SINO CONSTRUCTION LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 200613299H)

(A) RESPONSES TO QUERIES RAISED BY THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ON 24 JUNE 2014 WITH RESPECT TO THE COMPANY'S ANNOUNCEMENTS ON 30 APRIL 2014 ON THE ACQUISITION OF 19.9% OF RENAISSANCE ENTERPRISES S.A. AND ON 6 JUNE 2014 ON THE ACQUISITION OF 51% OF SIGNET COKING COAL INTERNATIONAL LIMITED; AND

(B) DIRECTION BY THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED FOR THE COMPANY TO OBTAIN SHAREHOLDERS' APPROVAL FOR THE ACQUISITION OF 51% OF SIGNET COKING COAL INTERNATIONAL LIMITED

The Board of Directors ("**Board**") of Sino Construction Limited (the "**Company**" and together with its subsidiaries the "**Group**") wishes to announce the following:-

(A) Response to Queries

The Company would like to respond to the following queries raised by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 24 June 2014 with respect to the Company's announcements on 30 April 2014 on the acquisition of 19.9% of Renaissance Enterprises S.A.; and on 6 June 2014 on the acquisition of 51% of Signet Coking Coal International Limited. Unless otherwise defined herein, terms defined in such announcements shall have the same definitions herein.

(1) For each of the Universal Annex, Mopane, Tshipise II and The Duel projects, please provide the following details:

(i) Details on the specific terms and conditions of the rights and concessions granted and the grantor of the rights;

For each of the Universal Annex, Mopane, Tshipise II and The Duel projects, the grantor of the rights is the State (i.e. the Republic of South Africa). The particular rights in question are "Prospecting Rights" which have been granted in terms of section 17 (1) of the Mineral and Petroleum Resources Development Act, 2002 (Act 28 of 2002). Section 17 (1) is simply permissive – and specifies the circumstances in which the Minister (of Minerals and Energy) will grant a Prospecting Right. The right itself entitles, in broad terms, the holder thereof to "prospect" which the Act defines as "intentionally searching for any mineral by means of any method." The Prospecting Right is granted in respect of a "prospecting area", which means the area of land subject to the right. That area is specifically delineated in the Prospecting Right.

Generally, all of these rights are issued on standard wording, which is wide and generic in its terms. The Prospecting Rights are standard in their wording, i.e. record that the State is the grantor of the right; deals with the granting of the right – the Prospecting Area is identified, the right is granted, and the time period for which the right will be applicable is specified; that the rights can only be amended by the State and that prospecting fees are due; the manner in which the rights are to be exercised and with the hypothecation of the rights; how the State may inspect the working area and cancel the right if the holder is in breach; and how the holder must run its affairs.

(ii) Whether the terms and conditions of the rights and concessions have been fully complied with;

The terms and conditions of the Prospecting Rights have been complied with – and in recent communications with the Department of Mineral Resources in terms whereof the Department has confirmed such compliance.

(iii) The validity period of the prospecting rights of each project;

Both of the Prospecting Rights commenced on 7 November 2007, and were valid (in respect of their 1st period of grant) for 5 years – until 6 November 2012. Both rights are entitled to be extended for a further three-year period – effective from the date of the actual renewal. Applications for the renewable of both rights (in terms of section 18 of the Act) were submitted to the Department during October 2012, and the Department has acknowledged receipt of those applications. In addition, the Department has inspected the prospecting work undertaken to date, and has notified its satisfaction therewith. The renewal applications are, for the time being, in process. When the formal renewal letters are issued (and which is anticipated to be imminent) the rights will be renewed for a period of 3 years, commencing on the date of the issue of the renewal letter – in other words, the prospecting rights will be valid until at least 2017.

As for the extraordinary delay in the processing of the renewal applications – that is pretty much standard practice as well: the Department takes a very long time to process the administrative steps required in terms of the Act. However, once the application has been submitted for the renewal of the rights, the effect of the renewal application is to extend (automatically) the duration of the Prospecting Right.

(iv) Whether there is a minimum exploration programme / commitment / investment associated with each of the prospecting rights;

There is no minimum exploration programme / commitment / investment associated with each of the Prospecting Rights.

In practice what will happen is, if the holder of a Prospecting Right does not undertake any prospecting activities, the right will lapse and will be forfeited.

There is, however, a specified commitment in respect of rehabilitation after prospecting work has taken place. The application for a Prospecting Right is submitted with an indemnity in favour of the State in respect of such rehabilitation work. Both the Prospecting Rights in question have been granted, and the indemnities have been given (and remain valid and enforceable.)

(v) Clarification whether the prospecting rights allows for exploration, development and production of coking coal or is it restricted to exploration phase only;

The Prospecting Rights relate only to prospecting.

In order to mine, the holder of a Prospecting Right must apply for a "Mining Right" in terms of Section 22 of the Act. in doing so, the holder of a valid Prospecting Right (i.e. in this instance Subiflex and Exotic) have the prior ranking entitlement (in favour of anyone else) to apply for such Mining Right – in other words, only the holder of the Prospecting Right can apply for a mining right.

A Mining Right works like a Prospecting Right, other than that it allows the holder to "mine" – which is defined as "any operation or activity for the purposes of winning any mineral on, in or under the earth, water or any residue deposit, whether by underground or open working or otherwise and includes any operation or activity incidental thereto."

The process from here on will be that, once the prospecting activities have been completed in terms of the Prospecting Right, application will be made for the grant of a Mining Right. The Minister is obliged to grant the Mining Right, provided that the applicant is the holder of a valid Prospecting Right, and not in breach of any of its provisions.

(vi) Details of the reserves and resources, Independent Qualified Person (IQP) and technical reports of each of the coal project:

Please see following attached technical reports:

- **"INITIAL EXPLORATION ACTIVITIES REVIEW (SIGNET COKING COAL INTERNATIONAL LIMITED) - 17th September 2012"**
- **"PROSPECTIVITY FOR COKING COAL: UNIVERSAL ANNEX and MOPANE PROJECTS in the MOPANE SECTOR of the SOUTPANSBERG COALFIELD - 14th February 2014"**
- **"PROSPECTIVITY FOR COKING COAL: TSHIPISE 2 PROJECT in the TSHIPISE SECTOR of the SOUTPANSBERG COALFIELD - 3rd March 2012"**

(vii) The cost of developing the projects at each of the various stages until commencement of production and respective timelines of the various stages:

The budgets and indicative timelines for the THE DUEL and TSHIPISE 2 projects (which the Signet Group would initially focus on) are as follows:-

Budgets and process

THE DUEL Project

Phase One

- Infill JORC "Multiple resource delineation" program at The Duel 186 MT (+/- 34 holes at 280m average depth, on a minimum 250m x 250m grid).
- Drill Rig(s) Mobilisation & Demobilisation.
- Coking coal analysis of core samples.
- Remote site transportation.
- Correlation of all data, Competent Persons and Competent Valuers Reports.
- Onsite Geo Co-ordination Fee for drilling program.
- External Project Management (Onsite Contract Technical Director).
- 3D Mine Planning (Potential Variants).
- Rehabilitation of drilling area.

Phase Two

- Mining Right Application lodgment.
- Bankable Feasibility Study.
- Large Diameter Borehole Program.
- Coke Oven Tests.
- Infrastructure & Plant Design.
- Logistic Plan.
- Operational Study (+/-20%).
- Operational Finalisation (Independent Audit).

- Local Community Initiative Program.

TOTAL: US$8,913,450

TSHIPISE 2 Project

- SAMREC/JORC "Indicated delineation" program at farms Beatrice & Protea (102 holes at 250m average depth, on a 500m x 500m grid)
- Coking coal analysis of core samples.
- Correlation of all data, Competent Persons and Competent Valuers Reports.
- Large Diameter Borehole Program.
- Coke Oven Tests.
- Infrastructure & Plant Design.
- Logistic Plan.
- Operational Study (+/-20%).
- Operational Finalisation (Independent Audit).
- 3D Mine Planning (Potential Variants).
- Rehabilitation of drilling area.

TOTAL US$9,670,600

INDICATIVE DEVELOPMENT TIMELINE – After Capital Funding

THE DUEL Project

o Drilling	95 days
o Coking Coal analysis (from last completed borehole)	65 days
o All SAMREC/JORC Competent Persons & Valuers Reports (from return of analysis)	70 days
	230days

TSHIPISE 2 Project

o Drilling	186 days
o Coking Coal analysis (from last completed borehole)	65 days
o All SAMREC/JORC Competent Persons & Valuers Reports (from return of analysis)	70 days
	321 days

FOLLOW ON PROCESSES

o Definitive Feasibility Study (DFS)	12 months
o Mining Right Application & Submission	6 months

(viii) Details of the operator of each of the project, their expertise and track record and the key terms of the operating agreement.

Mr. Rupert Smith (Chief Executive Officer)

- Extensive international and regional law experience in resources, as well as cross border merger and acquisitions, mining and corporate law.
- Rupert has most recently been a Director at Beacon Rock Corporate Services; the service company that provided internal support to JSE listed Optimum Coal in South Africa.
- A member of the Executive Board of Optimum Coal.
- 30 years' experience in legal practice and was a Partner at Deneys Reitz (Norton Rose) and co-founder of Tabacks, a major mining law firm in South Africa.

Mr. Drew Madacsi (Chief Operating Officer)

- 4th Generation mining family, with core specialty in Exploration and Due Diligence.
- Primary focus on coking coal extraction & recovery methods.
- Extensive corporate experience throughout Asia, Africa and North America.
- Director of Lighthouse Strategic Group, a Hong Kong based mineral acquisition firm.

Mr. Surprise Nefolovhodwe (BEE Partner & Director)

- Family has direct royal bloodline (Mr. Nefolovhodwe's grandfather was the previous King) to Venda tribes of the area.
- Director of multiple Prospecting companies across South Africa.
- Extensive exploration experience in Coal.

Mr. Peet Meyer (Consulting Coking Coal Geologist)

- Geologist with over 20 years of experience, having previously worked as Group Geologist, Chief Geologist and Senior Operations Geologist for firms Anglo American, BHP Billiton and Total Coal of South Africa.
- Extensive exploration and operational knowledge of coking coalfields in South Africa, Mozambique, Zimbabwe and Botswana.
- Currently specialising as a coking coal consultant in the evaluation of resources in Southern Africa.

(2) Mr. Drew Madacsi and Mr. Surprise Nefolovhodwe are directors of Exotic and Subiflex, the Project companies. Please provide details of these persons, their working experience and their track record in exploration and mining activities in South Africa.

Please see above.

(3) Please provide details on when did Mr. Drew Madacsi acquired Exotic and Subiflex and details of the track records of Exotic and Subiflex after they were acquired by Mr. Madacsi. In addition, please disclose the paid-up capital of Exotic and Subiflex.

The first acquisition was in May 2011. Both companies are now fully audited entities, with first round exploration completed at The Duel Project.

The paid-up capital of Exotic and Subiflex are ZAR1,000 and ZAR 100 respectively.

(4) Please provide details on the rights and obligations of the Black Economic Empowerment ("BEE") shareholders in each of Exotic and Subiflex, the key terms of any shareholder agreement (if any) and disclose whether the BEE shareholders are passive shareholders.

The applicable South African legislation (the Mineral and Petroleum Resources Development Act) requires that each Prospecting Right is held at least as to 26% by Historically Disadvantaged South Africans; and the shareholding as described herein complies with that requirement.

The BEE shareholder of both Subiflex and Exotic is Mr. Surprise Nefolovhodwe.

Mr. Nefolovhodwe is an active Director of both companies, as well as the Cultural and Community Manager.

He holds 26% of both companies, thereby entitling him to a veto in respect of company matters requiring a greater than simple majority in terms of the South African Companies Act. Typically, these events relate to fundamental corporate restructure (e.g. amending the constitution of the company, issuing shares, incorporating subsidiaries, etc). Apart from that, Mr. Nefolovhodwe has no "minority protections".

The Board of Directors of each company has 5 members, of whom Mr. Nefolovhodwe is entitled to appoint one. The funding provisions in respect of the companies are silent about contributions from Mr. Nefolovhodwe – but in practical terms, he will be a non-contributing shareholder. Loan funding for the company will be introduced by way of loans, so that the funding shareholder will be entitled to return of the funds invested from the 1st cash flows of the company. Mr. Nefolovhodwe will be a passive investor throughout. Finally, there are reciprocal pre-emptive entitlements – shareholders may not sell their shares in the companies without 1st offering them to the other shareholder.

(5) The Company is acquiring 51% of Signet HK. Please confirm if the Vendor, Mr. Drew Madacsi, will continue to hold the remaining 49% interest in Signet HK and provide the key terms of the shareholder agreement between the Company and the 49% partner.

Mr. Madacsi will continue to hold the remaining 49% interest (through the Vendor).

The key terms of the agreement shall be as follows:-

- Each party to appoint 2 Directors to the board of directors of Signet HK. The chairman of the board from time to time shall be appointed by the shareholder who is then the registered and beneficial owner of the majority of the shares in issue. The chairman shall preside at meetings of the board and shall, in the event of an equality of votes cast at any meeting of the board, shall have a second or casting vote.

- A quorum for all shareholders' meetings of Signet HK shall be not less than two (2).The chairperson of a shareholders' meeting shall be a director appointed for that purpose by the shareholder who is the majority shareholder. All decisions of the shareholders shall, subject to the provisions of the companies legislation and certain restricted matters, be taken by a majority of votes exercisable on a poll.

- No decision of the board in relation to certain prescribed matters shall be of any force and effect unless shareholders holding an aggregate of not less than 75% of the total shareholdings in the company shall have agreed in respect of such matters.

- In the event that a shareholder receives an offer from any third party, offering to purchase the shareholding of the selling shareholder or any portion thereof, and the selling shareholder shall give the other shareholders the right of first refusal to buy the shares sought to be sold by the selling shareholder.

- In the event the shareholder holding not less than 51% of the issued share capital of the company shall be entitled to sell the entire of its shareholdings to a third party, the selling shareholder shall be entitled by written notice to drag along the remaining shareholder to shall sell its shareholdings to the same third party at the same price and on the same terms and conditions as the selling shareholder.

- In the event the shareholder holding not less than 51% of the issued share capital of the company shall be entitled to sell the entire of its shareholdings to a third party, the other shareholder shall be entitled to tag along and demand that the selling shareholder procure that such third party shall offer to purchase the other shareholder's shareholdings at the same purchase price and on the same terms and conditions as shall be applicable as between the selling shareholder and such third party.

(6) It was disclosed that "The Duel 186 MT, part of The Duel project, with coking coal qualities meeting world requirements to be deemed as Hard Coking Coal (HCC)." Please provide details to substantiate how the qualities of the Dual Project meet "world requirements".

Two main coking coal publications are used as the benchmark guides to coal quality and tradability - Energy Publishing's "**Methodology and Specifications for Coking Coal Queensland Index (CCQ) and Coking Coal Hampton Roads Index (CCH)**" and Platts "**Methodology and Specifications Guide - Metallurgical Coal**" (please see attached). Energy Publishing also produce: the Australian Coal Report, the China Coal Report, Clean Coal, Coal Americas, Coalfax, Coal & Energy Price Report, From the Coal Face, Indonesian Coal & Power, Inside coal, the Petcoke Report and the U.S. Coal Review.

These publications – some of which have been in existence for almost 30 years - have a well-deserved reputation for their reliability, comprehensiveness and in-depth coverage and understanding of coal market trends and events.

Both publications detail exact specifications for the requirement for certain coals to be determined Hard Coking Coal (HCC). Laboratory results from The Duel project indicate that exploratory coal results show coal with HCC characteristics.

(7) It was announced that "The coal qualities from laboratory composite samples clearly put the likely coal produced at The Dual project to rival (and in some cases exceed) HCC from Queensland, Australia and Mozambique)." Please provide details to substantiate this.

Please see above. Please also see attached "**HCC Comparison Data**", with information coming from public domain publications.

(8) The Company announced that the "potential to produce a premium hard quality coking coal from selective seams is also evident, with selective seams also offering a potentially high fluidity, hard coking coal". Please provide details on whose findings these belong to, the track record of such person and advise any independent verification was carried by an external qualified person to substantiate this.

Independent verification was carried out by Mr. Meyer from PC Meyer Consulting, who has more than 21 years' experience in the South African Coal Industry and holds B.Sc. Hons. (Geology) and M.Sc. (Earth Science Practice and Management) degrees from the University of Pretoria. He is an active member of the Geological Society of South Africa and the Fossil Fuel Foundation.

Mr. Meyer has worked previously as Group Geologist, Chief Geologist and Senior Operations Geologist for firms including Anglo American, Total Coal of SA, BHP Billiton, AMCI Africa and Aquila Resources.

Mr. Meyer has extensive exploration and operational knowledge of the coalfields of Mozambique, South Africa, Zimbabwe and Botswana.

(9) It was announced that for the Duel "The Signet Group has decided to move directly to defining SAMREC/JORC "measured and indicated" category resources and commence the application of a mining right on project." Please provide details on the following:

(i) What is involved in the process of moving "directly to defining SAMREC/JORC" to "measured and indicated" category, the timelines for doing so and disclose when commercial production is expected to commence;

Please see 1(vii) above.

First round production is generally within 18 - 24 months from submission of the required Mining Right Application, completed within 6 months from the receipt of final assay results.

(ii) Data obtained by the Signet Group to support the statement that "The Signet Group has decided to move directly to defining SAMREC/JORC "measured and indicated" category resources and commence the application of a mining right on project"; and

Based on currently exploratory results from The Duel project (see attached **"INITIAL EXPLORATION ACTIVITIES REVIEW (SIGNET COKING COAL INTERNATIONAL LIMITED) - 17th September 2012"**) and from public released data from ASX / JSE listed Coal of Africa Limited (see attached **"Venmyn Deloitte – Independent Specialist Report December 2012"** for the adjacent Coal of Africa Hard Coking Coal project 'Makhado').

(iii) When Signet Group will move to "measured and indicated" category and the cost involved to do so.

Please see 9 (i) above.

(10) The Company announced, "The coal strike within this particular sector of the Soutpansberg Basin has been shown to contain a 30m to 40m thick carbonaceous zone of the Madzaringwe Formation, with potentially six (6) mineable horizons."

(i) Please provide details on the technical report that was undertaken by the Company to confirm this;

Please see attached **"INITIAL EXPLORATION ACTIVITIES REVIEW (SIGNET COKING COAL INTERNATIONAL LIMITED) - 17th September 2012"**

(ii) Advise if there is any independent verification by external qualified persons to substantiate this; and

Independent verification by PC Meyer Consulting.

(iii) Provide details of the resources and reserves in "this particular sector of the Soutpansberg Basin".

Please see attached **"Venmyn Deloitte – Independent Specialist Report December 2012"** for the adjacent Coal of Africa Hard Coking Coal project 'Makhado'.

(11) The Company announced that "the Acquisition was introduced to the Company by Mr Andy Chee". Please provide details on:

(i) How is Andy Chee involved in this acquisition and how was he introduced to the deal; and

Andy Chee is involved in this acquisition as a Director of the Company. He was introduced to the deal by business associates.

(ii) Andy Chee's background with regards to mining companies noting that he also introduced the Company in its acquisition of Signet Coking Coal International Limited.

Andy Chee has extensive legal expertise specialising in corporate finance and capital market transactions, fund management, and private equity and direct investments. In his legal practice, he has also been actively involved in significant projects in the regional emerging markets relating to resources and resources-related investments and acquisitions, and through his work, he has built up a strong network of significant contacts in the resources sector.

(12) It was announced by the Company that the Purchase Consideration is US$21 million and the Company shall also be responsible for funding the prospecting operations of the Signet Group of US$5 million. The US$21 million was arrived at "taking into consideration, inter alia:- (a) The resources of the Projects; (b) The stage of development of the projects; and (c) The rationale referred to in Section 4 below."

(i) Please provide specific data on the "resources of the Projects" to demonstrate how US$21 million was arrived at, particularly noting that Subiflex is loss making with losses of $356K and net liabilities at $356K;

Please attached technical reports referred to in 1(vi) above.

(ii) To disclose the stage of the development that demonstrates the consideration value of US$21 million;

The evaluation of the consideration for the acquisition of Signet HK is based on two valuation propositions:- (a) Project Scarcity; and (b) Potential Gross in Situ resources.

Project Scarcity: The acquisition of the Signet Group allows the Company the lowest cost of entry into one of the three companies that hold viable Hard Coking Coal production opportunities within South Africa. The acquisition of adjacent Hard Coking Coal projects held by JSE / ASX listed Coal of Africa and the only Premium Hard Coking Coal colliery in Africa, held by Exxaro, would require exponentially higher capital investment within the Soutpansberg Coalfield.

Between the three companies, the prime Prospecting Rights above coal bearing Karoo sediment within the coalfield have been secured. The monopoly these three companies have restricts the Company or any other company from accessing the field without investment or acquisition of one of three companies. PC Meyer Consulting has tentatively estimated potential coal resources held by the Signet Group to be in excess of 2 billion tonnes. The Company has based a realistic Project Scarcity valuation of **US$ 0.01 per tonne** on these potential resources, equating to a highly realistic valuation of **US$ 20,000,000.00**

Potential Gross In Situ Resources: PC Meyer Consulting (a South African based independent Specialty Coal Geological Consultancy, which adheres to the South African Minerals and Petroleum Resources Development Act of 2002 (ACT No. 28 of 2002), has reviewed the projects held by the Signet Group. The consultancy's Director – Mr. Peet Meyer (a certified Competent Person (CP) and Valuer (CV) under the SAMREC and JORC codes) has given his technical opinion, based on exploration conducted by the Signet Group, adjacent projects and publicly released data, arriving at a conclusion that the potential resources over the project areas are conservatively in the region of approximately **2 billion tonnes**. With a continued highly realistic outlook, taking into consideration the potential resources and infrastructure, the Company has taken a view of a **US$ 0.03** valuation per potential Gross In Situ ton, equating to **US$ 60,000,000.00**.

These combined figures effectively value the Signet Group at **US$ 80,000,000.00**, therefore the Company's investment of **US$ 21,000,000.00** for 51% of Signet HK, continues to mitigate the financial risks attributed to the Acquisition.

(iii) To show the allocation of the value of US$21 million to each of the 4 projects; and

No specific allocation has been made amongst the 4 projects.

(iv) Details of the independent source whom the Company relied on in respect of the "resources" and "stage of development" of these projects in determining the Consideration.

Technical reports referred to in 1(vi) above by PC Meyer Consulting, the definition of a SAMREC/JORC "measured and indicated" category resource of at least 30 million tonnes of HCC and public released data from ASX / JSE listed Coal of Africa Limited (see attached **"Venmyn Deloitte – Independent Specialist Report December 2012"** for the adjacent Coal of Africa Hard Coking Coal project 'Makhado')

PC Meyer Consulting is a South African based independent Specialty Coal Geological Consultancy, which adheres to the South African Minerals and Petroleum Resources Development Act of 2002 (ACT No. 28 of 2002) SAMREC and JORC codes. PC Meyer Consulting is an independent Geological Consultancy, with specific focus on coking coals in southern Africa and abroad.

PC Meyer Consulting uses a number of suitably qualified and registered geologists, surveyors and specialty consultants to conduct fieldwork, manage exploration programs and complete the required studies associated to mineral extraction.

The consultancy has completed work within the Soutpansberg coalfield previously and is extremely familiar with the coking coal geological structures within the field.

Mr. Meyer himself has more than 21 years experience in the South African Coal Industry and holds B.Sc. Hons. (Geology) and M.Sc. (Earth Science Practice and Management) degrees from the University of Pretoria. He is an active member of the Geological Society of South Africa and the Fossil Fuel Foundation.

Mr. Meyer has worked previously as Group Geologist, Chief Geologist and Senior Operations Geologist for firms including Anglo American, Total Coal of SA, BHP Billiton, AMCI Africa and Aquila Resources.

Mr. Meyer continues to share extensive of the coalfields of Mozambique, South Africa, Zimbabwe and Botswana, through speaking engagements around the world.

(13) The Company announced that they "shall undertake to pay the Purchase Consideration to the Vendor in 3 tranches being: US$ 6 million on the completion of the initial program for the exploration, development, production and exploitation of The Duel; and the preparation, completion and delivery to the Parties respectively of a JORC compliant report in respect of The Duel…"

(i) As the Purchase Consideration is tied to the Duel's "initial program", please provide details what this programme entails;

THE DUEL Project

Phase One

- Infill JORC "Multiple resource delineation" program at The Duel 186 MT (+/- 34 holes at 280m average depth, on a minimum 250m x 250m grid).
- Drill Rig(s) Mobilisation & Demobilisation.
- Coking coal analysis of core samples.
- Remote site transportation.
- Correlation of all data, Competent Persons and Competent Valuers Reports.
- Onsite Geo Co-ordination Fee for drilling program.
- External Project Management (Onsite Contract Technical Director).
- 3D Mine Planning (Potential Variants).
- Rehabilitation of drilling area.

Phase Two

- Mining Right Application lodgment.
- Bankable Feasibility Study.
- Large Diameter Borehole Program.
- Coke Oven Tests.
- Infrastructure & Plant Design.
- Logistic Plan.
- Operational Study (+/-20%).
- Operational Finalisation (Independent Audit).
- Local Community Initiative Program.

(ii) The expected date for the "completion of the initial program";

The expected date for the "completion of the initial program" is 20 December 2014, with drilling onsite having commenced on 1 July 2014.

(iii) Details and track record of the preparer of the "JORC compliant report"; and

Please see 12 (iv).

John T. Boyd Company will independently verify the CPR concluded by PC Meyer Consulting.

John T. Boyd Company - Mining and Geological Consultants, founded in 1943, is one of the largest mining consulting firms of independent mining consultants exclusively serving the domestic and international coal, mineral, and natural gas industries. The professional mining engineers, geologists, environmental consultants, geomechanic specialists, market analysts, and financial consultants have continually and successfully demonstrated their abilities to be exceptionally qualified mining consultants.

The BOYD mining consultancy has been established in the international mining industry due to its demonstrated and proven expertise in all aspects of surface and underground mining. The highly trained professionals are adept in mine planning and design, equipment selection, mining evaluations, geology and reserve valuations, market analysis, privatization of mineral properties, strategic planning, financial analysis, transportation alternatives, expert witness services, expert testimony, environmental assessments, contract evaluations, and various other consulting services related to mining.

(iv) Please provide The Duel's cost of reserves/resources as a percentage of the total cost of the 4 projects acquired.

Approximately 40%

(14) Sino Construction announced that "the issue price ("Issue Price") of the Conversion Shares shall be equal to 90% of the Volume Weighted Average Price ("VWAP") of the Shares of the Company on the SGX-ST on the date of the SPA…". As the price would have been determined, please disclose the price.

The VWAP of the Shares of the Company on the SGX-ST on 6 June 2014 was S$0.2154. As such, the Issue Price of each Conversion Share is S$0.19386.

(15) The Company announced that an Escrow Agent was appointed to hold the certificates in respect of the Sales Shares. Please disclose who was appointed.

To be precise, the Company announced that the Company "shall, on Completion, deliver the certificates issued to the Company in respect of the Sale Shares to an escrow agent ("**Escrow Agent**") agreed between the Parties."

No Escrow Agent has been appointed as at the date of this Announcement.

(16) Please provide details on the cost of development that is required to bring the mines to production and how this will be funded. The Company's cash on hand is only S$246K. Please elaborate on how the Company expects to fund this requirement or "obtain external funding". We note the Company recent significant acquisitions of non-revenue generating mines, please elaborate how the Company plans to meet their obligations as and when they fall due.

The costs towards obtaining a Bankable Feasibility Study (BFS) for THE DUEL Project are set out in 1(vii) above, which is approximately US$9 million (and includes the US$5 million for the prospecting operations of the Signet Group, which the Company shall be responsible for funding).

Once the BFS has been obtained, the Signet Group would then be able to seek external bank or institutional financing for the costs for the production of HCC at THE DUEL. With the production revenue from THE DUEL, the Signet Group would then be able to self-fund the remaining projects.

For the US$5 million for the prospecting operations of the Signet Group, the Company shall be funding this from a US$5 million non-interest bearing shareholder's advance (with no fixed term for repayment) from Quintestellar Re Capital Inc, a Substantial Shareholder of the Company.

Of the US$5 million loan, US$2.5 million has been disbursed by Quintestellar Re Capital Inc to the Company and such proceeds have been utilized towards the funding of the prospecting operations of the Signet Group.

The balance US$2.5 million will be disbursed in accordance with the funding requirements of the prospecting operations of the Signet Group.

Quintestellar Re Capital Inc is part of the Quintestellar Group, a multi-strategy investment group that seeks to, inter alia, invest in undervalued listed stocks of both developed and emerging markets through friendly activism. Quintestellar will typically acquire significant ownership stakes in a limited number of companies and become one of the largest shareholders. Then Quintestellar will work actively and constructively with management and/or the company's board to implement value creating strategies that maximize returns for all shareholders.

On 7 April 2014, the Company had entered into a Bond Subscription Agreement with Dealson Limited whereby the Company may issue to Dealson Limited unsecured redeemable convertible bonds having a principal amount of S$16,000,000, which can be converted into Shares of the Company. The issuance of such bonds will raise net proceeds of approximately S$15,850,000 for the Company, and 80% of the net proceeds may be used to fund the Group's business expansion, inter alia, through acquisitions, investments, joint ventures and/or other collaborations. This could include the costs towards obtaining the BFS as aforesaid. The proposed bond issue is subject to approval of Shareholders at an extraordinary general meeting to be convened by the Company.

In addition, the Company can look towards the support from certain of its substantial Shareholders such as Mr Edward Lee Ewe Ming, a Ultra High Net Worth (UNHW) private investor and property developer.

Mr Edward Lee is currently Managing Director of Edward Lee Apartments Private Limited and Director of Edward Lee Residences Private Limited. He was a Specialist Consultant at Cambridge Associates and led the firm's hedge fund research in Asia, where he constructed and oversaw hedge fund portfolios for a broad range of clients. Cambridge Associates has over US$800 billion of assets under advisement. Prior to joining Cambridge Associates, Mr Edward Lee was the Corporate Finance Director of First World Capital, and an Investment Banking Analyst at Lehman Brothers, Inc. He also acted as advisor to MOL.com Bhd, a company listed on the Bursa Malaysia (formerly Kuala Lumpur Stock Exchange). His experience includes mergers and acquisitions, equity capital markets, direct investments, initial public offerings, property development and real estate management.

(17) The Company announced that "the Board believes the Acquisition will enable the Company to gain a strong foothold to participate in the coking and thermal coal resources industry.". Please substantiate the Board's views that the acquisition will enable the Company to gain a "strong foothold".

The Board believes the Acquisition will enable the Company to gain a strong foothold to participate in the coking and thermal coal resources industry for the following reasons:-

- The projects are located in the Soutpansberg Coalfield, South Africa which location is known for high quality Hard and Semi-soft coking coal and hosts four prominent projects and two operating mines.

- The projects have an exploration target of 2.9 billion tonnes resulting in potentially four independently operated mines, all in coking coal. The exploration target is based on conservative estimate of combined opencast extractable coal materials of +14m in thickness from area above Karoo sediments. All projects above Karoo sediments within the region have yielded coal. Recent drilling carried out at THE DUEL have yielded combined coal zones of +15m. The coking coal analysis from THE DUEL project would rank the coal quality as "Hard Coking Coal", rivalling most Queensland coals.

- The extracted coal would produce TWO saleable products: a high grade Thermal and Coking coal, heavily increasing total yields.

- The projects only require medium cost extraction methods. All projects have a 250m cutoff depth and either Opencast or Decline Shaft (Rib Pillar or Bord & Pillar) Extraction. The dual products with variable retail values lower OPEX, while increasing total yield recovery. The projects have direct access to developed infrastructure, water and 110kVa power utilities. The projects are within close proximity or on main arterial roads linking rail sidings.

- The ability to sell high grade *Thermal & Coking coal* products both domestically and internationally.

- Signet has an experienced South African based team fluent in Thermal & Coking coal extraction techniques and retail commodity execution.

(18) We refer to the announcement on 3 June 2014 by Sino Construction relating to the acquisition of 20% of Renaissance Enterprises S.A. The Company disclosed that the Manisa Titanium Project has a net present value range of between US$1.04 billion to US$2.03 billion and the Company "considered S$28.6 million for a 20% stake provided an appropriate discount to those theoretical NPV levels to account for the project risks at this time". Please provide an elaboration on the adverse factors and risks taken into account which led to the deep discount in the consideration for the acquisition of Renaissance Enterprises S.A.

The Manisa Titanium Project has typical risks associated with pre-construction minerals projects. Key risks include: being able to secure project financing debt on appropriate terms; construction timetable; procuring off-take on market terms; meeting budgets for capital cost and subsequent operating cost; and meeting targets for metallurgical recoveries and product grades. In light of these typical project risks, the board was satisfied that the negotiated price for the acquisition of 19.9% of Renaissance Enterprises S.A. was at a considerable discount to potential value.

(B) Direction to Obtain Shareholders' Approval

The Company has been informed by the SGX-ST as follows:-

"*Accordingly to Listing Rule 1005 which states: In determining whether a transaction falls into category (a), (b), (c) or (d) of Rule 1004, the Exchange may aggregate separate transactions completed within the last 12 months and treat them as if they were one transaction.*

We noted that the acquisition of Signet Coking Coal International Limited will have the relative figure exceeding 20% for Listing Rule 1006 (c) in relation to Listing Rule 1005. Therefore, shareholders' approval is needed for the acquisition of Signet Coking Coal International Limited. Please comply accordingly."

As such, the proposed acquisition by the Company of 51% of Signet Coking Coal International Limited shall be subject to approval of Shareholders at an extraordinary general meeting ("**EGM**") to be convened by the Company.

A circular containing further details of the proposed acquisition and for the convening of an EGM for the purpose of seeking Shareholders' approval will be despatched to shareholders in due course.

BY ORDER OF THE BOARD

Andy Chee
Chairman
4 July 2014