

DATE: 15 JANUARY 2014

LEHMAN BROTHERS COMMERCIAL CORPORATION ASIA LIMITED

(In Liquidation)

AND

CHINA PRIMARY RESOURCES HOLDINGS LIMITED

AND

EDWARD SIMON MIDDLETON AND

PATRICK COWLEY,

AS LIQUIDATORS

SUPPLEMENTAL SETTLEMENT DEED

EXECUTION COPY

THIS SUPPLEMENTAL SETTLEMENT DEED (this “**Supplemental Deed**”) is dated 15 January 2014

AMONG:

- (1) **LEHMAN BROTHERS COMMERCIAL CORPORATION ASIA LIMITED** (In Liquidation), a company incorporated in Hong Kong and whose registered office is at 8/F Prince’s Building, 10 Chater Road, Central, Hong Kong (the “**Bondholder**”);
- (2) **CHINA PRIMARY RESOURCES HOLDINGS LIMITED**, a company incorporated in the Cayman Islands whose registered office is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY-1111, Cayman Islands (the “**Company**”); and
- (3) **EDWARD SIMON MIDDLETON AND PATRICK COWLEY** of 8/F Prince’s Building, 10 Chater Road, Central, Hong Kong, as joint and several liquidators of the Bondholder (the “**Liquidators**”).

WHEREAS:

- (A) The Liquidators and Paul Jeremy Brough were appointed to act as joint and several provisional liquidators of the Bondholder on 19 September 2008 by order of the Court of First Instance of the Hong Kong Special Administrative Region made in Companies (Winding-Up) Proceedings HCCW 441/2008 on 19 September 2008.
- (B) The Liquidators and Paul Jeremy Brough were appointed to act as joint and several liquidators of the Bondholder on 20 March 2009 by order of the Court of First Instance of the Hong Kong Special Administrative Region made in Companies (Winding-Up) Proceedings HCCW 41/2008 on 20 March 2009.
- (C) With effect from 22 November 2011, Paul Jeremy Brough resigned as and ceased to be a joint and several liquidator of the Bondholder.
- (D) By a deed of settlement dated 17 September 2010 and entered into among the Bondholder, the Company and the Liquidators (among others), as modified by the side letters signed by the parties thereto dated 28 October 2011, 28 December 2011, 24 February 2012, 27 March 2012, 29 May 2012, 28 August 2012, 27 December 2012, 27 June 2013, 30 September 2013, 31 October 2013, 29 November 2013 and 30 December 2013 (as so modified, the “**Original Deed of Settlement**”), the Bondholder has agreed, among other things, to a redemption of the Bonds and to consent to the Disposal subject to the terms and conditions of the Original Deed of Settlement.
- (E) In consideration of the mutual undertakings, covenants and agreements hereinafter set out, the Company, the Bondholder and the Liquidators have entered into this Supplemental Deed to vary and amend certain terms of the Original Deed of Settlement as set out in this Supplemental Deed subject to and upon the terms and conditions herein contained.

NOW IT IS HEREBY AGREED AS FOLLOWS:

1. INTERPRETATION

- 1.1. As used in this Supplemental Deed, “**S&P Agreement**” means the sale and purchase agreement to be entered into between the Company and the Bondholder (or its designee) relating to the transfer of the entire issued share capital of Zhong Ping Resources Holdings Limited in the form set out in Schedule 1 hereto (or in such other form as may be agreed by the Company and the Bondholder).
- 1.2. Capitalised terms not defined in this Supplemental Deed shall have the meanings ascribed to them in the Original Deed of Settlement as such deed is or would be in effect after having been varied and amended as contemplated hereby (the “**Amended Deed of Settlement**”).
- 1.3. The principles of construction set forth in Clauses 1.2 through 1.7 of the Original Deed of Settlement shall apply to this Supplemental Deed as if set forth herein (except that references therein to the Original Deed of Settlement or “this Deed” shall be deemed references to this Supplemental Deed).

2. EFFECTIVENESS AND TERMINATION

- 2.1. Other than Clause 1, this Clause 2 and Clauses 3 and 7, which shall be effective as of the date hereof, the effectiveness of this Supplemental Deed shall be subject to the satisfaction of the condition that the shareholders of the Company who are not required to abstain from voting under the GEM Listing Rules or other applicable codes and regulations shall have passed the necessary resolution(s) to approve this Supplemental Deed and the transactions contemplated hereunder (the “**Condition**”).
- 2.2. The Company shall use its best endeavours to ensure the satisfaction of the Condition. The Company shall give the Bondholder written notice of the date (the “**Effective Date**”) on which the Condition is satisfied by no later than 4:00pm (Hong Kong time) on such date.
- 2.3. The Condition cannot be waived.
- 2.4. If (a) the Effective Date does not occur on or before the Long-stop Date (as defined in Clause 4.1 hereof) or (b) the Original Deed of Settlement is terminated prior to the Effective Date, this Supplemental Deed shall automatically terminate and be of no further force and effect without any action by any party.
- 2.5. If the Company fails to pay the Deposit at or prior to the deadline specified in Clause 3.1 and otherwise in accordance with such clause, the Bondholder shall be entitled to terminate this Supplemental Deed by notice in writing to the Company (in addition and without prejudice to all other rights or remedies available to it, including the right to claim damages).
- 2.6. Clauses 1, 3.3 and 7 shall survive any lapse or termination of this Supplemental Deed and shall continue to apply in accordance with their terms.

3. PAYMENT OF DEPOSIT

- 3.1. By no later than 4:00pm (Hong Kong time) on the date of this Supplemental Deed, the Company shall pay to the Bondholder a nonrefundable deposit (the “**Deposit**”) in an amount equal to the Third Payment Amount (as defined in Clause 4.2 hereof) in the manner provided in Clause 2.3 of the Amended Deed of Settlement with respect to the Third Payment Amount. All terms and conditions of the Amended Deed of Settlement that apply to the Third Payment Amount (including Clause 2.5 thereof) shall apply to such payment of the Deposit as if the Deposit were the Third Payment Amount, with all necessary changes being deemed made (and all such terms and conditions are hereby incorporated by reference).
- 3.2. If the Effective Date occurs prior to the termination of this Supplemental Deed, then the Deposit shall be retained by the Bondholder and shall be deemed to constitute the Third Payment Amount under the Amended Deed of Settlement for all purposes.
- 3.3. If the Effective Date does not occur prior to the termination of this Supplemental Deed, then the Bondholder shall retain the Deposit and apply it towards the repayment of an equivalent amount of principal due in connection with the Bonds.

4. AMENDMENTS TO THE ORIGINAL DEED OF SETTLEMENT

The parties hereto agree that the Original Deed of Settlement is hereby amended as follows, effective as of the Effective Date (references to clauses and schedules below being references to clauses of and schedules to the Original Deed of Settlement):

- 4.1. The definition of “Long-stop Date” in Clause 1.1 shall be deleted in its entirety and replaced with the following:

“**Long-stop Date**’ means 30 April 2014 or such later date as may be agreed between the Bondholder and the Company (each of whom shall not unreasonably refuse to agree to an extension of such date);”

- 4.2. The following definitions shall be inserted in Clause 1.1 in their proper respective alphabetical locations:

“**Designated ARIA Breach**’ means any actual or alleged breach or violation of:

- (a) the Licence;
- (b) the Charter of ARIA LLC; or
- (c) any other agreement, document or instrument to which ARIA LLC is a party,

in each case arising after 17 September 2010 as a result of any failure by ARIA LLC to take any action required to be taken by it therein with regard to (i) its minerals exploration, mining, processing and sales activities, (ii) its foreign and domestic trade activities, (iii) its investment management activities, (iv) any change of government policy or (v) any matters that are the subject of any claims by Selenge and are stipulated under the Company Law of Mongolia (including to failure to submit financial statements at the annual shareholders meeting and failure to maintain the

accuracy of the accounting books and financial records), to the extent such failure is caused by a Designated Zhong Ping Breach;”

“**Designated Zhong Ping Breach**’ means any actual or alleged breach or violation of:

- (a) the Charter of ARIA LLC; or
- (b) the Joint Venture Agreement dated on or about 20 January 2006 between Zhong Ping Resources Holdings Limited and Selenge,

in each case arising after 17 September 2010 as a result of any failure by Zhong Ping Resources Holdings Limited to take any action required to be taken by it therein as a shareholder of ARIA LLC;”

“**Fourth Payment Amount**’ means an amount in HK\$ that is equal to the HK\$ equivalent of RMB24,000,000, with such HK\$ equivalent calculated using the prevailing exchange rate provided by a licensed bank in Hong Kong for the conversion of RMB into HK\$ as determined by the Bondholder in its sole discretion (and notified by the Bondholder to the Company) on the Business Day immediately preceding the date of payment of such amount;”

“**GEM Listing Rules**’ means the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange;”

“**Selenge**’ means Selenge Mining LLC, a company organised and existing under the laws of Mongolia;

“**Selenge Litigation**’ means any claim, legal action, proceeding, suit, litigation, mediation or arbitration threatened or commenced by Selenge against the Bondholder (or any of its designees for the transfer of any Mongolian Assets), the Company or Zhong Ping Resources Holdings Limited in relation to any Designated Zhong Ping Breach;”

“**Stock Exchange**’ means The Stock Exchange of Hong Kong Limited;”

“**Third Payment Amount**’ means the amount of HK\$6,000,000;”

“**Third Payment Date**’ means 15 January 2014;”

4.3. Clause 2.2 shall be deleted and replaced in its entirety with the following:

2.2 Second, Third and Fourth Cash Payments

- (a) By no later than 4:00pm on 17 November 2010 (Hong Kong time), or such later date as may be mutually agreed by the Bondholder and the Company, the Company shall pay to the Bondholder the Second Payment Amount.
- (b) By no later than 4:00pm on the Third Payment Date (Hong Kong time), or such later date as may be mutually agreed by the Bondholder and the

Company, the Company shall pay to the Bondholder the Third Payment Amount.

- (c) By no later than 4:00pm on the Long-stop Date (Hong Kong time), or such later date as may be mutually agreed by the Bondholder and the Company, the Company shall pay to the Bondholder the Fourth Payment Amount.”

4.4. Clause 2.3 shall be amended by deleting the words “The Company shall pay the First Payment Amount and the Second Payment Amount in full to the following bank account” in their entirety and replacing such words with the words “The Company shall pay the First Payment Amount, the Second Payment Amount, the Third Payment Amount and the Fourth Payment Amount in full to the following bank account (or to such other bank account as may be notified in writing by the Bondholder to the Company prior to the remittance of such payment)”.

4.5. Each of Clauses 2.4.1, 2.5 and 5.1.2 shall be amended by deleting the words “the Second Payment Amount” in their entirety and replacing such words with the words “the Second Payment Amount, the Third Payment Amount and the Fourth Payment Amount” or (in the case of Clause 2.5) the words “the Second Payment Amount, the Third Payment Amount and/or the Fourth Payment Amount”.

4.6. Clause 2.4.2(ii) shall be deleted and replaced in its entirety with the following:

“(ii) the balance of the First Payment Amount, and (if paid by the Company) the Second Payment Amount, the Third Payment Amount and the Fourth Payment Amount, shall be applied towards the repayment of an equivalent amount of principal due in connection with the Bonds (with such equivalent amount calculated using prevailing exchange rates as determined by the Bondholder in its sole discretion, if any currency conversion is required for such calculation).”

4.7. Clause 5.1.6 shall be deleted and replaced in its entirety with the following:

“**5.1.6** there having been no Material Adverse Change, other than any Material Adverse Change arising or occurring as a result of any Designated Zhong Ping Breach or Designated ARIA Breach;”.

4.8. Clause 5.1.8 shall be deleted and replaced in its entirety with the following:

“**5.1.8** each of the following:

- (i) the transactions contemplated by this Deed (A) remaining permitted by applicable law and regulation, (B) not being in violation of applicable law or regulation and (C) not subjecting the Bondholder or the Liquidators to any tax, penalty or liability under applicable law or regulation; and
- (ii) no person having instituted or threatened any action or investigation to restrain, prohibit or otherwise challenge any of the transactions contemplated by this Deed or threatened to take any action as a result of

or in anticipation of the implementation of any of the transactions contemplated by this Deed, except for any Selenge Litigation to the extent the Bondholder has received written notice thereof in reasonable detail as soon as reasonably practicable;”.

- 4.9. Clause 5.1.10 shall be deleted and replaced in its entirety with the following:

“the shareholders of the Company who are not required to abstain from voting under the GEM Listing Rules or other applicable codes and regulations having passed the necessary resolution(s) to approve this Deed (and any supplemental deeds hereto or variations hereof) and the transactions contemplated hereunder; and”.

- 4.10. Paragraph 1.2.1 of Schedule 3 shall be deleted and replaced in its entirety with the following:

“1.2.1 The constitutional documents provided to the Bondholder on the date of this Deed are true and accurate copies of the constitutional documents of Zhong Ping and ARIA LLC and, so far as the Company is aware and except for any Designated Zhong Ping Breaches or Designated ARIA Breaches, there have not been and are not any breaches by Zhong Ping and ARIA LLC of its constitutional documents.”

- 4.11. Paragraph 2.2 of Schedule 3 shall be deleted and replaced in its entirety with the following:

“2.2 Licences and Agreements

Originals or copies of all contracts, leases, licences and agreements to which any of Zhong Ping and ARIA LLC is a party and for which the Bondholders or the Liquidators expressly requested (“**Company Documents**”) have been provided to the Bondholder, other than the original of the Licence. All such Company Documents are valid, binding and enforceable obligations of the parties thereto, except to the extent any such Company Documents cease or have ceased to be valid, binding or enforceable due to any termination arising from a Designated Zhong Ping Breach or Designated ARIA Breach. The terms of all such Company Documents have been complied with by Zhong Ping or ARIA LLC, as the case may be, except for any Designated Zhong Ping Breaches or Designated ARIA Breaches. So far as the Company is aware, the terms of all such Company Documents have been complied with by each party to such contracts other than Zhong Ping and ARIA LLC.”

- 4.12. Each of paragraphs 3.1, 3.2 and 3.3 of Schedule 3 shall be amended by deleting the words “So far as the Company is aware” in such paragraph in their entirety and replacing such words with the words “So far as the Company is aware, and except for any Selenge Litigation to the extent the Bondholder has received written notice thereof in reasonable detail as soon as reasonably practicable,”.
- 4.13. Paragraph 5.1 of Schedule 3 shall be deleted and replaced in its entirety with the following:

“5.1 Zhong Ping is not insolvent under the laws of its jurisdiction of incorporation or unable to pay its debts as they fall due.”

- 4.14. Paragraph 5.4 of Schedule 3 shall be amended by deleting the words “Neither Zhong Ping nor ARIA LLC” in their entirety and replacing such words with the words “Neither Zhong Ping nor (so far as the Company is aware) ARIA LLC”.

5. S&P AGREEMENT AND ELECTION BY BONDHOLDER

The parties hereto hereby agree as follows, effective as of the Effective Date:

- 5.1. For purposes of the definition of “Mongolian Assets” in Clause 1.1 of the Amended Deed of Settlement, the Bondholder shall be deemed to have elected to receive (or for its designee to receive) a transfer of the entire issued share capital of Zhong Ping, provided that the Bondholder shall be entitled to revoke such election in its sole discretion (in which case such election shall no longer be effective) if:

- (a) the Company is in breach any of its obligations under Clause 5.2 hereof; or
- (b) the entire issued share capital of Zhong Ping is not transferred to the Bondholder (or its designee) pursuant to the S&P Agreement on or prior to the Long-stop Date for any reason other than a breach of such agreement by the Bondholder (or its designee).

- 5.2. Pursuant to Clauses 4.2.1 and 5.1.4(i) of the Amended Deed of Settlement and Clause 5.1 hereof, the Bondholder hereby requires the Company to (and the Company shall):

- (a) execute and deliver to the Bondholder (or its designee) the S&P Agreement on or prior to the Long-stop Date; and
- (b) provided such agreement is countersigned and delivered by the Bondholder (or its designee), comply with and fulfill each of its obligations under the S&P Agreement in relation to the transfer of the entire issued share capital of Zhong Ping to the Bondholder (or its designee).

- 5.3. Any election made by the Bondholder prior to the Effective Date to receive (or to designate a third party to receive on its behalf) a transfer of some or all of the assets held directly or indirectly by Zhong Ping Resources Holdings Limited as the “Mongolian Assets” pursuant to the Original Deed of Settlement is hereby revoked and is no longer effective, without prejudice to the right of the Bondholder to make such election again on or after the date of such revocation.

6. REPRESENTATIONS, WARRANTIES AND CONFIRMATIONS

- 6.1. As of the Effective Date, the Company undertakes, warrants and represents to the Bondholder that:

- (a) the warranties and representations made by the Company in the Amended Deed of Settlement are true and accurate and not misleading on such date; and

- (b) the Company is not in breach of any of its obligations under the Amended Deed of Settlement as of such date.
- 6.2. As of the Effective Date, the Company hereby confirms each of the acknowledgements made by it in the Amended Deed of Settlement, including the acknowledgements set out in Clause 6.2 of the Amended Deed of Settlement.
- 6.3. As of the Effective Date, each of the Company and the Bondholder hereby confirms that:
- (a) pursuant to Clause 2.2(c) of the Amended Deed of Settlement, the Company must pay the Fourth Payment Amount to the Bondholder by no later than 4:00pm on the Long-stop Date (Hong Kong time), or such later date as may be mutually agreed by the Bondholder and the Company;
 - (b) pursuant to Clause 2.3 of the Amended Deed of Settlement, the Company must pay the Fourth Payment Amount (among other amounts) in full to the bank account of the Bondholder specified in such clause or to such other bank account as may be notified in writing by the Bondholder to the Company prior to the remittance of such payment; and
 - (c) pursuant to Clause 5.1 of the Amended Deed of Settlement, subject to the fulfilment to the satisfaction of the Bondholder or waiver by the Bondholder of the other conditions set out in such clause, the Bondholder must present the original of the certificate(s) for the Bonds to the Company and treat the Bonds as having been redeemed upon receipt of the Fourth Payment Amount in full in accordance with Clause 2 thereof.

7. MISCELLANEOUS

- 7.1. From and after the Effective Date, references in the Original Deed of Settlement to such instrument or “this Deed” shall be deemed references to the Amended Deed of Settlement. For the avoidance of doubt, this Supplemental Deed has been entered into pursuant to the Original Deed of Settlement for all purposes, including for purposes of (a) the definition of “Transaction Documents” in Clause 1.1 thereof and (b) Clauses 10.1.2 and 10.1.3 thereof.
- 7.2. The Bondholder and the Company acknowledge that at the date of this Supplemental Deed, in relation to the redemption of the Bonds contemplated by the Amended Deed of Settlement, the conditions to such redemption set out in Clauses 5.1.1 and 5.1.9 of the Amended Deed of Settlement have been fulfilled.
- 7.3. Notwithstanding anything to the contrary in this Supplemental Deed, the Original Deed of Settlement shall remain valid and binding and enforceable against the parties thereunder in accordance with its terms as such terms may be varied and amended hereby.
- 7.4. All of the rights and remedies of the Bondholder, the Company and each of the Liquidators under and/or in connection with the Original Deed of Settlement and the Bonds shall continue in full force and effect and each such person hereby expressly

reserves any and all rights, powers, privileges, remedies, claims, defences and objections it may now have or may have in the future under the Original Deed of Settlement, the Amended Deed of Settlement, the Bonds, applicable laws, in equity or otherwise, including in each case any right of the Bondholder to terminate the Original Deed of Settlement pursuant to Clause 9 thereof or otherwise.

- 7.5. Nothing in this Supplemental Deed shall be deemed to be a waiver of any right of the Bondholder or any Liquidator under the Original Deed of Settlement, the Amended Deed of Settlement or the Bonds, or to entitle the Company to any consent, forbearance, waiver or amendment of or to any term, condition, obligation, covenant or agreement contained in the Original Deed of Settlement, the Amended Deed of Settlement or the Bonds.
- 7.6. The Bondholder reserves in full its rights under the Bonds and the other Transaction Documents or otherwise.
- 7.7. This Supplemental Deed shall be governed by and construed in accordance with the laws of Hong Kong.
- 7.8. This Supplemental Deed may be executed in any number of counterparts and by the parties on separate counterparts, each of which is an original but, together, they constitute one and the same instrument.
- 7.9. The Original Deed of Settlement (as such deed may be varied and amended hereby), together with this Supplemental Deed, contains the whole agreement between the parties hereto relating to the subject matter thereof at the date of this Supplemental Deed to the exclusion of any terms implied by law which may be excluded by contract and supersedes any previous written or oral agreement between the parties hereto in relation to the matters dealt with therein, except that, for the avoidance of doubt, neither the Original Deed of Settlement (as such deed may be varied and amended hereby) nor this Supplemental Deed shall supersede or affect the Bonds in any way.
- 7.10. The Liquidators have entered into and signed this Supplemental Deed as agents for and on behalf of the Bondholder and neither they, their firm, partners, employees, agents, advisers or representatives shall incur any personal liability whatever in respect of any of the obligations undertaken by the Bondholder; or in respect of any failure on the part of the Bondholder to observe, perform or comply with any such obligations; or under or in relation to any associated arrangements or negotiations; or under any document or assurance made pursuant to this Supplemental Deed. The exclusion of liability referred to in the foregoing sentence shall arise and continue notwithstanding the termination of the agency of the Liquidators and shall operate as a waiver of any claims in tort as well as under the laws of contract. The Liquidators are party to this Supplemental Deed in their personal capacities only for the purpose of receiving the benefit of all limitations, exclusions, undertakings, covenants and indemnities in their favour contained in this Supplemental Deed, and such provisions shall continue to benefit the Liquidators notwithstanding the termination of the agency of the Liquidators or their discharge from office as liquidators of the Bondholder.

IN WITNESS whereof this Supplemental Deed has been duly executed by all parties the day and year first above written.

The common seal of **LEHMAN BROTHERS COMMERCIAL CORPORATION ASIA LIMITED (In Liquidation)** was hereunto affixed in the presence of:


Anitullin

as a joint and several liquidator, without personal liability, of Lehman Brothers Commercial Corporation Asia Limited (In Liquidation)

} 



The common seal of **CHINA
PRIMARY RESOURCES
HOLDINGS LIMITED** was
hereunto affixed in the presence
of:

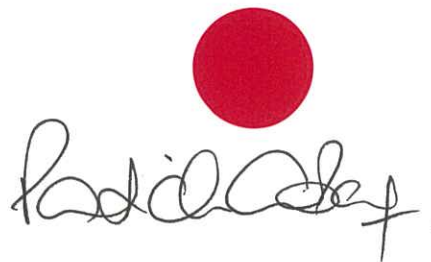


Name: *Wong Pai Yiu*

Name:

LEE HANG KEI
a Solicitor of the High Court of the
Hong Kong Special Administrative Region
MICHAEL LI & CO.

Signed, sealed and delivered as a Deed
by one of the **LIQUIDATORS** on behalf
of each of them (without personal liability
and solely for the purpose of receiving
the benefit of the provisions of this
Supplemental Deed in their favour)
in the presence of:



Name: *Anita Chiu*

Address: *87 Prince's Building, 10 Chater Road*

Occupation: *Lawyer*

Schedule 1
S&P Agreement

Dated _____ 2014

(1) CHINA PRIMARY RESOURCES HOLDINGS LIMITED

- and -

(2) _____

**AGREEMENT FOR THE TRANSFER OF
SHARES IN ZHONG PING RESOURCES HOLDINGS LIMITED**

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THIS AGREEMENT (this “**Agreement**”) is made on _____ 2014

BETWEEN:

- (1) **CHINA PRIMARY RESOURCES HOLDINGS LIMITED**, a company organised and existing under the laws of the Cayman Islands whose registered office is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands (the “**Transferor**”); and
- (2) _____, a company organised and existing under the laws of _____ whose registered office is at _____ (the “**Transferee**”).

The Transferor and the Transferee are each individually referred to as a “**Party**” and together referred to as the “**Parties**”.

WHEREAS:

- (A) The Transferor owns 75,000,000 ordinary shares with a par value of HK\$1.00 each (the “**Shares**”) in Zhong Ping Resources Holdings Limited, a company organised and existing under the laws of the British Virgin Islands (the “**Company**”), representing 100% of the issued and outstanding shares in the Company.
- (B) The Company owns shares (the “**ARIA Shares**”) in ARIA LLC, a company organised and existing under the laws of Mongolia (“**ARIA**”), representing 70% of the issued and outstanding shares in ARIA.
- (C) ARIA is the holder of Mining Licence No. 10278A under the Mining Law of Mongolia 2006 (the “**Licence**”).
- (D) Each of (i) Lehman Brothers Commercial Corporation Asia Limited (In Liquidation) (“**LBCCA**”), which is the legal and beneficial owner of the entire issued share capital of the Transferee, (ii) the Transferor and (iii) Paul Jeremy Brough, Edward Simon Middleton and Patrick Cowley as joint and several liquidators of LBCCA (the “**LBCCA Liquidators**”) are parties to a deed of settlement dated 17 September 2010, as modified by the side letters signed by the parties thereto dated 28 October 2011, 28 December 2011, 24 February 2012, 27 March 2012, 29 May 2012, 28 August 2012, 27 December 2012, 27 June 2013, 30 September 2013, 31 October 2013, 29 November 2013 and 30 December 2013 and the supplemental deed signed by the parties thereto dated 15 January 2014 (as so modified, the “**Deed of Settlement**”) providing for (among other things) the transfer of the Shares on and subject to the terms and conditions set out therein.
- (E) The Deed of Settlement obligates the Transferor to execute all such documents (in form and substance satisfactory to both the Transferor and LBCCA) and do such things as may be required by LBCCA to transfer the Shares to LBCCA free from all Encumbrances and without charge and to complete such transfer.
- (F) Pursuant to such terms of the Deed of Settlement, the supplemental deed referred to in Recital (D) above contains a requirement by LBCCA (and an undertaking by the Transferor) for the Transferor to (i) execute and deliver to LBCCA (or its designee) this Agreement and (ii) comply with and fulfill each of its obligations hereunder in relation to the transfer of the Shares to LBCCA (or its designee).
- (G) LBCCA has designated the Transferee, which is a wholly-owned subsidiary of LBCCA and has no shareholding relationship with the Transferor or the Company, as the direct transferee

of the Shares (which designation the Parties have consented to), and pursuant to such designation the Parties have entered into this Agreement to provide for the transfer of the Shares to the Transferee on and subject to the terms and conditions set out herein.

THE PARTIES AGREE as follows:

1. DEFINITIONS AND INTERPRETATION

1.1. In this Agreement:

“**Affiliates**” means, with respect to any person:

- (a) any other person that directly or indirectly is in control of, is controlled by or is under common control with such person; or
- (b) any other person that is a director, officer or employee of such person or of any person described in **sub-paragraph (a)** above,

where “control” of a person means the power, direct or indirect, (i) to vote more than 50% of the shares of such person having ordinary voting power or similar right of ownership or (ii) to direct or cause the direction of the management and policies of such person, whether through the ownership of voting capital, by contract or otherwise.

“**Bonds**” has the meaning ascribed thereto in the Deed of Settlement.

“**Business Day**” means a day (other than a Saturday, Sunday or public holiday) on which national banks located in Hong Kong are open for general banking business.

“**Completion**” means the finalization of the transfer of the Shares as contemplated by this Agreement.

“**Completion Date**” means the date of this Agreement or such other date as may be agreed by the Transferor and the Transferee in writing.

“**Confidential Information**” means, with respect to a Party:

- (a) the existence and terms and conditions of this Agreement or any other agreement(s) or document(s) relating to the transfer of the Shares and the transactions contemplated hereby and thereby;
- (b) discussions regarding the transfer of the Shares or any agreement or document relating thereto; and
- (c) all information (whether written or oral) furnished or made available directly or indirectly to such Party or its representatives in connection with the transfer of the Shares (including information regarding the Transferee Related Persons), whether prior to, on or after the date hereof,

but excludes the information in **Clause 10.2**.

“**Default Interest Rate**” means, for any amount payable under this Agreement and any day, the aggregate of (a) 2% per annum and (b) the percentage rate per annum offered by The Hongkong and Shanghai Banking Corporation Ltd., Hong Kong for such amount to prime banks in Hong Kong at or about 11:00 a.m. on such day (or, if such day is not a Business Day, on the immediately preceding Business Day).

“Designated ARIA Breach” means any actual or alleged breach or violation of:

- (a) the Licence;
- (b) the Charter of ARIA; or
- (c) any other agreement, document or instrument to which ARIA is a party,

in each case arising after 17 September 2010 as a result of any failure by ARIA to take any action required to be taken by it therein with regard to (i) its minerals exploration, mining, processing and sales activities, (ii) its foreign and domestic trade activities, (iii) its investment management activities, (iv) any change of government policy, or (v) any matters that are the subject of any claims by Selenge and are stipulated under the Company Law of Mongolia (including but not limited to failure to submit financial statements at the annual shareholders meeting and failure to maintain the accuracy of the accounting books and financial records), to the extent such failure is caused by a Designated Company Breach.

“Designated Company Breach” means any actual or alleged breach or violation of:

- (a) the Charter of ARIA; or
- (b) the Joint Venture Agreement dated on or about 20 January 2006 between the Company and Selenge,

in each case arising after 17 September 2010 as a result of any failure by the Company to take any action required to be taken by it therein as a shareholder of ARIA.

“Distribution” means any payment or other distribution (whether received by set-off or otherwise) of cash, notes, securities or other property or proceeds in respect of the Shares.

“Encumbrance” means any mortgage, pledge, lien, option, power of sale, right of preemption or security interest of any kind or any other claim against a proprietary right.

“HK\$” means the lawful currency for the time being of Hong Kong.

“HKIAC” means the Hong Kong International Arbitration Centre.

“Hong Kong” means the Hong Kong Special Administrative Region of the People’s Republic of China.

“Liabilities” means all liabilities, duties or obligations of any description, whether arising from contract, common law, statute or otherwise, whether present or future, actual or contingent, ascertained or unascertained or disputed and whether owed or incurred severally or jointly or as principal or surety.

“Liquidators” means (a) the LBCCA Liquidators and (b) any other liquidators or similar officers of the Transferee or any of its Affiliates.

“Losses” means all judgments, fines, penalties, losses, liabilities, costs (including legal costs and experts’ and consultants’ fees), charges, expenses, actions, proceedings, claims and demands.

“Material Adverse Change” means, in the sole and absolute opinion of the Transferee, a material adverse change in (a) the business, operations, assets, prospects or financial condition of the Company or ARIA, (b) the ability of the Transferor to perform any material obligations under this Agreement or (c) the validity or enforceability of this Agreement.

“**Selenge**” means Selenge Mining LLC, a company organised and existing under the laws of Mongolia.

“**Selenge Litigation**” means any claim, legal action, proceeding, suit, litigation, mediation or arbitration threatened or commenced by Selenge against LBCCA, the Transferee, the Transferor or the Company in relation to any Designated Company Breach.

“**Stock Exchange**” means The Stock Exchange of Hong Kong Limited.

“**Tax**” means any present or future tax, impost, duty, levy or charge of a similar nature payable to or imposed by any taxing authority, body or official (together with any related penalties, fines, surcharges and interest).

“**Transferee Related Persons**” means (a) the Transferee and its Affiliates (including LBCCA), (b) the respective firms, officers, directors, agents, partners, employees, advisers and representatives of the persons referred to in sub-clause (a) of this definition and (c) the Liquidators and their advisers and representatives.

1.2. In this Agreement, unless the context otherwise requires, a reference to:

1.2.1. an agreement or other document is a reference to that agreement or other document as amended, supplemented, varied, replaced or novated (in whole or in part) from time to time in accordance with the terms thereof;

1.2.2. a statutory provision includes a reference to the statutory provision as modified or re-enacted from time to time before the date of this Agreement and any subordinate legislation made under the statutory provision (as so modified or re-enacted) before the date of this Agreement;

1.2.3. a “**person**” includes a reference to a natural person, firm, partnership, body corporate, association, joint venture, governmental or political subdivision or agency thereof, organisation or trust;

1.2.4. a person includes a reference to that person’s legal personal representatives, successors and permitted assigns;

1.2.5. a “**law**” includes a reference to any applicable law, by-law, rule, regulation, order, code, policy, notice, direction or judgment or other lawful requirement of any governmental authority;

1.2.6. a “**claim**” includes any claim, demand, action or proceeding of any kind, actual or contingent;

1.2.7. “**books**”, “**records**” or other “**information**” includes books, records or other information held in any form including paper, electronically stored data, magnetic media, film and microfilm;

1.2.8. “**representatives**” includes partners, agents, employees and any other person acting on behalf and with the authority of a Party;

1.2.9. a Clause, sub-paragraph or Schedule is a reference to a clause or sub-paragraph of or schedule to this Agreement;

1.2.10. the singular includes the plural and vice versa; and

- 1.2.11. a time of day is a reference to the time in Hong Kong.
- 1.3. In this Agreement, whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms.
- 1.4. In this Agreement, unless the context otherwise requires, the use of the word “includes” or “including” is not to be taken as limiting the meaning of the words preceding it.
- 1.5. The headings in this Agreement do not affect its interpretation.

2. TRANSFER OF SHARES

- 2.1. In consideration of the mutual covenants and agreements in and subject to the terms and conditions of this Agreement, the Transferor agrees to transfer the Shares to the Transferee, and the Transferee agrees to accept the transfer of the Shares from the Transferor, with effect on and after Completion.
- 2.2. The Transferee shall be deemed to have assumed responsibility for the Shares and shall discharge its obligations in relation to the Shares from Completion.

3. COMPLETION

- 3.1. Completion shall take place at the offices of LBCCA at 8/F, Prince’s Building, 10 Chater Road, Central, Hong Kong (or such other venue as may be determined by the Transferor and the Transferee in writing) on the Completion Date.
- 3.2. At Completion, the Transferor and the Transferee shall do all those things respectively required of them in **Schedule 1**.
- 3.3. The Parties hereby acknowledge that, simultaneously with Completion, the Transferor’s obligations under the Bonds shall be discharged in their entirety on and subject to the terms and conditions set out in the Deed of Settlement.

4. PARTIES’ REMEDIES; TERMINATION

- 4.1. If at any time on or prior to the Completion Date, the Transferor is in material breach of any provision of this Agreement (whether or not such breach amounts to a repudiatory breach), the Transferee may by notice to the Transferor:
- 4.1.1. subject to the consent of the Transferor (which consent may be withheld in its sole and absolute discretion), extend the Completion Date to a date mutually agreed by the Parties;
 - 4.1.2. proceed to Completion to the extent reasonably practicable; or
 - 4.1.3. terminate this Agreement.
- 4.2. If at any time on or prior to the Completion Date, the Transferee is in material breach of any provision of this Agreement (whether or not such breach amounts to a repudiatory breach), the Transferor may by notice to the Transferee:
- 4.2.1. subject to the consent of the Transferee (which consent may be withheld in its sole and absolute discretion), extend the Completion Date to a date mutually agreed by the Parties;
 - 4.2.2. proceed to Completion to the extent reasonably practicable; or

4.2.3. terminate this Agreement.

4.3. If, prior to Completion, a Material Adverse Change shall occur, the Transferee shall be entitled by notice in writing to the Transferor to terminate this Agreement without liability on the part of the Transferee.

4.4. Subject to **Clauses 8.3 and 10.9**, each Party's further rights and obligations under this Agreement cease immediately on termination, but termination does not affect a Party's accrued rights and obligations at the date of termination.

5. REPRESENTATIONS, WARRANTIES AND ACKNOWLEDGEMENTS

5.1. The Transferor represents and warrants to the Transferee that the representations and warranties set out in **Schedule 3** are true and accurate on the date of this Agreement and on each day up to and including the Completion Date (if different).

5.2. If, after the signing of this Agreement and before Completion:

5.2.1. the Transferor becomes aware that any of the representations and warranties set out in **Clause 5.1** was untrue, inaccurate or misleading in any material respect as of the signing of this Agreement; or

5.2.2. any event shall occur or matter shall arise of which the Transferor becomes aware which would result in any of the representations and warranties set out in **Clause 5.1** being untrue, inaccurate or misleading in any material respect as at any day up to and including the Completion Date had such representation and warranty been repeated on such day,

the Transferor shall notify the Transferee in writing as soon as reasonably practicable and in any event prior to Completion setting out full details of the matter and the Transferor shall make any investigation concerning the event or matter and take such mitigation and/or preservation measures, at its own cost, as the Transferee may reasonably require.

5.3. The Transferee does not make any representations, warranties, conditions, guarantees or stipulations, express or implied, statutory, customary or otherwise, and any such representations, warranties, conditions, guarantees and stipulations, express or implied, statutory, customary or otherwise, are expressly excluded.

5.4. The Transferor acknowledges and agrees that the terms and conditions of this Agreement and the exclusions and limitations contained in it are fair and reasonable having regard to the following:

5.4.1. that this is a transfer of shares to an entity whose direct parent is an insolvent company in circumstances where it is usual that no representations and warranties will be given by or on behalf of the Transferee;

5.4.2. that the Transferor has relied solely upon the opinions of itself and its professional advisers concerning the transactions contemplated herein, and has not relied on any information provided to the Transferor by the Transferee, LBCCA or any Liquidator; and

5.4.3. that the Transferor has agreed to the transactions contemplated herein for a consideration which takes into account the risk to it represented by the Parties' belief that the said exclusions and limitations are or would be recognized by an arbitral tribunal or the courts of Hong Kong (as applicable).

6. TAXES

- 6.1. All sums payable by one Party to the other Party pursuant to this Agreement are exclusive of Tax.
- 6.2. The Transferor shall pay all sums payable by it under this Agreement free and clear of all Taxes and any other deductions or withholdings of any kind unless the law requires a deduction or withholding. If a deduction or withholding is so required, the Transferor shall pay such additional amounts as will ensure that the net amount the relevant Transferee Related Person receives equals the full amount which it would have received had the deduction or withholding not been required.
- 6.3. The Transferor shall bear any and all stamp duty, notarial fees and registration and transfer taxes and duties or their equivalents in all jurisdictions where such fees, taxes and duties are payable as a result of the transactions contemplated by this Agreement. The Transferor shall provide the Transferee with evidence of the payment of all such fees, taxes and duties within 10 Business Days of request in writing from the Transferee.

7. TRANSFEROR OBLIGATIONS

- 7.1. In the event that any amount has been paid to the Transferor, the Company, ARIA or any other Affiliate of the Transferor in respect of the Licence, whether as compensation for revocation thereof or otherwise, the Transferor shall, and shall procure that its Affiliates shall, do all things to cause such amount to be held by the Company or ARIA and be part of the assets of the Company or ARIA at the time of Completion.
- 7.2. The Transferor undertakes to provide the information in all material respects as may be reasonably requested by the Transferee or its advisers or agents in connection with the Company or the Shares within ten days of any such request having been submitted in writing to the Transferor and shall make available the officers, employees and advisors of the Transferor and its Affiliates to answer any questions as soon as reasonably practicable in connection with the Company or the Shares and to provide all reasonable assistance as may reasonably be requested by the Transferee in connection with any due diligence or other investigations with respect to the Company or the Shares.
- 7.3. If the Transferor receives a Distribution at any time after Completion, the Transferor shall:
 - 7.3.1. accept and hold such Distribution for the account and sole benefit of the Transferee;
 - 7.3.2. have no equitable or beneficial interest in such Distribution; and
 - 7.3.3. deliver such Distribution to the Transferee (free of any withholding, set-off or deduction except as required by law) as soon as reasonably practicable after receipt thereof by the Transferor in the same form received and, when necessary, with the Transferor's endorsement (without recourse, representation or warranty).
- 7.4. On and after Completion:
 - 7.4.1. the Transferee shall have sole authority to exercise or refrain from exercising all voting and other rights and remedies with respect to the Shares; and
 - 7.4.2. if for any reason the Transferor is entitled to exercise any such voting or other rights or remedies, the Transferor shall take or refrain from taking any action with respect thereto only in accordance with the prior written instructions of the Transferee.

8. INDEMNIFICATION; LIMITATION OF LIABILITY

8.1. The Transferor shall indemnify and hold harmless the Transferee Related Persons from and against any Losses that any Transferee Related Person incurs or suffers as a result of, arising out of or in connection with:

8.1.1. a breach of the Transferor's representations, warranties, covenants or agreements in this Agreement or any document or instrument referred to herein; or

8.1.2. any action, proceeding, claim or demand that is commenced, brought, asserted or submitted by any person other than the Transferor (including any governmental or regulatory body) in respect of the Shares, the ARIA Shares, the Company, ARIA, the Licence, this Agreement or any document or instrument referred to herein or any transaction contemplated hereby or thereby, except for any Selenge Litigation.

It is not necessary for any Transferee Related Person to incur expense or make payment before enforcing the right of indemnity conferred by this **Clause 8.1**.

8.2. No Transferee Related Person other than the Transferee shall have any liability to the Transferor or any other person under or in respect of this Agreement. The Transferee shall not have any liability to any person other than the Transferor under or in respect of this Agreement, and shall not have any such liability to the Transferor except to the extent:

8.2.1. such liability arises from a breach of any of the Transferee's representations, warranties, covenants or agreements in this Agreement or any document or instrument referred to herein;

8.2.2. such liability arises from gross negligence or willful misconduct on the part of the Transferee; or

8.2.3. applicable law prescribes that the Transferee must bear such liability.

8.3. This **Clause 8** survives termination of this Agreement in its entirety.

9. FORCE MAJEURE

9.1. If the performance by a Party of an obligation under this Agreement is prevented or delayed by an event which is beyond its reasonable control (a "**Force Majeure Event**"), then such Party shall not be in default under this Agreement by reason of that prevention or delay and the time within which such Party is required to satisfy such obligation shall be extended by a period equivalent to that during which the Force Majeure Event continues to prevent or delay performance. Notwithstanding anything herein to the contrary, this **Clause 9.1** does not apply to an inability of a Party to fulfill a payment or funding obligation however arising (including any such inability arising from the introduction or operation of exchange control laws or the interruption of international banking business).

9.2. A Party affected by a Force Majeure Event shall (a) immediately notify the other Party in writing of the Force Majeure Event and the expected duration thereof, (b) use all reasonable efforts to remedy its inability to perform the obligations affected as a result thereof and to minimize the impact thereof, (c) keep the other Party informed of such remedial efforts and of any change in the expected duration of such Force Majeure Event on a continuous basis and (d) provide written notice of its resumption of the performance affected thereby.

10. CONFIDENTIAL INFORMATION

10.1. Subject to **Clause 10.3**, each Party shall:

- 10.1.1. use the Confidential Information only for considering and evaluating the transfer of the Shares and the other transactions contemplated by this Agreement (the “**Permitted Purpose**”);
- 10.1.2. not directly or indirectly disclose the Confidential Information in whole or in part to any person; and
- 10.1.3. inform the other Party immediately on becoming aware or suspecting that an unauthorised person has become aware of the Confidential Information.

10.2. Information is not Confidential Information if:

- 10.2.1. the information is or subsequently becomes public knowledge other than as a direct or indirect result of the information being disclosed in breach of this **Clause 10**; or
- 10.2.2. a Party has obtained or obtains the information from a source which is not connected with the other Party or its Affiliates and which is not under any obligation of confidence in respect of that information.

10.3. A Party may disclose the Confidential Information only:

- 10.3.1. to its employees on a need-to-know basis and only in relation to the Permitted Purpose;
- 10.3.2. to professional advisers or consultants engaged to advise such Party in connection with the Permitted Purpose, subject to the other Party having been advised of the identities of such professional advisers or consultants in writing;
- 10.3.3. in the case of the Transferee only:
 - (a) to any actual or potential transferee of any rights or obligations of the Transferee under or in connection with this Agreement;
 - (b) to the extent such disclosure is made after Completion and pertains solely to information relating to the business or financial or other affairs of the Company;
 - (c) to the extent such disclosure is required by current insolvency practice or to enable any Liquidators to properly to carry out the duties of their office; or
 - (d) to the extent such disclosure is made by any Liquidator to any subsequent supervisor, liquidator or other officeholder of the Transferee or any of its Affiliates; or

10.3.4. to the extent permitted by **Clause 10.5**.

10.4. Each Party shall procure that any person to which it discloses Confidential Information under **Clause 10.3.1**, **10.3.2** or **10.3.3(a)** complies with this **Clause 10** as if such person were such Party.

10.5. Subject to **Clause 10.6**, a Party may disclose the Confidential Information to the minimum extent required by:

- 10.5.1. any order of a competent judicial, governmental or regulatory body;
 - 10.5.2. the rules of any listing authority or stock exchange on which the shares of such Party or any of its Affiliates are listed or traded; or
 - 10.5.3. the laws of any country with jurisdiction over the affairs of such Party or any of its Affiliates.
- 10.6. Before a Party discloses any information under **Clause 10.5**, such Party shall (to the extent permitted by law) use its best endeavours to (a) consult with the other Party as to possible steps to avoid or limit disclosure and take those steps where they would not result in significant adverse consequences to such Party and (b) gain assurances as to confidentiality from the body to which the information is to be disclosed.
- 10.7. If a Party decides to commence any legal or other proceedings to challenge the validity of the requirement to disclose the Confidential Information, the other Party shall cooperate with such challenging Party with respect to such challenge (at such challenging Party's cost and expense).
- 10.8. If a Party is unable to inform the other Party before the Confidential Information is disclosed, such disclosing Party shall (to the extent permitted by law) inform the other Party immediately after the disclosure of the full circumstances of the disclosure and the information that has been disclosed.
- 10.9. The obligations contained in this **Clause 10** are continuing, separate and independent from the other obligations of the Parties, and survive termination of this Agreement for a period of two years from the date of this Agreement (but without affecting the liability of either Party for breach of this **Clause 10** before then).

11. NOTICES

- 11.1. Except as otherwise provided in this Agreement, any notice to be given by one Party to the other Party under or in connection with this Agreement shall be in writing and signed by or on behalf of the Party giving it. It shall be served by sending it by fax to the number(s) set out in **Clause 11.2** or delivering it by hand or sending it by prepaid recorded delivery, special delivery, registered post or electronic transmission to the address(es) set out in **Clause 11.2** and in each case marked for the attention of the relevant person (or as otherwise notified from time to time in accordance with this **Clause 11**). Any notice shall be deemed to have been duly given:

- 11.1.1. in the case of delivery by hand, when delivered;
- 11.1.2. in the case of fax, at the time of transmission;
- 11.1.3. in the case of prepaid recorded delivery, special delivery or registered post, at 10:00 a.m. on the second Business Day following the date of posting or dispatch; or
- 11.1.4. in the case of electronic transmission, when actually received in readable form,

provided that in each case where delivery by hand or by fax or electronic transmission occurs on a day that is not a Business Day or after 6:00 p.m. on any day, service shall be deemed to occur at 9:00 a.m. on the next following Business Day. References to time in this **Clause 11** are to the local time in the country of the addressee.

11.2. The addresses and fax numbers of the Parties for the purpose of **Clause 11.1** are as follows:

The Transferor

Address: Suite 1415, Ocean Centre, 5 Canton Road, Tsim Sha Tsui,
Kowloon, Hong Kong

Fax: +852 2526 3354

Email: maxwong@china-p-res.com and mirandachin@china-p-res.com

For the attention of: Board of Directors

The Transferee

Address: 8/F, Prince's Building, 10 Chater Road, Central, Hong Kong

Fax: +852 2973 6616

Email: georgia.chow@kpmg.com

For the attention of: Warren Phillips / Georgia Chow

11.3. A Party may notify the other Party of a change to its name, address, fax number, electronic mail address or relevant addressee for the purposes of this **Clause 11**, provided that such notice shall only be effective on:

11.3.1. the date specified in the notice as the date on which the change is to take place; or

11.3.2. if no date is specified or the date specified is less than five Business Days after the date on which notice is given, the date following five Business Days after notice of any change has been given.

11.4. All notices under or in connection with this Agreement shall comply with **Clause 13.2**.

12. GENERAL

12.1. Each Party shall do and execute or procure to be done and executed all such further acts, deeds, documents and things (if any) as may be necessary to give full effect to the terms and intent of this Agreement.

12.2. An amendment to or modification or variation of this Agreement is valid only if it is in writing and signed by or on behalf of each Party.

12.3. The failure to exercise or a delay in exercising a right or remedy provided by this Agreement or by law does not impair or constitute a waiver of the right or remedy or an impairment of or a waiver of other rights or remedies. No single or partial exercise of a right or remedy provided by this Agreement or by law prevents further exercise of the right or remedy or the exercise of another right or remedy.

12.4. Each Party's rights and remedies contained in this Agreement are cumulative and not exclusive of rights or remedies provided by law.

12.5. Except to the extent that they have been performed and except where this Agreement provides otherwise, the obligations contained in this Agreement remain in force after Completion.

- 12.6. If a Party fails to pay a sum due from it under this Agreement on the due date of payment in accordance with the provisions of this Agreement, that Party shall pay interest on the overdue sum from the due date of payment until the date on which its obligation to pay the sum is discharged at the Default Interest Rate (whether before or after judgment). Interest accrues from day to day and is payable on demand.
- 12.7. This Agreement shall be binding upon each Party, its successors, assigns and agents and any other person acting on its behalf and shall inure to the benefit of each Party and each Transferee Related Person, its successors, assigns and agents and any other person acting on its behalf. The Parties agree that the benefit of **Clauses 6, 8 and 12.11** in favor of a Transferee Related Person that is not a party to this Agreement is received by the Transferee for and on behalf of such Transferee Related Person and each such Transferee Related Person shall be entitled to enjoy the benefits of and enforce such clauses directly.
- 12.8. Except where this Agreement or the relevant document provides otherwise, each Party shall pay its own costs relating to the negotiation, preparation, execution and performance by it of this Agreement and of each document referred to herein.
- 12.9. The relationship between the Transferor and the Transferee shall be that of transferor and transferee. No Party is a trustee or agent for the other Party, nor does either Party have any fiduciary obligations to the other Party. Neither this Agreement nor any document or instrument referred to herein shall be construed to create a partnership or joint venture between the Parties.
- 12.10. The illegality, invalidity or unenforceability of any provision of this Agreement under the law of any jurisdiction shall not affect its legality, validity or enforceability under the law of any other jurisdiction nor the legality, validity or enforceability of any other provision.
- 12.11. This Agreement constitutes the entire agreement between the Parties relating to the subject matter hereof and supersedes and any other previous agreements between them relating to such subject matter. The Transferor hereby acknowledges and confirms for the benefit of the Transferee Related Persons that, notwithstanding this Agreement, the Deed of Settlement shall remain in full force and effect in accordance with its terms and (subject to such terms) the Transferee Related Persons shall remain entitled to exercise any and all rights and remedies available to them in relation to the subject matter thereof whether before or after Completion or termination of this Agreement.
- 12.12. The Transferee may assign or transfer any of its rights or obligations under this Agreement or any document or instrument referred to herein in whole or in part and without restriction (and the Transferor shall do and execute all such acts, deeds, documents and things (if any) as may be necessary to give full effect to any such transfer). No Transferor may sell, assign, grant a participation in, create a trust over or otherwise directly or indirectly transfer all or any portion of this Agreement or any document or instrument referred to herein or any of its rights, obligations or interests herein or therein without the prior written consent of the Transferee (and any purported action in violation of this **Clause 12.12** shall be null and void).
- 12.13. This Agreement may be executed in any number of counterparts, each of which when executed and delivered is an original and all of which together evidence the same agreement.

13. GOVERNING LANGUAGE

- 13.1. This Agreement is written in the English language. In the event of any conflict or inconsistency between the English language text of this Agreement or any document or instrument referred to herein and the text of this Agreement or any such document or instrument in any other language, the English language text prevails.

- 13.2. Each notice, instrument, certificate or other communication delivered or made by a Party to the other Party under or in connection with this Agreement shall be in English (or, if not in English, accompanied by an English translation made by a translator and certified by such translator to be accurate). Any such notice, instrument, certificate or other communication that is written in the English language may be translated into another language. In the event of any conflict between the English text and the text in any other language, the English text shall prevail.
- 13.3. The receiving Party shall be entitled to assume the accuracy of and rely upon any English translation of any document provided pursuant to **Clause 13.2**.

14. GOVERNING LAW AND ARBITRATION

- 14.1. This Agreement is governed by, and any and all disputes arising under or in connection with this Agreement shall be resolved in accordance with, the laws of Hong Kong.
- 14.2. Any dispute, controversy or claim arising out of or in connection with this Agreement, including any dispute regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration in Hong Kong conducted in English by three arbitrators pursuant to the United Nations Commission on International Trade Law Arbitration Rules, save that, unless the Parties agree otherwise:
- 14.2.1. the third arbitrator, who shall act as chairman of the tribunal, shall be chosen by the two arbitrators appointed by or on behalf of the Parties. If he is not chosen by the two arbitrators within 30 days of the date of appointment of the later of the two Party-appointed arbitrators to be appointed, he shall be appointed by the HKIAC;
- 14.2.2. no arbitrator shall be of the same nationality as any party;
- 14.2.3. no Party shall be required to give general discovery of documents, but may be required only to produce specific, identified documents which are relevant to the dispute;
- 14.2.4. a Party may initiate arbitration proceedings by sending its notice of arbitration to the HKIAC and to the other Party;
- 14.2.5. the Parties agree to waive any right of appeal against the arbitration award; and
- 14.2.6. the appointing authority shall be HKIAC.
- 14.3. To the fullest extent permitted by applicable law, no information in relation to an arbitration arising out of this Agreement may be disclosed to a third party by either Party without the consent of the other Party or as otherwise permitted pursuant to **Clause 10**.
- 14.4. All the Parties irrevocably submit to the non-exclusive jurisdiction of the courts of Hong Kong to support and assist the arbitration process pursuant to **Clause 14.2** above.

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SCHEDULE 1

COMPLETION OBLIGATIONS

1. Transferor's Obligations

At Completion, the Transferor shall:

- 1.1. deliver to the Transferee a completion certificate duly executed by the Transferor in the form set out in **Schedule 2** or such other form as may be agreed by the Transferor and the Transferee;
- 1.2. deliver to the Transferee instrument(s) of transfer in respect of the transfer of the Shares duly executed by the Transferor in favor of the Transferee in the form set out in **Schedule 4** or in such other form as may be agreed between the Transferor and the Transferee;
- 1.3. deliver to the Transferee the original share certificate(s) in respect of the Shares;
- 1.4. deliver to the Transferee a copy, certified by a director of the Company as true and complete, of the register of members of the Company reflecting the registration of the Shares in the name of the Transferee;
- 1.5. except as otherwise directed by the Transferee, deliver to the Transferee:
 - (a) written resignations, dated the Completion Date, of each of the director(s) and officer(s) of the Company (if any); and
 - (b) written resignations, undated or dated such date as may be specified by the Transferee, of each of the director(s) and officer(s) of ARIA appointed or nominated by the Transferor (if any),

in each case together with a written acknowledgement under seal from each of them that he/she/it has no claims against the Company or ARIA (as the case may be) whether by way of compensation, remuneration, severance payments, expenses, damages or otherwise;

- 1.6. if requested by the Transferee in its discretion, deliver to the Transferee a power of attorney from each of the directors and officers of ARIA appointed or nominated by the Transferor whose resignation is not effective at or prior to Completion authorizing such person(s) as may be designated by the Transferee to act on behalf of such director or officer in such capacity, in form and substance satisfactory to the Transferee;
- 1.7. deliver to the Transferee a copy, certified by a director of the Company as true and complete, of resolutions of the board of directors of the Company approving:
 - (a) the transfer of the Shares to the Transferee and the registration of the Shares in the name of the Transferee in the register of members of the Company; and
 - (b) the acceptance of the resignations of the directors and officers of the Company referred to in **paragraph 1.5** of this **Schedule 1** and the appointment of such persons nominated by the Transferee as directors and officers of the Company immediately upon the effectiveness of such resignations;

- 1.8. deliver to or at the direction of the Transferee:
 - (c) the certificate of incorporation, common seal, rubber chop, minutes book, register of directors, register of members, transfer and share certificate book and memorandum and articles of association of the Company; and
 - (d) all books of accounts, records and documents of and relating to the Company;
- 1.9. take such action(s) as may be requested by the Transferee in order for the registered agent of the Company in the British Virgin Islands to accept and act on the instructions of the Transferee in relation to the Company; and
- 1.10. take all other action as is necessary on its part and is within its control to effect the transfer to the Transferee of legal and beneficial title to the Shares.

2. Transferee's Obligations

At Completion the Transferee shall take all action as is necessary on its part and is within its control to effect the transfer to it of legal and beneficial title to the Shares.

SCHEDULE 2

FORM OF TRANSFEROR COMPLETION CERTIFICATE

To: _____
8/F, Prince's Building
10 Chater Road
Central
Hong Kong
Attention: Warren Phillips / Georgia Chow

_____ 20__

Transferor Completion Certificate

Ladies and Gentlemen:

Reference is made to the Agreement for the Transfer of Shares in Zhong Ping Resources Holdings Limited dated _____ 20__ between China Primary Resources Holdings Limited (the "Transferor") and _____, as such agreement may be amended from time to time (as so amended, the "STA"). Capitalized terms defined in the STA have the same meanings in this certificate unless defined herein or the context otherwise requires.

Pursuant to paragraph 1.1 of Schedule 1 to the STA, the Transferor hereby certifies as follows:

- (a) the Transferor has delivered to the Transferee all necessary duly adopted board and/or shareholder resolutions approving the transfer of the Shares and the terms and conditions of the STA and the transactions contemplated thereby (as applicable), together with certified copies of its constitutional documents;
- (b) the Transferor has delivered to the Transferee a copy of the accounts of each of the Company and ARIA for the period up to and as at the Completion Date;
- (c) there are not any outstanding or contingent Liabilities between the Company and ARIA, on the one hand, and the Transferor or any of its other Affiliates, on the other hand;
- (d) there has not been any Material Adverse Change, except for any Material Adverse Change relating to the business, operations, assets, prospects or financial condition of ARIA which has arisen as a result of a Designated ARIA Breach and which the Transferor is not aware of;
- (e) any right of first refusal, preemptive right or other right or entitlement of the Company or any other person to acquire the Shares has expired (or the Transferee has confirmed in writing that in its determination any such right or entitlement has been unconditionally and irrevocably waived by such person);
- (f) the transactions contemplated by the STA (i) are permitted by applicable law and regulation, (ii) are not in violation of applicable law or regulation and (iii) do not subject the Transferee or any Liquidators to any tax, penalty or liability under applicable law or regulation;
- (g) no person has instituted or threatened any action or investigation to restrain, prohibit or otherwise challenge any of the transactions contemplated by the STA or threatened to take any action as a result of or in anticipation of the implementation of any of the transactions

contemplated by the STA, except for any Selenge Litigation to the extent the Transferee has received written notice thereof in reasonable detail as soon as reasonably practicable; and

- (h) all requirements and conditions imposed by the Stock Exchange or the Securities and Futures Commission of Hong Kong or under the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange or otherwise in connection with the STA and the transactions contemplated thereby have been fulfilled or complied with.

Yours faithfully,

China Primary Resources Holdings Limited

SCHEDULE 3

TRANSFEROR REPRESENTATIONS AND WARRANTIES

1. Corporate Information

1.1. The Shares

1.1.1. The Transferor:

- (i) is the sole legal and beneficial owner of the Shares; and
- (ii) has the right to exercise all voting and other rights over the Shares.

1.1.2. The Shares comprise the entire issued share capital of the Company, have been properly and validly issued and allotted and are each fully paid.

1.1.3. The Company:

- (i) is the sole legal and beneficial owner of the ARIA Shares; and
- (ii) has the right to exercise all voting and other rights over the ARIA Shares.

1.1.4. The ARIA Shares comprise 70% of the issued share capital of ARIA and have been properly and validly issued and each of them is fully paid.

1.1.5. No person has the right (whether exercisable now or in the future and whether contingent or not) to call for the conversion, issue, registration, sale or transfer, amortisation or repayment of any share capital or any other security giving rise to a right over, or an interest in, the capital of any of the Company and ARIA under any option, agreement or other arrangement (including conversion rights and rights of pre-emption).

1.1.6. There are no Encumbrances on the shares of the Company and ARIA.

1.2. Constitutional Documents, Corporate Registers and Minute Books

1.2.1. The constitutional documents provided to the Transferee or its Affiliates on or prior to the date of this Agreement are true and accurate copies of the constitutional documents of the Company and ARIA and (so far as the Transferor is aware and except for any Designated Company Breaches or Designated ARIA Breaches) there have not been and are not any breaches by the Company and ARIA of its constitutional documents.

1.2.2. The registers, minute books, books of account and other records of the Company and ARIA which are required to be maintained under applicable law are in the possession (or under the control) of the Company and:

- (i) are up-to-date;
- (ii) are maintained in accordance with applicable law; and
- (iii) contain complete and accurate records of all matters required to be dealt with in such books and records.

1.2.3. All filings, publications, registrations and other formalities required by applicable law to be delivered or made by the Company or ARIA to company registries in each relevant jurisdiction have been duly and correctly delivered or made on a timely basis and, at the time of the delivery or filing, did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein in order to make the statements therein not misleading.

2. Compliance

2.1. Compliance with Laws

2.1.1. So far as the Transferor is aware, each of the Company and ARIA is conducting, and has conducted, its business in compliance with applicable laws and regulations and each of the Company and ARIA is not, and has not been, in breach of any such laws and regulations.

2.1.2. So far as the Transferor is aware, there is no investigation by, or order of, any court, governmental agency or regulatory body outstanding or anticipated against the Company or ARIA or any person for whose acts or defaults it may be liable.

2.2. Licences and Agreements

Originals or copies of all contracts, leases, licences and agreements to which any of the Company and ARIA is a party and for which the Transferee or any of its Affiliates (or any Liquidators) expressly requested (“**Company Documents**”) have been provided to the Transferee or such Affiliate, other than the original of the Licence. All such Company Documents are valid, binding and enforceable obligations of the parties thereto, except to the extent any such Company Documents cease or have ceased to be valid, binding or enforceable due to any termination arising from a Designated Company Breach or Designated ARIA Breach. The terms of all such Company Documents have been complied with by the Company or ARIA, as the case may be, except for any Designated Company Breaches or Designated ARIA Breaches. So far as the Transferor is aware, the terms of all such Company Documents have been complied with by each party to such contracts other than the Company and ARIA.

3. Litigation

3.1. Current Proceedings

So far as the Transferor is aware, and except for any Selenge Litigation to the extent the Transferee has received written notice thereof in reasonable detail as soon as reasonably practicable, neither the Company nor ARIA (or any person for whose acts or defaults any of them may be vicariously liable) is involved whether as claimant or defendant or other party in any claim, legal action, proceeding, suit, litigation, prosecution, investigation, enquiry, mediation or arbitration which may materially and adversely affect the business, operations and financial performance of such company.

3.2. Pending or Threatened Proceedings

So far as the Transferor is aware, and except for any Selenge Litigation to the extent the Transferee has received written notice thereof in reasonable detail as soon as reasonably practicable, no such claim, legal action, proceeding, suit, litigation, prosecution, investigation, enquiry, mediation or arbitration which may materially and adversely affect the business, operations and financial performance of the Company or ARIA is pending or threatened by or against the Company or ARIA (as the case may be).

3.3. Circumstances Likely to Lead to Claims

So far as the Transferor is aware, and except for any Selenge Litigation to the extent the Transferee has received written notice thereof in reasonable detail as soon as reasonably practicable, there are no investigations, disciplinary proceedings or other circumstances likely to lead to any such claim or legal action, proceeding, suit, litigation, prosecution, investigation, enquiry, mediation or arbitration which may materially and adversely affect the business, operations and financial performance of the Company or ARIA.

4. Authority and Capacity

- 4.1. Each of the Company and ARIA is validly incorporated, in existence and duly registered under the laws of its jurisdiction and has full power to conduct its business as conducted at the date of this Agreement.
- 4.2. The Transferor has the legal right and full power and authority to enter into and perform this Agreement and any other documents to be executed by it pursuant to or in connection with this Agreement (the “**Transaction Documents**”).
- 4.3. The Transaction Documents will, when executed, constitute valid, binding and enforceable obligations of the Transferor in accordance with their respective terms and such obligations do not conflict with any law applicable to, the constitutional documents of or any agreement or instrument binding upon the Transferor or (so far as the Transferor is aware) the Company or ARIA.
- 4.4. The Transferor has obtained, and they are in full force and effect, all corporate authorisations and all other governmental, statutory, regulatory or other licences, consents, authorisations, orders, warrants, confirmations, permissions, certificates, approvals, registrations and authorities required to empower it to enter into and perform its obligations contemplated under this Agreement where failure to obtain them would affect to a material extent its ability to enter into and perform its obligations under this Agreement.

5. Insolvency etc.

- 5.1. The Company is not insolvent under the laws of its jurisdiction of incorporation or unable to pay its debts as they fall due.
- 5.2. There are no proceedings in relation to any compromise or arrangement with creditors or any winding up, bankruptcy or other insolvency proceedings concerning the Company and (so far as the Transferor is aware) ARIA and, so far as the Transferor is aware, no events have occurred which, under applicable laws, would justify such proceedings.
- 5.3. No creditor of the Company and ARIA has taken or is entitled to take any steps to enforce, or has enforced, any security over any assets of any of the Company and (so far as the Transferor is aware) ARIA (as the case may be) or is, so far as the Transferor is aware, likely to do so in the immediate future.
- 5.4. Neither the Company nor (so far as the Transferor is aware) ARIA by reason of actual or anticipated financial difficulties commenced negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness.

6. Liabilities and Encumbrances

- 6.1. The Company has no Liabilities, save for any debt owed by the Company to the Transferor, which shall be forgiven or otherwise repaid prior to Release under and as defined in the Deed

of Settlement. ARIA has no Liabilities, save for any debt owed by ARIA to the Company or the Transferor, which shall be forgiven or otherwise repaid prior to Release under and as defined in the Deed of Settlement.

- 6.2. There are no Encumbrances on any of the assets held directly or indirectly by the Company (including the Licence).

7. Accuracy of Information Disclosed

- 7.1. All information contained in this Agreement and all other information which has been given in writing or electronic form or made available by or on behalf of any of the Company and ARIA to the Transferee or any of its Affiliates, agents, employees or professional advisers in the course of the negotiations leading to this Agreement or in the course of any due diligence or other investigation carried out by or on behalf of the Transferee or any of its Affiliates prior to entering into this Agreement was when given and remains true, complete and accurate in all material respects and not misleading. The Transferor is not aware of any fact or matter or circumstances not disclosed in writing to the Transferee which renders any such information untrue, inaccurate or misleading in any material respects or the disclosure of which might reasonably affect the willingness of the Transferee to enter into this Agreement on the terms and conditions set out herein.
- 7.2. The accounts provided to the Transferee or its Affiliates in respect of the Company and ARIA (“**Accounts**”) have been prepared in accordance with the accounting policies used in preparing the audited accounts of the Transferor, applied on a consistent basis. The Accounts are fair and not misleading and do not materially misstate the assets and liabilities of the Company and ARIA as at the dates of the Accounts, nor the profits and losses of the Company and ARIA for the period ended on such date.
- 7.3. All statements of fact contained in all announcements and circulars to shareholders of the Transferor made by or on behalf of the Transferor since 31 December 2007 (“**Previous Announcements**”) were true and accurate as at the respective dates of such Previous Announcements and not misleading. All expressions of opinion or intention contained in the Previous Announcements were made on reasonable grounds and were truly and honestly held by the directors of the Transferor and there were no other facts known to the directors of the Transferor the omission of which would make any such statement or expression in any of the Previous Announcements misleading in the context in which the Previous Announcements were made and as at the respective dates of such Previous Announcements.
- 7.4. The consolidated statement of financial position of the group as at 31 December 2009 and the consolidated income statement, the consolidated statement of cash flow and the consolidated statement of changes in equity and the notes to the financial statements as set out in the annual report and accounts of the Transferor and its subsidiaries for the year ended 31 December 2009 together were prepared by the directors of the Transferor so as to give a true and fair view of the state of affairs of the Transferor and its subsidiaries as at 31 December 2009 and of the profits or losses, cash flows and changes in equity of the Transferor and its subsidiaries for the financial year ended on that date and were prepared on the basis set out therein.

SCHEDULE 4

FORM OF SHARE TRANSFER INSTRUMENT

**INSTRUMENT OF TRANSFER OF SHARES IN
ZHONG PING RESOURCES HOLDINGS LIMITED**

(the "Company")

The Undersigned, **China Primary Resources Holdings Limited**, for valuable consideration the receipt and sufficiency of which are hereby acknowledged, does hereby transfer to _____, a company organised and existing under the laws of _____ whose registered office is at _____, the 75,000,000 ordinary shares standing in the name of **China Primary Resources Holdings Limited** in the Company.

Signed by the Transferor

By.....

Title.....

For and on behalf of **CHINA PRIMARY RESOURCES HOLDINGS LIMITED**

Dated this ____ day of _____ in the year 20 ____

Signed by the Transferee

By.....

Title.....

For and on behalf of _____

Dated this ____ day of _____ in the year 20 ____

SIGNATURE PAGE

EXECUTED BY THE PARTIES

THE TRANSFEROR:

**CHINA PRIMARY RESOURCES
HOLDINGS LIMITED**

)
)

Name:

Witnessed by

Signature: _____

Name: _____

THE TRANSFEREE:

Signed by

)
)

Name:

Witnessed by

Signature: _____

Name: _____