



LINGJIN

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Lingbao Gold Company Ltd.

靈寶黃金股份有限公司

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

(Stock code: 3330)

ANNOUNCEMENT

PROPOSED ISSUANCE OF MEDIUM TERM NOTE

This Announcement is issued for the purpose of informing the Shareholders that in accordance with the relevant requirements under applicable PRC laws and regulations and the Articles of Association, and pursuant to Article 61 of the Articles of Association, the Board proposes to ask the Shareholders to consider, authorize and approve a medium term note proposed to be issued by the Company in a principal amount of up to RMB700,000,000 for a period of five years.

An EGM will be convened and held for the Shareholders to consider, and if thought fit, to approve the issuance of the medium term note. A circular containing details of the proposed issuance of the medium term note and a notice of the EGM will be dispatched to the Shareholders in accordance with the requirements set out in Listing Rules.

Please note that the proposed issuance of the medium term note may or may not occur and therefore, shareholders and investors should exercise caution in dealing in the Company's shares.

MEDIUM TERM NOTE

The Board of the Company proposes to seek shareholders' authorization and approval for (i) the proposed issuance of medium term note in the PRC for a principal amount of up to RMB700,000,000 for a period of five years and (ii) the Chairman of the Board or any person authorized by the Chairman of the Board be authorized to determine and finalise the terms and conditions of the medium term notes (including the final principal amount and interests thereon) after considering the needs of the Company, the then market conditions at the time of issuance and such other matters as relevant.

The Board believes that the proposed issuance of medium term note will reduce the Company reliance on short term borrowings and to provide the Company with a further source of funding at an interest rate which is expected to be lower than the interest rate for loans generally available from commercial banks. The Board considers that the issuance of the medium term note will lower the Company's finance costs of borrowings and is in the interests of the Company and its Shareholders as a whole. Proceeds from the proposed issuance of the medium term note are expected to be used as working capital of the Company and for replacement with the Company's existing bank loans. Subject to Shareholders' approval, the

Company will, if required or as otherwise considered appropriate, make further announcement when the proposed issuance of medium term note takes place.

GENERAL

A circular containing further details of the proposed issuance of the medium term note and notice of the EGM will be dispatched to the Shareholders in accordance with the requirements set out in Listing Rules.

Please note that the proposed issuance of the medium term note may or may not occur and therefore shareholders and investors should exercise caution in dealing in the Company's shares.

DEFINITIONS

Unless the context requires otherwise, the following words and phrases used in this announcement have the following meanings:

"Articles of Association"	:	the Articles of Association of the Company
"Board"	:	the board of Directors
"Company"	:	Lingbao Gold Company Ltd. (靈寶黃金股份有限公司), a joint stock limited company incorporated in the PRC with limited liability and the shares of which are listed on the main board of the Stock Exchange
"Directors"	:	the directors of the Company
"EGM"	:	the extraordinary general meeting of the Company to be convened to approve the proposed issuance of medium term note
"Listing Rules"	:	Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (as amended from time to time)
"PRC"	:	The People's Republic of China and, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"RMB"	:	Reminbi, the lawful currency of the PRC
"Shareholders"	:	the shareholders of the Company
"Stock Exchange"	:	The Stock Exchange of Hong Kong Limited

By order of the Board
Lingbao Gold Company Ltd.
Xu Gaoming
Chairman

Henan, the PRC, 20 October 2010

As at the date of this announcement, the Board comprises six executive directors, namely Mr. Xu Gaoming, Mr. Jin Guangcai, Mr. Lu Xiaozhao, Mr. Liu Pengfei, Mr. Zhang Guo and Mr. He Chengqun; one non-executive director, namely Mr. Wang Yumin; and four independent non-executive directors, namely Mr. Niu Zhongjie, Mr. Wang Han, Mr. Yan Wanpeng and Ms. Du Liping.