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KINGSTONE
金石礦業

CHINA KINGSTONE MINING HOLDINGS LIMITED
中國金石礦業控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1380)

**TERMINATION OF THE SECOND SUBSCRIPTION OF NEW SHARES
UNDER THE GENERAL MANDATE**

As disclosed in the announcement of the Company dated 25 September 2014, completion of the Second Subscription Agreement shall take place on or before 30 November 2014 or such other date as the Company and the Second Subscriber may agree. As at 28 November 2014, no Shares have been subscribed by the Second Subscriber and no Shares have been issued by the Company under the Second Subscription Agreement. After the close of trading of 28 November 2014, the Second Subscriber and the Company have agreed that the completion of the Second Subscription Agreement will be terminated. Accordingly, having taken into account of, amongst other things, the recent market price of the Shares and the current market conditions, the Second Subscription Agreement was terminated by the Company with immediate effect, whereupon all parties to the Second Subscription Agreement shall be released and discharged from all rights, obligations and liabilities in relation to the Second Subscription Agreement and no party shall have any claims against any other parties.

Reference is made to the announcement of the Company dated 25 September 2014 (the "Announcement") relating to the Second Subscription Agreement for subscription of up to 24,630,541 Shares at the price of HK\$0.203 per Share. Unless otherwise stated, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement.

As disclosed in the Announcement, completion of the Second Subscription Agreement shall take place on or before 30 November 2014 or such other date as the Company and the Second Subscriber may agree. As at 28 November 2014, no Shares have been subscribed by the Second Subscriber under the Second Subscription Agreement and no Shares have been issued by the Company under the Second Subscription Agreement. After the close of trading of 28 November 2014, the Second Subscriber and the Company have agreed that the completion of the Second Subscription Agreement will be terminated. Accordingly, having taken into account of, amongst other things, the recent market price of the Shares and the current market

conditions, the Second Subscription Agreement was terminated by the Company with immediate effect, whereupon all parties to the Second Subscription Agreement shall be released and discharged from all rights, obligations and liabilities in relation to the Second Subscription Agreement and no party shall have any claims against any other parties.

The Directors are of the view that the termination of the Second Subscription Agreement shall pose no material adverse effect on the financial and operational positions of the Company.

By order of the Board
China Kingstone Mining Holdings Limited
Liu Hongyu
Chairman

Hong Kong, 28 November 2014

As at the date of this announcement, the Board comprises Mr. Liu Hongyu, Ms. Zhang Cuiwei, Mr. Zhu Hongjun and Mr. Zhang Jianzhong as executive directors, and Mr. Chung Wai Man, Mr. Lam Tin Faat and Mr. Lu Zhiwei as independent non-executive directors.