

**FURTHER INFORMATION ABOUT THE COMPANY****Incorporation of the Company**

The Company was incorporated in NSW under the Corporations Act on June 28, 2000. The Company has established a place of business in Hong Kong at 31st Floor, Gloucester Tower, The Landmark, Central, Hong Kong and has been registered as an overseas company under Part XI of the Companies Ordinance. Jane Chan Yuen Bik has been appointed as its agent for the acceptance of service of process in Hong Kong. As the Company is incorporated in NSW, its corporate structure and constitution are subject to the relevant laws of NSW. A summary of certain relevant parts of the Company's constitution and certain relevant aspects of the Corporations Act is set out in "Appendix V — Summary of the Constitution of the Company and Australian Companies Law" of this prospectus.

The Company's registered office and principal executive offices are located at Level 8, 17 Bridge Street, Sydney, NSW, Australia.

**Subsidiaries**

Below are brief particulars of all the subsidiaries wholly-owned by the Company:

***Sino Mining Guizhou Pty Ltd***

Date of incorporation:	October 9, 2000
Place of incorporation:	NSW
Nature:	Private limited company
Authorised number of shares:	N/A
Paid-up capital:	A\$1
Scope of business:	Shareholder in Jinfeng CJV

***Sino Gold Jindu Limited***

Date of incorporation:	July 24, 2003
Place of incorporation:	Cayman
Nature:	Company limited by shares
Authorised number of shares:	50,000 shares of US\$1.00 each
Paid-up capital:	US\$1,000
Scope of business:	Shareholder in Jindu CJV

***Sino Gold Jinluo Limited***

Date of incorporation:	June 24, 2003
Place of incorporation:	Cayman
Nature:	Company limited by shares
Authorised number of shares:	50,000 shares of US\$1.00 each
Paid-up capital:	US\$1,000
Scope of business:	Investment

***Sino Gold BMZ Limited***

Date of incorporation: May 22, 2003  
Place of incorporation: Cayman  
Nature: Company limited by shares  
Authorised number of shares: 50,000 shares of US\$1.00 each  
Paid-up capital: US\$1,000  
Scope of business: Shareholder in White Mountain CJV

***Sino Gold HLJ Limited***

Date of incorporation: August 8, 2005  
Place of incorporation: Cayman  
Nature: Company limited by shares  
Authorised number of shares: 50,000 shares of US\$1.00 each  
Paid-up capital: US\$1,000  
Scope of business: Investment

***Sino Gold SPD Limited***

Date of incorporation: June 30, 1998  
Place of incorporation: BVI  
Nature: Company limited by shares  
Authorised number of shares: 50,000 shares of US\$1.00 each  
Paid-up capital: US\$2,012  
Scope of business: Shareholder in Heishan CJV

***Sino Gold SEL Limited***

Date of incorporation: March 19, 1998  
Place of incorporation: BVI  
Nature: Company limited by shares  
Authorised number of shares: 50,000 shares of US\$1.00 each  
Paid-up capital: US\$10  
Scope of business: Shareholder in Sandi CJV

***Sino Gold Guoxing Limited***

Date of incorporation: July 25, 2006  
Place of incorporation: Cayman  
Nature: Company limited by shares  
Authorised number of shares: 50,000 shares of US\$1.00 each  
Paid-up capital: US\$1,000  
Scope of business: Investment

***Sino Gold Jiaodong Limited***

Date of incorporation:	August 21, 2006
Place of incorporation:	Cayman
Nature:	Company limited by shares
Authorised number of shares:	50,000 shares of US\$1.00 each
Paid-up capital:	US\$1,000
Scope of business:	Investment

***Sino Gold Golden Triangle Limited***

Date of incorporation:	July 31, 2006
Place of incorporation:	Cayman
Nature:	Company limited by shares
Authorised number of shares:	50,000 shares of US\$1.00 each
Paid-up capital:	US\$1,000
Scope of business:	Investment

***Sino Gold Greatland Limited***

Date of incorporation:	October 16, 2006
Place of incorporation:	Cayman
Nature:	Company limited by shares
Authorised number of shares:	50,000 shares of US\$1.00 each
Paid-up capital:	US\$1,000
Scope of business:	Investment

***Sino Mining Copper Limited***

Date of incorporation:	July 16, 1997
Place of incorporation:	Cayman
Nature:	Company limited by shares
Authorised number of shares:	50,000,000 shares of US\$1.00 each
Paid-up capital:	US\$1
Scope of business:	Investment

***Sino Gold Pty Ltd***

Date of incorporation:	July 20, 2000
Place of incorporation:	NSW
Nature:	Private limited company
Authorised number of shares:	N/A
Paid-up capital:	A\$1
Scope of business:	Dormant

***Sino Gold Fields Shandong JV Ltd***

Date of incorporation:	January 14, 2003
Place of incorporation:	Cayman
Nature:	Company limited by shares
Authorised number of shares:	50,000 shares of US\$1.00 each
Paid-up capital:	US\$1,000
Scope of business:	Dormant

**CHANGE IN THE SHARE CAPITAL OF SUBSIDIARIES**

There has been no change in the share capital of any of the subsidiaries of the Company since their respective dates of incorporation or within the two years immediately preceding the date of this document, whichever is the later, other than as set out below.

The registered capital of the Jinfeng CJV has increased from US\$2,100,000 to US\$35,000,000 and the registered capital of the White Mountain CJV has increased from US\$1,000,000 to US\$6,000,000.

**PURCHASE BY THE COMPANY OF ITS OWN SECURITIES**

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

**Australian provisions**

Section 257A of the Corporations Act provides that a company may buy-back its own shares if:

- the buy-back does not materially prejudice the company's ability to pay its creditors; and
- the company follows the procedures summarised below.

Under the Corporations Act there are five types of buy-back. These are:

- minimum holding buy-backs;
- employee share scheme buy-backs;
- on market buy-backs;
- equal access scheme buy-backs; and
- selective buy-backs.

The Australian requirements applicable to each of these types of buy-back are as follows:

***Minimum holding buy-backs***

A minimum holding buy-back is a buy-back of all of a holder's shares if the shares are less than a marketable parcel within the meaning of the rules of the relevant financial market. Under the ASX Listing Rules a marketable parcel of shares is a parcel of not less than A\$500 based on the most recent closing price.

Minimum holding buy-backs do not require approval by the shareholders in general meeting. The company is required however to inform ASIC of the number of shares acquired and cancelled.

### *Employee share scheme buy-backs*

An “employee share scheme buy-back” is defined in section 9 of the Corporations Act to mean a buy-back under a scheme that:

- has as its purpose the acquisition of shares in a company by, or on behalf of:
  - (i) employees of the company, or of a related body corporate; or
  - (ii) directors of the company, or a related body corporate, who hold a salaried employment or office in the company or in a related body corporate; and
- has been approved by the company in general meeting.

One of the purposes of the employee share scheme buy-back provisions is to allow shares held by departing employees to be bought back on the cessation of employment.

The buy-back offer must be approved by shareholders in general meeting if the 10/12 limit is exceeded (as described below) fourteen days notice of the buy-back must be given to ASIC.

An ASX-listed company which proposes to conduct an employee share scheme buy-back is required to comply with the lodgment requirements in ASX Listing Rule 3.8A. These requirements include the lodging of Appendices 3C to 3F during the course of the buy-back:

- Appendix 3C is the announcement of the buy-back and importantly includes details of the number of shares proposed to be bought back and the price to be offered for the shares. Additionally, the company is required to provide any other information material to a shareholder’s decision whether to accept the offer (for example, details of any proposed takeover bid);
- Appendix 3E is a daily buy-back notice and is required to be given to ASX on the 1st Business Day after any shares have been acquired under the buy-back.
- At the conclusion of the buy-back an Appendix 3F (Final share buy-back notice) is required to be lodged detailing the number of shares bought back and the total consideration paid for those shares.

### *On market buy-backs*

A buy-back is an on market buy-back if it results from an offer made by a listed corporation on the ASX in the ordinary course of trading (section 257B(6)).

An on market buy-back will need the approval of the company’s shareholders by ordinary resolution in general meeting if the buy-back will cause the company to exceed the 10/12 limit (described below).

The company must notify ASIC of the buy-back under section 257F.

There is a restriction under the listing rules on the price that the broker may pay for shares in an on market buy-back. Under ASX Listing Rule 7.33 a company may only buy-back shares under an on market buy-back at a price which is not more than 5% above the average of the market price for securities in that class. The average is calculated over the last 5 days on which sales in the shares were recorded before the day on which the purchase under the buy-back was made.

Under ASX Listing Rule 3.8A the company must lodge Appendices 3C to 3F during the course of the buy-back.

The Appendix 3C — Announcement of buy-back, must be lodged immediately the company decides that it wants to buy-back shares. The details to be included in Appendix 3C for an on market buy-back include:

- the name of the broker who will act on the company's behalf;
- if the company intends to buy-back a maximum number of shares, that number;
- if the company intends to buy-back shares within a period of time, that period of time;
- if the company intends that the buy-back be of unlimited duration, that intention;
- if the company intends to buy-back shares if conditions are met — those conditions.

Additionally, any other information material to a shareholder's decision whether to accept the offer must be provided.

An Appendix 3E must be lodged with ASX at least half an hour before the commencement of trading on the Business Day after any day on which shares are bought back.

The Appendix 3E is a daily share buy-back notice and provides details on a running total basis of the number of shares bought on the previous day and since commencement of the buy-back. It also includes details of the consideration paid for the shares and details of the highest and lowest prices paid and the highest price allowed under ASX Listing Rule 7.33. Details of the remaining number of shares to be bought back must also be included if there is an announced maximum number.

An Appendix 3F is required to be lodged at least half an hour before the commencement of trading on the Business Day after any of the following:

- the company buys back the maximum number of shares that it wanted; or
- the company decides it will stop buying back shares.

### ***Equal access scheme buy-backs***

To be an "equal access" scheme, section 257B(2) of the Corporations Act requires the scheme to satisfy all the following conditions:

- the offers under the scheme relate only to ordinary shares;
- the offers are to be made to every person who holds ordinary shares to buy-back the same percentage of their ordinary shares;

- all of those persons have a reasonable opportunity to accept the offers made to them;
- buy-back agreements are not entered into until a specified time for acceptances of offers has closed; and
- the terms of all the offers are the same.

With an equal access scheme buy-back, the company must include with the offers to shareholders to buy-back shares, a statement setting out all information known to the company that is material to the decision whether to accept the offer.

The company must lodge with ASIC, before the agreement is entered into, a document setting out the terms of the offer and any document that is to accompany it.

An equal access scheme will require approval at a general meeting of the company if the 10/12 limit is exceeded (as described below).

Before the notice of the meeting is sent to shareholders, the company must lodge with ASIC a copy of the notice of meeting and any documents relating to the buy-back that will accompany the notice of meeting sent to shareholders.

ASX-listed companies wishing to undertake an equal access share buy-back scheme must comply with ASX Listing Rule 3.8A. This requires the lodgment of Appendices 3C to 3F during the course of the buy-back. The Appendix 3C — Announcement of buy-back, in the case of an equal access scheme, requires:

- a statement regarding the percentage of shares proposed to be bought back;
- total number of shares proposed to be bought back if all offers are accepted;
- the price to be offered for shares; and
- the record date for participation in the offer.

There is also a specific timetable for the conduct of an equal access scheme buy-back in Appendix 7A of the ASX Listing Rules, covering such things as setting the record date and the minimum closing period for acceptances (at least 15 Business Days after the record date).

### *Selective buy-backs*

Any buy-back that is not one of the above recognised types will be a selective buy-back.

Where a company wants to undertake a selective buy-back, shareholder approval will always be required. The notice of meeting must be accompanied by a statement setting out all information known to the company that is material to a shareholder's decision on how to vote on the resolution other than information which the company has previously disclosed to its shareholders, and which it would be unreasonable to require the company to disclose again.

A selective buy-back agreement must be approved either by:

- a special resolution passed at a general meeting of the company, with no votes being cast in favour of the resolution by any person whose shares are proposed to be bought back, or by their associates; or
- a resolution agreed to by all ordinary shareholders at a general meeting.

Where an ASX listed company proposes to conduct a selective buy-back, the company must lodge the relevant Appendices 3C, 3D and 3F as discussed above. In respect of the Appendix 3C — Announcement of buy-back, for a selective buy-back, the name of the person or description of class of persons whose shares are proposed to be bought back must be disclosed together with the number of shares proposed to be bought back and the price to be offered for shares.

In the case of equal access scheme buy-backs and selective buy-backs, the company must lodge with ASIC, before the agreement is entered into, a document setting out the terms of the offer and any document that is to accompany it.

For a selective buy-back, as for those other share buy-backs also requiring shareholder approval, before the notice of meeting is sent to shareholders, the company must lodge with ASIC a copy of the notice and of any document that is to accompany it.

### ***10/12 Limit***

As noted above, shareholder approval is required in the case of a selective buy back, or in the case of any buy-back that will cause the Company to exceed the 10/12 limit.

The 10/12 limit is a materiality threshold set by the Corporations Act. A proposed buy-back would exceed the 10/12 limit if the number of votes attaching to:

- all the voting shares in the company that have been bought back during the last 12 months; and
- the voting shares that will be bought back if the proposed buy-back is made,

would exceed 10% of the smallest number, at anytime during the last 12 months, of votes attached to voting shares of the company (section 257B).

## **HONG KONG PROVISIONS**

Rule 10.06(5) provides that repurchased shares must be cancelled and the documents of title destroyed. In respect of the former requirement (i.e. cancellation of repurchased shares), shares that are repurchased by the Company are cancelled immediately after the registration of the transfer of the repurchased shares to the Company pursuant to section 257H(3) of the Corporations Act. However, the Company cannot comply with the latter requirement to destroy documents of title because Shares in the Australian Share Registry are in uncertificated form (i.e. there are no documents of title to the Shares).

Accordingly, the Company has applied for and the Stock Exchange has granted a waiver of the requirement to destroy documents of title in respect of repurchased shares under Rule 10.06(5).



## Provisions of the Listing Rules

The Listing Rules permit companies whose primary listing is on the Stock Exchange to purchase their securities on the Stock Exchange, subject to certain restrictions, the most important of which are summarized below:

### *Status of Purchased Securities*

The listing of all purchased securities (whether on the Stock Exchange, or otherwise) is automatically cancelled and the relative certificates must be cancelled and destroyed. Under Australian law, a company's purchased shares shall be treated as cancelled and the amount of the Company's issued share capital shall be reduced by the issue price of the purchase shares.

### *Connected Persons*

The Listing Rules prohibit a company, subject to the grant of any waiver to the contrary, from knowingly purchasing securities on the Stock Exchange from connected persons and a connected person shall not knowingly sell his securities to the company.

## FURTHER INFORMATION ABOUT THE BUSINESS

### Summary of material contracts

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

- (a) the subscription agreement dated February 23, 2005 between: (i) Sino Gold Limited; (ii) Barclays Bank Plc; (iii) BMO Nesbitt Burns Inc.; and (iv) Southern Cross pursuant to which (i) authorized the creation and issue of convertible subordinated notes in the aggregate principal amount of US\$35 million and (ii), (iii) and (iv) agreed to subscribe for such notes;
- (b) the cooperative joint venture contract dated July 28, 2005\* between: (i) No. 707 Brigade of Heilongjiang Non-ferrous Metals Geology Exploration; and (ii) Sino Gold HLJ Limited in respect of the establishment of Sino Gold Heilongjiang Gold Strike Mining Limited as a Sino-foreign cooperative joint venture limited liability company;
- (c) the senior loan agreement dated September 16, 2005 between: (i) Sino Guizhou Jinfeng Mining Limited; (ii) Sino Mining Guizhou Pty Limited; (iii) Sino Gold Limited; (iv) Standard Bank Plc; (v) Bayerische Hypo und Vereinsbank AG, Singapore branch; and (vi) China Construction Bank Corporation, Guizhou branch in respect of a facility for a loan by (iv), (v) and (vi) up to a total amount of US\$42 million to (i);
- (d) the cost overrun facility agreement dated September 16, 2005 between: (i) Sino Gold Limited; (ii) Sino Mining Guizhou Pty Limited; (iii) Standard Bank Plc; and (iv) Bayerische Hypo und Vereinsbank AG, Singapore branch in respect of the provision by (iii) and (iv) to (i) of a cost overrun facility of up to a maximum of US\$3,700,000;
- (e) the ISDA 2002 Master Agreement dated September 23, 2005 between: (i) Sino Mining Guizhou Pty Limited; and (ii) Standard Bank Plc in respect of one or more transactions governed by this agreement;

\* indicates agreements executed both in English and Chinese. For these agreements, both versions shall be of equal effect.

- (f) the ISDA 2002 Master Agreement dated September 23, 2005 between: (i) Sino Mining Guizhou Pty Limited; and (ii) Bayerische Hypo und Vereinsbank AG, Singapore Branch in respect of one or more transactions governed by this agreement;
- (g) the shareholder loan agreement dated November 29, 2005 between: (i) Sino Mining Guizhou Pty Ltd.; and (ii) Sino Guizhou Jinfeng Mining Limited; (iii) Standard Bank Plc; and (iv) Bayerische Hypo-und Vereinsbank AG, Singapore Branch in respect of the provision of an interest free shareholder loan to (ii) of up to US\$21,400,000;
- (h) the management agreement dated February 14, 2006 between Sino Gold Limited and Austock Corporate Finance Limited (“Austock”) in connection with the appointment of Austock as joint lead manager and global arranger in the structuring and arranging of a capital raising of up to 18.5 million shares;
- (i) the agency agreement dated February 23, 2006 between Sino Gold Limited and BMO Nesbitt Burns Inc. (“BMO”) in connection with the appointment of BMO as exclusive agent of Sino Gold Limited in Canada and the United States to solicit, on a best efforts basis, orders for 18.5 million shares;
- (j) the equity pledge agreement dated March 3, 2006, and the amendment\* to the equity pledge agreement (undated) between: (i) Sino Mining Guizhou Pty Limited; (ii) Standard Bank Plc; (iii) Bayerische Hypo und Vereinsbank AG, Singapore branch; and (iv) China Construction Bank Corporation, Guizhou branch in respect of the pledge by (i) to (ii), (iii) and (iv) of the equity interest in the Sino Guizhou Jinfeng Mining Limited;
- (k) the mortgage agreement on exploration right and mining right dated March 3, 2006 between: (i) Sino Guizhou Jinfeng Mining Limited; (ii) Standard Bank Plc; (iii) Bayerische Hypo und Vereinsbank AG, Singapore branch; and (iv) China Construction Bank Corporation, Guizhou branch in respect of the mortgage by (i) to (ii), (iii) and (iv) of the certain exploration right and mining right in Zhenfeng County, Guizhou Province, the People’s Republic of China;
- (l) the second ranking mortgage agreement on exploration right and mining right dated March 6, 2006 between: (i) Sino Guizhou Jinfeng Mining Limited; and (ii) Sino Mining Guizhou Pty Ltd. in respect of the mortgage by (i) to (ii) of certain exploration right and mining right in Zhenfeng County, Guizhou Province, the People’s Republic of China as security for any loans made or to be made under the shareholder loan agreement as listed in (g) above;
- (m) the Jinfeng gold project provision of EPCM services agreement dated June 27, 2006 between: (i) Sino Guizhou Jinfeng Mining Limited; (ii) Ausenco Beijing Limited; and (iii) Ausenco International Pty Ltd. in respect of the undertaking by (ii) and (iii) to perform investigations, studies and analyses, engineering design, construction management, project management and commissioning services to (i);
- (n) the cooperative joint venture contract dated August 24, 2006\* between: (i) Zhaoyuan Hexi Yulin Limited; and (ii) Sino Gold Jiaodong Limited in respect of the establishment of Sino Zhaoyuan Xin Xin Mining Limited as a Sino-foreign cooperative joint venture limited liability company;

\* indicates agreements executed both in English and Chinese. For these agreements, both versions shall be of equal effect.

- (o) the share sale agreement dated August 25, 2006 between: (i) Sino Gold Limited; and (ii) Sino Nonferrous Metals Pty Ltd. in respect of the sale by (i) to (ii) of the entire issued share capital of Sino Mining Shaanxi Limited and SM Mining Limited for a total purchase price of RMB7 million together with the funds in a designated bank amount on the completion date as defined in the agreement;
- (p) the share sale agreement dated August 25, 2006 between: (i) Sino Gold Limited; and (ii) Sino Nonferrous Metals Pty Ltd. in respect of the sale by (i) to (ii) of the entire issued share capital of Sino Mining Lueyang Pty Limited for a total purchase price equivalent to the funds in a designated bank account on the completion date as defined in the agreement;
- (q) the guarantee agreement dated August 25, 2006 by China Nonferrous Metals Technology Exchange Centre in favor of Sino Gold Limited with respect to the share sale agreements both dated August 25, 2006, listed in (o) and (p) above;
- (r) the cooperative joint venture contract dated August 28, 2006\* between: (i) Yiwu County Minxing Mining Science & Technology Development Limited; and (ii) Sino Gold Guoxing Limited in respect of the establishment of Sino Minxing Mining Limited as a Sino-foreign cooperative joint venture limited liability company;
- (s) the cooperative joint venture contract dated September 2, 2006\* between: (i) Guangxi Institute of Regional Geology Survey; and (ii) Sino Gold Golden Triangle Limited in respect of the establishment of Sino Guangxi Golden Triangle Mining Limited as a Sino-foreign cooperative joint venture limited liability company;
- (t) the letter of intent dated September 3, 2006\* between Sino Gold Limited and Suncast Investments Limited in respect of the cooperation between the parties on the Yangshan gold project;
- (u) the cooperative joint venture contract dated October 26, 2006\* between: (i) Brigade No. 105 of Guizhou Bureau of Geology and Mineral Resource Development; and (ii) Sino Gold Greatland Limited in respect of the establishment of Sino Guizhou Greatland Mining Limited as a Sino-foreign cooperative joint venture limited liability company;
- (v) the heads of agreement dated November 22, 2006 between: (i) Sino Gold Limited; and (ii) Gold Fields Australasia (BVI) Ltd. under which, among other matters, (i) and (ii) agreed to form an alliance for the purpose of exploring (and where appropriate developing and mining) geological belts within certain parts of the People's Republic of China and, pursuant to which, (ii) agreed to subscribe for 6,500,000 Shares in the capital of (i);
- (w) the placement agreement dated November 22, 2006 between: (i) Sino Gold Limited; and (ii) Golden Tiger Mining NL in respect of the placing of 15,305,604 ordinary shares in the capital of (ii) to (i) at a price of A\$0.10 per share;
- (x) the underwriting agreement dated March 2, 2007 in respect of the Hong Kong Public Offering entered into by, among others: (i) Sino Gold Mining Limited; (ii) Morgan Stanley Dean Witter Asia Limited; (iii) Guotai Junan Securities (Hong Kong) Limited; (iv) BOCI Asia Limited; (v) Kingsway Financial Services Group Limited; (vi) Prudential Brokerage Limited; and (vii) First Shanghai Securities Limited.

\* indicates agreements executed both in English and Chinese. For these agreements, both versions shall be of equal effect.

**SUMMARY OF BIOX<sup>®</sup> LICENCE AGREEMENT**

The following are some of the key terms of the BIOX<sup>®</sup> Licence Agreement:

- The BIOX<sup>®</sup> Licence Agreement continues until the first to occur of the following:
  - (i) termination by unanimous agreement of the parties; or
  - (ii) termination by written notice by a party in certain circumstances, including:
    - (a) the other party or its ultimate holding company becoming insolvent; or
    - (b) the other party being in material default of its obligations under the Licence Agreement and failing to remedy the default within 60 days after service of a notice of default;
- upon termination of the BIOX<sup>®</sup> Licence Agreement, the Jinfeng CJV is required, among other things, to:
  - (i) forthwith cease to use the BIOX<sup>®</sup> process and trademark; and
  - (ii) within a period of 12 months, de-commission the BIOX<sup>®</sup> plant and destroy or dispose of and return to Minsaco all BIOX<sup>®</sup> proprietary items and manuals;
- Minsaco is required to provide the Jinfeng CJV with, among other things, process design services, consulting advice, biological agents, information on improvements and new developments, and plant commissioning and training; and
- all inventions, improvements or developments made by employees, contractors or agents of the Jinfeng CJV concerning the BIOX<sup>®</sup> (or any associated technology, plant and equipment) belong to Biomin.

## DISCLOSURE OF INTERESTS

## Interest of Directors in the Share Capital of the Company

So far as the Directors are aware, immediately following the completion of the Global Offering and taking no account of any Shares which may be allotted and issued pursuant to the EOP, the SBBH Options, the Convertible Notes, the convertible bond under the Corporate Loan Facility and the Seed Shareholders' Options, the interests or short positions of the Directors in the Shares or underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which will, in the absence of any waiver to the contrary, 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 they are taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules to be notified to the Company and the Stock Exchange, or which will be required, pursuant to Section 352 of the SFO to be entered in the register referred to therein, once the Shares are listed, will be as follows:

<u>Name of Director</u>	<u>Name of Corporation</u>	<u>Nature of interest</u>	<u>Share</u>	<u>Total number of shares</u>	<u>Approximate percentage interest in the Company</u>
Jacob Klein . . . . .	Sino Gold Mining Limited	Personal Family	1,653,831 628,347	2,282,178 <sup>(1)</sup>	1.27%
Hanjing Xu . . . . .	Sino Gold Mining Limited	Personal	800,000	800,000 <sup>(2)</sup>	0.44%
James Edward Askew . . .	Sino Gold Mining Limited	—	0	0 <sup>(3)</sup>	0.00%
Peter William Cassidy . . .	Sino Gold Mining Limited	Personal	23,831	23,831 <sup>(4)</sup>	0.01%
Brian Henry Davidson . . .	Sino Gold Mining Limited	Personal	121,516		0.12%
		Corporate	93,831	215,347 <sup>(5)</sup>	
Peter John Housden . . . . .	Sino Gold Mining Limited	Personal	10,000	10,000 <sup>(6)</sup>	0.01%
Jianguo Zhong . . . . .	Sino Gold Mining Limited	—	0	0 <sup>(7)</sup>	0.00%

*Notes:*

- (1) Jacob Klein beneficially owns 3,132,178 Shares, 850,000 of which will be sold as part of the Global Offering. In addition, he holds options to purchase an aggregate of 1,050,000 Shares.
- (2) Hanjing Xu beneficially owns 1,100,000 Shares, 300,000 of which will be sold as part of the Global Offering. In addition, he holds options to purchase an aggregate of 475,000 Shares.
- (3) James Edward Askew holds options to purchase an aggregate of 140,000 Shares.
- (4) Peter William Cassidy beneficially owns 28,831 Shares. In addition, he holds options to purchase an aggregate of 140,000 Shares.
- (5) Brian Henry Davidson beneficially owns 215,347 Shares. In addition, he holds options to purchase an aggregate of 20,000 Shares.
- (6) Peter John Housden beneficially owns 10,000 Shares.
- (7) Jianguo Zhong beneficially holds options to purchase an aggregate of 120,000 Shares.

These figures assume that the Directors will not participate in the Global Offering or in the trading of any Shares between the Latest Practicable Date and the Listing Date (other than as disclosed in Notes 1 and 2 above).

These figures also assume that the Over-allotment Option is not exercised.

### Interest of Senior Management in the Share Capital of the Company

So far as the Directors are aware, immediately following the completion of the Global Offering and taking no account of any Shares which may be allotted and issued pursuant to the EOP, the SBBH Options, the Convertible Notes, the convertible bond under the Corporate Loan Facility and the Seed Shareholders' Options, the interests or short positions of the senior management in the Shares or underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) will be as follows:

<u>Name of Senior Management</u>	<u>Name of Corporation</u>	<u>Nature of interest</u>	<u>Shares</u>	<u>Total number of shares</u>	<u>Approximate percentage interest in the Company</u>
Ivo Polovineo . . . . .	Sino Gold Mining Limited	Personal Corporate	125,000 82,315	207,315 <sup>(1)</sup>	0.114%
Phillip Uttley . . . . .	Sino Gold Mining Limited	Personal	10,000	10,000 <sup>(2)</sup>	0.006%
Stuart Gula . . . . .	Sino Gold Mining Limited	Personal	5,000	5,000 <sup>(3)</sup>	0.003%
Ross Jenkins . . . . .	Sino Gold Mining Limited	Personal	441,516	441,516 <sup>(4)</sup>	0.245%
Long Long . . . . .	Sino Gold Mining Limited	—	0	0 <sup>(5)</sup>	—
Ping Su . . . . .	Sino Gold Mining Limited	Personal	23,000	23,000 <sup>(6)</sup>	0.013%
Yumin Qiu . . . . .	Sino Gold Mining Limited	Personal	29,720	29,720 <sup>(7)</sup>	0.016%
Cobb Johnstone . . . . .	Sino Gold Mining Limited	Personal	0	0 <sup>(8)</sup>	—
Aidong Yang . . . . .	Sino Gold Mining Limited	Personal	0	0 <sup>(9)</sup>	—
Shu Zhang . . . . .	Sino Gold Mining Limited	Personal	161,516	161,516 <sup>(10)</sup>	0.090%

*Notes:*

- (1) Ivo Polovineo holds 207,315 Shares, 82,315 of which are held in the name of Perijan Investments Pty Ltd ATF Polovineo Superfund. In addition, he holds options to purchase an aggregate of 320,000 Shares.
- (2) Phillip Uttley holds 10,000 Shares. In addition, he holds options to purchase an aggregate of 620,000 Shares.
- (3) Stuart Gula holds 5,000 Shares.

- (4) Ross Jenkins holds 441,516 Shares. In addition, he holds options to purchase an aggregate of 170,000 Shares.
- (5) Long Long holds options to purchase an aggregate of 147,000 Shares.
- (6) Ping Su holds 23,000 Shares. In addition, he holds options to purchase an aggregate of 325,000 Shares.
- (7) Yumin Qiu holds 29,720 Shares. In addition, he holds options to purchase an aggregate of 325,000 Shares.
- (8) Cobb Johstone holds options to purchase an aggregate of 300,000 Shares.
- (9) Aidong Yang holds options to purchase an aggregate of 50,000 Shares.
- (10) Shu Zhang holds 161,516 Shares. In addition, he holds options to purchase an aggregate of 100,000 Shares.

These figures assume that Senior Management will not participate in the Global Offering or in the trading of any Shares between the Latest Practicable Date and the Listing Date.

These figures also assume that the Over-allotment Option is not exercised.

### **Substantial Shareholders**

Please refer to the section headed “Substantial and Selling Shareholders — Substantial Shareholders” in this prospectus.

### **Particulars of service agreements**

- Sino Mining Limited (the predecessor of the Company) entered into an agreement dated August 29, 2000 with Long Long (a director of the Hexi CJV and the Heishan CJV) for the provision of his service as the senior manager of China mining business development. This agreement is not on a fixed-term basis and is terminable by either party with a one-month notice in writing.
- Sino Mining Limited (the predecessor of the Company) entered into an agreement dated October 5, 2000 with Ping Su (a director of the Jinfeng CJV and the White Mountain CJV) for the provision of his service as the manager of China business development. This agreement is not on a fixed-term basis and is terminable by either party with a one-month notice in writing.
- Sino Mining Limited (the predecessor of the Company) entered into an agreement dated May 18, 2001 with Yumin Qiu (a director of the White Mountain CJV) for the provision of service as senior project geologist. This agreement is not on a fixed-term basis and is terminable by either party with a one-month notice in writing.
- Sino Mining Limited (the predecessor of the Company) entered into an agreement dated September 30, 2002 with Jacob Klein (a Director of the Company and a director of Sino Mining Guizhou Pty Ltd, Sino Gold Jindu Ltd, Sino Gold BMZ Limited, Sino Gold HLJ Limited, Sino Gold SPD Limited, Sino Gold SEL Limited, Sino Gold Guoxing Limited, Sino Gold Jiaodong Limited, Sino Gold Golden Triangle Limited, Sino Gold Greatland Limited, Sino Mining Copper Limited, Sino Mining Sichuan Pty Ltd, Sino Guizhou Jinfeng Mining Limited and Sino Gold Jilin BMZ Mining Limited) for the provision of his services as the president and chief executive officer of the Company. The agreement is for a five-year period from December 3, 2002, which is the date of the Company’s listing on ASX.

- Sino Mining Limited (the predecessor of the Company) entered into an agreement dated September 30, 2002 with Hanjing Xu (a Director of the Company and a director of Sino Mining Guizhou Pty Ltd, Sino Gold Jindu Limited, Sino Gold BMZ Limited, Sino Gold HLJ Limited, Sino Gold Guoxing Limited, Sino Gold Jiaodong Limited, Sino Gold Golden Triangle Limited, Sino Gold Greatland Limited, Sino Mining Sichuan Pty Ltd and Sino Guizhou Jinfeng Mining Limited) for the provision of his services as executive Director. The agreement is for a five-year period from December 3, 2002, which is the date of the listing of the Company on ASX.
- The Company entered into an agreement dated January 1, 2004 with Ivo Polovineo (a director of Sino Gold Jindu Limited, Sino Gold BMZ Limited, Sino Gold HLJ Limited, Sino Gold SPD Limited, Sino Gold SEL Limited, Sino Gold Guoxing Limited, Sino Gold Jiaodong Limited, Sino Gold Golden Triangle Limited and Sino Gold Greatland Limited) for the provision of his services as chief financial officer and company secretary. The term of the employment agreement is on a rolling 12 month period basis.
- The Company entered into an agreement dated September 20, 2004 with Ross Jenkins (a director of the Jinfeng CJV) for the provision of his service as general manager — project development. The term of the employment agreement is on a rolling 12-month period basis.

Save as disclosed above, none of the Directors or directors of any member of the Group have entered or proposed to enter into a service agreement with the Company other than agreement expiring or determinable by the Company within one year without payment of compensation beyond statutory requirements.

#### **Directors' remuneration**

Remuneration and benefits in kind of approximately A\$2,334,000 in aggregate were paid and granted by the Group to the Directors in respect of the financial year ended December 31, 2006. See also the section headed "Directors and Senior Management — Directors' Remuneration" in this prospectus.

Except as disclosed in this document, no Director in the promotion of the Company has been paid in cash or shares or otherwise by any person either to induce him to become, or to qualify him as a Director, or otherwise for services rendered by him in connection with the promotion or formation of the Company.

#### **Personal guarantees**

The Directors have not provided personal guarantees in favour of lenders in connection with banking facilities granted to the Group.

#### **Agency fees or commissions received**

Except as disclosed in this document, no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any capital of any member of the Group within the two years ended on the date of this document.



**Disclaimers**

Save as disclosed in this prospectus:

- none of the Directors or chief executive of the Company has any interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporation (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 or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will, in the absence of any waiver to the contrary, be required to be notified to the Company and the Stock Exchange pursuant to Model Code for Securities Transactions by Directors of Listed Companies once the Shares are listed;
- none of the Directors or experts referred to under the heading “Consents of experts” in this Appendix has any direct or indirect interest in the promotion of the Company, or in any assets which have within the two years immediately preceding the date of this prospectus been 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;
- none of the Directors or experts referred to under the heading “Consents of experts” in this Appendix is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of the Group taken as a whole;
- none of the Directors has any existing or proposed service contracts 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));
- taking no account of Shares which may be taken up under the Global Offering, none of the Directors knows of any person (not being a Director or chief executive of the Company) who will, immediately following completion of the Global Offering, have an interest or short position in the shares or underlying shares of the Company which would fail to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of SFO or be interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group;
- none of the experts referred to under the heading “Consents of experts” in this Appendix 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; and
- so far as is known to the Directors, none of the Directors, their respective associates (as defined under the Listing Rules) or shareholders of the Company who are interested in more than 5% of the issued share capital of the Company has any interests in the five largest customers or the five largest suppliers of the Group.

**OTHER INFORMATION****EOP***Purpose*

The purpose of the Executive and Employee Option Plan (“EOP”) is to help attract and retain the best available personnel, to provide additional incentive to employees, Directors and consultants, to achieve the long term objectives of the Company and to promote the success of the Group’s business.

*Commencement Date of the EOP*

The EOP commenced with effect from August 28, 2002.

*Who May Join*

Eligible participants of the EOP include: (i) full or part-time employees of the Company; and (ii) Related Body Corporate as defined under section 50 of the Corporations Act (collectively, “Eligible Persons”).

*No Effect on Contract of Employment*

The EOP does not form any part of any employment contract between the Company and the Eligible Persons.

*Limitation on Number of Options Issued*

The total number of Options over unissued shares in the Company that may be issued under the EOP, when added to the number of shares or Options to acquire share issued under all other employee or executive share or option plans of the Company, must not exceed 10% of the total number of share on issue from time to time. Immediately following the Global Offering, the number of Shares on issue will be 180,338,415 (assuming no exercise of the Over-allotment Option). As at December 31, 2006, 5,969,000 options were issued pursuant to the EOP. No further options were issued between January 1, 2007 and the Latest Practicable Date. Each option confers on the holder the right to acquire one Share.

*Option Entitlements*

The Board may, at its discretion, determine the extent to which Eligible Persons may participate in the EOP and the Company may issue options to such Eligible Persons.

An Eligible Person may only apply for Options in his or her own name. An application for less than the Eligible Person’s full entitlement must be in respect of multiples of 100 Options.

Options will only be issued under the EOP to Directors after the shareholders of the Company have approved the proposed issue, if such approval is required by the Corporations Act or the ASX Listing Rules.

*Terms of the Offer of Options*

Each Option carries the right in favour of an option holder to subscribe for one share. No money will be payable for the issue of the Options. The Options expire on the earlier of (“Expiry Date”):

- Five years from the date of issue as set out in the option certificate (“Issue Date”); or

- The date on which the option holder ceases to be an Eligible Person.

### ***Exercise Price***

Shares allotted to the option holders on the exercise of options shall be issued at the exercise price calculated in the following way (“Exercise Price”):

- In respect of the offers of Options approved by the Board while the Company is not admitted to the official list of the ASX, the subscription price of a share in respect of any particular Option granted under the EOP is the higher of (i) A\$0.20; and (ii) the price determined by the Board; or
- In respect of offers of Options approved by the Board while the Company is admitted to the official list of the ASX, the subscription price of a share in respect of any particular Option granted under the EOP is the higher of (i) A\$0.20; and (ii) the weighted average price of the Company’s shares on the ASX over the five trading days prior to the date of offer of the Options.

### ***Performance Target***

The Board may in its absolute discretion, impose performance hurdles on the exercise of options by an option holder. Performance hurdles must be specified in the offer of options and state that the relevant options cannot be exercised unless the performance hurdles are satisfied.

### ***Exercise of Options***

The exercise period in relation to an Option under the EOP (“Exercise Period”) refers to the period commencing on the date that is three years after the Issue Date and ending on the Expiry Date, or such other period as the Board resolves.

An option holder may at any time during the Exercise Period exercise outstanding Options in whole or in part, provided that, unless otherwise permitted under the EOP, the option holder wishing to exercise the Options is an Eligible Person at the time of exercise.

The Company must allot the resultant shares within five Business Days of the exercise of the Option. Shares allotted shall rank from the date of allotment equally with existing shares of the Company in all respects.

Options may not be listed for quotation on the official list of ASX.

### ***Options are Personal to Grantee***

Subject to the Board’s decision otherwise in cases of hardship or for any other just reason, an option holder may not sell, transfer, assign, give or otherwise dispose of, in equity or in law, the benefit of an Option during the period commencing from the Issue Date and ending on the date which is three years after the Issue Date (“Qualification Period”). After the expiration of the Qualification Period, an Option holder may sell, transfer, assign, give or otherwise dispose of, in equity or in law, the benefit of an option on the condition that the proposed new holder of the Option enter into a covenant with the Company pursuant to which the proposed new holder acknowledges and agrees to be bound by the provisions contained in the EOP.

The Company must make application to have the shares allotted pursuant to the EOP listed for official quotation in accordance with ASX Listing Rule 2.8.

### *No Participation in New Issues*

An option holder is not entitled by reason only of being a holder of Options to participate in any: (i) cash issue; (ii) issue of shares or other equity securities or instrument which convert into shares by way of capitalisation of profits or reserves ((i) and (ii) collectively, “New Issue”); (iii) issue of rights to subscribe for additional shares or any other securities to be issued by the Company, without exercising the Options prior to the record date for the determination of entitlements to the issue of securities and participating as a result of being a holder of shares.

### *Adjustment of Exercise Price*

- If the Company makes a New Issue which is a *pro rata* cash issue to all shareholders of the Company and is of a cash issue (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment), and no shares have been issued in respect of an Option before the record date for determining entitlements to the issue, the Exercise Price will be reduced in accordance with the formula set out in ASX Listing Rule 6.22.
- If the Company makes a New Issue which is a *pro rata* bonus issue to all shareholders of the Company or is an issue of shares or other equity securities or instrument which convert into shares by way of capitalisation of profits or reserves (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment), and no shares have been issued in respect of an Option before the record date for determining entitlements to the issue, the number of shares which will be allotted on the exercise of an Option pursuant to this EOP will be increased by the number of shares that would have been issued in respect of the shares the subject of the Option if the Option had been exercised immediately prior to such record date but no change will be made to the Exercise Price.

### *Effect of Alterations to Share Capital*

If the Company varies its share capital through a further issue of shares or other securities or through a reconstruction, the number of options held by each options holder and the exercise price of each option are varied in accordance with the ASX Listing Rules.

### *Lapse of Option*

In general, the Options shall lapse automatically and not be exercisable (to the extent not already exercised) on the earlier of: (i) the Expiry Date; (ii) any other date of expiry as determined by the Board; or on which the option holder ceases to be an employee or Director of the Company or a Related Body Corporate.

However, the exercise of Options under the EOP shall continue to be effective if the option holder ceases to be an Eligible Person in the following circumstances:

- where an option holder dies and at the date of his death that option holder held outstanding Options. In such circumstances, those outstanding Options are automatically transferred to the estate of the deceased option holder;
- where the relevant Eligible Person is a Director and ceases to hold such office by reason of retirement pursuant to the constitution of the Company or the Corporations Act or who offers himself for reappointment but is not reappointed; or

- where the Eligible Person ceases to be an Eligible Person by reason of ill health or accident (resulting in permanent disability).

### ***Alterations to the EOP***

The EOP may be amended at any time by resolution of the Board subject to the Corporations Act and the ASX Listing Rules. Any such amendment, however, shall not adversely affect the rights of option holders who are granted Options prior to such amendment without the consent of the option holder, unless such amendment is required by or necessitated by amendments to either the Corporations Act or the ASX Listing Rules.

### ***Termination of EOP***

The EOP may be terminated at any time by the Board. But such termination shall not affect the rights of holders of Options issued prior to termination.

### ***Governing Law***

The EOP is governed by the laws of NSW.

### ***Estate duty***

The Directors have been advised that no material liability for estate duty is likely to fall on the Company or any of its subsidiaries in Hong Kong or any other relevant jurisdiction in which one or more of the companies comprising the Group are incorporated.

### ***Litigation***

No member of the Group is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened against any member of the Group.

### ***Address for Service of Process and Notices***

Jane Chan Yuen Bik  
31st Floor  
Gloucester Tower  
The Landmark  
Central  
Hong Kong

### ***Sponsor***

The Sponsor has made an application on behalf of the Company to the Stock Exchange Listing Committee for listing of and permission to deal in the Shares in issue as mentioned herein and any Shares to be issued pursuant to the exercise of options granted under the EOP, the SBBH Options, the Convertible Notes, the convertible bond under the Corporate Loan Facility and the Seed Shareholders' Options.

**Preliminary expenses**

Assuming the Over-allotment Option is not exercised at all and based on an indicative Offer Price of HK\$55.00, the preliminary expenses, including the underwriting commissions and the estimated expenses in relation to the Global Offering, are estimated to be approximately HK\$83.8 million. Such commissions, fees and expenses are payable by the Company as to HK\$79.9 million and by the Selling Shareholders as to HK\$3.9 million.

**Promoter**

There is no promoter for the Company.

**Qualifications of experts**

The following are the qualifications of the experts who have given an opinion or advice which is contained in this document.

<u>Name</u>	<u>Qualification</u>
Morgan Stanley Dean Witter. . . . .	Morgan Stanley Dean Witter Asia Limited, licensed by the SFC for type 1 (dealing in securities), type 4 (dealing in securities) and type 6 (advising in corporate finance)
Ernst & Young . . . . .	Certified Public Accountants
King & Wood. . . . .	PRC Lawyers
SRK . . . . .	Technical Expert
Knight Frank Petty Limited	Property Valuers
Deacons. . . . .	Australian Lawyers

**Consents of experts**

Each of the experts set out above has given and has not withdrawn their respective consent to the issue of this prospectus with the inclusion of its report and/or letter and/or summary of valuations and/or legal opinion (as the case may be) and references to its name included in the form and context in which it respectively appears.

**Bilingual Prospectus**

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

**Binding Effect**

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

**Miscellaneous**

Except as disclosed in this document:

- within the two years preceding the date of this document,
  - (i) 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) 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;
  - (iii) since December 31, 2006, there has been no material adverse change in the financial or trading position or prospects of the Group;
  - (iv) the Company has no founder shares, management shares or deferred shares in the capital of the Company;
  - (v) none of the Directors is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of the Group;
  - (vi) none of the Directors nor any of the persons whose names are listed in “Appendix VI — Statutory and General Information — Further Information About the Business — Qualifications of Experts” of this prospectus has any direct or indirect interest in the promotion of any member of the Group, or in any assets which have within the two years immediately preceding the issue of this document been 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; and
  - (vii) 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;
- there has not been any interruption in the business of the Company which may have or has had a significant adverse effect on the financial position of the Company in the 12 months immediately preceding the date of this document;
- none of Ernst & Young, King & Wood, Deacons, Knight Frank Petty Limited or SRK:
  - (i) is interested beneficially or non-beneficially in any shares in any member of the Group; or
  - (ii) has any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any shares in any member of the Group; and
- all necessary arrangements have been made to enable the Shares to be admitted into CCASS for clearing and settlement.