
WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

WAIVER PURSUANT TO RULES 8.05B (1) AND 18.04 OF THE LISTING RULES

Pursuant to Rule 8.05 of the Listing Rules, an issuer must satisfy one of the three tests in relation to: (i) profit; (ii) market capitalization, revenue and cash flow; or (iii) market capitalization and revenue requirements. Chapter 18 of the Listing Rules applies to mineral companies. Under Rules 18.04 and 8.05 of the Listing Rules, the requirements of Rule 8.05 of the Listing Rules may not apply if the Stock Exchange is satisfied that the directors and management of the issuer have sufficient and satisfactory experience of at least five years in exploration and/or extraction activities. The Company has applied for, and the Stock Exchange has granted, a waiver from strict compliance with Rule 8.05(1)(a) and 8.05(1)(b) of the Listing Rules in accordance with the reasoning under Rules 18.04 and 8.05B(1) of the Listing Rules.

WAIVER FROM RULE 8.12 OF THE LISTING RULES

Pursuant to Rule 8.12 of the Listing Rules, a new applicant applying for a primary listing on the Stock Exchange must have a sufficient management presence in Hong Kong, which normally means that at least two of its executive directors must be ordinarily resident in Hong Kong. Our Company does not and, for the foreseeable future, will not have a sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rule 8.12 of the Listing Rules. The Company has applied for a waiver from strict compliance with Rule 8.12 of the Listing Rules on the basis that, as our Company's core business operations are based, managed and conducted in the PRC, our Company's management is best able to attend to its functions by being based in the PRC. The Company has received from the Stock Exchange a waiver from compliance with Rule 8.12 of the Listing Rules subject to the following conditions:

- (a) the Company has appointed two authorized representatives pursuant to Rule 3.05 of the Listing Rules, who will act as the Company's principal communication channel with the Stock Exchange and will ensure that the Company complies with the Listing Rules at all times. The two authorized representatives are Mr. Zhu Xiaolin, an executive Director and chief executive officer of the Company, and Ms. Ho Siu Pik, the company secretary of the Company. The authorized representatives will be available to meet with the Stock Exchange in Hong Kong within a reasonable time frame upon the request of the Stock Exchange and will be readily contactable by phone, facsimile or e-mail, and are authorized to communicate on behalf of the Company with the Stock Exchange;
- (b) in compliance with Rule 3A.19 of the Listing Rules, the Company has appointed Guotai Junan Capital Limited to act as compliance adviser for a period commencing on the Listing Date and ending on the date on which the Company distributes the annual report for the first full financial year commencing after the Listing Date in accordance with Rule 13.46 of the Listing Rules to provide the Company with advices on the obligation in compliance with the Listing Rules, all other applicable laws, rules, codes and guidelines. The compliance adviser will advise on on-going compliance requirements and other issues arising under the Listing Rules and other applicable laws and regulations in Hong Kong after the Listing and, where the Company's authorized representatives are unavailable, act as an additional channel of communication between the Stock Exchange and the Company at least for the period commencing from the Listing Date and ending on the date that the Company publishes its first full financial year results pursuant to Rule 3A.19 of the Listing Rules;
- (c) both the authorized representatives have means of contacting all our Directors promptly at all times as and when the Stock Exchange wishes to contact our Directors on any matters.

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The Company has implemented a policy whereby (i) each Director will provide his mobile phone number, office phone number, facsimile number and e-mail address to the authorized representatives; (ii) each Director will provide valid phone numbers or means of communication to the authorized representatives when he is traveling; and (iii) all Directors will provide his mobile phone numbers, office phone numbers, facsimile numbers and e-mail addresses to the Stock Exchange; and

- (d) all Directors who are not ordinarily residents in Hong Kong have confirmed that they possess or will apply for valid travel documents to visit Hong Kong and will be able to meet with the relevant members of the Stock Exchange with reasonable notice, when required.