



31 October 2014

ASX Market Announcements Office
Australia Securities Exchange
Exchange Centre
20 Bridget Street
Sydney NSW 2000

By fax: +61 2 9347 0005

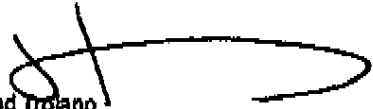
Aspire Mining Limited
Company Secretary
Suite B3, 431-435 Roberts Road
Subiaco, WA 6008

By fax: +61 8 9388 1980

Form 604 – Notice of change of interest of substantial holder

Attached is a Form 604 (Notice of change of interest of substantial holder) given on behalf of SouthGobi Resources Ltd. in respect of the relevant interest of SouthGobi Resources Ltd. in the ordinary shares of Aspire Mining Limited.

Yours faithfully,


Bertrand Troiano
Chief Financial Officer
SouthGobi Resources Ltd.

Form 604Corporations Act 2001
Section 671B**Notice of change of interests of substantial holder**In Company Name/Scheme Aspire Mining LimitedACN/ARSN ACN 112 417 243**1. Details of substantial holder(s)**Name SouthGold Resources Ltd.
ACN/ARSN (if applicable)There was a change in the interests of the
substantial holder on 31/10/2014The previous notice was given to the company on / /The previous notice was dated / /**2. Previous and present voting power**

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of securities (4)	Previous notice		Present notice	
	Person's votes	Voting power (5)	Person's votes	Voting power (5)
Fully paid ordinary shares	123,498,318	17.6% (of 703,463,306)	60,000,000	8.5% (of 703,463,306)

3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
31 October 2014	SouthGold Resources Ltd.	Sale pursuant to the attached placing agreement	A\$1,667,467.90	60,000,000 Ordinary Shares	60,000,000

4. Present relevant interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Nature of relevant interest (9)	Class and number of securities	Person's votes
SouthGold Resources Ltd.	SouthGold Resources Ltd.	SouthGold Resources Ltd.	Direct	60,000,000 Ordinary Shares	60,000,000

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5. Changes in association

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (3) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

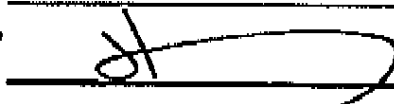
Name and ACH/ARSN (if applicable)	Nature of association
N/A	N/A

6. Addresses

The addresses of persons named in this form are as follows:

Name	Address
SouthGold Resource Ltd.	Suite 1501, 15/F, The Center, 68 Queen's Road Central, Hong Kong

Signature

print name Bertrand Troiano capacity Chief Financial Officer
 sign here  date 31 / 10 / 2014

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg, a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 6 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (6) Include details of:
 - (a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applied).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (7) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisition, even if they are not paid directly to the person from whom the relevant interest was acquired.
- (8) If the substantial holder is unable to determine the identity of the person (eg, if the relevant interest arises because of an option) write "unknown".
- (9) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.

SOUTHGOBI RESOURCES LTD
(as Vendor)

QUAM SECURITIES COMPANY LIMITED
(as Placing Agent)

PLACING AGREEMENT

**in respect of 123,498,316 ordinary shares of
Aspire Mining Limited**

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ANNEX 1 PLACING LETTER	

This Agreement is made on 24 October 2014 between:

- (1) **SOUTHGOBI RESOURCES LTD**, a limited liability company incorporated under the laws of the Province of British Columbia, Canada with certificate number C0792451 whose registered office is Suite 654, 999 Canada Place, Vancouver, British Columbia, Canada, and whose principal office in Hong Kong is at Suite 1501, The Centre, 99 Queen's Road Central, Hong Kong and listed on the TSX (trading symbol SGQ) and the Main Board of the Stock Exchange of Hong Kong Limited (Stock Code 1878) (the *Vendor*); and
- (2) **QUAM SECURITIES COMPANY LIMITED**, a limited liability company incorporated in Hong Kong with company number 0166339 whose registered address is at 18/F China Building, 29 Queen's Road, Central, Hong Kong (the *Placing Agent*),

(the *Parties*, and each a *Party*).

WHEREAS:

- (A) The Vendor and the Placing Agent wish to record the arrangements agreed between them in relation to:
 - (i) a first tranche sale and purchase of 63,498,316 Placing Shares in the Company for AU\$1,587,457.90 on 31 October 2014 at a price of AU\$0.025 per Share; and
 - (ii) a second tranche possible sale and purchase of 60,000,000 Placing Shares (or part or parts thereof) in the Company for a price not less than AU\$1,500,000 at a price not less than AU\$0.025 per Share on or before 10 November 2014.
- (B) The Placing Shares are offered and sold in the offering to "professional investors" only (as defined in the SFO (as defined herein)) and to no more than 50 persons in Hong Kong (*Placees*). Further, the Placing Shares are being offered and sold outside the United States in reliance on Regulation S (*Regulation S*) under the U.S. Securities Act of 1933, as amended (the *Securities Act*).

Now it is hereby agreed as follows:

1. INTERPRETATION AND DEFINITIONS

1.1 Definitions:

"**Affiliate**" means, in relation to any person, any entity controlled, directly or indirectly, by that person, any entity that controls, directly or indirectly, that person, or any entity directly or indirectly under common control with that person; and for this purpose, "control" of any entity or person means ownership of a majority of the voting power of the entity or person;

"**ASX**" means the Australian Securities Exchange operated by ASX Limited;

"**AUS**" denotes the lawful currency for the time being of Australia;

"**Business Day**" means a day (other than a Saturday) on which banks in Hong Kong, Canada and Australia are open for normal banking business provided that, where, as a

result of a Typhoon Number 8 Signal or higher, Black Rainstorm warning or other similar event, the period during which the banks in Hong Kong are open for normal banking business on any day is reduced, such day shall not be a Business Day unless the Vendor otherwise determines;

“**Closing Date**” means on or before the Payment Date;

“**Companies Ordinance**” means the Companies Ordinance (Cap 622 of the laws of Hong Kong);

“**Company**” means Aspire Mining Limited ACN 122 417 243 (ABN 46 122 417 243) a limited liability company incorporated in Australia with its registered office at Suite B3, 431-435 Roberts Road, Subiaco, Western Australia, Australia and listed on the ASX (Stock Code AKM);

“**CWUMO**” means the Companies (Winding Up and Miscellaneous) Ordinance (Cap 32 of the laws of Hong Kong);

“**Encumbrance**” any mortgage, charge, pledge, lien (otherwise than arising by statute or operation of law), hypothecation, equities, adverse claims, right to acquire or of pre-emption, third-party right or interest, or other encumbrances, priority or security interest, deferred purchase, title retention, leasing, sale-and-purchase, sale-and-leaseback arrangement over or in any property, assets or rights of whatsoever nature or interest or any agreement for any of same and “**Encumber**” and “**Unencumbered**” shall be construed accordingly.

“**First Tranche**” means the first Tranche of the Placing of 63,498,316 Shares;

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

“**Payment Date**” means:

- (i) in respect of the First Tranche of the Placing, 31 October 2014; and
- (ii) in respect of the Second Tranche of the Placing, 10 November 2014 or such earlier date or dates as notified by the Placing Agent;

“**Placing**” means the sale (as agent) by the Placing Agent of the Placing Shares in each Tranche to Placees at a price not less than AU\$0.025 per Share;

“**Placing Fee**” means an amount equal to 1.25% of the gross proceeds which is equivalent to the number of Placing Shares sold by the Placing Agent at the Placing Price;

“**Placing Price**” means the price at which the Placing Shares are sold in each Tranche by the Placing Agent to the Placees at a price of not less than AU\$0.025 per Share;

“**Placing Shares**” means in aggregate 123,498,316 Shares to be sold in two Tranches of 63,498,316 Shares and 60,000,000 Shares respectively;

“**PRC**” means the Peoples’ Republic of China and for the purpose of this Agreement excludes the Republic of China and the Macau Special Administrative Region

Handwritten signature and initials in the bottom right corner of the page.

"Second Tranche" means the second Tranche of the Placing of and 60,000,000 Shares;

"SFO" means the Securities and Futures Ordinance (Cap 571 of the laws of Hong Kong);

"Shares" means ordinary shares of the Company listed on the ASX; and

"Vendor Warranties" means the agreements, warranties, representations and undertakings given by the Vendor set out at Schedule 2;

- 1.2 **Clauses and Schedules:** Any reference in this Agreement to a Clause, a sub-clause or a Schedule is, unless otherwise stated, to a clause or sub-clause hereof or a schedule hereto.
- 1.3 **Legislation:** Any reference in this Agreement to any legislation (whether primary legislation or regulations or other subsidiary legislation made pursuant to primary legislation) shall be construed as a reference to such legislation as the same may have been, or may from time to time be, amended or re-enacted.
- 1.4 **Headings:** Headings and sub-headings are for ease of reference only and shall not affect the construction of this Agreement.
- 1.5 **Force Majeure Event:** The occurrence of any of the following events: any existing or future law or regulation, any existing or future act of governmental authority, act of god, flood, war whether declared or undeclared, terrorism, riot, rebellion, civil commotion, strike, lockout, other industrial action, general failure of electricity or other supply, aircraft collision, technical failure, accidental or mechanical or electrical breakdown, computer failure or failure of any money transmission system is referred to in this Agreement as a *Force Majeure Event*.
- 1.6 **Material Adverse Effect:** For purposes of this Agreement, *Material Adverse Effect* means a material adverse effect on either (i) the offering, sale or purchase of the Placing Shares or (ii) the ability of the Placing Agent and/or the Vendor to perform its obligations under this Agreement.

2. APPOINTMENT OF PLACING AGENT

2.1 **Appointment:** The Vendor hereby appoints the Placing Agent as its agent to:

- (a) procure Placees for the First Tranche of the Placing Shares subject to the terms and conditions of this agreement and the Placing Agent hereby accepts such appointment and agrees to procure purchasers for the First Tranche of the Placing Shares and to pay the Vendor (whether on its own account or on behalf of Placees) consideration monies in respect of the First Tranche of the Placing Shares in accordance with clause 5.2; and
- (b) use its reasonable endeavours to procure Placees for the Second Tranche of the Placing Shares subject to the terms and conditions of this agreement and the Placing Agent hereby accepts such appointment and the Placing Agent agrees to use its reasonable endeavours to procure purchasers for the Second Tranche of the Placing Shares and if the Placing Agent has successfully procured Placees to purchase the Second Tranche (or part or parts thereof provided the minimum shall be 20,000,000 Placing Shares per purchase), to

pay the Vendor (whether on its own account or on behalf of Placees) consideration monies in respect of such number of Placing Shares which Placees have agreed to purchase in accordance with clause 5.2;

2.2 Contracting Parties: For the avoidance of doubt:

- (a) in respect of clause 2.1(a) above, the Vendor shall only be required to deal and receive Consideration for the Placing Shares from the Placing Agent and if the Placing Agent is unable to locate Placees to purchase the Placing Shares, the Placing Agent shall purchase such outstanding Placing Shares as principal from the First Tranche; and
- (b) in respect of clause 2.1(b) above, if the Placing Agent is unable to identify and secure Placees to purchase the entire Second Tranche of the Placing Shares by the Payment Date, the Placing Agent shall be released of any obligation (without any liability) in respect of any such Placing Shares which have not been subscribed for and shall not be required to pay consideration in respect of such Placing Shares. In respect of any Placing Shares in the Second Tranche to which the Placing Agent has procured and secured Placees to purchase, the Vendor shall only be required to deal and receive Consideration for such Placing Shares from the Placing Agent.

2.3 Conferral of powers and authorities to the Placing Agent: The Vendor confirms that the foregoing appointment in clause 2.1 confers on the Placing Agent in accordance with the provisions hereof all powers, authorities and discretions on its behalf which are necessary for the Placing and hereby agrees to ratify and confirm everything which the Placing Agent shall lawfully and reasonably do within the mandate and the terms of this Agreement.

2.4 Appointment of Sub-Placing Agent: The Placing Agent shall not be entitled to assign any or all rights and obligations under this Agreement without the consent of the Vendor. Further, the Vendor shall however be entitled to appoint any sub-placing agent with respect to the Placing providing that the appointment of such sub-placing agent shall not in any way affect the rights and obligations of the Placing Agent to the Vendor under this Agreement.

3. THE PLACING

3.1 The Placing Shares shall be offered by the Placing Agent as agent for the Vendor pursuant to the Placing during the period from the date of this Agreement up to the Payment Date of the Second Tranche of the Placing. The Placing Shares shall be offered at the Placing Price.

4. PAYMENT OF COSTS, EXPENSES, FEES

4.1 The Vendor agrees that the Placing Agent shall be paid a fee in respect of the Placing in an amount equal to the Placing Fee which shall be payable by the Vendor to the Placing Agent on each Closing Date. For the avoidance of doubt, the Placing Agent shall be entitled to offset any Placing Fee against any consideration payable by the Placing Agent to the Vendor under this Agreement.

4.2 Each party shall be liable for its own costs and expenses in respect of the Placing however for the avoidance of doubt the Vendor shall be liable for any stamp duty or other taxes payable in respect of the Placing.



4.3 The Vendor acknowledges and agrees that the Placing Agent may receive additional fees, compensation and benefits from third parties in respect of the Placing including without limitation charging fees and receiving compensation from Placees in respect of the Placing.

5. **ALLOCATION AND CLOSING**

5.1 On or prior to the relevant Payment Date:

(a) in respect of the First Tranche only, the Placing Agent shall pay to the Vendor the consideration monies in respect of the First Tranche Placing Shares, such payment to be made in Australian dollars in immediately available funds to such account as the Vendor shall notify the Placing Agent; and

(b) in respect of the Second Tranche only, the Placing Agent shall notify the Vendor such number of Placing Shares which the Placees shall purchase ("Accepted Shares") and shall pay to the Vendor the consideration monies in respect of such Accepted Shares, such payment to be made in Australian dollars in immediately available funds to such account as the Vendor shall notify the Placing Agent.

5.2 On or before the Payment Date, the Vendor shall transfer, or procure the transfer through its broker or custodian, the relevant number of Placing Shares to the Placing Agent's clearing agent or custodian, as directed by the Placing free from all charges, liens and encumbrances and ranking *pari passu* with each other in all respects in order to facilitate the clearing procedure. The Placing Agent shall arrange all consideration monies to be paid to the Vendor on or before the Payment Date.

5.3 The Placing Agent shall have absolute discretion to determine all matters in respect of the Placing including:

(a) the identity of the Placees;

(b) the number (if any) of Placing Shares which each Placee will acquire;

(c) the latest time at which Placing Letters may be despatched and acceptances of the offers in them may be made; and

(d) the validity of acceptances received in respect of any of the Placing Shares; and

(e) the procedures for completion of the sale and purchase of the Placing Shares.

6. **REPRESENTATIONS OF THE PLACING AGENT**

6.1 **Selling Restrictions:** The Placing Agent represents, warrants, agrees and undertakes that it has complied and will comply with the terms set out in Schedule 1.

6.2 **Representations of the Placing Agent:** The Placing Agent confirms that it has not made and shall not make any representation regarding the Placing other than as contained in the Placing Letters without the prior written consent of the Vendor and the Placing Agent is not authorised to seek purchasers for the Placing Shares on



behalf of the Vendor or distribute or cause to be distributed any of the Placing Letters in circumstances in which to do so would be unlawful.

7. REPRESENTATIONS OF THE VENDOR

- 7.1 **Warranties:** The Vendor represents and warrants to and (where applicable) agrees with, the Placing Agent that each of the Vendor Warranties (as set out in Schedule 2) are true, complete and accurate and not misleading as at the date hereof.
- 7.2 **Repetition:** The representations and warranties in Clause 7.1 above are given as at the date of this Agreement and shall be deemed to be repeated (with reference to the facts and circumstances then subsisting) and given as at the date of each Payment Date and Closing Date.

8. UNDERTAKINGS AND INDEMNITY BY THE VENDOR

The Vendor undertakes and agrees with the Placing Agent as follows:

- 8.1 **Announcements:** between the date hereof and the Closing Date (both dates inclusive) the Vendor will not, without the prior approval of the Placing Agent (such approval not to be unreasonably withheld or delayed), make any official announcement which would have a Material Adverse Effect on the marketability of the Placing Shares or any communication which might reasonably be expected to prejudice the ability of the Placing Agent lawfully to offer or sell the Placing Shares in accordance with the provisions in Schedule 1, unless otherwise required by applicable laws and regulations and/or any applicable listing rules;
- 8.2 **Taxes:** the Vendor will pay:
- (a) any stamp, issue, registration, documentary or any other similar taxes and duties, including interest and penalties, payable on or in connection with the sale, transfer, offering and disposal of the Placing Shares;
 - (b) in addition to any amount payable by it under this Agreement, any value added, turnover or similar tax payable in respect thereof (and references in this agreement to such amount shall be deemed to include any such taxes so payable in addition to it);
- 8.3 **Representations and warranties:** the Vendor will forthwith notify the Placing Agent if at any time prior to payment of the net consideration moneys to the Vendor on any Payment Date anything occurs which renders or may reasonably be expected to render untrue or incorrect in any respect any of the Vendor Warranties and will forthwith take such steps as the Placing Agent may reasonably require to remedy the fact. Such obligation is without prejudice to and in addition to the Placing Agent's right to terminate in accordance with clause 9.1;
- 8.4 **Delivery of Shares:** the Vendor will make such reasonable arrangements as it can to ensure that all necessary documents including relevant transfer documents and certificates (if any) in order to effect the transfer of the relevant Placing Shares to Placees are provided to the Placees and/or the Placing Agent and further shall execute such documents and perform such acts and things as either the Placing Agent or Placees may reasonably require to transfer the relevant Placing Shares to, or for the benefit of, the relevant Placees and to give each of them the full and unencumbered title and the full benefit of this Agreement;



- 8.5 **Approvals and filing:** the Vendor shall obtain all approvals and consents and promptly make all notifications, registrations and filings as may from time to time be required in relation to the transfer of the Placing Shares;
- 8.6 **Compliance with selling restrictions:** The Vendor and the Placing Agent shall comply with the relevant restrictions set out in Schedule 1; and
- 8.7 **Indemnity by the Parties:** The Vendor hereby indemnifies and holds harmless the Placing Agent and its Affiliates and any of their respective representatives, partners, directors, officers, employees, assignees and agents (collectively the "**Indemnified Parties**" and individually, an "**Indemnified Party**") (on an after-tax basis) against:
- (a) all actions, suits, claims (whether or not any such claim involves or results in any actions or proceedings), demands, investigations, judgements, awards and proceedings, joint or several, from time to time instituted, made or brought against or otherwise involving, (together the "Actions" and "Action" shall be construed accordingly); and
 - (b) all losses, liabilities and damages suffered and all payments, expenses (including legal expenses and taxes (including stamp duty and any penalties and interest arising in respect of any taxes)), costs and charges (including, without limitation, all payments, expenses, costs or charges suffered, made or incurred arising out of, in relation to or in connection with the investigation, dispute, defence or settlement of or response to any such Actions or the enforcement of any such settlement or any judgement obtained in respect of any such Actions) (together, the "Losses" and "Loss" shall be construed accordingly) which may be made or incurred or suffered by,
- an Indemnified Party (with such amount of indemnity to be paid to the Placing Agent) arising out of, in relation to or in connection with any of the Vendor Warranties party being untrue, inaccurate or having been breached in any respect or being alleged to be untrue, inaccurate or alleged to have been breached in any respect,
- provided that the above indemnity in respect of any Action or Loss shall not be available to any Indemnified Party to the extent that such Action or Loss is finally judicially determined by a court of competent jurisdiction to have been caused primarily by fraud, gross negligence or wilful misconduct on the part of such Indemnified Party.
- 8.8 For the avoidance of doubt, the indemnity under this Clause 8 shall cover all costs, charges and expenses which any Indemnified Party may incur or pay in disputing, settling or compromising any Action to which the indemnity may relate and in establishing its right to indemnification under this Clause 8.
- 8.9 Subject to the last paragraph of clause 8.7(b), all amounts subject to indemnity under this Clause 8 shall be paid by the Vendor as and when they are incurred within 30 Business Days of a written notice demanding payment being given to the Vendor by or on behalf of an Indemnified Party.
- 8.10 The Placing Agent hereby declares that it holds on trust for each Indemnified Party (other than the Placing) the benefit of:
- (a) each indemnity given by the Vendor under this Agreement in favour of the Indemnified Parties; and

- (b) each right in this Agreement to the extent that such right is expressly stated to be for the benefit of any Indemnified Party.
- 8.11 The Vendor acknowledges the existence of such trust and consents to:
- (a) the Placing Agent exercising rights in relation to, or otherwise enforcing such indemnities and rights on behalf of the Indemnified Parties; and
 - (b) the Indemnified Parties exercising rights in relation to, or otherwise enforcing the indemnities and those rights as if they were a party to this Agreement.
- 8.12 The Placing Agent does not require the consent of the Indemnified Parties to waive or amend any provision of this Agreement.
- 8.13 Clause 8.8 to 14 shall remain in full force and effect notwithstanding the completion of the Placing in accordance with the terms of this Agreement or the termination of this Agreement.

9. TERMINATION

- 9.1 **The Placing Agent's ability to terminate:** Notwithstanding anything contained in this Agreement, the Placing Agent may, by notice to the Vendor given at any time prior to payment of the net consideration moneys for the Placing Shares to the Vendor, terminate this Agreement if there shall have been in the Placing Agent's opinion, since the date of this Agreement (i) any event or series of events, including any Force Majeure Event, any change, or any development involving a prospective change, in national or international monetary, financial, political or economic conditions or currency exchange rates or foreign exchange controls such as would in the view of the Placing Agent be likely to prejudice materially the success of the Placing; (ii) any event or series of events which have or may have a Material Adverse Effect on the ability of the Placing Agent to perform its obligations this Agreement; (iii) any of the Vendor's Warranties being untrue, inaccurate or having been breached in any respect or being alleged to be untrue, inaccurate or alleged to have been breached in any respect or any breach by the Vendor of its obligations under this Agreement including (without limitation) any breach of the Vendor's undertakings under clause 8; (iv) any event or series of events which is or will be likely to be materially adverse to, or will or is likely to materially or prejudicially affect, the general affairs, management, business, financial, trading or other condition or prospects of the Company and its subsidiaries (taken as a whole); or (v) any event or series of events which makes it inadvisable or impractical to proceed with the Placing or the transfer and delivery of the Placing Shares.
- 9.2 **Consequences of termination:** Upon such notice being given this Agreement shall terminate and be of no further effect and no party shall be under any liability to any other in respect of this Agreement, except that: (i) the Vendor, shall be responsible for the payment of certain costs and expenses as agreed in Clause 4; (ii) the Placing Agent shall remain liable under Clause 6; (iii) the respective obligations of the parties pursuant to Clause 10 which would have continued had the arrangements for the sale of the Placing Shares been completed shall continue; and (iv) this Clause 9.2 shall continue.

10. SURVIVAL OF REPRESENTATIONS AND OBLIGATIONS

The representations, warranties, agreements, undertakings and indemnities in this Agreement shall continue in full force and effect notwithstanding completion of the arrangements for the sale of the Placing Shares or any investigation made by or on behalf of the Placing Agent or any of their representatives, directors, officers, agents or employees or any of them.

11. COMMUNICATIONS

- 11.1 **Addresses:** Any communication shall be given by letter or fax in the case of notices to the Vendor, to it at:

SouthGobi Resources Ltd.

Address: Suite 1501, The Centre, 99 Queen's Road Central, Hong Kong
 Fax no.: +852 2156 1439
 Attention: Mr Bertrand Troiano

and in the case of notices to the Placing Agent to it at:

Quam Securities Company Limited

Address: 18/F China Building, 29 Queen's Road, Central, Hong Kong
 Fax no.: +852 2845 1935
 Attention: Mr Bernard Pouliot / Mr Kevin Sewhoy

- 11.2 **Effectiveness:** Any such communication shall take effect, in the case of a letter, at the time of receipt by the addressee, in the case of a fax, when the relevant delivery receipt is received by the sender, in the case of an electronic communication, when the relevant receipt of such communication being read is given, or where no read receipt is requested by the sender, at the time of sending, provided that no delivery failure notification is received by the sender within 24 hours of sending such communication; provided that any communication which is received (or deemed to take effect in accordance with the foregoing) outside business hours or on a non-business day in the place of receipt shall be deemed to take effect at the opening of business on the next following business day in such place. Any communication delivered to any party under this Agreement which is to be sent by fax or electronic communication will be written legal evidence.

12. NO FIDUCIARY OR CORPORATE ADVISORY DUTIES

The Vendor acknowledges and agrees that the Placing Agent is acting solely pursuant to a contractual relationship with the Vendor on an arm's length basis with respect to the offer and sale of the Placing Shares (including in connection with determining the terms of the offer and sale of the Placing Shares) and not as a financial adviser (corporate or otherwise) or a fiduciary to the Vendor or any other person. Additionally, the Vendor acknowledges that the Placing Agent is not advising the Vendor or any other person as to any legal, tax, corporate finance, investment, accounting or regulatory matters in any jurisdiction. The Vendor shall consult with its own advisers concerning such matters and shall be responsible for making its own independent investigation and appraisal of the transactions contemplated hereby, and the Placing Agent shall have no responsibility or liability to the Vendor with respect

thereto. The Vendor further acknowledges and agrees that any review by the Placing Agent of the Vendor, the Company, offer and sale of the Placing Shares, the terms of the Placing and other matters relating thereto will be performed solely for the benefit of the Placing Agent and shall not be on behalf of the Vendor or any other person.

13. TIME OF THE ESSENCE

Time shall be of the essence of this Agreement, both as regards any dates, and periods mentioned and as regards any dates and periods which may be substituted for them by agreement in writing between the Parties.

14. COUNTERPARTS

This Agreement may be executed in any number of counterparts and by each Party on separate counterparts. Each counterpart is an original, but all counterparts shall together constitute one and the same instrument. Delivery of a counterpart of this Agreement by e-mail attachment or telecopy shall be an effective mode of delivery. In relation to each counterpart, upon confirmation by or on behalf of a Party that such Party authorises the attachment of its counterpart signature page to the final text of this Agreement, such counterpart signature page shall take effect, together with such final text, as a complete authoritative counterpart.

15. WAIVER OF IMMUNITY

The Vendor irrevocably and unconditionally:

- (a) agrees not to claim any immunity from proceedings brought by the Placing Agent against it in relation to this Agreement and to ensure that no such claim is made on its behalf;
- (b) consents generally to the giving of relief or the issue of any process in connection with those proceedings; and
- (c) waives all rights of immunity in respect of it or its assets.

16. PAYMENTS

All payments by the Vendor to the Placing Agent under this Agreement shall be made without deduction or withholding for or on account of any present or future taxes, duties, assessments or other governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or in Hong Kong or by an authority thereof or therein having power to tax, unless required by law. In the event that any such deduction or withholding in respect of such payment is required by law, the Vendor will pay, or cause to be paid, such additional amounts as may be necessary in order that the net amounts received by the payee after such deduction or withholding shall equal the amounts which would have been receivable by it had no such deduction or withholding been required.

17. GOVERNING LAW AND ARBITRATION

- 17.1 **Governing law:** This Agreement shall be governed by, and construed in accordance with, Hong Kong law.

Handwritten signature and initials in the bottom right corner of the page.

- 17.2 **Arbitration:** any dispute, controversy or claim arising out of or relating to this Agreement, or the breach, termination or invalidity thereof, shall be settled by arbitration in accordance with the Hong Kong International Arbitration Centre Administered Arbitration Rules in force when the notice of arbitration is submitted in accordance with those rules. The place of arbitration shall be in Hong Kong at the Hong Kong International Arbitration Centre, and the proceedings shall be conducted in English. The tribunal shall consist of one arbitrator. An award by the arbitrator shall be final and conclusive and binding upon the parties and shall not be subject to further appeal. Judgment upon the award rendered may be entered in any court having jurisdiction and the parties submit to the non-exclusive jurisdiction of the Hong Kong courts for this purpose.



SCHEDULE 1**SELLING RESTRICTIONS****1. General**

None of the Vendor or the Placing Agent makes any representation that any action will be taken in any jurisdiction by the Placing Agent or the Vendor would, or is intended to, permit a public offering of the Placing Shares in any country or jurisdiction where action for that purpose is required. The Placing Agent has complied and will comply with all applicable laws and regulations in each jurisdiction in which it acquires, offers, sells or delivers the Placing Shares. It will also ensure that no obligations are imposed on the Vendor in any such jurisdiction as a result of the foregoing actions. The Vendor will have no responsibility for, and the Placing Agent will obtain any consent, approval or permission required by it for, the acquisition, offer, sale or delivery by it of the Placing Shares under the laws and regulations in force in any jurisdiction to which it is subject or in or from which it makes any acquisition, offer, sale or delivery. The Placing Agent is not authorised to make any representation or use any information in connection with the purchase and sale of the Placing Shares other than as contained in, or which is consistent with, documents agreed with the Vendor.

2. Hong Kong:

The Placing Agent represents, warrants and agrees that: (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Placing Shares other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the CWUMO or which do not constitute an offer to the public within the meaning of that Ordinance; and (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Placing Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Placing Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

SCHEDULE 2

Vendor Warranties

The Vendor represents and warrants to and (where applicable) agrees with, the Placing Agent:

Enforceability

1. that the Vendor is a company duly incorporated under the laws of its jurisdiction of incorporation, with full power and authority to own, lease and operate their properties and conduct their business and to execute and perform its obligations under this Agreement and is lawfully qualified to do business in those jurisdictions in which business is conducted by it;
2. that the Vendor has the power and authority to enter into, deliver and perform its obligations under this Agreement and has taken all necessary corporate or other action to authorise the execution of, and performance by it of its obligations under this Agreement;
3. that the sale, transfer and disposal of the Placing Shares by the Vendor have been duly authorized by the Vendor which upon due execution, and delivery will constitute, legal, valid and binding obligations of the Vendor enforceable in accordance with the terms set out therein, subject to the laws of bankruptcy and other laws affecting the rights of creditors generally;
4. the offering and sale of the Placing Shares are not contrary to the provisions of the constitutional documents of the Vendor or the Company and will not result in any breach of the terms of, or constitute a default under, any instrument, agreement or order to which the Vendor or any of its subsidiaries are a party or by which the Vendor or its property or assets are bound;
5. that any consent, approval, authorisation, order, filing, licence, registration, orders, permits or qualification (*Approvals*) of or with any appropriate national, state, local court or governmental authority or body required to be obtained or made and any other action or thing (including, without limitation, the payment of any stamp duty, documentary tax or other similar tax or duty and of any registration taxes or duties) required to be taken, fulfilled or done by the Vendor for or in connection with the execution and sale of the Placing Shares has been (or will be on each Closing Date) obtained, made or fulfilled and is in full force and effect;

Placing Shares

6. that the Placing Shares:
 - (a) have been properly allotted and issued;
 - (b) are fully paid or are credited as fully paid;
 - (c) are not affected by any Encumbrance and there are no arrangements or obligations that could result in the creation of an Encumbrance affecting any of the Placing Shares; and
 - (d) are listed on the ASX;


7. that the Vendor is the sole legal and beneficial owner of the Placing Shares and has the right to transfer the full legal and beneficial interest in the Placing Shares to the relevant Placces without the consent of a third person and no person has or claims to have any right relating to any of the Placing Shares;
8. at each Closing Date (subject to receipt of relevant consideration) the Vendor shall have undertaken all necessary and reasonable action so that the Unencumbered beneficial and legal ownership of the Placing Shares shall vest in the respective Placcee;
9. that the Placing Shares will at all times rank *pari passu* without any other Shares of the Company;

The Company

10. that, to the best of the Vendor's knowledge (having made all reasonable enquiries) and except for any information which has been publically disclosed in respect of the Company, the Vendor is not aware of any information, matter or event that would, or has the potential to have, an adverse effect on the Company or the Placing Shares (including the price and marketability of the Placing Shares);
11. that, to the best of the Vendor's knowledge (having made all reasonable enquiries), the Vendor is not aware of any 'inside information' (as such term is defined under Part XIVA of the SFO) in respect of the Company and is not aware of any misstatement by the Company in any public document issued by the Company;
12. that, to the best of the Vendor's knowledge, all financial information announced by the Company and published on the ASX web platform (including but not limited to the Company's Annual Reports, Annual Financial Reports and Quarterly Cash Flow and Activities Reports) is true, accurate and complete in all material respects and gives a true and fair view of the financial position and state of affairs of the Company and its subsidiaries;

General

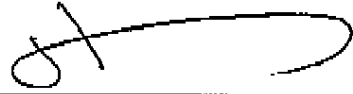
13. that all payments in respect of the Placing Fee and all payments by the Vendor under this Agreement may be made without withholding or deduction for any taxes or duties imposed or levied by Canadian, Australian, Hong Kong or any political subdivision or any authority thereof or therein having the power to tax;
14. that none of the Vendor nor any persons acting on any of its behalf other than the Placing Agent has engaged or will engage in any directed marketing or selling efforts or any activity which constitutes "dealing in securities" within the meaning set out in the SFO;
15. that the Vendor, or any director or officer of the Vendor or, to the best of its knowledge, any employee or agent have (i) not used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity or made any direct or indirect unlawful payment to any government official or employee from corporate funds, (ii) to the best of its knowledge, not violated or is in violation of any applicable anti-bribery legislation (collectively, the *Anti-Bribery Laws*) except in respect to any matter disclosed by the Vendor in its quarterly Management's Discussion and Analysis and press releases filed with SEDAR;



16. that all returns, reports or filings required to have been made by or in respect of the Vendor for taxation purposes have been made and all such returns are correct and are not the subject of any dispute with the relevant revenue or other appropriate authorities and to the best of the knowledge of the Vendor do not reveal any circumstances reasonably likely to give rise to any such dispute, in each case that would have a Material Adverse Effect;
17. that neither the Vendor nor any of its affiliates or any person acting on their respective behalf (other than the Placing Agent, as to whom the Vendor makes no representation) have made or will make offers or sales of any security, or solicited or will solicit offers to buy, or otherwise negotiated or will negotiate in respect of, any security, under circumstances that would require registration of a prospectus in respect of the Placing Shares under the Companies Ordinance, CWMO or the SFO;
18. that neither the Vendor nor, to the best of its knowledge, any director, officer, employee or agent of the Vendor or any of its subsidiaries: (i) have engaged in any activities sanctionable under the Comprehensive Iran Sanctions, Accountability, the Divestment Act of 2010 or the Iran Sanctions Act or is currently subject to any sanctions administered or enforced by the Office of Foreign Assets control of the US Treasury Department (*OFAC*), the United Nations Security Council, the European Union, Her Majesty's treasury, or, to the best of its knowledge, other relevant sanctions authority (including such authority in the jurisdictions in which the Placing Shares are being sold) (all matters referred to in this sub-clause (i) being collectively referred to as *Sanctions*); (ii) is located, organised or resident in a country or territory that is the subject of Sanctions; (iii) has been designated by OFAC as a specially designated national or other blocked person; and (iv) to the best of its knowledge (after due and careful enquiry) has been or is involved in any transaction with any person known by the Vendor to be subject to Sanctions or designated by OFAC as a specially designated national or other blocked person. The Vendor will not use the proceeds of the sale of the Placing Shares, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity: (x) to make any unlawful payment to any foreign official in circumstances known by the Vendor to be in contravention of any Anti-Bribery Laws; or (y) to fund any activities of, or do business with, any person, entity or governmental authority, or in any country or territory, that at the time of such funding, is the subject of any Sanctions, or in any other manner that will result in a violation of any Sanctions; and
19. that (i) the Vendor is and has been in compliance with all applicable anti-money laundering laws, rules and regulations (collectively, *Money Laundering Laws*); and (ii) no action, suit or proceeding by or before any court or agency, authority or body or any arbitrator involving the Vendor and its subsidiaries with respect to Money Laundering Laws is pending or to the best of its knowledge (having made reasonable enquiries) no such actions, suits or proceedings are threatened or contemplated except in respect to any matter disclosed by the Vendor in its quarterly Management's Discussion and Analysis and press releases filed with SEDAR.

This Agreement has been entered into on the date stated at the beginning.

SIGNED for and on behalf of)
SOUTHGOBI RESOURCES LTD by)
its duly authorised signatory:)

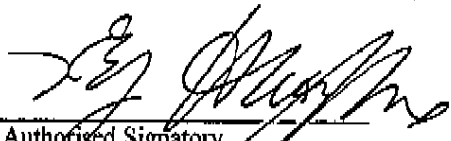


Authorised Signatory

BERTRAND M. TRIANO
Full name of authorised signatory

CHIEF FINANCIAL OFFICER
Title of authorised signatory

SIGNED for and on behalf of QUAM)
SECURITIES COMPANY LIMITED)
by its duly authorised signatory:)



Authorised Signatory

SEWNOY KEVIN / WONG LITCHOR
Full name of authorised signatory

DIRECTOR / DIRECTOR
Title of authorised signatory