
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Lingbao Gold Company Ltd.**, you should at once hand this circular and the accompanying form of proxy and the reply slip to the purchaser or transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

PROPOSED ISSUANCE OF MEDIUM TERM NOTE

A letter from the Board is set out on pages 2 to 4 of this Circular.

A notice convening the EGM to be held at 2nd floor of the registered office of the Company at Xin Village, Yin Zhuang Town, Daonan Industrial Area, Lingbao, Henan, the PRC on Wednesday, 15 December 2010 at 10:00 a.m. is set out on pages 5 to 6 of this circular. A reply slip and a form of proxy are also enclosed. Whether or not you are able to attend and/or vote at the EGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon. In order to be valid, the proxy form must be deposited by hand and by post, for holders of H Shares of the Company, to the H share registrar of the Company, Computershare Hong Kong Investor Services Limited at Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong and, for holders of domestic shares of the Company, to the registered address of the Company not less than 24 hours before the time for holding the meeting or not less than 24 hours before the time appointed for taking the poll. If the proxy form is signed by a person under a power of attorney or other authority, a notarially certified copy of that power of attorney or authority shall be deposited at the same time as mentioned in the proxy form. Completion and return of the proxy form will not preclude you from subsequently attending and voting at the EGM or any adjournment thereof (as the case may be) if you so wish.

29 October 2010

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	2
Notice of Extraordinary General Meeting	5

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings respectively:

“Articles”	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 Shareholders to be held on Wednesday, 15 December 2010
“H Shares”	overseas listed foreign shares in the ordinary share capital of the Company, with a nominal value of RMB0.20 each, which are listed on the Stock Exchange
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China, excluding, for the purpose of this circular only, the Hong Kong Special Administrative Region, the Macau Special Administrative Region, and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	the holder(s) of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

LETTER FROM THE BOARD



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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)

Executive Directors:

Mr. Xu Gaoming
Mr. Jin Guangcai
Mr. Lu Xiaozhao
Mr. Liu Pengfei
Mr. Zhang Guo
Mr. He Chengqun

Registered office:

Xin Village
Yinzhuang Town
Daonan Industrial Area
Lingbao
Henan
The PRC

Non-executive Director:

Mr. Wang Yumin

*Principal place of business
in Hong Kong:*

Room 1902
MassMutual Tower
38 Gloucester Road
Wanchai
Hong Kong

Independent Non-executive Directors:

Mr. Niu Zhongjie
Mr. Wang Han
Mr. Yan Wanpeng
Ms. Du Liping

29 October 2010

To the Shareholders

Dear Sir or Madam,

PROPOSED ISSUANCE OF MEDIUM TERM NOTE

A. INTRODUCTION

Reference is made to the announcement dated 20 October 2010 whereby the Board proposes to ask the Shareholders to consider, authorize and approve a medium term note proposed to be issued by the Company.

The purpose of this circular is to give you details of, among other things, the proposed issuance of the Company's medium term note in order to enable you to make an informed decision on the proposed resolution at the EGM.

LETTER FROM THE BOARD

B. PROPOSED ISSUE OF 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.

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.

C. THE EGM

A notice convening the EGM to be held at 2nd floor of the registered office of the Company at Xin Village, Yinzhuang Town, Daonan Industrial Area, Lingbao, Henan, the PRC on Wednesday, 15 December 2010 at 10:00 a.m. is set out on pages 5 to 6 of this circular.

A reply slip and a form of proxy are also enclosed.

Whether or not you are able to attend and/or vote at the EGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon. In order to be valid, the proxy form must be deposited by hand or post, for holders of H Shares of the Company, to the H shares registrar of the Company, Computershare Hong Kong Investor Services Limited, Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong and, for holders of domestic shares of the Company, to the registered address of the Company not less than 24 hours before the time for holding the EGM or not less than 24 hours before the time appointed for taking the poll. If the proxy form is signed by a person under a power of attorney or other authority, a notarially certified copy of that power of attorney or authority shall be deposited at the same time as mentioned in the proxy form. Completion and return of the proxy form will not preclude you from subsequently attending and voting in person at the EGM or any adjournment thereof (as the case may be) should you so wish.

If you intend to attend the EGM in person or by proxy, you are requested to complete the accompanying reply slip. In order to be valid, the completed and signed reply slip shall be

LETTER FROM THE BOARD

delivered to the H shares registrar of the Company, Computershare Hong Kong Investor Services Limited at Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares) or to the Company's registered office address at Xin Village, Yinzhuang Town, Daonan Industrial Area, Lingbao, Henan, the PRC (for holders of domestic shares) on or before Thursday, 25 November 2010. This reply slip may be delivered to Computershare Hong Kong Investor Services Limited or the Company by hand or by post.

D. PROCEDURE FOR DEMANDING A POLL

Pursuant to Article 84 of the articles of association of the Company, a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded by:

- (i) the chairman of the meeting;
- (ii) at least two Shareholders present in person or by proxy for the time being entitled to vote at the meeting; or
- (iii) any Shareholder or Shareholders present in person or by proxy and representing one-tenth or more of the total voting rights of all Shareholders having the right to vote at the meeting.

Unless a poll is duly demanded and the demand is not withdrawn, a declaration by the chairman that a resolution has been passed and an entry to that effect made in the minute book of the Company, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against the resolution.

E. RECOMMENDATION

The Directors consider that the proposed issuance of medium term note is in the best interests of the Company and its Shareholders as a whole and accordingly, the Directors recommend all Shareholders to vote in favour of the resolution which will be proposed at the EGM.

Yours faithfully,
For and on behalf of the Board of Directors
Lingbao Gold Company Ltd.
Xu Gaoming
Chairman

NOTICE OF EXTRAORDINARY GENERAL MEETING



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)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (“EGM”) of Lingbao Gold Company Ltd. (“Company”) will be held at 2nd floor of the registered office of the Company at Xin Village, Yinhuang Town, Daonan Industrial Area, Lingbao, Henan, the People’s Republic of China (“PRC”) on Wednesday, 15 December 2010 at 10:00 a.m. to consider and, if thought fit, approve the following resolution by way of special resolution:

“THAT:

- (1) the Company be authorized to issue medium term note (“Medium Term Note”) in the PRC with a principal amount of up to RMB700,000,000 for a period of five years;
- (2) the Chairman (the “Chairman”) of the board of directors of the Company (the “Board”) or any person authorized by the Chairman 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; and
- (3) the Board be authorized to execute all necessary documents, to conduct appropriate information disclosures and/or to do all such things and acts as are considered necessary or expedient and in the interests of the Company for the purpose of effecting or otherwise in connection with its proposed Medium Term Note issue or any matter incidental thereto.”

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

Henan, the PRC, 29 October 2010

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. The register of members of the Company will be closed from Tuesday, 16 November 2010 to Wednesday, 15 December 2010 (both days inclusive), during which period no transfer of shares can be registered. In order to qualify for attending the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's H shares registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H shares) or the registered office address of the Company (for holders of domestic shares), no later than 4:30 p.m. on Monday, 15 November 2010.
2. Holders of domestic shares and H shares whose names appear on the H share register of members of the Company at the close of business on Tuesday, 16 November 2010 are entitled to attend and vote at the EGM and may appoint one or more proxies to attend and, in the event of a poll, vote on their behalves. A proxy need not be a member of the Company.
3. In order to be valid, the proxy form must be deposited by hand or post, for holders of H shares of the Company, to the H shares registrar of the Company, Computershare Hong Kong Investor Services Limited, Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong and, for holders of domestic shares of the Company, to the registered address of the Company not less than 24 hours before the time for holding the meeting or not less than 24 hours before the time appointed for taking the poll. If the proxy form is signed by a person under a power of attorney or other authority, a notarially certified copy of that power of attorney or authority shall be deposited at the same time as mentioned in the proxy form.
4. Shareholders or their proxies shall produce their identity documents when attending the EGM.
5. Shareholder who intends to attend the EGM should complete and return the reply slip and return it by hand or by post to the share registrar of the Company (for holders of H shares) or to the registered office address of the Company (for holders of domestic shares) on or before Thursday, 25 November 2010.
6. The registered office address and contact information of the Company are as follows:

Xin Village
Yinzhuang Town
Daonan Industrial Area
Lingbao
Henan
The People's Republic of China
Tel: 86 398 8862220
Fax: 86 398 8860166
7. The EGM is expected to be held for less than half a day. Shareholders attending the EGM shall bear their own travelling and accommodation expenses.
8. As at the date of this notice, 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.