

The following is the text of a letter, summary of values and valuation certificates, prepared for inclusion in this Prospectus, received from Savills Valuation and Professional Services Limited, an independent property valuer, in connection with their valuations as at September 30, 2013 of the property interests of the Group.



The Directors
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November 18, 2013

Dear Sirs,

**RE: VARIOUS PROPERTIES SITUATED IN THE PEOPLE'S REPUBLIC OF CHINA
(THE "PROPERTIES")**

In accordance with your instructions for us to value the properties situated in the People's Republic of China (the "PRC") in which Hengshi Mining Investments Limited (the "Company") and its subsidiaries (hereinafter referred to as the "Group") have interests, we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of values of such property interests as at September 30, 2013 (the "date of valuation") for the purpose of incorporation in an Initial Public Offering document.

Our valuation of each of the properties is our opinion of its market value which we would define as intended to mean "the estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

Market value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

In valuing the property interests in Group I, which are held for owner-occupation by the Group in the PRC, due to the nature of the buildings and structures that were constructed, there are no readily identifiable market comparables, and the buildings and structures cannot be valued on the basis of direct comparison. Therefore, we have adopted the Depreciated Replacement Cost (“DRC”) Approach to value these properties. DRC Approach is based on an estimate of the market value of the land in its existing use plus the new replacement costs of the buildings and structures, including professional fees and finance charges, from which deductions are then made to allow for physical deterioration and all relevant forms of obsolescence and optimization. The DRC Approach generally provides the most reliable indication of value for property in the absence of a known market based on market sales. The DRC Approach is subject to adequate potential profitability of the business. Our valuation applies to the whole of the complex or development as a unique interest and no piecemeal transaction of the complex or development is assessed.

In valuing the property interests in Group II, which are rented by the Group in the PRC, we have assigned no commercial values to these properties, due either to the short-term nature of the leases or the prohibition against assignments or sub-lettings or otherwise due to the lack of substantial profit rents.

We have been provided with extracts of documents in relation to the titles to the properties. However, we have not inspected the original documents to ascertain any amendments which may not appear on the copies handed to us. In the course of our valuation, we have relied to a very considerable extent on the information given by the Group and its PRC legal adviser, Commerce & Finance Law Offices, on PRC laws, regarding the titles to the properties. We have also accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, particulars of occupancy, tenancies, site and floor areas and all relevant matters. Dimensions, measurements and areas included in the valuation certificate are based on the information provided to us and are therefore only approximations. No on-site measurements have been taken. We have no reason to doubt the truth and accuracy of the information provided to us by the Group which is material to the valuation. We were also advised by the Group that no material facts have been omitted from the information provided. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

We have inspected the exterior and, where possible the interior of the properties. During the course of our inspection, we did not note any serious defects. However, no structural survey has been made and we are therefore unable to report whether the properties are free from rot, infestation or any other defects. No tests were carried out on any of the services. We have also not carried out investigations on site to determine the suitability of the ground conditions and the services, for future development. Our valuation is prepared on the assumption that these aspects are satisfactory and no extraordinary expenses or delay will be incurred during the development period.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on any property or for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

In preparing our valuation report, we have complied with the requirements set out in Chapter 5 and Practice Note 12 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and The HKIS Valuation Standards (2012 Edition) published by The Hong Kong Institute of Surveyors.

Site inspections of the properties were carried out during the period between April 9, 2013 and April 16, 2013 by Mr. James Woo and Mr. Qi Denghui. Mr. James Woo is a corporate member of the Royal Institution of Chartered Surveyors and Mr. Qi Denghui is a qualified engineer.

Unless otherwise stated, all money amounts are stated in Renminbi (“RMB”).

We enclose herewith our summary of values and valuation certificates.

Yours faithfully,
For and on behalf of
Savills Valuation and Professional Services Limited
Anthony C.K. Lau
MRICS MHKIS RPS(GP)
Director

Note: Mr Anthony C K Lau is a qualified surveyor and has over 20 years’ post-qualification experience in the valuation of properties in Hong Kong and the PRC.

SUMMARY OF VALUES

Group I – Property interests held for owner-occupation by the Group in the PRC

No.	Property	Market value in existing state as at September 30, 2013
1.	A parcel of industrial land located at Yaoyukou Village, Zoumayi Town, Laiyuan County, Baoding, Hebei Province, PRC	RMB1,480,000
2.	An industrial complex located at Baidao'an Village, Zoumayi Town, Laiyuan County, Baoding, Hebei Province, PRC	RMB53,580,000
3.	A parcel of industrial land located at Baidao'an Village, Zoumayi Town, Laiyuan County, Baoding, Hebei Province, PRC	RMB1,490,000
4.	An industrial complex located at Longjiazhuang Village, Shuibu Town, Laiyuan County, Baoding, Hebei Province, PRC	RMB8,820,000

No.	Property	Market value in existing state as at September 30, 2013
5.	An industrial complex located at Zhijiazhuang Village, Yangjiazhuang Town, Laiyuan County, Baoding, Hebei Province, PRC	No commercial value
Sub-total:		RMB65,370,000

Group II – Property interests rented by the Group in the PRC

6.	Various parcels of land located at Baidao'an Village, Yaoyukou Village and Quanchangbei Village, Zoumayi Town, Laiyuan County, Baoding, Hebei Province, PRC	No commercial value
7.	Various parcels of land located at Dushancheng Village and Longjiazhuang Village, Shuibu Town and Yaoyukou Village, Zoumayi Town, Laiyuan County, Baoding, Hebei Province, PRC	No commercial value

No.	Property	Market value in existing state as at September 30, 2013
8.	Various parcels of land located at Zhijiazhuang Village, Yangjiazhuang Town, Laiyuan County, Baoding, Hebei Province, PRC	No commercial value
9.	Portion of No. 91 Guangping Street, East Inner Ring, Laiyuan County, Baoding, Hebei Province, PRC	No commercial value
10.	An office block located at No. 2 Biluo Lake, Tianbao Middle Road, Wenjiang District, Chengdu, Sichuan Province, PRC	No commercial value
11.	An office block located at No. 3 Biluo Lake, Tianbao Middle Road, Wenjiang District, Chengdu, Sichuan Province, PRC	No commercial value
Sub-total:		Nil
Grand total:		<u>RMB65,370,000</u>

VALUATION CERTIFICATE

Group I – Property interests held for owner-occupation by the Group in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at September 30, 2013
1. A parcel of industrial land located at Yaoyukou Village, Zoumayi Town, Laiyuan County, Baoding, Hebei Province, PRC	<p>The property comprises a parcel of land with a site area of approximately 10,546.00 sq.m. (113,517 sq.ft.).</p> <p>The property is located at Yaoyukou Village, Zoumayi Town. It takes approximately 25-minute drive to the centre of Zoumayi Town. Developments in the vicinity are dominated by mining fields and open areas.</p> <p>As at the date of inspection, 3 structures and ancillary facilities were erected on the property accommodating a staff dormitory, a workshop and a filter room. As advised by the Group, they have a total gross floor area of approximately 1,700.00 sq.m. (18,299 sq.ft.).</p> <p>The land use rights of the property have been granted for a term expiring on August 3, 2061 for industrial use.</p>	As at the date of valuation, the property was occupied by the Group for production use.	RMB1,480,000 (See Note 5)

Notes:

1. Pursuant to the State-owned Land Use Rights Grant Contract – No. 20100409 entered into between Laiyuan County Land and Resources Bureau (涿源縣國土資源局) (the “Grantor”) and Laiyuan County Jingyuancheng Mining Co., Ltd. (涿源縣京源城礦業有限公司) (“Jingyuancheng Mining”), a wholly-owned subsidiary of the Company, on July 27, 2011, the Grantor agreed to grant the land use rights of a parcel of land with a site area of approximately 10,546.00 sq.m. to Jingyuancheng Mining at a consideration of RMB1,510,000 for a term of 50 years for industrial use.
2. Pursuant to the State-owned Land Use Rights Certificate – Lai Guo Yong (2011) Di No. 013 (涿國用(2011)第013號) issued by the People’s Government of Laiyuan County (涿源縣人民政府) on September 1, 2011, the land use rights of a parcel of land with a site area of approximately 10,546.00 sq.m. have been granted to Jingyuancheng Mining for a term expiring on August 3, 2061 for industrial use.
3. We have been provided with a legal opinion on the title to the property issued by the Group’s PRC legal adviser, Commerce & Finance Law Offices, which contains, inter alia, the following information:
 - i. Jingyuancheng Mining has legally obtained the land use rights of the property and is entitled to occupy, use, lease, mortgage, transfer or dispose of by any other means the land use rights of the property within its land use term; and
 - ii. the property is free from any mortgages or third party encumbrances.

4. As advised by the Group, the structures and ancillary facilities erected on the property are scheduled for demolition before December 2013.

5. In the course of our valuation, we have attributed no commercial value to the structures and ancillary facilities erected on the property because they have no Building Ownership Certificates. For reference purpose, we are of the opinion that the depreciated replacement cost of the said structures and ancillary facilities as at the date of valuation was in the sum of RMB2,260,000.

VALUATION CERTIFICATE

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Market value in existing state as at September 30, 2013</u>
2. An industrial complex located at Baidao'an Village, Zoumayi Town, Laiyuan County, Baoding, Hebei Province, PRC	<p>The property comprises an industrial complex erected on a parcel of land with a site area of approximately 10,615.00 sq.m. (114,260 sq.ft.). It was completed in 2012.</p> <p>The property is located at Baidao'an Village, Zoumayi Town. It takes approximately 25-minute drive to the centre of Zoumayi Town. Developments in the vicinity are dominated by mining fields and open areas.</p> <p>The industrial complex comprises 7 blocks of single-to 5-storey industrial buildings and structures accommodating workshops, offices, warehouses, dormitories and other ancillary facilities with a total gross floor area of approximately 8,697.37 sq.m. (93,618 sq.ft.).</p> <p>The land use rights of the property have been granted for a term expiring on August 3, 2061 for industrial use.</p>	As at the date of valuation, the property was occupied by the Group for production use.	RMB53,580,000

Notes:

- Pursuant to the State-owned Land Use Rights Grant Contract – No. 20100408 entered into between Laiyuan County Land and Resources Bureau (涿源縣國土資源局) (the “Grantor”) and Laiyuan County Jingyuancheng Mining Co., Ltd. (涿源縣京源城礦業有限公司) (“Jingyuancheng Mining”), a wholly-owned subsidiary of the Company, on July 27, 2011, the Grantor agreed to grant the land use rights of a parcel of land with a site area of approximately 10,615.00 sq.m. to Jingyuancheng Mining at a consideration of RMB1,520,000 for a term of 50 years for industrial use.
- Pursuant to the State-owned Land Use Rights Certificate – Lai Guo Yong (2011) Di No. 014 (涿國用(2011)第014號) issued by the People’s Government of Laiyuan County (涿源縣人民政府) on September 1, 2011, the land use rights of a parcel of land with a site area of approximately 10,615.00 sq.m. have been granted to Jingyuancheng Mining for a term expiring on August 3, 2061 for industrial use.
- Pursuant to the Building Ownership Certificate – Lai Yuan Fang Quan Zheng Lai Yuan Xian Zi Di No. 31782 (涿源房權證涿源縣字第31782號) issued by the Laiyuan County Urban and Rural Building Ownership Rights Registration Office on January 29, 2013, the building ownership of the property with a total gross floor area of approximately 8,697.37 sq.m. is vested in Jingyuancheng Mining for industrial use.

4. We have been provided with a legal opinion on the title to the property issued by the Group's PRC legal adviser, Commerce & Finance Law Offices, which contains, inter alia, the following information:
 - i. Jingyuancheng Mining has legally obtained both land use rights of the land and building ownership of the buildings of the property and is entitled to occupy, use, lease, mortgage, transfer or dispose of by any other means the property within its land use term; and
 - ii. the property is free from any mortgages and third party encumbrances.

VALUATION CERTIFICATE

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Market value in existing state as at September 30, 2013</u>
3. A parcel of industrial land located at Baidao'an Village, Zoumayi Town, Laiyuan County, Baoding, Hebei Province, PRC	<p>The property comprises a parcel of land with a site area of approximately 10,673.00 sq.m. (114,884 sq.ft.).</p> <p>The property is located at Baidao'an Village, Zoumayi Town. It takes approximately 25-minute drive to the centre of Zoumayi Town. Developments in the vicinity are dominated by mining fields and open areas.</p> <p>As at the date of inspection, 9 structures and ancillary facilities were erected on the property accommodating 3 staff dormitories, a workshop, a staff canteen, an office building, a boiler room, a pump room and a filter room. As advised by the Group, they have a total gross floor area of approximately 2,458.50 sq.m. (26,463 sq.ft.).</p> <p>The land use rights of the property have been granted for a term expiring on August 3, 2061 for industrial use.</p>	As at the date of valuation, the property was occupied by the Group for production use.	RMB1,490,000 (See Note 5)

Notes:

1. Pursuant to the State-owned Land Use Rights Grant Contract – No. 20100407 entered into between Laiyuan County Land and Resources Bureau (涿源縣國土資源局) (the “Grantor”) and Laiyuan County Jingyuancheng Mining Co., Ltd. (涿源縣京源城礦業有限公司) (“Jingyuancheng Mining”), a wholly-owned subsidiary of the Company, on July 27, 2011, the Grantor agreed to grant the land use rights of a parcel of land with a site area of approximately 10,673.00 sq.m. to Jingyuancheng Mining at a consideration of RMB1,530,000 for a term of 50 years for industrial use.
2. Pursuant to the State-owned Land Use Rights Certificate – Lai Guo Yong (2011) Di No. 015 (涿國用(2011)第015號) issued by the People’s Government of Laiyuan County (涿源縣人民政府) on September 1, 2011, the land use rights of a parcel of land with a site area of approximately 10,673.00 sq.m. have been granted to Jingyuancheng Mining for a term expiring on August 3, 2061 for industrial use.
3. We have been provided with a legal opinion on the title to the property issued by the Group’s PRC legal adviser, Commerce & Finance Law Offices, which contains, inter alia, the following information:
 - i. Jingyuancheng Mining has legally obtained the land use rights of the property and is entitled to occupy, use, lease, mortgage, transfer or dispose of by any other means the land use rights of the property within its land use term; and
 - ii. the property is free from any mortgages or third party encumbrances.

4. As advised by the Group, the structures and ancillary facilities erected on the property are scheduled for demolition before December 2013.

5. In the course of our valuation, we have attributed no commercial value to the structures and ancillary facilities erected on the property because they have no Building Ownership Certificates. For reference purpose, we are of the opinion that the depreciated replacement cost of the said structures and ancillary facilities as at the date of valuation was in the sum of RMB2,130,000.

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at September 30, 2013
4. An industrial complex located at Longjiazhuang Village, Shuibu Town, Laiyuan County, Baoding, Hebei Province, PRC	<p>The property comprises an industrial complex erected on a parcel of land with a site area of approximately 23,499.00 sq.m. (252,943 sq.ft.). It was completed in 2012.</p> <p>The property is located at Longjiazhuang Village, Shuibu Town. It takes approximately 8-minute drive to the centre of Shuibu Town. Developments in the vicinity are dominated by mining fields and open areas.</p> <p>The industrial complex comprises 8 blocks of single-to 4-storey industrial buildings and structures accommodating workshops, offices, warehouses, dormitories and other ancillary usages with a total gross floor area of approximately 4,094.16 sq.m. (44,070 sq.ft.).</p> <p>As at the date of inspection, 5 structures and ancillary facilities were erected on the property accommodating two water pools, a water storage room, a guard room and a pump room. As advised by the Group, they have a total gross floor area of approximately 228.09 sq.m. (2,455 sq.ft.).</p> <p>The land use rights of the property have been granted for a term expiring on August 3, 2061 for industrial use.</p>	As at the date of valuation, the property was occupied by the Group for production use.	RMB8,820,000

Notes:

- Pursuant to the State-owned Land Use Rights Grant Contract – No. 120100410 entered into between Laiyuan County Land and Resources Bureau (涞源縣國土資源局) (the “Grantor”) and Laiyuan Xinxin Mining Co., Ltd. (涞源縣鑫鑫礦業有限公司) (“Xinxin Mining”), a wholly-owned subsidiary of the Company, on July 27, 2011, the Grantor agreed to grant the land use rights of a parcel of land with a site area of approximately 23,499.00 sq.m. to Xinxin Mining at a consideration of RMB3,410,000 for a term of 50 years for industrial use.

2. Pursuant to the State-owned Land Use Rights Certificate – Lai Guo Yong (2011) Di No. 012 (涇國用(2011)第012號) issued by the People’s Government of Laiyuan County (涇源縣人民政府) on September 1, 2011, the land use rights of a parcel of land with a site area of approximately 23,499.00 sq.m. have been granted to Xinxin Mining for a term expiring on August 3, 2061 for industrial use.
3. Pursuant to the Building Ownership Certificate – Lai Yuan Fang Quan Zheng Lai Yuan Xian Zi Di No. 30591 (涇源房權證涇源縣字第30591號) issued by the Laiyuan County Urban and Rural Building Ownership Rights Registration Office on January 4, 2012, the building ownership of a 4-storey building with a total gross floor area of approximately 4,094.16 sq.m. is vested in Xinxin Mining for comprehensive use.
4. We have been provided with a legal opinion on the title to the property issued by the Group’s PRC legal adviser, Commerce & Finance Law Offices, which contains, inter alia, the following information:
 - i. Xinxin Mining has legally obtained both land use rights of the land and building ownership of the buildings of the property and is entitled to occupy, use, lease, mortgage, transfer or dispose of by any other means the property within its land use term; and
 - ii. the property is free from any mortgages or third party encumbrances.

VALUATION CERTIFICATE

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Market value in existing state as at September 30, 2013</u>
5. An industrial complex located at Zhijiazhuang Village, Yangjiazhuang Town, Laiyuan County, Baoding, Hebei Province, PRC	<p>The property comprises an industrial complex erected on a parcel of land with a site area of approximately 3,025.00 sq.m. (32,561 sq.ft.). It was completed in 2011.</p> <p>The property is located at Zhijiazhuang Village, Yangjiazhuang Town. It takes approximately 10-minute drive to the centre of Yangjiazhuang Town. Developments in the vicinity are dominated by mining fields and open areas.</p> <p>The industrial complex comprises a 4-storey office building, 2 single-storey warehouses and 2 single-storey structures for canteen and boiler room uses with a total gross floor area of approximately 3,548.15 sq.m. (38,192 sq.ft.).</p> <p>The land use rights of the property are still in the process of application.</p>	As at the date of valuation, the property was occupied by the Group for production use.	No commercial value (See Note 5)

Notes:

- Pursuant to the Construction Works Site Selection Intention Letter (建設項目選址意見書) – Xuan Zi Di No. 130630201100016 (選字第130630201100016號) issued by the Urban-Rural Planning Administrative Bureau of Laiyuan County (涞源縣城鄉規劃管理局) on July 21, 2011, a parcel of land with a site area of approximately 3,025.00 sq.m. has been approved to be selected for construction works having development scale of approximately 3,548.152 sq.m. which is to be developed by Laiyuan County Jiheng Mining Co., Ltd. (涞源縣冀恒礦業有限公司) (“Jiheng Mining”), a 90%-owned subsidiary of the Company.
- Pursuant to the Construction Land Planning Permit (建設用地規劃許可證) – Di Zi Di No. 130630201100014 (地字第130630201100014號) issued by the Urban-Rural Planning Administrative Bureau of Laiyuan County on July 21, 2011, a parcel of industrial land with a site area of approximately 3,025.00 sq.m. has been approved for the construction of a building for office and comprehensive uses having development scale of approximately 3,548.152 sq.m. The building is to be developed by Jiheng Mining.
- Pursuant to the Rural Construction Planning Permit (鄉村建設規劃許可證) – Xiang Zi Di No. 130630201100002 (鄉字第130630201100002號) issued by the Urban-Rural Planning Administrative Bureau of Laiyuan County on July 21, 2011, construction works of a building for office and comprehensive uses with a development scale of approximately 3,548.152 sq.m have been approved and permitted to be developed by Jiheng Mining.

4. We have been provided with a legal opinion on the title to the property issued by the Group's PRC legal adviser, Commerce & Finance Law Offices, which contains, inter alia, the following information:
 - In accordance with the current relevant PRC laws and regulations, once Jiheng has obtained all necessary planning and construction permits, filed the checking and acceptance inspection report, and fulfilled all of the other substantive and procedural conditions required by the relevant PRC laws, rules and regulations and requirements of the government authorities at that time, there would be no material legal impediments in obtaining the land use rights certificate for the land and the Building Ownership Certificates for the buildings in question.
5. In the course of our valuation, we have attributed no commercial value to the property because it has no State-owned Land Use Rights Certificate nor Building Ownership Certificate. For reference purpose, we are of the opinion that the depreciated replacement cost of the structures and ancillary facilities of the property as at the date of valuation was in the sum of RMB5,240,000.

VALUATION CERTIFICATE

Group II – Property interests rented by the Group in the PRC

Property	Description and tenancy details	Particulars of occupancy	Market value in existing state as at September 30, 2013
6. Various parcels of land located at Baidao'an Village, Yaoyukou Village and Quanchangbei Village, Zoumayi Town, Laiyuan County, Baoding, Hebei Province, PRC	<p>The property comprises 85 parcels of collectively-owned lands for non-agricultural uses with a total site area of approximately 7,145,463.67 sq.m. (76,913,771 sq.ft.).</p> <p>The property is located at Baidao'an Village, Yaoyukou Village and Quanchangbei Village. It takes approximately 25-minute drive to the centre of Zoumayi Town. Developments in the vicinity are dominated by mining fields and open areas.</p> <p>As at the date of inspection, various structures and ancillary facilities were erected on the property. They comprise single-to 2-storey workshops, warehouses, staff canteens and dormitories together with other structures for transformer room and storage uses. As advised by the Group, they have a total gross floor area of approximately 14,036.14 sq.m. (151,085 sq.ft.).</p> <p>The property is leased to Laiyuan County Jingyuancheng Mining Co., Ltd. (涿源縣京源城礦業有限公司) (“Jingyuancheng Mining”), a wholly-owned subsidiary of the Company, for various concurrent terms with the prescribed latest lease expiry date on August 17, 2031.</p>	As at the date of valuation, the property was occupied by the Group for production and open storage uses.	No commercial value

Notes:

- Pursuant to 85 Temporary Land Use Agreements (臨時用地協議) (“Agreements”), 85 parcels of collectively-owned land with a total site area of approximately 7,145,463.67 sq.m. have been leased to Jingyuancheng Mining at a lump sum rental of RMB80,252,590.13 and subject to various concurrent terms with the prescribed latest lease expiry date on August 17, 2031.

2. Pursuant to the Confirmation Letters on Temporary Land Uses (臨時用地確認函) (“Confirmation Letters on Land”) issued in between February and May 2013 by the Land and Resources Bureau of Laiyuan County (涇源縣國土資源局), Jingyuancheng Mining has obtained the confirmation for the temporary use of various parcels of land with a total site area of approximately 473,413.00 sq.m. for a term of two years.
3. Pursuant to the Confirmation Letter issued on March 29, 2013 by the Forestry Bureau of Laiyuan County (涇源縣林業局) (“Confirmation Letter from Forestry Bureau”), Jingyuancheng Mining has obtained the confirmation for the making use of various parcels of forestry land with a total site area of approximately 5,669.00 sq.m. for a term of two years.
4. We have been provided with a legal opinion on the title to the property issued by the Group’s PRC legal adviser, Commerce & Finance Law Offices, which contains, inter alia, the following information:
 - i. Jingyuancheng Mining has the rights to use the collective-owned lands with a total site area of approximately 473,413.00 sq.m. in accordance with the Agreements, the Confirmation Letters on Land and the Confirmation Letter from Forestry Bureau within the term stated in the relevant confirmation letters;
 - ii. there would be no material legal impediment for Jingyuancheng Mining to apply for the approval for the temporary use of the land or for the extension of the period of the temporary use of such land from the relevant government authorities if all of the substantive and procedural conditions required by the relevant PRC laws, regulations and rules and the requirements of government authorities are fulfilled; and
 - iii. the Agreements are legitimate, effective and legally binding; there is no expressed laws or regulations requiring Jingyuancheng Mining to register these Agreements.

VALUATION CERTIFICATE

Property	Description and tenancy details	Particulars of occupancy	Market value in existing state as at September 30, 2013
7. Various parcels of land located at Dushancheng Village and Longjiazhuang Village, Shuibu Town and Yaoyukou Village, Zoumayi Town, Laiyuan County, Baoding, Hebei Province, PRC	<p>The property comprises 34 parcels of collectively-owned lands for non-agricultural uses with a total site area of approximately 3,830,167.00 sq.m. (41,227,918 sq.ft.).</p> <p>The property is located at Dushancheng Village and Longjiazhuang Village, Shuibu Town and Yaoyukou Village, Zoumayi Town. It takes approximately 20-minute drive to the centres of both Shuibu Town and Zoumayi Town. Developments in the vicinity are dominated by mining fields and open areas.</p> <p>As at the date of inspection, various structures and ancillary facilities were erected on the property. They comprise single-to 3-storey workshops, offices, warehouses, staff canteens and dormitories together with other structures for pump room and water storages. As advised by the Group, they have a total gross floor area of approximately 4,764.60 sq.m. (51,286 sq.ft.).</p> <p>The property is leased to Laiyuan County Xinxin Mining Co., Ltd. (涇源縣鑫鑫礦業有限公司) (“Xinxin Mining”), a wholly-owned subsidiary of the Company, for various concurrent terms with the prescribed latest lease expiry date on October 1, 2048.</p>	As at the date of valuation, the property was occupied by the Group for production and open storage uses.	No commercial value

Notes:

- Pursuant to 34 Temporary Land Use Agreements (臨時用地協議) (“Agreements”), 34 parcels of collectively-owned land with a total site area of approximately 3,830,158.70 sq.m. have been leased to Xinxin Mining at a lump sum rental of RMB19,201,029.00 and subject to various concurrent terms with the prescribed latest lease expiry date on October 1, 2048.

2. Pursuant to the Confirmation Letters on Temporary Land Uses (臨時用地確認函) (“Confirmation Letters on Land”) issued in between February and May 2013 by the Land and Resources Bureau of Laiyuan County (涇源縣國土資源局), Xinxin Mining has obtained the confirmation for the temporary use of various parcels of land with a total site area of approximately 397,184.00 sq.m. for a term of two years.
3. We have been provided with a legal opinion on the title to the property issued by the Group’s PRC legal adviser, Commerce & Finance Law Offices, which contains, inter alia, the following information:
 - i. Xinxin Mining has the rights to use the collective-owned lands with a total site area of approximately 397,184.00 sq.m. in accordance with the Agreements and the Confirmation Letters on Land within the term stated in the relevant confirmation letters;
 - ii. there would be no material legal impediment for Xinxin Mining to apply for the approval for the temporary use of the land or for the extension of the period of the temporary use of such land from the relevant government authorities if all of the substantive and procedural conditions required by the relevant PRC laws, regulations and rules and the requirements of government authorities are fulfilled; and
 - iii. the Agreements are legitimate, effective and legally binding; there is no expressed laws or regulations requiring Xinxin Mining to register these Agreements.

VALUATION CERTIFICATE

<u>Property</u>	<u>Description and tenancy details</u>	<u>Particulars of occupancy</u>	<u>Market value in existing state as at September 30, 2013</u>
8.	<p>Various parcels of land located at Zhijiazhuang Village, Yangjiazhuang Town, Laiyuan County, Baoding, Hebei Province, PRC</p> <p>The property comprises 21 parcels of collectively-owned lands for non-agricultural uses with a total site area of approximately 2,255,739.00 sq.m. (24,280,775 sq.ft.).</p> <p>The property is located at Zhijiazhuang Village, Yangjiazhuang Town. It takes approximately 10-minute drive to the centre of Yangjiazhuang Town. Developments in the vicinity are dominated by mining fields and open areas.</p> <p>As at the date of inspection, two single-storey staff dormitories and two ancillary facilities of pump room were erected on the property. As advised by the Group, they have a total gross floor area of approximately 416.25 sq.m. (4,481 sq.ft.).</p> <p>The property is leased to Laiyuan County Jiheng Mining Co., Ltd. (涿源縣冀恒礦業有限公司) (“Jiheng Mining”), a 90%-owned subsidiary of the Company, for various concurrent terms with the prescribed latest lease expiry date on July 2, 2053.</p>	<p>As at the date of valuation, the property was occupied by the Group for production and open storage uses.</p>	<p>No commercial value</p>

Notes:

1. Pursuant to 21 Temporary Land Use Agreements (臨時用地協議) (“Agreements”), 21 parcels of collectively-owned lands with a total site area of approximately 2,255,738.65 sq.m. have been leased to Jiheng Mining at a lump sum rental of RMB62,746,507.00 and subject to various concurrent terms with the prescribed latest lease expiry date on July 2, 2053.
2. Pursuant to the Confirmation Letters on Temporary Land Uses (臨時用地確認函) (“Confirmation Letters on Land”) issued in between March and May 2013 by the Land and Resources Bureau of Laiyuan County (涿源縣國土資源局), Jiheng Mining has obtained the confirmation for the temporary use of various parcels of land with a total site area of approximately 289,231.00 sq.m. for a term of two years.
3. Pursuant to the Confirmation Letters issued in between March and April 2013 by the Forestry Bureau of Laiyuan County (涿源縣林業局) (“Confirmation Letters from Forestry Bureau”), Jiheng Mining has obtained the confirmation for the temporary use of various parcels of forestry land with a total site area of approximately 144,575.50 sq.m. for a term of two years.

4. We have been provided with a legal opinion on the title to the property issued by the Group's PRC legal adviser, Commerce & Finance Law Offices, which contains, inter alia, the following information:
 - i. Jiheng Mining has the rights to use the collective-owned lands with a total site area of approximately 289,231.00 sq.m. in accordance with the Agreements, the Confirmation Letters on Land and the Confirmation Letters from Forestry Bureau within the term stated in the relevant confirmation letters;
 - ii. there would be no material legal impediment for Jiheng Mining to apply for the approval for the temporary use of the land or the extension of the period of the temporary use of such land from the relevant government authorities if all of the substantive and procedural conditions required by the relevant PRC laws, regulations and rules and the requirements of government authorities are fulfilled; and
 - iii. the Agreements are legitimate, effective and legally binding; there is no expressed laws or regulations requiring Jiheng Mining to register these Agreements.

VALUATION CERTIFICATE

Property	Description and tenancy details	Particulars of occupancy	Market value in existing state as at September 30, 2013
9. Portion of No. 91 Guangping Street, East Inner Ring Laiyuan County, Baoding, Hebei Province, PRC	<p>No. 91 Guangping Street is a 5-storey office building and was completed in 2009.</p> <p>The property is located at No. 91 Guangping Street, Laiyuan County. It takes approximately 5-minute drive to the centre of Laiyuan County. Developments in the vicinity are dominated by low to medium-rise composite and residential developments.</p> <p>The property comprises the whole of No. 91 Guangping Street excluding the retail shops on Level 1. It has a total gross floor area of approximately 3,804.24 sq.m. (40,949 sq.ft.).</p> <p>The property is leased to Rongcheng County Jiuhejiye Technology Co., Ltd. (容城縣久恒基業科技有限公司) (“Jiuhejiye”), which was renamed to Laiyuan County Aowei Mining Investments Co., Ltd. (“Aowei Mining”) (涿源縣奧威礦業投資有限公司) (“Aowei Mining”) in 2012, a wholly-owned subsidiary of the Company, from Kang Jianming (亢建明), an independent third party, for a term expiring on May 31, 2016.</p>	As at the date of valuation, the property was occupied by the Group for office use.	No commercial value

Notes:

- Pursuant to the Housing Tenancy Agreement (房屋租賃合同) (“Agreement”) entered into among Laiyuan County Jiheng Mining Co., Ltd. (涿源縣冀恒礦業有限公司) (“Tenant 1”), Jiuhejiye and Kang Jianming, the property is leased for office use and subject to the following arrangements:

Leasing Period	Lessee	Annual Rental (RMB)
June 1, 2011 to April 11, 2012	Tenant 1	400,000
April 12, 2012 to May 31, 2013	Jiuhejiye	400,000
June 1, 2013 to May 31, 2016	Jiuhejiye	430,000

2. Pursuant to the Enterprise Change Information (企業變更信息) certified by Laiyuan County Industrial, Commercial and Administrative Bureau (涇源縣工商行政管理局), Jiuheg Jiye has changed its name to Aowei Mining since June 12, 2012.
3. We have been provided with a legal opinion on the title to the property issued by the Group's PRC legal adviser, Commerce & Finance Law Offices, which contains, inter alia, the following information:
 - i. the Agreement is legal, effective, executable and legally binding. Aowei Mining has the legal right to use the property in accordance with the Agreement; and
 - ii. non-registration of the Agreement will not affect its validity.

VALUATION CERTIFICATE

Property	Description and tenancy details	Particulars of occupancy	Market value in existing state as at September 30, 2013
10. An office block located at No. 2 Biluo Lake, Tianbao Middle Road, Wenjiang District, Chengdu, Sichuan Province, PRC (中國四川省成都市溫江區天寶中路碧落湖2號之辦公樓)	<p>The property is located at No. 2 Biluo Lake, Tianbao Middle Road. It is a 2-storey office building and was completed in 2006. The property has a total gross floor area of approximately 40.00 sq.m. (431 sq.ft.).</p> <p>The property is located at No. 2 Biluo Lake, Tianbao Middle Road, Wenjiang District, Chengdu. It takes approximately 5-minute drive to the centre of Wenjiang District. Developments in the vicinity are dominated by low to medium-rise composite and residential developments.</p>	<p>As at the date of valuation, the property was occupied by the Group for office use.</p>	<p>No commercial value</p>
	<p>The property is leased to Sichuan Panshi Industrial Co., Ltd. (四川盤實實業有限公司) (“Sichuan Panshi”), a wholly-owned subsidiary of the Company, from Chengdu Guanghua Asset Management Co., Ltd. (成都光華資產管理有限公司) (“Guanghua Asset”), an independent third party, for a term expiring on June 1, 2014.</p>		

Notes:

1. Pursuant to the Housing Tenancy Agreement (房屋租賃協議) (“Agreement”) entered into between Panshi Industrial and Guanghua Asset on June 1, 2013, the property is leased to Sichuan Panshi for a term commencing on June 1, 2013 and expiring on June 1, 2014 at a monthly rental of RMB1,500 for office use.
2. We have been provided with a legal opinion on the title to the property issued by the Group’s PRC legal adviser, Commerce & Finance Law Offices, which contains, inter alia, the following information:
 - i. the Agreement is legal, effective, executable and legally binding. Sichuan Panshi has the legal right to use the property in accordance with the Agreement; and
 - ii. non-registration of the Agreement will not affect its validity.

VALUATION CERTIFICATE

<u>Property</u>	<u>Description and tenancy details</u>	<u>Particulars of occupancy</u>	<u>Market value in existing state as at September 30, 2013</u>
11.	<p>An office block located at No. 3 Biluo Lake, Tianbao Middle Road, Wenjiang District, Chengdu, Sichuan Province, PRC</p> <p>The property is located at No. 3 Biluo Lake, Tianbao Middle Road. It is a 2-storey office building and was completed in 2006. The property has a total gross floor area of approximately 40.00 sq.m. (431 sq.ft.).</p> <p>The property is located at No. 3 Biluo Lake, Tianbao Middle Road, Wenjiang District, Chengdu. It takes approximately 5-minute drive to the centre of Wenjiang District. Developments in the vicinity are dominated by low to medium-rise composite and residential developments.</p> <p>The property is leased to Sichuan Hengwen Industrial Co., Ltd. (四川恒穩實業有限公司) (“Sichuan Hengwen”), a wholly-owned subsidiary of the Company, from Chengdu Guanghua Asset Management Co., Ltd. (成都光華資產管理有限公司) (“Guanghua Asset”), an independent third party, for a term expiring on June 1, 2014.</p>	As at the date of valuation, the property was occupied by the Group for office use.	No commercial value

Notes:

1. Pursuant to the Housing Tenancy Agreement (房屋租賃協議) (“Agreement”) entered into between Sichuan Hengwen and Guanghua Asset on June 1, 2013, the property is leased to Sichuan Hengwen for a term commencing on June 1, 2013 and expiring on June 1, 2014 at a monthly rental of RMB1,500 for office use.
2. We have been provided with a legal opinion on the title to the property issued by the Group’s PRC legal adviser, Commerce & Finance Law Offices, which contains, inter alia, the following information:
 - i. the Agreement is legal, effective, executable and legally binding. Sichuan Hengwen has the legal right to use the property in accordance with the Agreement; and
 - ii. non-registration of the Agreement will not affect its validity.