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In preparation for the Listing, we have sought the following waivers from strict compliance with the relevant provisions of the Listing Rules or the Companies Ordinance.

BASIC CONDITIONS IN RELATION TO QUALIFICATIONS FOR LISTING

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 Rule 18.04 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 mining and/or exploration activities. Three of our four executive Directors have more than five years of experience in mining and/or exploration activities. We have applied for, and the Stock Exchange has granted, a waiver from strict compliance with Rule 8.05 of the Listing Rules in accordance with the reasoning under Rule 18.03 of the Listing Rules.

MANAGEMENT PRESENCE

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. We do 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. We have applied for a waiver from strict compliance with Rule 8.12 of the Listing Rules on the basis that, as our headquarters are in Canada and our principal business operations are located in the PRC, our management is best able to attend to its functions by being based in the PRC and/or Canada. We have received from the Stock Exchange a waiver from compliance with Rule 8.12 of the Listing Rules subject to the following conditions:

- (a) we have appointed two authorized representatives pursuant to Rule 3.05 of the Listing Rules who will act as our principal communication channel with the Stock Exchange and will ensure that they comply with the Listing Rules at all times. The two authorized representatives are Mr. Wu Zhanming, our executive Director, and Ms. Ma, Sau Kuen Gloria, our Hong Kong company secretary. Our Hong Kong company secretary is an ordinary resident in Hong Kong. Each of 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;
- (b) both the authorized representatives have means to contact all members of the Board (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. We will implement a policy whereby each Director will provide his mobile phone number, office phone number, fax number and e-mail address to the Stock Exchange;
- (c) each Director, who is not an ordinary resident in Hong Kong has confirmed that he possesses or can 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; and
- (d) in compliance with Rule 3A.19 of the Listing Rules, we shall retain a qualified institution as compliance adviser for a period commencing on the Listing Date and ending on the date on which we distribute the annual report for the first full financial year commencing after

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the Listing Date in accordance with Rule 13.46 of the Listing Rules to provide us with advice on compliance with the Listing Rules, as well as all other applicable laws, rules, codes and guidelines. Our compliance adviser will act as an additional channel of communication between the Stock Exchange.

CONTINUING CONNECTED TRANSACTIONS

We have entered into certain transactions which constitute continuing connected transactions of our Company under the Listing Rules, one of which is a non-exempt continuing connected transaction for the purposes of the Listing Rules. We have applied for, and the Stock Exchange has granted, a waiver from strict compliance with the announcement and independent shareholders' approval requirements under Rule 14A.42(3) the Listing Rules for such non-exempt continuing connected transaction. Further details are set out under "Connected Transactions" of this prospectus.

ARTICLES OF ASSOCIATION

Appendix 3 of the Listing Rules states that the articles of association or equivalent document must conform with the provisions set out in that appendix (the "Articles Requirements"). The Company's Articles do not comply with some of the Articles Requirements. In many cases an Articles Requirement may not strictly be met but is covered by a broadly commensurate provision in the Articles or under the BCBCA and TSX Listing Policies. We have not applied for a waiver from strict compliance in these cases. Our Company has applied for, and the Stock Exchange has granted, a waiver from strict compliance with the following Articles Requirements:

Paragraph 1(2) of Appendix 3 of the Listing Rules requires that fully-paid shares shall be free from all liens. Our Company undertakes that it will not utilize this lien while it is a public company.

Paragraph 2(1) of Appendix 3 of the Listing Rules requires that (i) all certificates for capital shall be under seal, which shall only be affixed with the authority of the directors, and (ii) the seal shall only be affixed with the authority of the directors. With regard to (i), the compulsory affixing of seals on certificates is inconsistent with Canadian practice and adequate security measures are provided by the TSX, and (ii) our Company undertakes that it will obtain authority of the directors when affixing the seal.

Paragraph 4(1) of Appendix 3 of the Listing Rules requires that any director so prohibited from voting shall not be counted in the quorum present at the meeting. The HK requirement is not consistent with Canadian corporate law or practice, in which a director prohibited from voting would still be counted as quorum for the meeting. Our Company believes that strict compliance with the Rule may result in situations where our Company will be unable to approve matters put to the board. The Sole Sponsor confirms that shareholder rights will not be prejudiced in that shareholder protection is available from three sources: (i) the disclosure requirement under the BCBCA will provide Shareholders with information about the extent of the interest of each Director in a transaction; (ii) the general overriding duty that Directors are required to act honestly and in good faith with a view to the best interests of our Company; and (iii) the related party rules require shareholder approval and formal valuations of certain transactions with related parties.

Paragraph 4(4) of Appendix 3 of the Listing Rules requires that the minimum length of the period, during which notice to the issuer of the intention to propose a person for election as a director and during which notice to the issuer by such person of his willingness to be elected may be given, will

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be at least 7 days. This is inconsistent with Canadian corporate practice and we believe that it may be perceived by institutional shareholders to be detrimental to the fundamental right of Shareholders in Canada to nominate Directors at meetings without notice to our Company.

Paragraph 4(5) of Appendix 3 of the Listing Rules requires that the period for lodgment of the notices referred to in sub-paragraph 4(4) will commence no earlier than the day after the dispatch of the notice of the meeting appointed for such election and end no later than 7 days prior to the date of such meeting. See discussion under paragraph 4(4) of Appendix 3 of the Listing Rules above.

Paragraph 5 of Appendix 3 of the Listing Rules requires that a copy of either (i) the directors' report, accompanied by the balance sheet (including every document required by law to be annexed thereto) and profit and loss account or income and expenditure account, or (ii) the summary financial report shall, at least 21 days before the date of the general meeting, be delivered or sent by post to the registered address of every member. Our Company seeks a partial waiver so that the requirements of this paragraph apply with respect to Shareholders with a registered address in Hong Kong. In accordance with Canadian rules and regulations, financial statements are available to Shareholders on SEDAR and are also available for inspection at the annual general meeting.

Paragraph 6(2) of Appendix 3 of the Listing Rules requires that the quorum for a separate class meeting (other than an adjourned meeting) to consider a variation of the rights of any class of shares shall be the holders of at least one-third of the issued shares of the class. Our Company seeks a waiver from strict compliance with the requirement to include paragraph 6(2) in the Articles on the basis that such a quorum requirement is common in Canada, and other stock exchanges, such as Nasdaq and NYSE, will defer to the home jurisdiction's quorum. The quorum for such a meeting is two Shareholders represented in person or by proxy holding no less than 5% of the issued Shares from that class.

Paragraph 7(2) of Appendix 3 of the Listing Rules requires that an overseas issuer whose primary listing is or is to be on the Stock Exchange shall give notice sufficient to enable members, whose registered addresses are in Hong Kong, to exercise their rights or comply with the terms of the notice. If the overseas issuer's primary listing is on another stock exchange, the Stock Exchange will normally be satisfied with an undertaking by the issuer to do so and will not normally request the issuer to change its articles to comply with this paragraph where it would be unreasonable to do so. Our Company undertakes to the Stock Exchange to provide sufficient notice to Hong Kong Shareholders to exercise their rights or comply with the terms of the notice.

Paragraph 8(2) of Appendix 3 of the Listing Rules requires that where the issuer has the power to purchase for redemption a redeemable share, purchases not made through the market or by tender shall be limited to a maximum price; and if such a purchase is made by tender, tenders must be available to all shareholders alike. Our Company undertakes to make the same offer to all Shareholders in the event of an issuer bid.

Paragraph 11(1) of Appendix 3 of the Listing Rules requires that where provision is made in the articles as to the form of proxy, this must be so worded as not to preclude the use of the two-way form. Our Company cannot amend the Articles to override Canadian securities laws which preclude the use of two-way voting for the appointment of an auditor and the election of Directors.

Paragraph 14 of Appendix 3 of the Listing Rules requires that where any shareholder is, under these Stock Exchange Listing Rules, required to abstain from voting on any particular resolution or

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restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted. Our Company undertakes to the Stock Exchange that votes cast by a Shareholder in contravention of these requirements will not be counted.

The partial waiver from the Stock Exchange covers certain provisions under Chapter 13 of the Listing Rules that overlap with the requirements under Appendix 3 of the Listing Rules, including, inter alia, Rules 13.38, 13.43 and 13.44 of the Listing Rules.

Further details of the Articles are set out under “Appendix VI — Summary of Articles, Canadian Corporate and Securities Laws, Certain TSX Listing Policies and Shareholder Protection Matters” to this prospectus.

DEALINGS IN SECURITIES

Pursuant to Rule 9.09 of the Listing Rules, there must be no dealing in the securities for which listing is sought by any connected person of the issuer (except as permitted by Rule 7.11 of the Listing Rules) from four clear business days before the expected hearing date until listing is granted. We do not contemplate that we will satisfy the strict requirement under Rule 9.09 of the Listing Rules, and the exception to Rule 9.09 of the Listing Rules under Rule 7.11 of the Listing Rules is inapplicable. We have accordingly applied for, and the Stock Exchange has granted, a waiver from strict compliance with Rule 9.09 of the Listing Rules.

In support of the waiver application, we confirm and undertake as follows:

- (a) we confirm that we are incorporated in British Columbia and listed on the TSX, we have no control over the investment decisions of our Shareholders, nor are in a position to be fully aware of the dealing of the Shares of the Shareholder;
- (b) we confirm that the waiver is only applicable to the existing and future Substantial Shareholders whose investment decisions we do not have control over;
- (c) we confirm that the Directors, Controlling Shareholder(s) and chief executive officers of our Company and its subsidiaries will not deal in our Shares from four clear business days before the expected hearing date until Listing is granted;
- (d) we undertake that we shall notify the Stock Exchange of any dealing or suspected dealing by any connected persons of the Company of which we become aware; and
- (e) we undertake that we shall release price sensitive information to the public as required by relevant laws, rules and regulations applicable to our Company so that anyone who may deal in the Shares as a result of this waiver will not be in possession of non-public price sensitive information.

INSPECTION OF LEGISLATION AND REGULATIONS

Rule 19.10(6) of the Listing Rules provides that an overseas issuer must offer for inspection a copy of any statutes or regulations which are relevant to the summary of the regulatory provisions of the jurisdiction in which the overseas issuer is incorporated. In the case of the Company, these include the TSX Listing Rules, the Insider Reporting Rules and the Related Party Transaction Regulation. These copies of legislation are lengthy and it would be difficult to deliver copies to Hong Kong in

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physical format. In addition, these copies of legislation can be readily accessed via the internet. For further details about how to access these copies of legislation via the internet, see “Appendix X — Documents Delivered to the Registrar of Companies and Available for Inspection — Documents Available for Inspection”. The Company has sought, and the Stock Exchange has granted, a waiver from strict compliance with Rule 19.10(6) of the Listing Rules.

DISCLOSURE OF THE RESIDENTIAL ADDRESSES OF THE DIRECTORS

Paragraph 6 of Part I of the Third Schedule to the Companies Ordinance require the disclosure in this prospectus of the residential addresses of all of our Directors. We have applied for, and the SFC has granted, for an exemption from strict compliance with the requirements under Paragraph 6 of Part I of the Third Schedule to the Companies Ordinance in relation to the disclosure in this prospectus of the residential addresses of our Directors who currently reside in Canada. For further information, see the note to the addresses of the relevant Directors in the section headed “Directors and Parties Involved in the Global Offering” in this prospectus.

DISCLOSURE OF THE RESIDENTIAL ADDRESSES OF THE GRANTEES UNDER PRE-IPO SHARE OPTIONS

Paragraph 10(d) of Part I of the Third Schedule to the Companies Ordinance require the disclosure of the residential addresses of all the grantees under the Pre-IPO Share Option Schemes in this prospectus. We have applied for, and the SFC has granted, an exemption from strict compliance with requirements under Paragraph 10(d) of Part I of the Third Schedule to the Companies Ordinance in relation to the disclosure in this prospectus of the residential addresses of certain grantees who reside in Canada. For further information, see “Appendix VIII — Statutory and General Information — Pre-IPO Share Options — Exemption”.

SUBSCRIPTION FOR SHARES BY EXISTING SHAREHOLDERS

Listing Rule 10.04 requires that existing shareholders may only subscribe for securities provided no securities will be offered to them on a preferential basis and no preferential treatment will be given to them in the allocation of the securities. Our Company has applied for, and the Stock Exchange has granted, a partial waiver, to the extent necessary to include existing Shareholders in the “book-building” process described in the section headed “Structure of the Global Offering — Pricing and Allocation” in this prospectus. The waiver is conditional on (i) no Offer Shares will be allocated to existing Shareholders who are pre-IPO investors of the Company, connected persons or their associates, or those who are able to exert any influence over the Company and in respect of the book building process and (ii) the existing Shareholder (if any) who will be allocated Shares will be subject to the same book building process and will be treated on the same basis applicable to other placees. The Company has also applied for, and the Stock Exchange has granted consent under paragraph 5(2) of Appendix 6 to the Listing Rules which states that no allocations will be permitted to be made to existing Shareholders of a listing application or their associates.