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**This document is important and requires your immediate attention. If you are in any doubt about the contents of this document, you should immediately consult a person authorised for the purposes of the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities before taking any action. An investment in Central China Goldfields plc involves a high degree of risk.**

If you have sold or otherwise transferred all your Ordinary Shares, please forward this document immediately to the purchaser or transferee or to the stockbroker, bank or other agent through whom your sale or transfer was effected, for onward transmission to the purchaser or transferee.

The Directors, whose names appear on page 5, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything which is likely to affect the import of such information. The Directors accept responsibility accordingly.

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## **Central China Goldfields plc**

*(Incorporated in England and Wales under the Companies Act 1985 with registered number 5277251)*

### **Notice of Extraordinary General Meeting**

#### **Proposed authority to dispose of interest in Nimu Project**

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This document does not constitute a prospectus in accordance with the Prospectus Rules. Neither does it constitute an admission document drawn up in accordance with the AIM Rules. Hanson Westhouse Limited, which is regulated in the United Kingdom by the Financial Services Authority is acting for Central China Goldfields plc and for no-one else in connection with the Proposals and will not be responsible to anyone other than Central China Goldfields plc for providing the protections afforded to its customers or for providing advice in relation to the contents of this document or any transaction or arrangement referred to herein.

Notice of a General Meeting of the Company to be held at the Geological Society Burlington House, Piccadilly, London W1J 0BG on 30 July 2009 at 11:00am (or, if later, immediately following the Annual General Meeting of the Company due to take place on 30 July 2009 at 9:30am) is set out at the end of this document. Shareholders will find attached to this document a Form of Proxy for use at the General Meeting. To be valid, a Form of Proxy, completed and executed in accordance with the instructions printed thereon, should be returned to Computershare Investor Services at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY by not later than 11:00am on 28 July 2009.

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## **EXPECTED TIMETABLE OF PRINCIPAL EVENTS**

Record Date	28 July 2009
Publication of this document	15 July 2009
Last date for proxies	28 July 2009
Date of General Meeting	30 July 2009

## DEFINITIONS

The following definitions apply throughout this document and the accompanying Form of Proxy, unless the context requires or unless it is otherwise specifically provided:

“AIM”	the market of that name operated by the London Stock Exchange plc
“AIM Rules”	the rules published by the London Stock Exchange governing admission to and the operation of AIM
“Alexander David Securities”	Alexander David Securities, the Company’s Joint Broker
“Board” or “Directors”	the directors of the Company
Chengdu Zhong Cheng	Chengdu Zhong Cheng Mining technology Development Co. Limited, a company registered in China and in which the Company has a 100% interest
“China”	the People’s Republic of China
“Company” or “Central China”	Central China Goldfields plc
“Disposal”	the disposal of the Company’s interest in the Nimu Project
“EGM”	The extraordinary general meeting of the Company to be held on 30 July 2009, or any adjournment thereof, notice of which is set out at the end of this document
“Group”	the Company and/or its subsidiaries, as the context requires
“Hanson Westhouse”	Hanson Westhouse Limited, the Company’s Nominated Adviser and Broker
“Local Subsidiary”	Lasa Tianli Mining Co., Ltd owned 75% by Chengdu Zhong Cheng and 25% by the SIMGE
“London Stock Exchange”	London Stock Exchange plc
“Nimu Project”	the Company’s copper-molybdenum exploration project located in the Nimu region of Tibet
“Notice”	the notice of the EGM set out at the end of this

	document
“Ordinary Shares”	ordinary shares of 1p each in the capital of the Company
“Parties”	Central China and SBMGE
“Record Date”	28 July 2009
“Resolution”	the resolution to be proposed at the EGM, details of which are set out in the Notice
“SPA”	the conditional Sale and Purchase Agreement dated 9 July 2009 between Chengdu Zhong Cheng (1) and SIMGE (2) relating to the disposal of the Company’s interest in the Nimu Project
“Shareholder(s)”	holder(s) of Ordinary Shares as at the Record Date
“SBMGE”	Sichuan Bureau of Metallurgy and Geological Exploration
“SIMGE”	Sichuan Institute of Metallurgical Geology and Exploration, a subsidiary of the SBMGE
“UK”	the United Kingdom of Great Britain and Northern Ireland

A reference to £ is to pounds sterling, being the lawful currency of the UK.

A reference to RMB is to Chinese Renminbi, being the lawful currency of China.

A reference to US\$ is to United States of America (USA) dollars, being the lawful currency of the USA.



## LETTER FROM CHAIRMAN

### *Directors*

Nigel Bruce Clark, *Chairman*  
Dr. Jeffrey Francis Anthony Malaihollo, *Managing Director*  
Patrick Aloysius Harford, *Non-executive Director*  
Paul McGroary, *Non-executive Director*

### *Address*

58 Mosley Street  
Manchester  
M2 3HZ

[www.ccgoldfields.com](http://www.ccgoldfields.com)

### **Introduction**

It was announced on 2 June 2009 that the Sichuan Bureau of Metallurgy and Geological Exploration approached Central China with a view to acquiring the Company's interest in the Nimu Project. Since that announcement the Company has entered into an agreement, conditional, *inter alia*, upon the approval of Shareholders for the disposal of its interests in the Nimu Project.

The Disposal is deemed to be a disposal resulting in a fundamental change of the business for the purpose of AIM Rule 15. By virtue of being deemed to be a fundamental change of business, the Disposal is conditional on the approval of Shareholders.

An extraordinary general meeting has therefore been convened for 11:00am on 30 July 2009 (or, if later, immediately following the Annual General Meeting of the Company due to take place on 30 July 2009 at 9:30am) at the Geological Society, Burlington House, Piccadilly, London W1J 0BG, at which Shareholders will be asked to consider, and if thought fit, to approve the Resolution required in order to complete the Disposal. Details of the EGM are set out in the Notice which is set out at the end of this document.

The purpose of this document is to provide you with the background to, and details of, the Disposal, to explain why your Board considers it to be in the best interests of the Company and the Shareholders as a whole, to obtain your approval for the Disposal at the EGM and to recommend that Shareholders vote in favour of the Resolution.

### **Information on Central China and the Nimu Project**

Central China explores for and develops economically mineable gold, silver and copper projects in China focusing on areas with historical production where modern mine extraction methodologies have been under-utilised. The Company's core skill is to move under-valued exploration assets quickly through to mine ready deposits.

Central China's property portfolio is currently made up of two main projects: the Nimu Project in Tibet as well as the Dong Mao Huo Mine in Inner Mongolia.

The Nimu Project is the principal asset of the Company in which the Company had made significant progress over the last two years and where the Board believed the Company may have discovered a substantial porphyry copper deposit. Twenty one holes were drilled in the Gangjiang Licence in Nimu over the last two drill seasons, with eighteen hitting mineralisation.

### **Structure of Nimu Project Ownership**

The Company's wholly owned subsidiary, CCG Copper Limited owns 100 per cent of Chengdu Zhong Cheng which in turn owns 75 per cent of the Local Subsidiary, incorporated in China which owns the titles and licences pertaining to the Nimu Project. Chengdu Zhong Cheng, through its holding in the Local Subsidiary, currently holds a 30 per cent interest in the Nimu Project which can be increased, upon the completion of certain milestones, to a 75 per cent working interest. The Sichuan Institute of Metallurgical Geology and Exploration ("SIMGE"), a subsidiary of the Sichuan Bureau of Metallurgy and Geological Exploration ("SBMGE") owns 25 per cent of the Local Subsidiary and currently a 70 per cent interest in the Nimu Project. SIMGE is proposing to acquire, from Chengdu Zhong Cheng, both the latter's 75 per cent interest in the Subsidiary and its 30 per cent interest in the Nimu Project.

### **Information on the Sichuan Bureau of Metallurgy and Geological Exploration**

SBMGE is a State Owned agency which is involved in certain mining and exploration activities in Western China. SBMGE has been the Company's joint venture partners on two of its projects in China being the Snow Mountain Project and the Nimu Project.

SIMGE is a subsidiary of SBMGE and the offeror with regard to the proposed Disposal.

### **Background to and reasons for the Disposal**

In March 2008, the Company sold its interest in the Snow Mountain prospect to SBMGE for a total of RMB 38 million which represented a profit of approximately £1.1 million. The Company's intention at that time was to focus on developing the Nimu Project and, to a lesser extent, the Dong Mao Huo gold project.

At the beginning of June 2009, the Company was contacted by SBMGE, who expressed its desire to take full responsibility for the future development of the Nimu Project and purchase the Company's Local Subsidiary which owns the Company's interests in the Nimu Project as described above. The purchase, if approved, would be made by SIMGE.

The Company has been making consistent efforts over the last 12 months to find potential investors, funding or partners to fund the planned development programme at the Nimu Project but has been unable to secure any offers more favourable than the current offer from SBMGE, due in part at least to the current unfavourable economic situation. The Directors now believe that following the approach from SBMGE it will become increasingly difficult to find other investors either in the mining community, or in the capital markets, or funding through commercial bank loans.

It is the opinion of the Board that the Company could only successfully progress the Nimu Project on the basis of a shared desire to operate under the joint venture arrangement with its

local partner. The Directors have considered alternative strategies and negotiated in an effort to obtain an offer of increased consideration, but now believe that the current offer for the Nimu Project is the only viable offer available.

Having taken into account the status of global equity capital markets and the depressed commodity prices as well as the long term nature of the project and large capital expenditure required, the Board reluctantly recommend that the shareholders vote in favour of the proposal.

### **Principal terms and conditions of the Sale and Purchase Agreement**

The consideration for the sale of the Company's interest in the Nimu Project will be RMB 71 million (approximately £6.4 million) net of liabilities and payment will be made in three tranches within six months. Assuming Shareholders approve the Disposal, the first payment of 30 per cent, being RMB 21.3 million, is to be made within seven days from the effective date of the SPA, being 5 August 2009. The second payment of 35 per cent being RMB 24.85 million is to be made within 3 months of the effective date and the third payment of 35 per cent, being RMB 24.85 million, is to be made within 6 months of the effective date.

The Board anticipates that the Company will, under Chinese law, be obliged to pay approximately 35 per cent in tax on the proceeds of the Disposal

The Company has a book value of approximately £2.9 million for the Nimu Project in its last accounts.

### **Remaining business of the Company**

If the Resolution is passed and the SPA and Disposal therefore approved, the Company will, following completion of the scheduled payments, have total cash reserves of approximately £4.5 million as well as its interest in the Dong Mao Huo Project. The Directors intend to fast track the Dong Mao Huo Project into production and have signed an agreement with a subsidiary of the CITIC-Anhua Group to develop and contract mine the deposit.

If the Resolution is not passed and the SPA and Disposal is therefore not approved, the Directors believe that the Company's future will become increasingly uncertain. Whilst the Company has sufficient cash resources to operate on a reduced costs basis for the remainder of the year, going forward it would be unable to do so without raising further capital. Given the uncertainty on the Nimu Project, this would be problematic. The reduced costs basis does not include any investment or expenditure on exploration. Without additional exploration work on the Nimu Project, the Company will, in time, most likely lose its interest in the Nimu Project entirely.

### **Related party transaction**

The Disposal is considered a related party transaction under the AIM Rules by virtue of the offeror being a substantial shareholder of the Company through a holding in a subsidiary.

The Directors, having consulted with Hanson Westhouse Limited, the Company's Nominated Adviser, consider the terms to be fair and reasonable in so far as the Shareholders are concerned.

## **Extraordinary General Meeting**

You will find set out on page 9 of this document a notice convening an Extraordinary General Meeting of the Company to be held at Geological Society Burlington House, Piccadilly, London W1J 0BG at 11.00am on 30 July 2009 (or, if later, immediately following the Annual General Meeting of the Company due to take place on 30 July 2009 at 9:30am). Shareholders will find attached to the back of this document a Form of Proxy for use at the General Meeting. To be valid, a Form of Proxy, completed and executed in accordance with the instructions printed thereon, should be returned to Computershare Investor Services plc by not later than 11.00 am on 28 July 2009. All Shareholders are urged to complete and return the enclosed Form of Proxy, whether or not they intend to be present at the meeting. The completion and return of the Form of Proxy will not preclude a Shareholder from attending the EGM and voting in person should they wish to do so.

## **Recommendation**

The Directors unanimously recommend Shareholders vote in favour of the Resolution as the Directors intend to do in respect of their beneficial shareholdings amounting to 15,284,029 Ordinary Shares representing 8.3 per cent. of the issued Ordinary Shares.

Yours faithfully

Nigel Clark

Chairman

Central China Goldfields plc

Please note that this document is important and requires your immediate attention. If you are in any doubt as to the action to be taken, please consult an independent adviser immediately.

If you have sold or transferred or otherwise intend to sell or transfer all of your holding of ordinary shares in the Company prior to the Extraordinary General Meeting of the Company on 30 June 2009 at 11:00am, you should send this document, together with the accompanying Form of Proxy, to the (intended) purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was or is to be effected for transmission to the (intended) purchaser or transferee.

**Company Number: 5277251**

## **NOTICE OF EXTRAORDINARY GENERAL MEETING**

### **CENTRAL CHINA GOLDFIELDS PLC**

**(the “Company”)**

**NOTICE IS HEREBY GIVEN THAT** the Extraordinary General Meeting of the Company will be held at the Geological Society Burlington House, Piccadilly, London W1J 0BG 30 July 2009 at 11:00am (or, if later, immediately following the Annual General Meeting of the Company due to take place on 30 July 2009 at 9:30am) in order to consider and, if thought fit, pass the following resolution:-

#### **Ordinary Resolution**

THAT for the purposes of Rule 15 (Fundamental Change of Business) of the AIM Rules the proposed sale by Chengdu Zhong Cheng Mining Technology Development Co. Limited (a company in which the Company holds a 100% interest) of its 75% holding in the Local Subsidiary, Lasa Tianli and its 30% interest in the Nimu Project to Sichuan Institute of Metallurgical Geology and Exploration pursuant to the terms and subject to the conditions of the SPA (as defined in the circular issued by the Company on 15 July 2009 (the “Circular”)), be and is hereby approved and the directors of the Company be and are hereby authorised to do all such acts and things and execute all such documents as they may in their absolute discretion consider necessary and/or desirable in order to implement and complete the Disposal (as defined in the Circular) in accordance with its terms, subject to such immaterial amendments or variations to them as the directors of the Company may in their absolute discretion think fit.

**BY ORDER OF THE BOARD**

**Cobbetts (Secretarial) Limited  
SECRETARY**

Registered Office: c/o Cobbetts LLP, 58 Mosley Street, Manchester M2 3HZ

**Dated 15 July 2009**

## Notes to the Notice Of General Meeting

### Entitlement to attend and vote

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered on the Company's register of members at:
  - 6.00 pm on 28 July 2009 (RECORD DATE); or,
  - if this Meeting is adjourned, at 6.00 pm on the day two days prior to the adjourned meeting,shall be entitled to attend and vote at the Meeting.

### Appointment of proxies

2. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
3. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share.
5. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If you either select the "Vote Withheld" option or if no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.

### Appointment of proxy using hard copy proxy form

6. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.

To appoint a proxy using the proxy form, the form must be:

- completed and signed;
- sent or delivered to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY by not later than 11:00am on 28 July 2009; and
- received by Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY by not later than 11:00am on 28 July 2009 no later than 11:00am. on 28 July 2009.

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

### Appointment of proxy by joint members

7. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

### Changing proxy instructions

8. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY by not later than 11:00am on 28 July 2009

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

### **Termination of proxy appointments**

9. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY by not later than 11:00am on 28 July 2009. If you have any difficulties please call the shareholder helpline number (0870 889 3273) by the same time. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

The revocation notice must be received by Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY by not later than 11:00am on 28 July 2009. If you have any difficulties please call helpline number (0870 889 3273) by the same time.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

**Form of Proxy** – Extraordinary General Meeting to be held at 11.00 on 30 July 2009 (or, if later, immediately following the Annual General Meeting of the Company due to take place on 30 July 2009 at 9:30am).

**CENTRAL CHINA GOLDFIELDS PLC**

**(the “Company”)**

I/We: (full name) a .....

of (address) .....

being a member of **CENTRAL CHINA GOLDFIELDS PLC** hereby appoint .....

or, failing him, the Chairman of the meeting (note 3) as my/our proxy to vote for me/us and on my/our behalf at the Extraordinary General Meeting of the Company to be held at the Geological Society Burlington House, Piccadilly, London W1J 0BG at 11.00 on 30 July 2009 (or, if later, immediately following the Annual General Meeting of the Company due to take place on 30 July 2009 at 9:30am).and at every adjournment thereof. I/We request such proxy to vote on the following resolutions as indicated below:

<b>ORDINARY RESOLUTION</b>	<b>FOR</b>	<b>AGAINST</b>	<b>WITHHOLD</b>
<p>THAT for the purposes of Rule 15 (Fundamental Change of Business) of the AIM Rules the proposed sale by Chengdu Zhong Cheng Mining Technology Development Co. Limited (a company in which the Company’s holds a 100% interest) of its 75% holding in the Local Subsidiary, Lasa Tianli and its 30% interest in the Nimu project to Sichuan Institute of Metallurgical Geology and Exploration pursuant to the terms and subject to the conditions of the SPA (as defined in the circular issued by the Company on 15 July 2009 (the “Circular”)), be and is hereby approved and the directors of the Company be and are hereby authorised to do all such acts and things and execute all such documents as they may in their absolute discretion consider necessary and/or desirable in order to implement and complete the Disposal (as defined in the Circular) in accordance with its terms, subject to such immaterial amendments or variations to them as the directors of the Company may in their absolute discretion think fit.</p>			

<p><b><u>If by an individual:</u></b></p> <p>Signed: .....</p> <p>Dated: .....</p> <p>Signed: .....</p> <p>Dated: .....</p>	<p><b><u>If for and on behalf of a corporation:</u></b></p> <p>Signed by: .....</p> <p>for and on behalf of: .....</p> <p>Position: .....</p> <p>Dated: ..... 2009</p>
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- NOTES:**
- Please indicate with an “X” in the appropriate boxes how you wish the proxy to vote. The proxy will exercise his/he discretion as to how he/she votes or whether she abstains from voting: a. on any resolution referred to above if no instruction is given in respect of that resolution; and b. on any business or resolution considered at the meeting other than the resolutions referred to above.
  - The Withhold option is provided to enable you to abstain on any particular resolution. It should be noted that a vote withheld is not a vote in law and will not be counted in the calculation of the proportion of the votes “For” and “Against” a resolution.
  - If you wish to appoint someone other than the Chairman of the meeting as your proxy please insert their name. If you insert no name then you will have appointed the Chairman of the meeting as your proxy. A proxy need not be a member of the Company.

4. To be valid, the instrument and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be received by the Registrars, Computershare Investor Services, or at such other place as is specified for that purpose in the Notice of Meeting issued by the Company not later than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll, before the time appointed for taking the poll and, in default, the instrument shall not be treated as valid.
5. Where the member is a corporation this form must be under its common seal, executed as a deed or signed by an attorney or duly authorised officer of the corporation.
6. In the case of joint holders only one need sign this form, but the names of the other joint holders should be shown in the space provided. The vote of the senior holder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders. Seniority will be determined by the order in which the names of the holders appear in the register of members in respect of the joint holding.
7. Completion of this form will not prevent you from subsequently attending and voting at the meeting in person, in which case any votes cast by the proxy will be excluded.