

Important note: The Terms of Reference was originally drafted in Chinese and the English translation is not an official version and for your reference only. In case of any inconsistencies and discrepancies between the Chinese and the English versions, the Chinese version shall prevail.

Lingbao Gold Company Ltd. (“the Company”)

(A joint stock company incorporated in the People's Republic of China with limited liability)

Terms of Reference of the Nomination Committee of the Board of Directors (“the Nomination Committee”)

Chapter I General Provisions

1. The Nomination Committee is established pursuant to the Company Law of the People’s Republic of China, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Ltd., the articles of association of the Company and other relevant stipulations in order to standardize the procedures for appointment of the management personnel, optimize the composition of the Board of Directors (“the Board”) and enhance the corporate governance structure of the Company.

2. The Nomination Committee is a body specifically set up according to the resolutions of general meetings and shall mainly be responsible for making suggestions regarding to the selection of Directors and managers of the Company, choosing and making suggestions relating to the selection standards and procedures.

Chapter II Membership

3. The Nomination Committee shall comprise of five board members, a majority of whom shall be independent non-executive Directors.

4. The members of the Nomination Committee shall be nominated by chairman of the Board, not less the half of the independent non-executive Directors or not less than one-thirds of all the Directors, and shall be elected by the Board thereon.

5. The Nomination Committee shall have a chairman (convener), who shall be served by independent non-executive Director and shall preside over the work of the Nomination Committee. The chairman of the Nomination Committee shall be elected from the members and be reported to the Board of Directors for approval.

6. The Nomination Committee shall have a term of office consistent with that of the Board. The term of office of a member is renewable upon re-election. If a member no longer assumes the position of Director in the Company, he/she shall automatically lose his/her identity as a member. The vacancy shall be filled by the Committee in accordance with the provisions of rule 3 to rule 5 above.

Chapter III Duties and Authorities

7. The duties and authorities of the Nomination Committee shall include:

(1) reviewing and monitoring the structure, size and composition of the Board at least once a year, and making recommendations to the Board on Board's scale, composition and changes in accordance with the strategy, operating activities, scale of assets and shareholding structure of the Company;

(2) studying the criteria and procedures for the election of Directors and management personnel and making recommendations to the Board thereon;

(3) seeking for the right candidates for the position of Directors and management personnel and making recommendations to the Board thereon;

(4) reviewing the candidates for the position of Directors and management personnel and the making recommendations to the Board thereon;

(5) assessing the independence of the independent non-executive Board members;

(6) making recommendations to the Board on matters relating to the appointment or re-appointment of Directors and succession planning for Directors in particular the chairman and the chief executive officer;

(7) reviewing other senior management proposed to be appointed by the Board and making recommendations thereon; and

(8) undertaking other tasks as delegated by the Board.

8. The Nomination Committee is accountable to the Board. The proposals of the Nomination Committee shall be submitted to the Board for consideration and decision. Without good reasons or reliable evidence, the controlling shareholder shall fully respect the proposals made by the Nomination Committee, and shall not propose substitute candidates for Directors and managers.

Chapter IV Procedures of Decision-making

9. Subject to the actual situation of the Company, the Nomination Committee shall review the criteria, procedures for selection and term of office of Directors

and senior management in accordance with the requirements of relevant laws, regulations and the articles of association of the Company. Any resolution made in this regard shall be filed and submitted to the Board for approval and shall be implemented accordingly.

10. Selection procedures for Directors and management personnel: (1) the Nomination Committee shall actively communicate with relative departments of the Company, and research the demand of new Directors, manager and to produce the written materials; (2) the Nomination Committee shall seek for the right candidates for the position of Directors and manager in the Company itself, controlling shareholder of the Company and the talent market; (3) the Nomination Committee shall collect information about the candidates including their occupation, academic background, title, working experience in detail and all the part-time jobs to produce written materials; (4) the Nomination Committee shall obtain consent of the nominees, otherwise the nominees shall not become candidates for Directors and manager; (5) the Nomination Committee shall convene its meeting, reviewing the candidates for Directors and manager according to the Directors and manager qualification; (6) the Nomination Committee shall make recommendations and submit relevant materials to the Board concerning the candidates for Directors and manager one to two months before election of new Directors and manager; (7) the Nomination Committee shall conduct other follow-up work after decisions and feedback of the Board.

Chapter V Rules of Procedure

11. The Nomination Committee shall hold meetings at least twice a year, and notice shall be given to all members five days in advance. The meeting shall be chaired by chairman of the Nomination Committee. Where the chairman is unable to attend the meeting, he/she may delegate another member (independent non-executive Director) to perform his/her role.

12. The Nomination Committee meeting shall be held only when more than two-thirds of its members can attend the meeting. Each member is entitled to one vote. Resolutions of a meeting must be adopted by the affirmative votes of more than half of its members.

13. The Nomination Committee shall adopt voting by show of hand or on a poll in its meeting; and a meeting may also be convened in the form of communication in case of emergency.

14. Directors, supervisors and other manager of the Company may be invited to attend meetings of the Nomination and Remuneration Committee, if necessary.

15. The Nomination Committee may, as it considers necessary, hire intermediaries for their decision to provide professional advice, the relevant expenses will be borne by the Company.

16. The procedures and voting methods of meetings of the Nomination Committee as well as the resolutions passed at the meetings must comply with relevant laws, regulations, the Company's articles of association and these rules.

17. The Nomination Committee shall keep minutes of its meetings. Members

present at a meeting shall sign the minutes of the meeting which shall be kept by the secretary to the Board of the Company.

18. Any resolution passed or the results of a poll taken at a meeting of the Nomination Committee shall be reported in writing to the Board.

19. All members attending meetings of the Nomination Committee shall be obliged to keep all items discussed at the meetings confidential and shall not disclose the relevant information.

Chapter VI Supplementary Provisions

20. These Rules shall come into effect on the date of approval by the Board.

21. Any matters not covered by these Rules shall be implemented in accordance with relevant laws and regulations of the State and the Company's Articles of Association. Where there is a conflict between these Rules and future laws and regulations to be promulgated by the State or the Company's Articles of Association as amended in accordance with legitimate procedures, these Rules shall be implemented in accordance with relevant laws and regulations of the State and the Company's Articles of Association and corresponding amendments to these Rules must be submitted to the Board for consideration and approval in a timely manner.

22. The right to interpret these Rules shall be vested in the Board of the Company.