karier Ushumunskiy»	25.12.2009	Not applicable	
	Sanitary and epidemiological opinion on allotment of the subsoil plot for geological study of subsoil and development of deposits of mineral resources (23,8 ha)	No. 79.01.02.000.T.000474.04.10	Department of Rospotrebnadzor for the EAO	19.04.2010	Not applicable	
	Sanitary and epidemiological opinion on allotment of the subsoil plot for production of coal, maintenance of Power Supply Line, access way, shipment and warehouse area in Ushumunskoe lignite coal deposit (13,7258 ha)	No. 79.01.02.000.T.000448.03.10	Department of Rospotrebnadzor for the EAO	12.03.2010	Not applicable	

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	Sanitary and epidemiological opinion on allotment of the subsoil plot for development of deposits of mineral resources in Ushumunskoe lignite coal deposit (157,235 ha)	No. 79.01.02.000.T.000447.03.10	Department of Rospotrebnadzor for the EAO	12.04.2010	Not applicable	
	Plan of liquidation of accidents of LLC "Karier Ushumunskiy"	N/A	Main Department of Ministry for Emergency Situations of Russia for the EAO	01.01.2010	31.12.2010	
	Licence for operation of explosive fire and dangerous industrial objects		Far East Department of Rostekhnadzor of Russia			A set of documents is under preparation for obtaining the licence
	Certificate of registration with the State Register of dangerous industrial objects	No. A71-01883	Far East Department of Rostekhnadzor of Russia	26.05.2009	26.05.2014	
	Civil liability insurance policy for organisations operating dangerous industrial objects for damage to life, health and property of third parties and the environment caused by accidents involving dangerous industrial objects	No. OT- 002757/10 dated 28 May 2010	Khabarovsk branch of the OJSC Insurance Company "Yakor"	24.06.2010	23.06.2011	
LLC "Kostenginskiy GOK"	Approval of works on geological study of subsoil without allocating a forest land plot and without felling forest in land plots of forest fund in the territory of Obluchenskiy forest farm	187	Department of Natural Resources of the Government of the EAO, regional state institution "Forest Farm of the EAO"	20.08.2008	Not applicable	

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	Licence for subsoil use	BIR 14650 TE	Department of Natural Resources of the Government of the EAO	01.04.2009	31.12.2027	
	Project for exploration of Kostenginskoye iron ore deposit	57	Federal State Institution "Dalgeophysika"	20.06.2008	Q4 2011	

5. Intellectual property rights

The Group owns the following patents:

<u>Patent</u>	<u>Registered owner</u>	<u>Place of registration</u>	<u>Effective period</u>	<u>Patent number</u>	<u>Application filing number</u>
Extraction of vanadium from titanovanadium slag	LLC Petropavlovsk-Iron Ore (formerly LLC Aricom)	Russia	30 April 2008 – 30 April 2028	2365649	2008116668

The Group has registered the following domain names:

<u>Name</u>	<u>Registered owner</u>	<u>Expiry date of domain name</u>
amursnab.ru	LLC Petropavlovsk-Iron Ore (formerly LLC Aricom)	08.09.2011
giproruda.ru	OJSC Giproruda	29.04.2011
ircgroup.com.hk	Company	11.06.2011
ircgroup.hk	Company	11.06.2011
irc-group.hk	Company	11.06.2011
ironroad.com.hk	Company	14.06.2011
ironroad.hk	Company	27.05.2011
ironroadcommodities.com	Company	28.05.2011
ironroadcommodities.com.hk	Company	14.06.2011
ironroadcommodities.hk	Company	27.05.2011
ironroadcommodities.net	Company	28.05.2011
ks-gok.ru	LLC KS-GOK	14.09.2011
olekma-gok.ru	LLC Petropavlovsk-Iron Ore (formerly LLC Aricom)	01.03.2011
petropavlovsk-io.ru	LLC Petropavlovsk-Iron Ore (formerly LLC Aricom)	02.02.2011
petropavlovsk-io.su	LLC Petropavlovsk-Iron Ore (formerly LLC Aricom)	02.02.2011
petropavlovsk-io.com	LLC Petropavlovsk-Iron Ore (formerly LLC Aricom)	02.02.2011
petropavlovsk-io.net	LLC Petropavlovsk-Iron Ore (formerly LLC Aricom)	02.02.2011
petropavlovsk-io.org	LLC Petropavlovsk-Iron Ore (formerly LLC Aricom)	02.02.2011
petropavlovsk-io.info	LLC Petropavlovsk-Iron Ore (formerly LLC Aricom)	
tieluxianhuo.com	Company	28.05.2011
tieluxianhuo.com.hk	Company	14.06.2011
tieluxianhuo.hk	Company	27.05.2011
tieluxianhuo.net	Company	28.05.2011
tiehuo.com.hk	Company	02.07.2011
tiehuo.hk	Company	02.07.2011
tielu.com.hk	Company	02.07.2011
tielu.hk	Company	02.07.2011

Save as aforesaid, there are no other patents, trademarks, service marks or other intellectual or industrial property rights which are material in relation to the Group's business.

6. Intellectual Property Rights of Our Group

Trademarks

As at the Latest Practicable Date, we made applications for the registration of the following trademarks:

<u>Trademark</u>	<u>Place of Registration</u>	<u>Class (notes)</u>	<u>Application Number</u>	<u>Application Date</u>
	Hong Kong	1,2,6,14,35,37,39,40,42	301696988	24 August 2010
	Hong Kong	1,2,6,14,35,37,39,40,42	301696988	24 August 2010
	Hong Kong	1,2,6,14,35,37,39,40,42	301696997	24 August 2010
	Hong Kong	1,2,6,14,35,37,39,40,42	301696997	24 August 2010
	Hong Kong	1,2,6,14,35,37,39,40,42	301696771	24 August 2010
	Hong Kong	1,2,6,14,35,37,39,40,42	301696771	24 August 2010

Notes:

Class 1 Chemicals used in industry; science and photography; as well as in agriculture; horticulture and forestry; unprocessed artificial resins; unprocessed plastics; manures; fire extinguishing compositions; tempering and soldering preparations; chemical substances for preserving foodstuffs; tanning substances; adhesives used in industry.

- Class 2 Paints; varnishes; lacquers; preservatives against rust and against deterioration of wood; colorants; mordants; raw natural resins; metals in foil and powder form for painters; decorators; printers and artists.
- Class 6 Common metals and their alloys; metal building materials; transportable buildings of metal; materials of metal for railway tracks; non-electric cables and wires of common metal; ironmongery; small items of metal hardware; pipes and tubes of metal; safes; goods of common metal not included in other classes; ores.
- Class 14 Precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewellery; precious stones; horological and chronometric instruments.
- Class 35 Advertising; business management; business administration; office functions.
- Class 37 Building construction; repair; installation services.
- Class 39 Transport; packaging and storage of goods; travel arrangement.
- Class 40 Treatment of materials.
- Class 42 Scientific and technological services and research and design relating thereto; industrial analysis and research services; design and development of computer hardware and software; legal services.

(D) FURTHER INFORMATION ABOUT DIRECTORS, MANAGEMENT AND EMPLOYEES**1. Particulars of service agreements**

The remuneration payable under the service agreements is as follows:

	GBP	US\$
Executive Directors		
Jay Hambro	450,000	690,000
Yury Makarov	400,000	613,000
Raymond Woo	300,000	460,000
Non-Executive Directors		
Dr. Pavel Maslovskiy	65,000	99,700
Independent Non-Executive Directors		
Daniel Bradshaw	90,000	138,000
Jonathan Martin Smith	90,000	138,000
Chuang-fei Li	90,000	138,000

(a) Executive Directors

Each of the Executive Directors has entered into a service contract with the Company under which they agree to act as Executive Directors until terminated by not less than 12 months' notice in writing served by the Company to the executive Director, or not less than six months' notice in writing by the Executive Director to the Company. Under their respective service agreements, Raymond Woo commenced his employment with the Company on 30 June 2010 and Jay Hambro and Yury Makarov commenced their employment with the Company on 25 August 2010.

Under the service agreements, the remuneration payable to each of the them shall be reviewed annually by the Board but there is no obligation on the Company to increase salaries. In addition, they are each entitled to a discretionary bonus, which is normally subject to a cap of 100 per cent. of base salary. The Remuneration Committee may, at its discretion, pay a special bonus for other reasons related to specific job performance and/or achievements. Each of them will also be entitled to all reasonable out-of-pocket expenses and to participate in a registered retirement scheme and to life assurance and medical insurance benefits. All benefits shall be paid for directly by the Company with the exception of Jay Hambro's medical insurance for which Mount F Consulting Limited will be refunded.

Each of the Executive Directors may not, without the express permission of the Board, be directly or indirectly employed or engaged in any other business or undertaking during their employment with the Company. Jay Hambro and Yury Makarov may, however, take on non-executive directorship roles with the express permission of the Company's senior Independent Non-Executive Director (currently Daniel Bradshaw). A carve out in Jay Hambro's service agreement enables him to work as a consultant to Petropavlovsk, via Mount F Consulting Limited, for one day a week and also as an independent non-executive director for Winsway Coking Coal Holdings Limited, a coal and coking company based in the PRC.

Jay Hambro and Yury Makarov shall be entitled to 30 days paid holiday per annum, in addition to all public holidays normally observed in Hong Kong. Raymond Woo shall be entitled to 25 days paid holiday per annum, in addition to all public holidays normally observed in Hong Kong.

(b) Non-Executive Directors and Independent Non-Executive Directors

Each of the Non-Executive Directors and each of the Independent Non-Executive Directors has signed an appointment letter with the Company under which they agree to act as Non-Executive Directors for an initial term of three years commencing from the date of Listing, which may be terminated by either party giving not less than three months' notice in writing.

Under their respective appointment letters, each of the Non-Executive Directors and each of the Independent Non-Executive Directors is entitled to a fixed Director's fee and each of the Non-Executive Directors may be entitled to a special remuneration at the discretion of the Board. The appointments of the Non-Executive Directors and the Independent Non-Executive Directors are subject to the provision of retirement and rotation of Directors under the Articles.

Save as disclosed above, none of the Directors has entered into any service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).

2. Directors' remuneration

No remuneration and benefits in kind were paid and granted by the Group to the Directors in respect of the year ended 31 December 2009. However, remuneration and benefits in kind of approximately US\$2,336,000 in aggregate were paid and granted by the Group to the directors of Aricom (as the predecessor of the Company) in respect of the year ended 31 December 2009.

Under the current arrangements, the Directors will be entitled to receive remuneration which, for the financial year ending 31 December 2010, is expected to be approximately US\$1,942,000, excluding the discretionary bonuses payable and share-based compensation payable to the Directors.

For further information on the Directors' remuneration policy, please refer to the sub-section headed "Directors' Remuneration" of the section headed "Directors and Senior Management" in this prospectus.

3. Summary of the principal terms of the Company's Long Term Incentive Plan

Introduction

The Company's Long-Term Incentive Plan (the "LTIP") will be used to provide equity incentives over already issued Shares to selected employees of the Group, including Executive Directors of the Company but excluding directors of Petropavlovsk.

No new Shares may be issued in order to satisfy grants made under the LTIP.

The Remuneration Committee of the Board (the “Committee”) will oversee the LTIP having regard to market practice within the Company’s business sector and the need to incentivise and retain the best people whilst aligning their interests with those of Shareholders.

The LTIP provides for the following types of share award:

- (a) options with an exercise price per Share not less than the market value of a Share at the time of grant (“Options”);
- (b) performance share awards, being awards delivering free shares granted as conditional awards or nil-cost options (“Performance Share Awards”); and
- (c) deferred bonus awards, being an award of Shares in lieu of annual bonus and conditional upon continuing service (“Deferred Bonus Awards”),

(together the “Awards”).

The following is a summary of the key features of the LTIP. Unless stated otherwise, the same terms apply to Options, Performance Share Awards and Deferred Bonus Awards.

Eligibility

Employees of the Group (including executive directors of the Company but excluding directors of Petropavlovsk) will be eligible but not entitled to participate in the LTIP and participation will be at the Committee’s discretion. The Committee intends to grant Awards at both Board and senior management levels.

Grant of Awards

No payment is required for the grant of an Award.

Awards may be granted upon or shortly following adoption of the LTIP and thereafter:

- (a) within 42 days following the announcement by the Company of its results for any period; or
- (b) at other times when exceptional circumstances have arisen which justify the grant of an Award, such as the recruitment of a senior executive,

provided that no Awards may be granted at any time when dealings in Shares are prohibited under the Company’s dealing code and no Awards may be granted after the tenth anniversary of the commencement of the LTIP.

Distributions

If the Company makes a distribution (including by way of dividend) to its Shareholders between the grant of a Performance Share Award or Deferred Bonus Award and the date on which Shares are received pursuant to the Award, the Committee may, in its absolute discretion, determine that the number of Shares subject to the Award shall be increased to reflect the value of the distribution which would have been paid on the Shares subject to the Award had such Shares been held by the Awardholder.

Exercise price of Options

Options will have an exercise price per Share not less than the market value of a Share at the time of grant.

Individual limits — options and performance share awards

The aggregate market value of Shares subject to Options and Performance Share Awards granted during any financial year of the Company to an individual shall not exceed two hundred per cent. (200%) of his basic salary (measured at the time of grant).

However, in exceptional circumstances (such as a senior executive's recruitment), this limit may be exceeded provided that grant levels will remain within a maximum approved by the Committee.

Exercise of Options and vesting of Performance Share Awards

Options may be exercised and Performance Share Awards shall vest subject to the following conditions:

- (a) the Awardholder remaining in service with the Company or any of its subsidiaries for such period as the Committee shall determine being not less than 3 years from the date of grant; and
- (b) satisfaction of appropriate and challenging performance conditions determined by the Committee, having regard to market practice within the Company's business sector and relating to the overall performance of the Company.

Options and Performance Share Awards structured as nil-cost options shall lapse on the tenth anniversary of grant to the extent unexercised.

The Committee intends to recommend to the trustee of the Company's employee benefit trust (the "EBT") to grant Performance Share Awards and make appointments in accordance with the terms of the EBT for the benefit of the families of the following directors, such grants and appointments to take effect at the time of Listing:

Name	Number of Shares subject to Performance Share Award	Percentage of total allocation¹	Percentage of total issued share capital of the Company at the time of Listing
Jay Hambro	23,220,000	20%	0.68%
Yury Makarov	20,317,500	17.5%	0.60%
Raymond Woo	14,512,500	12.5%	0.43%
Total	58,050,000	50%²	1.71%

1 The EBT will hold 3.42 per cent. of the total issued share capital of the Company immediately following completion of the Global Offering, assuming that the Over-allotment Option is not exercised. These percentages refer to the Shares awarded to the directors out of that 3.42 per cent. held in the EBT. Information regarding the EBT is set out in the paragraph headed "Employee benefit trust" in this Appendix.

2 The Committee intends to recommend the trustee of the EBT to also grant Performance Share Awards and make appointments in accordance with the terms of the EBT over approximately 38.5 per cent. of the Shares held in the EBT at the time of Listing to employees other than directors for the benefit of their families and the remaining 11.5 per cent. of the Shares held in the EBT will be reserved for future Awards and appointments.

The Committee intends to recommend to the trustee of the EBT that vesting of the Performance Share Awards granted at the time of Listing shall be dependant on the satisfaction of performance conditions relating to operations, profitability, development and health, safety and environmental matters, as determined by the Committee prior to grant.

For Performance Share Awards and Options granted in future years, the Committee will review whether the performance conditions remain appropriate and challenging taking into account the industry's outlook and Shareholders' interests. The Committee may adopt revised conditions which it considers to be no less demanding.

Where events occur which cause the Committee to consider that any established performance condition has become unfair (either favourable or unfavourable) or impractical, the Committee may amend or replace such condition as it deems appropriate.

Deferred Bonus Awards

The Committee may in respect of any financial year of the Company determine that up to 100 per cent. of an eligible employee's annual bonus shall be satisfied by the grant of a Deferred Bonus Award.

The number of Shares subject to the Deferred Bonus Award will be based on the pre-tax amount of the bonus and the market price of a share in the Company at the time of grant.

A Deferred Bonus Award shall vest subject to the awardholder remaining in service with the Group for such period as the Committee shall determine being not less than 12 months from the date of grant.

Cessation of employment

If an awardholder ceases to be employed by the group by reason of his death, injury, ill-health, disability, redundancy, retirement, as a result of the sale out of the Group of the business or subsidiary by which the Awardholder is employed or for any other reason which the Board in its absolute discretion permits, Awards shall become exercisable or immediately vest (as the case may be) and, in the case of then the Options or Performance Share Awards, based on the extent to which the Committee determines that the performance conditions have been met or were likely to have been met.

The number of Shares subject to all relevant Awards shall be pro-rated down to reflect the reduced service period.

If an Awardholder ceases employment for any other reason prior to his Award vesting or becoming exercisable, his Award will lapse immediately on cessation of employment.

Takeover, change of control or winding-up

In the event of a takeover, change of control or winding-up of the Company (other than an internal re-organisation), the Awards shall become exercisable or immediately vest (as the case may be) and, in the case of Options or Performance Share Awards, based on the extent to which the Committee determines that the performance conditions have been met or were

likely to have been met. The number of Shares subject to all relevant Awards shall be pro-rated down to reflect the reduced service period. Alternatively, the Awards may, by agreement with the acquiring company, be exchanged for awards over Shares in the acquiring company.

In the event of an internal re-organisation of the Company, all Awards will be automatically exchanged for equivalent awards subject to the terms of the LTIP over an appropriate number of new securities.

Variation of share capital

In the event of any variation in the ordinary share capital of the Company, by way of capitalisation of profits or reserves or by way of any consolidation or sub-division, or reduction of capital or otherwise and in respect of any discount element in any rights issues, or in the event of any payment of a special dividend, the exercise price of an Option and the number of Shares subject to an Award may be adjusted in such manner as the Committee determines is appropriate.

Voting, dividend and other rights

Awardholders will have no voting or dividend rights in respect of the Shares subject to the Awards until the Awards are exercised or vest.

The Awards are non-transferable and non-pensionable.

Amendments

The LTIP may be amended in any respect by the Committee provided that the prior approval of the Company in general meeting is required for amendments where such prior approval is required by the rules of the relevant stock exchange(s).

No amendment may be made to the rules of the LTIP if it would adversely affect the rights of Awardholders without the approval of Awardholders holding Awards over a majority of the affected Shares.

However, minor amendments to the benefit of the administration of the LTIP, to take account of changes in legislation, exchange control, or regulatory treatment or to take account of a corporate transaction, may be made without the need for either of the approvals set out above where such amendments do not alter the basic principles of the LTIP.

The Board may (without shareholder or Awardholder approval) modify the terms of the LTIP to obtain or maintain favourable tax treatment (for the Awardholders or the Group) and if considered expedient adopt sub-plans suitable for such purpose provided that the terms of the Awards granted pursuant to such modifications or sub-plan shall not be materially more favourable overall than the terms of Awards granted under the LTIP as set out in this summary.

International

When granting Awards to employees resident outside Hong Kong, the Board may (without Shareholder approval) modify the terms of the LTIP to take account of tax laws or other legal

or regulatory requirements in the relevant country and, if considered necessary and expedient, adopt sub-plans suitable for operation in the relevant country, provided that the terms of awards granted under such modifications or sub-plan shall not be materially more favourable overall than the terms of Awards granted under the LTIP as set out in this summary.

Employee benefit trust

The Board has established the EBT for the purpose of making appointments and settling Awards made under the LTIP. The trustee of the EBT is SG Hambros Trust Company (Channel Islands) Limited. It is intended that the EBT shall not hold more than five per cent. of the outstanding share capital of the Company at any time and, in this regard, the EBT will hold 3.42 per cent. of the total issued share capital of the Company immediately following completion of the Global Offering, assuming that the Over-allotment Option is not exercised.

Awards may be granted and appointments may be made in accordance with the terms of the EBT to eligible employees for the benefit of their families under the terms of the LTIP by the EBT. Any such Award shall be subject to the recommendation of the Committee, with respect to the terms of such Award and the exercise of any discretions. The same vesting conditions shall be applied to Awards granted by the EBT as are applied to Awards granted at the same time by the Committee.

4. Interests and/or short positions of Directors in the shares, underlying shares or debentures of the Company and its associated corporations

Immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised), the interests and/or short positions of the Directors and the chief executives of the Company in the Shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein or which will be required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities and Transactions by Directors of Listed Companies contained in the Listing Rules, will be as follows:

Name of Director	Nature of Interest	Number of Shares in the Company	Approximate percentage of issued shares in the Company immediately after the Global Offering
Jay Hambro	Contingent beneficial interest	23,220,000	0.68% ¹
Yury Makarov	Contingent beneficial interest	20,317,500	0.60% ¹
Raymond Woo	Contingent beneficial interest	14,512,500	0.43% ¹
Pavel Maslovskiy		0	0
Dan Bradshaw		0	0
CF Li		0	0
Jonathan Martin Smith		0	0

¹ These are conditional interests in Shares held in the Company's EBT and relate to Performance Share Awards which the Remuneration Committee of the Board intends to recommend to the trustee of the EBT to grant and make appointments

under the Company's LTIP and in accordance with the terms of the EBT for the benefit of the families of each of Jay Hambro, Yury Makarov and Raymond Woo, such grants and appointments to take effect at the time of Listing. The EBT will hold 3.42 per cent. of the total issued share capital of the Company immediately following completion of the Global Offering assuming that the Over-allotment Option is not exercised.

<u>Name of Director</u>	<u>Nature of Interest</u>	<u>No. of shares in Petropavlovsk¹</u>	<u>Approximate percentage of issued shares in Petropavlovsk immediately after the Global Offering²</u>
Jay Hambro	Contingent beneficial interest	54,166	0.08% ³
Yury Makarov	Contingent beneficial interest	41,666	0.02% ^{3,4}
	Beneficial interest	53,846	0.03% ⁵
Raymond Woo		0	0
Pavel Maslovskiy	Interest of a controlled corporation and beneficial interest	16,861,698	8.98% ⁶
Dan Bradshaw		0	0
CF Li		0	0
Johnny Martin Smith		0	0

1 Cayiron Limited is a wholly owned subsidiary of Petropavlovsk. Cayiron Limited will, immediately following completion of the Global Offering assuming that the Over-allotment Option is not exercised and the purchase of Shares held by the Pre-IPO Investors pursuant to the Pre-IPO Investment Supplemental Agreement has taken place, have approximately 57.51% interest in the Company.

2 As at the Latest Practicable Date, Petropavlovsk had 187,860,093 ordinary shares in issue.

3 These are conditional interests in shares in Petropavlovsk held in Petropavlovsk's employee benefit trust (the "Petropavlovsk EBT" and relate to performance share awards which the trustee of the Petropavlovsk EBT granted and made appointments on 26 June 2010 under Petropavlovsk's long term incentive plan and in accordance with the terms of the Petropavlovsk EBT for the benefit of the families of each of Jay Hambro and Yury Makarov.

4 Assuming the issued share capital of Petropavlovsk is increased only by the number of shares to be issued to Yury Makarov upon the vesting of the shares awarded to him pursuant to Petropavlovsk's long term incentive plan on 26 June 2010.

5 Yury Makarov was awarded shares in Petropavlovsk in April 2009 pursuant to the merger of Aricom and Petropavlovsk (then known as Peter Hambro Mining plc). These shares vested in February 2010 and are currently held in the Petropavlovsk EBT.

6 Pavel Maslovskiy and his associated corporations have, in aggregate, a 8.98% interest in Petropavlovsk.

5. Interests and/or short position of substantial shareholders in the Shares which are discloseable under Divisions 2 and 3 of Part XV of the SFO

Immediately following the completion of the Global Offering, assuming that the Over-allotment Option is not exercised and the purchase of Shares held by the Pre-IPO Investors pursuant to the Pre-IPO Investment Supplemental Agreement has taken place, the following persons (not being Directors) are expected to have, directly or indirectly, an interest in 10 per cent. or more of the issued Shares or which would fall to be disclosed by the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

<u>Name</u>	<u>Capacity</u>	<u>Number of Shares</u>	<u>Approximate percentage of issued Shares immediately after the Global Offering</u>
Cayiron Limited	Corporate interest	1,950,900,000	57.5%
Petropavlovsk ¹	Interest of a controlled corporation	1,950,900,000	57.5%

1 Cayiron Limited is a wholly owned subsidiary of Petropavlovsk.

6. Agency fees or commission

Save as disclosed in this prospectus, within the two years preceding the date of this prospectus, no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of the Company or any of its subsidiaries.

7. Disclaimers

- (a) Save as disclosed in the sections headed “Interests and/or short positions of Directors in the Shares, underlying shares or debentures of the Company and its associated corporations” and “Interests and/or short position of substantial shareholders in the Shares which are discloseable under Divisions 2 and 3 of Part XV of the SFO” in this Appendix VIII — “Statutory and General Information” to this prospectus, none of the Directors or chief executive of the Company has any interest and/or short position in the shares, underlying shares, listed or unlisted derivatives of or debentures of the Company or any of its associated corporations (within the meaning of the SFO) which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO) or which will be required pursuant to section 352 of the SFO to be entered in the register referred to therein, or pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Listing Rules, will be required to be notified to the Company and the Stock Exchange once the Shares are listed;
- (b) Save as disclosed in the sub-section headed “Particulars of service agreements” in this Appendix VIII — “Statutory and General Information” to this prospectus, there are no other particulars of existing or proposed service contracts (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)) between the Directors and any member of the Group;
- (c) Save as otherwise disclosed in this prospectus, none of the Directors or the experts named in the paragraph headed “Consents of experts” in this Appendix VIII — “Statutory and General Information” to this prospectus has any direct or indirect interest in the promotion of, or in any assets which have been, within the two years immediately preceding the date of this prospectus, acquired or disposed of by or leased to, any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group;
- (d) Save as disclosed in the sections headed “Relationship with Petropavlovsk” and “Connected Transactions” in this prospectus, none of the Directors are materially interested in any contract or arrangement subsisting as at the date of this prospectus which is significant in relation to the business of the Group taken as a whole;
- (e) Save as disclosed in the sections headed “Interests and/or short positions of Directors in the Shares, underlying shares or debentures of the Company and its

associated corporations” and “Interests and/or short position of substantial shareholders in the Shares which are discloseable under Divisions 2 and 3 of Part XV of the SFO” in this Appendix VIII — “Statutory and General Information” to this prospectus and taking no account of any Shares which may be taken up under the Global Offering, the Directors are not aware of any person who immediately following the completion of the Global Offering (but without taking account of Shares which may be taken up under the Global Offering and Shares falling to be allotted and issued upon the exercise of the Over-allotment Option) will have an interest or a short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be directly or indirectly interested in 10 per cent. or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group; and

- (f) Save as otherwise disclosed in this prospectus, none of the experts named in the paragraph headed “Consents of experts” in this Appendix VIII — “Statutory and General Information” to this prospectus has any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group or is an officer or servant or in employment of an officer or servant of the Group.

(E) OTHER INFORMATION

1. Indemnities

Petropavlovsk has entered into a deed of indemnity whereby it has given indemnities in connection with, among other matters:

- (a) any estate duty which may be payable by any member of the Group in Hong Kong;
- (b) tax liability incurred by the Group on or before Listing.

2. Litigation

Save as disclosed in the sub-section headed “Legal Proceedings” of the section headed “Business” in this prospectus, as at the Latest Practicable Date, no member of the Group was engaged in any litigation, claim or arbitration of material importance and no litigation, claim or arbitration of material importance is known to the Directors to be pending or threatened against any member of the Group.

3. Sole Sponsor

The Sole Sponsor has made an application on behalf of the Company to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the Shares in issue and to be issued as mentioned herein, including any Shares that may be issued under the Over-allotment Option.

4. Preliminary expenses

The estimated preliminary expenses of the Company are approximately HK\$2.0 million and are payable by the Company.

5. Details of the Selling Shareholder

The details of the Selling Shareholder are set out below:

<u>Name</u>	<u>Registered office</u>	<u>Number of Sale Shares</u>
Cayiron Limited	Appleby Trust (Cayman) Ltd Clifton House 75 Fort Street PO Box 1350 Grand Cayman KY1-1108 Cayman Islands	255,000,000

6. Promoters

There is no promoter of the Company.

7. Consents of experts

American Appraisal, CRU, Deloitte Touche Tohmatsu, King & Wood, Merrill Lynch and WAI have given and have not withdrawn their respective written consents to the issue of this prospectus with copies of their reports, valuation certificate, letters, opinions or summaries of opinions (as the case may be) and the references to their names included herein in the form and context in which they are respectively included.

<u>Name</u>	<u>Qualification</u>
Merrill Lynch	Deemed licensed under the SFO for Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance), each as defined under the SFO
American Appraisal	Property valuer
CRU	Industry experts
Deloitte Touche Tohmatsu	Certified public accountants
King & Wood	Legal advisers to the Company as to PRC law
WAI	Competent person

8. Binding effect

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies Ordinance of Hong Kong so far as applicable.

9. Miscellaneous

- (a) (i) Save as disclosed in the sections headed “History and Restructuring”, Appendix I — “Accountants’ Report” and Appendix VIII — “Statutory and

General Information” to this prospectus, within the two years preceding the date of this prospectus, no share or loan capital of the Company or any of its subsidiaries has been issued or agreed to be issued fully or partly paid either for cash or for a consideration other than cash;

- (ii) Save as disclosed in the sections headed “History and Restructuring”, Appendix I — “Accountants’ Report” and Appendix VIII — “Statutory and General Information” to this prospectus, within the two years preceding the date of this prospectus, no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of the Company or any of its subsidiaries;
 - (iii) Save as disclosed in the sections headed “History and Restructuring”, Appendix I — “Accountants’ Report” and Appendix VIII — “Statutory and General Information” to this prospectus, within the two years preceding the date of this prospectus, no share or loan capital of the Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
 - (iv) There has been no material adverse change in the financial position or prospects of the Group since 31 December 2009 (being the date to which the latest audited consolidated financial statements of the Group were made up); and
 - (v) Within the two years preceding the date of this prospectus, no commission has been paid or payable (except commission to sub-underwriters) to any persons for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any shares of the Company or any of its subsidiaries.
- (b) The Company has no founder shares, management shares or deferred shares.
- (c) All necessary arrangements have been made to enable the Shares to be admitted into CCASS.

10. Bilingual Prospectus

The English language and Chinese language versions of this prospectus are being published separately, in reliance upon the exemption provided under section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).