

CHARTER OF “TUNSHAN XIANGDONG”

LIMITED LIABILITY COMPANY

1. GENERAL

1.1 **Tunshan Xiangdong Limited Liability Company ("LLC")** (the "**Company**"), is an entity performing business for the purpose of generating profits in accordance with its business targets set out in this Charter (this charter shall be amended and restated consistently). In its activities, the Company shall be governed by the Civil Code and the Company Law of Mongolia as well as by other Applicable Laws of Mongolia.

1.2 The following persons are the shareholders of the company:

- Genuine Success Global Limited, limited liability company of British Virgin Islands (Registration No: 1824657);

2. LEGAL STATUS OF THE COMPANY

2.1 The name of the Company:

In Mongolian - “Туншан Шиандон” ХХК, and

In English - “Tunshan Xiangdong” LLC

2.2 The official address and principal place of business of the Company shall continue to be:

Suite 9-78, Apartment No 22, Zamchin Street, 1st khoroo, Bayangol district, Ulaanbaatar city, Mongolia. Phone number: 95210188

2.3 The Company must inform the Legal Entity Registration Office and any other relevant authorities of any change in the address of its principal place of business.

2.4 The Company shall continue to be a for-profit legal entity under Applicable Laws.

2.5 The form of the Company shall continue to be a limited liability company with foreign investment. To the extent permitted under Applicable Laws, the Shareholder shall not be liable for the obligations of the Company and shall not be obliged to contribute to the losses and liabilities of the Company.

2.6 The Company may establish its branch or representative office in Mongolia or abroad by the resolution of Shareholders' Meeting.

2.7 The Company shall continue to use its current corporate seal and a letterhead with its official logo approved by the Shareholders' Meeting.

3. SCOPE OF ACTIVITIES AND TERM OF EXISTENCE

3.1 The Company shall continue to conduct the following types of business and shall continue to exercise rights and incur obligations necessary to conduct such activities:

- a. ***Foreign Trading***
- b. ***Mining exploration***

3.2 The Company may conduct other business activities requiring special license, subject to the approval of the relevant authorities.

3.3 The Company has had a separate legal existence starting from the Registration Date.

3.4 The Company shall carry on its activities for indefinite period.

4. EQUITY, SHARES AND OTHER SECURITIES OF THE COMPANY

4.1 Equity and Assets of the Company

- a) At the Registration Date, the amount of the Company's Equity of the Company was in the amount of *three hundred sixty million Mongolian Tugrugs (360,000,000 MNT)*.
- b) Assets of the Company shall refer to the amount of equity shown on the annual balance sheet of the Company and it shall not be less than the amount of Company's Equity.
- c) If the amount of Assets of the Company shown on the annual balance sheet of the Company for any fiscal year is less than the Company's Equity, the executive director must call a Shareholders' Meeting to authorize a capital raising or liquidation of the Company within thirty (30) working days.
- d) If the Shareholder fails to take such action, any shareholder or creditor of the Company may apply to a competent court in Mongolia for liquidation of the Company.

4.2 Authorized and Issued Shares

- a) The Company has a total of 3600 (three thousand six hundred) authorized common shares with a par value of MNT 100,000 per share
- b) Each common share is entitled to one vote.
- c) Each common share is indivisible and is registered under the name of the Shareholder.
- d) The quantity and par value of the Shares may be increased from time to time and a resolution to issue authorized common shares lies within the authority of the Shareholder. Such resolution shall specify the type and number of such securities and the terms and conditions of their issuance.
- e) The Company may not issue common shares for a price lower than their par value.
- f) The Shareholder may pay for the securities issued by the Company in cash, securities, property or property rights. If the Shareholder proposes to pay the Owner's Equity in

a non-monetary form, the Shareholder may request an evaluation agency or other qualified experts to appraise the value of such non-monetary payment.

4.3 Securities Other Than Common Shares

The Company may issue securities other than common shares (including, without limitation, preferred shares, securities convertible into shares, options and bonds) in accordance with Applicable Laws and subject to the terms and conditions determined by the Shareholders' Meeting.

4.4 Redemption and Re-Purchase of the Company's Securities

The Company may re-purchase or redeem its securities in accordance with the provisions of the Company Law.

4.5 Shareholders' Register

- a) The Company shall continue to maintain the Shareholders' Register in accordance with Applicable Laws.
- b) The Shareholders' Register includes:
 - i. the full name and address of the Shareholder;
 - ii. the number and class of securities held by the Shareholder;
 - iii. a record of the number of securities transferred by the Shareholder;
 - iv. the name of the transferee of any such securities; and
 - v. any other pertinent information.
- c) The Shareholder must inform the Company in a timely manner of any changes in the Shareholder's name, address and the number of securities issued by the Company that are held by the Shareholder.
- d) Upon the request of the Shareholder, the Company must certify the information with respect to the Shareholder that is in the Shareholders' Register. Any such certificate shall not be deemed to be a security.

4.6 Securities Certificates

The Company may issue a securities certificate to the Shareholder to certify the number of securities held by the Shareholder and the rights of the Shareholder with respect to such securities. If the Company does not issue a securities certificate, it must, upon the request of the Shareholder, give the Shareholder a document evidencing the rights of the Shareholder with respect to the securities it holds.

5. COMPANY SHAREHOLDER'S AND THEIR SHARES

- 5.1 Shareholders will own the shares by the following:

№	Shareholder Name	Issued Shares				Percentage
		Number of Shares	Par Value			
			/MNT/			
		Par Value	Total			
1	Genuine Success Global Limited Co. Ltd	3600	100,000	360,000,000	100%	

6. PAYMENTS OF DIVIDENDS AND DISPOSITION OF COMPANY PROPERTY

6.1 A decision on whether to pay dividends, and if so, the amount, nature and timing of the payment of such dividends, lies within the exclusive authority of the Shareholder.

6.2 Dividends may be paid in cash, property, securities of the Company or in securities of another person.

6.3 If the Shareholder sells or transfers its shares in the Company after the dividend record date but prior to the dividend payment date, the Shareholder shall be entitled to receive the relevant dividend with respect to such shares.

6.4 If a resolution to pay a dividend is adopted, the Company must pay the dividend on the dividend payment date. If the dividend is not paid on such date, upon the demand of the Shareholder, the Company must pay a fine to the Shareholder as provided in the Civil Code, and the CEO must reimburse the Company for such fine and any losses attributable to the payment of such fine.

6.5 The Company may pay dividends with respect to its common shares if the following three (3) conditions are met:

- a) after payment of such dividends, the Company will be solvent;
- b) after payment of such dividends, the Owner's Equity will exceed the sum of:
 - i. the statutory minimum amount of Owner's Equity under Applicable Laws;
 - ii. the accrued but unpaid dividends with respect to the preferred shares in the Company (if any); and
 - iii. the liquidation value of the preferred shares in the Company (if any);
- c) the Company has redeemed all the shares that it is obligated to redeem.

6.6 The Company may not pay dividends with respect to redeemed shares.

6.7 If, as a result of a dividend payment, the Owner's Equity is reduced more than twenty-five percent (25%), the Company must notify its creditors in writing of the amount of its Owners Equity within fifteen (15) Working Days following the date of the dividend payment.

6.8 The Company may not dispose of any of its property or property rights at less than market value if, as a result of such disposition, the Owner's Equity would be reduced to less than the minimum amount required under Applicable Laws, or the Company would become insolvent.

7. SHAREHOLDERS' MEETING

7.1 The Shareholder shall be the highest governing authority of the Company and shall exercise the authority of a Shareholders' Meeting.

7.2 A Shareholders' Meeting may be either regular or special.

7.3 A regular Shareholders' Meeting must be called and held within four (4) months following the end of each fiscal year of the Company.

7.4 A special Shareholders' Meeting may be convened by the CEO by adopting a resolution to that effect in accordance with Applicable Laws.

7.5 The procedures for a Shareholders' Meeting shall be undertaken in accordance with the Company Law.

7.6 The Shareholder shall have the exclusive authority to consider and decide the following matters:

- (a) amendment to this Charter or the adoption of a new charter;
- (b) reorganization of the Company by consolidation, merger, division or transformation;
- (c) exchange of the Company's debts for shares;
- (d) liquidation of the Company and appointment of a liquidation committee;
- (e) split or consolidation of the Company's shares;
- (f) approval of any acquisitions of its own shares by the Company pursuant to the Company Law;
- (g) approval of the salary and bonuses to be paid to the CEO;
- (h) consideration and approval of reports prepared by the CEO with respect to the Company's annual operations and financial statements;
- (i) determination of the amount of dividends and the procedures for their payment;

(j) other matters required to be submitted to the Shareholder for approval as provided in the Company Law; and

(k) other matters proposed for consideration by the Shareholder or the CEO.

7.7 The Shareholder may exercise its authority either in person or through a representative, who shall act on the basis of a written power of attorney issued pursuant to the requirements of the Civil Code. Such power of attorney shall only be valid for a specific meeting but, if such meeting is postponed and the agenda remains the same, the power of attorney shall remain valid for use at the postponed meeting.

8. CHIEF EXECUTIVE OFFICER /CEO/

8.1. The executive management of the Company shall be exercised by CEO of the Company. The CEO shall manage the day-to-day activities of the Company. The CEO shall be appointed and removed at a Shareholders' meeting only.

8.2. The CEO shall decide in all matters within the authority of the executive management other than those pertaining to that of the Shareholder independently, by way of one-man management.

8.3. The CEO shall have the authority to represent the Company in Mongolia and abroad, enter into transactions on its behalf, including contracts of employment, participate in court and arbitration hearings, sign financial documents, open bank accounts, grant powers of attorney, issue orders and perform all actions that fall within the authority of the executive management.

8.4. In issuing warranties and pledging the Company's assets in favor of third party, the CEO shall follow the Shareholders' Meeting decision. The CEO shall dispose the Company's assets only at the Shareholder's decision.

8.5. The CEO may delegate tasks that pertain to his authority to the Deputy CEO or Senior Manager under a power of attorney or an order. In such case the Deputy CEO or Senior Manager shall be responsible for his actions to the CEO.

9. AUTHORIZED PERSONS

9.1. Company's Shareholders' Meeting and the CEO, Chief Accountant, and other senior executive officers of the Company shall be the authorized persons of the Company.

9.2. General Liabilities

- a) An Authorized Person must fulfill its/his/her duties as determined under this Charter and the Internal Rules of Procedures and must act in good faith and in the Company's interest.

- b) An Authorized Person must make decisions in good faith and in the Company's interest. In case the decision might cause conflict of interest, he/she shall send notice to Shareholders' Meeting.
- c) An Authorized Person may not use the Company's confidential information to advance its/his/her personal interests and may not disclose such information to any third party unless permitted by the Shareholders' Meeting.
- d) An Authorized Person shall be liable to the Company for any loss caused to the Company by its/his/her unlawful actions, unless otherwise provided under Applicable Laws.
- e) The liability of an Authorized Person shall be determined based on the duties of such Authorized Person as stated in the contract between such Authorized Person and the Shareholder and in the Internal Rules of Procedures.
- f) If more than one Authorized Person is determined to be liable to the Company pursuant to this Article 10.1, such Authorized Persons shall be jointly liable.

9.3. **Personal Liabilities**

- a) A Authorized Person shall be personally liable for any loss caused to the Company, the Shareholder or the creditors of the Company if such Authorized Person has intentionally committed any of the following unlawful acts:
 - i. conducting business in the name of the Company for its/his/her personal benefit;
 - ii. giving false information to the Shareholder, the creditors of the Company or other persons having business dealings with the Company;
 - iii. failing to disclose that such Authorized Person is an Affiliated Person of the Company in accordance with Article 99 of the Company Law;
 - iv. failing to keep the documents of the Company secure as required under Article 97 of the Company Law;
 - v. violating the principles stated in Article 9.2 (a);
 - vi. failing to comply with the prescribed requirements with respect to the payment of dividends by the Company or the acquisition or redemption of shares by the Company; or
 - vii. failing to comply with the limitations regarding the disposition of the Company's property as stipulated in the contract between such Authorized Person and the Shareholder, in this Charter, or in Articles 46, 47, 48 and 52 of the Company Law.
- b) The liabilities provided for in this Article 9.2 may be imposed in addition to any liabilities imposed pursuant to other provisions of any Applicable Laws.

10. **FINANCIAL CONTROLS**

10.1. Accounting Books and Reports

- a) The Company must maintain financial accounting books and records and prepare financial statements for submission to the Shareholder and other authorized persons in accordance with Applicable Laws.
- b) The Company has adopted the calendar year as its fiscal year, which begins on January 1 and ends on December 31 of the same year, except that the first fiscal year of the Company shall be deemed to have commenced on the Registration Date and shall be deemed to have ended on the immediately succeeding December 31.
- c) The CEO has the responsibility for the accuracy of the accounting books and financial statements prepared by the Company.

10.2. Financial Statements and Annual Reports

- a) The financial statements of the Company must include:
 - i. balance sheet;
 - ii. profit and loss statement;
 - iii. cash flow statement;
 - iv. statement of retained earnings;
 - v. list of all conflict-of-interest transactions concluded during the relevant period, with a description of the type of each such transaction and the amount of money involved; and
 - vi. appropriate explanatory note.

10.3 Safekeeping of the Company's Documents

- a) The Company must keep the following documents:
 - i. this Charter, amendments to the Charter and resolutions with respect to the founding of the Company, and the Company's certificate of registration;
 - ii. resolutions adopted by the CEO and resolutions adopted by the Shareholder;
 - iii. rules of procedure of the Company's branches and representative offices;
 - iv. documents evidencing the ownership of the Company's property and property rights as shown in its balance sheet;
 - v. minutes of Shareholders' Meetings and orders and resolutions of the CEO;
 - vi. annual financial statements and reports on the business operations of the Company; (vii) resolutions with respect to the issuance of common shares and other securities;
 - vii. bookkeeping and accounting records of the Company;
 - viii. list of the Affiliated Persons of the Company, with a statement of the number and class of the Company's shares held by each of them; and
 - ix. other documents required by the Company Law.
- b) The Company must keep the documents specified in this Article 10.3 at its principal place of business or at such other place that is disclosed to, and reasonably accessible by, the Shareholder.

- c) The Company must keep this Charter, and its amendments during the Company's existence. The Company must keep all other documents specified in this Article 10.3 for at least five (5) years and may thereafter transfer such documents to archives.
- d) The CEO shall be responsible for safekeeping the documents specified in this Article 10.3, providing access to such documents by authorized persons, and transferring such documents to archives. The CEO shall be personally responsible for preparing and coordinating the handling of the Company's documents.

10.4 The Chief Accountant shall have the following duties:

- a) to record the Company's capital, profits and expenditures in an accurate and professional manner;
- b) to prepare regular (annual and quarterly) financial reports and statements of the Company in conformity with the accounting laws and regulations of Mongolia and with the consideration of customary international practices and standards;
- c) to have the right to pay the Company's capital expenses if authorized by the CEO; and
- d) to be accountable to the CEO and the Shareholders on all financial transactions and the state of finances of the Company.

10.5 Disclosure of Information

- a) The Company must make accessible to the Shareholder at the Shareholder's request any documents other than the Company's bookkeeping and accounting records and the resolutions and decisions adopted by the CEO, and the Company must allow the Shareholder to copy such information upon payment of a reasonable fee, provided that the Company shall not be required to give the Shareholder access to any documents of the Company that are prohibited to be disclosed under Applicable Laws (if any).
- b) The Shareholder may request that the Company provide it with a list of the names and addresses of the holders of the Company's common shares and the number of shares held by each such holder. The CEO, or any entity authorized to maintain the Shareholders' Register, must prepare such list as of the date of the request and must provide such list to the Shareholder within five (5) Working Days following such date. The Shareholder shall be responsible for all costs incurred in connection with the preparation of such list.

11. INTERNAL RULES OF PROCEDURE

- 11.1. The Shareholders' Meeting may formulate Internal Rules of Procedure governing matters such as the activities of the CEO, the duties of authorized Persons and other matters as may be required by the Company's business activities or internal management needs.
- 11.2. The Internal Rules of Procedure shall come into force on the date of adoption by the Company (by resolution of the Shareholders' Meeting).

12. REORGANIZATION AND LIQUIDATION

12.1 The Company may be reorganized by consolidation, merger, division, separation or transformation in accordance with Applicable Laws.

12.2 The Shareholders' Meeting may adopt a resolution to propose the liquidation of the Company and submit such resolution to the Shareholder for consideration. Such resolution must include provisions on the appointment of a liquidation commission and the procedures and timing for the liquidation.

12.3 The Company may be liquidated by a resolution of the Shareholder made at any time.

12.4 The Company must submit any decision to suspend or terminate its operations to the LERO within fourteen (14) days of the issuance of such decision.

12.5 Upon appointment of the liquidation commission, the authority of the CEO shall terminate and such authority shall be transferred to the liquidation commission. The liquidation commission shall represent the Company in all judicial and administrative proceedings.

12.6 The liquidation commission shall complete the procedures for the satisfaction of the claims of creditors and for distribution of the Company's remaining assets in accordance with the resolution adopted by the Shareholder and the provisions of the Civil Code, the Company Law, Investment Law and other Applicable Laws.

12.7 After distribution of the assets of the Company, the liquidation commission must notify the LERO of the termination of the Company and submit to the LERO a copy of the final liquidation balance sheet.

12.8 The Company shall be deemed to be liquidated at the date on which the LERO removes the name of the Company from the State registry.

13. APPLICABLE LAWS

13.1 The validity, interpretation, performance, amendment and termination of this Charter shall be governed by and construed in accordance with Applicable Laws.

14. MISCELLANEOUS

14.1 Language

This Charter is executed in the Mongolian and English languages in five (5) originals. In the event of any inconsistency between the versions of this Charter in the Mongolian and English languages, or any dispute relating to construction certain provisions in the versions of this Charter in the Mongolian and English languages, the English language version shall prevail.

14.2 Effective Date

This Charter shall become effective upon registration with the Legal Entity's Registration Office.

14.3 Amendments

Amendments to this Charter or the adoption of a new version of this Charter must be approved by the Shareholder. The Company must register such amendments or the new version with the LERO in accordance with the procedures specified under Applicable Laws within ten (10) Working Days following the date of the adoption of the Shareholder's resolution to amend this Charter or to adopt a new version of this Charter. Amendments to this Charter or the adoption of a new version of this Charter shall become effective upon registration with the LERO.

14.4 Conflicts with Applicable Laws

To the extent this Charter conflicts or is inconsistent with Applicable Laws in force for the time being, the provisions of Applicable Laws shall prevail.

IN WITNESS HEREOF, the Shareholder has caused this Charter to be executed by its duly authorized representative on the date first set forth above.

SHAREHOLDERS OF TUNSHAN XIANGDONG LLC:

"Chan Wing Che"
"Genuine Success Global Limited" Co.Ltd,
represented by Chan Wing Che, director