
WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND THE COMPANIES ORDINANCE

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, an issuer 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 purposes 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 Ms. Chen Tao, an executive Director, and Mr. Lou Sai Tong, the company secretary. 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 telephone, 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;

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- (c) both the authorized representatives have means of contacting our Directors (including the independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact the members of the Board for any matters. The Company has implemented a policy whereby (i) each Director will provide his or her mobile phone number, residential phone number, fax number and e-mail address to the authorized representatives; (ii) each executive Director will provide valid phone numbers or means of communication to the authorized representatives when he or she is traveling; and (iii) all Directors will provide his or her mobile phone numbers, residential phone numbers, office phone numbers, fax 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 within a reasonable period of time, when required.

WAIVER FROM STRICT COMPLIANCE WITH RULE 4.04(1) OF THE LISTING RULES AND EXEMPTION FROM STRICT COMPLIANCE WITH PARAGRAPHS 27 AND 31 OF THE THIRD SCHEDULE TO THE COMPANIES ORDINANCE

According to Paragraph 27 of Part I of the Third Schedule to the Companies Ordinance, we are required to include in this Prospectus a statement as to our gross trading income or our sales turnover during each of the three financial years immediately preceding the issue of this Prospectus.

According to Paragraph 31 of Part II of the Third Schedule to the Companies Ordinance, we are required to include in this Prospectus a report by the auditors of our Company with respect to (i) the profits and losses of the Company and (ii) the assets and liabilities of the Company for each of the three financial years immediately preceding the issue of this Prospectus.

Pursuant to Rule 4.04(1) of the Listing Rules, we are required to include in this Prospectus the Accountants' Report covering our consolidated results in respect of each of the three financial years immediately preceding the issue of this Prospectus or such shorter period as may be acceptable to the Stock Exchange.

The Accountants' Report of our Company containing the consolidated results of us for the period from 14 March 2008 to 31 December 2008, the year ended 31 December 2009 and the eleven months ended 30 November 2010, has been prepared and is set forth in Appendix I to this Prospectus. However, as this Prospectus has been issued on 7 March 2011 and the Listing Date will be 18 March 2011, both within a short period of time after 31 December 2010, the Accountants' Report has not been prepared for the full year ended 31 December 2010 as it would be unduly burdensome for us to produce financial statements for the year ended 31 December 2010 in this Prospectus within a very short period of time given the additional work and expenses involved. The Company expects to publish the preliminary results on or around 29 March 2011 in respect of the financial year ended 31 December 2010.

The SFC is satisfied that compliance with paragraphs 27 and 31 of the Third Schedule to the Companies Ordinance would be unduly burdensome for us. The SFC has granted to us a certificate of exemption under section 342A of the Companies Ordinance from strict compliance with paragraphs 27 and 31 of the Third Schedule to the Companies Ordinance on the condition that particulars of the exemption are set out in this Prospectus and that this Prospectus is issued on or before 7 March 2010.

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The Stock Exchange has also granted to us waiver from strict compliance with Rule 4.04(1) of the Listing Rules, on the ground that it would be unduly burdensome for our Company to do so and the Listing Date will be within three months after 31 December 2010.

Our Directors are of the view that all information that is necessary for the prospective investors to make an informed assessment of our financial position has been included in this Prospectus. Our Directors also confirm that they have performed sufficient due diligence on our Group to ensure that, up to the date of this Prospectus, there has been no material adverse change in our financial and trading positions or prospects since 30 November 2010 and there has been no events since 30 November 2010 which would materially affect the information shown in the Accountants' Report set forth in Appendix I to this Prospectus.