

The following is the text of the letter, a summary of valuation and the valuation report received from Knight Frank Petty Limited, an independent property valuer, prepared for the purpose for incorporation in this prospectus, in connection with their valuation of the property interests held by the Group as at 31 December 2006.



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5 March 2007

The Directors
Sino Gold Mining Limited
Level 8, Nos. 17–19 Bridge Street
Sydney
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Dear Sirs

In accordance with your instructions for us to value the property interests held by Sino Gold Mining Limited (hereinafter referred to as the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) in the People’s Republic of China (the “PRC”) and Australia, 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 the market values of such property interests as at 31 December 2006.

Our valuation is our opinion of the market value of the property which we would define as intended to mean “the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.”

The market value is the best price reasonably obtainable in the market by the seller and the most advantageous price reasonably obtainable in the market by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of special value. The market value of a property is also estimated without regard to costs of sale and purchase, and without offset for any associated taxes.

The property in Group I is held by the Group for owner occupation. Due to specific purpose for which the buildings and structures of the property have been constructed, there is no readily identifiable market comparable, thus the buildings and structures cannot be valued on the basis of direct comparison. The property has therefore been valued on the basis of their depreciated replacement cost. We would define

“depreciated replacement cost” to be our opinion of the land value in its existing use and an estimate of the new replacement costs of the buildings and structures including fees and finance charges, from which deductions are then made to allow for age, condition and functional obsolescence. The depreciation replacement cost approach generally provides the most reliable indication of value for property in the absence of a known market based on comparable sales.

Our valuation based on the depreciated replacement cost approach shall be subject to the adequate potential profitability of the business. We must state that cessation of the existing business (if any) would have significant impact on the market value of the property as derived by the depreciated replacement cost approach.

We have attributed no commercial values to the property interests in Groups II, III and IV due to prohibition against assignment or sub-letting or otherwise due to lack of substantial profit rents. The Groups II, III and IV are leased by the Group in the PRC, Australia and contracted to be leased by the Group in the PRC, respectively. The purpose of stating the property interest in Group IV is to disclose details of the property interest leased by the Group as at the prospectus date.

We have been provided with extracts of documents in respect of the title to the property interests in the PRC. However, we have not inspected the original documents to ascertain any amendments which may not appear on the copies handed to us. We have relied on the information given by the Group and its PRC legal advisor, King and Wood, regarding the title to the properties. In the course of our valuation, we have relied to a very considerable extent on the information given by the Group and the legal opinion of the Group’s PRC legal adviser. We have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, completion dates of buildings, particulars of occupancy, development schemes, site areas and floor areas. Dimensions, measurements and areas included in the valuation report attached are based on information provided to us and are therefore only approximations. We have no reason to doubt the truth and accuracy of the information provided to us by the Group and/or its PRC legal advisor 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 have inspected the exterior and, where possible, the interior of the properties. However, no structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are not, however, able to report that the properties are free from rot, infestation or any other structural defects. No tests were carried out on any of the services. Moreover, we have not carried out investigations on site to determine the suitability of the ground conditions and services etc for any future development. Our valuations are prepared on the assumption that these aspects are satisfactory. We have not been able to carry out on-site measurements to verify the site and floor areas of the properties and we have assumed that the areas shown on the documents handed to us are correct.

No allowance has been made in our report for any charges, mortgages or amounts owing on any property interests nor for any expenses or taxation which may be incurred in affecting a sale. Unless otherwise stated, it is assumed that the property interests are free from encumbrances, restrictions and outgoing of an onerous nature which could affect their values.

In preparing our valuation report, we have complied with the “First Edition of The HKIS Valuation Standards on Properties” published by the Hong Kong Institute of Surveyors and all the requirements contained in the provision of Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited.

Unless otherwise stated, all monetary amounts stated are in Renminbi.

Our summary of values and valuation report are attached.

Yours faithfully
For and on behalf of
Knight Frank Petty Limited
Alex S L Ng
MRICS MHKIS RPS(GP)
Executive Director

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Note: Alex S L Ng, *M.R.I.C.S., M.H.K.I.S., R.P.S. (G.P.)*, has been a qualified valuer with Knight Frank Petty Limited since November 1995 and has 21 years' experience in the valuation of properties in Hong Kong and has been involved in the valuation of properties in the People's Republic of China and Asia Pacific regions since 1988.

SUMMARY OF VALUES

<u>Property</u>	<u>Market value in existing state as at 31 December 2006 RMB</u>	<u>Interest attributable to the Group</u>	<u>Market value in existing state attributable to the Group as at 31 December 2006 RMB</u>
Group I — Property Interest held by the Group in the PRC			
1. A parcel of land at Bainitian Estate Shaping Village Zhenfeng County Guizhou Province The PRC	49,000,000	82%	40,180,000
		Sub-total:	<u>40,180,000</u>
Group II — Property Interests leased by the Group in the PRC			
2. Unit C1 on Level 13 Hongxiang Building No. 1 Yan'an Middle Road Guiyang City Guizhou Province The PRC	No Commercial Value		No Commercial Value
3. Units C2 and E on Level 11 Hongxiang Building No. 1 Yan'an Middle Road Guiyang City Guizhou Province The PRC	No Commercial Value		No Commercial Value
4. Portion of Level 1, Portion of Level 2 and Whole of Level 5 No. 10 Huangjin Road Ceheng County Guizhou Province The PRC	No Commercial Value		No Commercial Value
5. Level 1 and Level 2 East of Kangzhu Area, Yongfeng Avenue Group 1 of Dongmen Estate Mingu Town Zhenfeng County Guizhou Province The PRC	No Commercial Value		No Commercial Value

Property	Market value in existing state as at 31 December 2006 RMB	Interest attributable to the Group	Market value in existing state attributable to the Group as at 31 December 2006 RMB
6. A property located at Banshi Town Badaojiang Area Baishan City Jilin Province The PRC	No Commercial Value		No Commercial Value
7. Units 207 and 209A on Level 2 Shengliangshiju Complex Building No. 3 Luoyuan Avenue Lixia District Jinan City Shandong Province The PRC	No Commercial Value		No Commercial Value
8. Unit 109 on Level 1 East Building No. 74 Lishan Road Jinan City Shandong Province The PRC	No Commercial Value		No Commercial Value
9. Unit 611 on Level 4 Administrative Building No. 14 Shanshi East Road Jinan City Shandong Province The PRC	No Commercial Value		No Commercial Value
10. Units 1712–1714 on Level 17 Ruoy Chai International Building No. 8 Yongan East Lane Jianguomenwai Avenue Chaoyang District Beijing The PRC	No Commercial Value		No Commercial Value
		Sub-total:	No Commercial Value

<u>Property</u>	<u>Market value in existing state as at 31 December 2006</u> RMB	<u>Interest attributable to the Group</u>	<u>Market value in existing state attributable to the Group as at 31 December 2006</u> RMB
Group III — Property Interest leased by the Group in Australia			
11. Level 8 Nos. 17–19 Bridge Street Sydney NSW Australia	No Commercial Value		No Commercial Value
		Sub-total:	No Commercial Value
Group IV — Property Interest contracted to be leased by the Group in the PRC⁽¹⁾			
12. Block E (Unit 5) on Level 13 Fu Zhong Cai Zhi Building No. 1 Ruijin North Road Guiyang City Guizhou Province The PRC	No Commercial Value		No Commercial Value
		Sub-total:	No Commercial Value
		Grand total:	40,180,000

Note:

- (1) The Group has leased the property for a term of 5 years commencing from 1 January 2007 after the valuation date of 31 December 2006. The purpose of stating this property is to disclose details of the property leased by the Group as at the prospectus date.

VALUATION REPORT

Group I — Property Interest held by the Group in the PRC

Property	Description and Tenure	Particulars of Occupancy	Market value in existing state as at 31 December 2006
1. A parcel of land at Bainitian Estate Shaping Village Zhenfeng County Guizhou Province The PRC	<p>The property is a mining site with a site area of approximately 696,667 sq m (7,498,924 sq ft).</p> <p>The property comprises 31 blocks of single to two-storey temporary buildings with a total gross floor area of approximately 6,417.50 sq m (69,078 sq ft) for entertainment, resting, dining, office and communal purposes, completed in 2002 to 2006.</p> <p>The property also has 15 blocks of single to three-storey buildings under construction. These buildings will have a total gross floor area of approximately 9,475.16 sq m (101,991 sq ft) for refining, resting, office, maintenance, storage, electricity supply and dining purposes which will be completed in 2007.</p> <p>The land use right of the property is held for a term expiring on 2 August 2056 for industrial and mining uses.</p>	<p>Portion of the property is currently occupied by the Group for entertainment, resting, dining, office and communal purposes.</p> <p>The remaining portion of the property is under development.</p>	<p>RMB49,000,000</p> <p>(82% interest attributable to the Group: RMB40,180,000)</p>

Notes:

1. Pursuant to the Joint Venture Contract dated 30 April 2001 entered into between Guizhou Province Lannigou Gold Mine Co., Ltd (貴州省爛泥溝金礦有限責任公司) (“Party A”) and Sino Mining Guizhou Pty Limited (中國礦業貴州有限公司) (“Party B”) and the Certificate of Approval for Establishment of Enterprises with Foreign Investment in the PRC No. Shang Wai Zi Gui Xi Zi [2002] 0003, both parties agreed to establish a co-operative joint-venture company. The salient conditions as stipulated in the said contract and certificate are, inter alia, cited as follows:
 - (i) Name of joint-venture company: Sino Guizhou Jinfeng Mining Limited ((中外合作)貴州金豐礦業有限公司) (the “Joint Venture”) (named as Guizhou Jinfeng Mining Limited (貴州錦豐礦業有限公司) in the said certificate)
 - (ii) Period of operation: 30 years
 - (iii) Total investment amount: USD98,400,000
 - (iv) Registered capital: USD35,000,000
 - (v) Equity sharing ratio: Party A — 15%; Party B — 85%
 - (vi) Profit sharing ratio: Party A — 3% of sales revenue and 15% of net profit after taxation; Party B — 85% of net profit after taxation

2. The Company holds a legal 85% equity interest of the Joint Venture. The Company, in a letter dated December 11, 2001, confirmed to Party A that the former would transfer 3% of its equity interest to the latter subject to conditions, which the Company expects to be fulfilled or waived, and upon approval by the relevant PRC governmental authorities. The Group considers itself to have an effective 82% equity interest in the Joint Venture, and will hold a legal 82% interest upon fulfilment or waiver of the conditions and approval by the relevant PRC governmental authorities.
3. Pursuant to the Business Licence No. Qi Zuo Qian Zong Zi Di 000879 dated 7 October 2005, the Joint Venture was incorporated with a registered capital of USD35,000,000 for a valid period of 8 July 2002 to 7 July 2032 for exploration, mine construction, mining and smelting of gold and other minerals in the area approved by the State and product sales (no operation should be made before special licence is granted).
4. Pursuant to the Contract for Grant of State-owned Land Use Right entered into between Zhenfeng County Land Resources Bureau (貞豐縣國土資源局) and the Joint Venture on 21 February 2005, the former party agreed to grant land use rights of a property with a site area of 1,045 mu (approximately 696,670 sq m) to the Joint Venture for a land use right term of 50 years from the date of issuance of State-owned Land Use Right Certificate for industrial use.
5. Pursuant to the State-owned Land Use Right Certificate No. Zhen Guo Yong (2006) Di 01099 issued by Zhenfeng County People's Government on 2 August 2006, the land use right of the property with a site area of 696,667 sq m is granted to the Joint Venture for a term expiring on 2 August 2056 for industrial and mining uses at a consideration of RMB4,412,710.
6. Pursuant to the document regarding the approval of construction of temporary buildings by the Joint Venture issued by Zhenfeng County Construction Bureau dated 7 December 2006, the term of right to use the temporary buildings should not exceed two years from date of issue of the document.
7. As advised by the Group, the estimated usage period of the temporary buildings would be up to 2 years from the date of the document mentioned in Note 6.
8. Pursuant to the Village Planning Construction Permit Nos. 2006-01 and 06-077, the construction of the buildings with a gross floor area of 9,127.56 sq.m. was permitted (Please refer to Note 10 (v) for details).
9. As advised by the Group, the construction cost paid and the outstanding construction cost of the incomplete buildings of the property as at 31 December 2006 were approximately RMB23,000,000 and RMB1,800,000, respectively.
10. We have been provided with a legal opinion on the title to the property issued by the Group's PRC legal adviser, which contains, inter alia, the following information:
 - (i) the Joint Venture has the legal rights and interests to the land including, but not limited to, construction of buildings as approved by relevant authorities on the site, which shall be protected by the PRC laws;
 - (ii) the Joint Venture is entitled to lease, transfer, mortgage or otherwise dispose of the land, which is clear in title and free from any encumbrance;
 - (iii) the aggregate land grant premium of USD551,837.00 has been fully paid up by the Joint Venture;
 - (iv) according to the approval letter issued by Zhenfeng County Construction Bureau dated 7 December 2006, the construction of the temporary buildings has been permitted by the relevant authority and the Joint Venture has the right to use those buildings for two years from 7 December 2006; and
 - (v) accordance to the construction planning permit nos. 2006-01 and 06-077, the planning of 14 blocks of buildings under construction with a total gross floor area of 9,127.56 sq.m. has been approved. According to the confirmation letter of the Company, the Joint Venture is in the process of procuring the construction permits for the 14 blocks of buildings under construction. If the Joint Venture fails to obtain them, it might suffer penalties varying from fine, rectification within a prescribed period or suspension of construction, depending on the nature and consequence of such defects. In addition, according to the confirmation letter of the Company, the Joint Venture is in the process of procuring construction planning permit for the remaining 1 block of building under construction with a gross floor area of approximately 347.60 sq.m. In the event that the Joint Venture fails to

obtain such permit, the building without construction planning permit might be dismantled if the construction of such building contradicts local rural planning materially, or the Joint Venture might suffer penalties of fine and rectification within a prescribed period if such defects could be rectified.

11. We have relied on the aforesaid opinion from the Group's PRC legal adviser and have assigned no commercial value to the buildings under construction due to lack of sufficient title proof.
12. Based on the assumption that the titles to the aforesaid buildings under construction are all proper legal titles without any defects, the market value of the property would be approximately RMB63,000,000.

Group II — Property Interests leased by the Group in the PRC

<u>Property</u>	<u>Description and Tenure</u>	<u>Particulars of Occupancy</u>	<u>Market value in existing state as at 31 December 2006</u>
2. Unit C1 on Level 13 Hongxiang Building No. 1 Yan'an Middle Road Guiyang City Guizhou Province The PRC	The property comprises an office unit with a gross floor area of approximately 119.79 sq m (1,289 sq ft) in Hongxiang Building. The building was completed in 2001.	The property is currently leased by the Group for office uses for a term of 1 year from 16 January 2007 to 15 January 2008 at a quarterly rental of RMB13,476 exclusive of management fee and air-conditioning fee.	No commercial value

Notes:

1. Pursuant to a tenancy agreement entered into between Ran Ruirong (冉瑞榮) and Zhu Min (朱敏) jointly as the lessor (together referred to as "Party A") and the Guiyang representative office of Sino Gold Limited (澳華黃金有限公司貴陽代表處) as the lessee ("Party B"), the property is leased by Party B for a term of 1 year from 16 January 2007 to 15 January 2008 at a quarterly rental of RMB13,476 exclusive of management fee and air-conditioning fee.
2. As advised by the Group, the landlord of the property, Party A, is an independent third party of the Group.
3. We have been provided with a legal opinion on the legality of the lease issued by the Group's PRC legal adviser, which contains, inter alia, the following information:
 - (i) According to the Building Ownership Certificate No. Zhu Fang Quan Zheng Yun Yan Zi Di 010087895, Party A owns the property;
 - (ii) the said tenancy agreement is in compliance with the PRC laws and is legally binding to the parties thereto; and
 - (iii) Party A has the right to lease the property to Party B, who has the right to use the property according to the terms and conditions of the said tenancy agreement.

<u>Property</u>	<u>Description and Tenure</u>	<u>Particulars of Occupancy</u>	<u>Market value in existing state as at 31 December 2006</u>
3. Units C2 and E on Level 11 Hongxiang Building No. 1 Yan'an Middle Road Guiyang City Guizhou Province The PRC	The property comprises two office units with a total gross floor area of approximately 197.57 sq m (2,127 sq ft) in Hongxiang Building. The building was completed in 2001.	The property is currently leased by the Group for office uses for a term of 3 months from 24 November 2006 to 23 February 2007 at a monthly rental of RMB9,483 inclusive of management fee and air-conditioning fee.	No commercial value

Notes:

1. Pursuant to a tenancy agreement entered into between Guizhou Hongxiang Real Estate Development Co., Ltd. (貴州虹祥房地產開發有限公司) ("Party A") and Sino Guizhou Jinfeng Mining Ltd. (貴州錦豐礦業有限公司) ("Party B"), the property is leased by Party B for a term of 3 months from 24 November 2006 to 23 February 2007 at a monthly rental of RMB9,483 inclusive of management fee and air-conditioning fee.
2. As advised by the Group, the landlord of the property, Party A, is an independent third party of the Group.
3. As advised by the Group, the aforesaid tenancy agreement would not be renewed upon expiry. After the tenancy expires, Party B would move to the property stated in Property No. 12 of this valuation report.
4. We have been provided with a legal opinion on the legality of the lease issued by the Group's PRC legal adviser, which contains, inter alia, the following information:
 - (i) Due to the absence of relevant title documents in relation to the leased property, the validity and legality of the tenancy agreement of the property remains uncertain. In the event that the tenancy agreement of the property is treated as null and void, the lessee may bear the risk to return the leased property to the beneficial owner thereof; and
 - (ii) in accordance with the tenancy agreement, the property is not used for mining operations, it can be substituted with a new tenancy agreement which is valid and in full effect under PRC laws.

<u>Property</u>	<u>Description and Tenure</u>	<u>Particulars of Occupancy</u>	<u>Market value in existing state as at 31 December 2006</u>
4. Portion of Level 1, Portion of Level 2 and Whole of Level 5 No. 10 Huangjin Road Ceheng County Guizhou Province The PRC	The property comprises portion of Level 1, portion of Level 2 and whole of Level 5 with a total gross floor area of approximately 450 sq m (4,844 sq ft) in No. 10 Huangjin Road. The subject building was completed in 2006.	Portion of Level 1 is currently occupied by the Group for office uses and portion of Level 2 and whole of Level 5 are currently occupied by the Group for residential uses. The property is subject to a tenancy for a term expiring on 30 April 2007 at an annual rental of RMB6,000 for portion of Level 1, RMB5,000 for portion of Level 2 and RMB5,000 for Level 5.	No commercial value

Notes:

1. Pursuant to a tenancy agreement entered into between Chen Yun (陳雲) (“Party A”) and Sino Gold Guizhou Jinluo Mining Ltd. (貴州金銘礦業有限公司) (“Party B”), the property is leased by Party B for a term expiring on 30 April, 2007 at an annual rental of RMB6,000 for portion of Level 1, RMB5,000 for portion of Level 2 and RMB5,000 for Level 5.
2. As advised by the Group, the landlord of the property, Party A, is an independent third party of the Group.
3. We have been provided with a legal opinion on the legality of the lease issued by the Group’s PRC legal adviser, which contains, inter alia, the following information:
 - (i) According to the Building Ownership Certificate No. Ce Fang Quan Zheng Zhe Lou Zhen Zi Di 2651, Party A owns the property. The building is built on the state-owned land, of which State-owned Land Use Right Certificate No. Ce Guo Yong (2003) Zi Di 9 has been granted;
 - (ii) the said tenancy agreement is in compliance with the PRC laws and is legally binding to the parties thereto; and
 - (iii) Party A has the right to lease the property to Party B, who has the right to use the property according to the terms and conditions of the said tenancy agreement.

<u>Property</u>	<u>Description and Tenure</u>	<u>Particulars of Occupancy</u>	<u>Market value in existing state as at 31 December 2006</u>
5. Level 1 and Level 2 East of Kangzhu Area, Yongfeng Avenue Group 1 of Dongmen Estate Mingu Town Zhenfeng County Guizhou Province The PRC	The property comprises Level 1 and Level 2 with a total gross floor area of approximately 280 sq m (3,014 sq ft) in the building which is situated on Yongfeng Avenue. The building was completed in 2006.	Level 1 and Level 2 are currently occupied by the Group for office and residential uses, respectively. The property is subject to a tenancy for a term of 2 years from 20 June 2006 to 19 June 2008 at an annual rental of RMB15,000.	No commercial value

Notes:

1. Pursuant to a tenancy agreement entered into between Su Jinli (粟金利) (“Party A”) and Sino Gold Guizhou Jinluo Mining Ltd. (贵州金路矿业有限公司) (“Party B”), the property is leased by Party B for a term of 2 years from 20 June 2006 to 19 June 2008 at an annual rental of RMB15,000.
2. As advised by the Group, the landlord of the property, Party A, is an independent third party of the Group.
3. We have been provided with a legal opinion on the legality of the lease issued by the Group’s PRC legal adviser, which contains, inter alia, the following information:
 - (i) Due to the absence of relevant title documents in relation to the leased property, the validity and legality of the aforesaid tenancy agreement remains uncertain. In the event that the above tenancy agreement is treated as null and void, the lessee may bear the risk to return the leased property to the beneficial owner thereof; and
 - (ii) in accordance with the aforesaid tenancy agreement, the property is not used for mining operations, it can be substituted with a new tenancy agreement which is valid and in full effect under PRC laws.

Property	Description and Tenure	Particulars of Occupancy	Market value in existing state as at 31 December 2006
6. A property located at Banshi Town Badaojiang Area Baishan City Jilin Province The PRC	<p>The property has a site area of approximately 6,167.50 sq m (66,387 sq ft).</p> <p>There are three 1-storey to 2-storey buildings with a total gross floor area of approximately 490.4 sq m (5,279 sq ft), completed in 2002. There are also 5 temporary sheds for core storage with a total gross floor area of 1,129 sq m (12,153 sq ft).</p>	<p>The property is currently occupied by the Group for residential, office and storage uses for a term of 10 years from 1 May 2006 to 30 April 2016 at an annual rental of RMB60,000 for the first to third year; RMB75,000 for the fourth to sixth year and RMB85,000 for the seventh to tenth year.</p>	No commercial value

Notes:

1. Pursuant to a tenancy agreement entered into between Wei Dewen (魏德文) (“Party A”) and Sino Gold Jilin BMZ Mining Ltd. (吉林板廟子礦業有限公司) (“Party B”), the property is leased by Party B for a term of 10 years from 1 May 2006 to 30 April 2016 at an annual rental of RMB60,000 for the first to third year; RMB75,000 for the fourth to sixth year and RMB85,000 for the seventh to tenth year.
2. As advised by the Group, the landlord of the property, Party A, is an independent third party of the Group.
3. We have been provided with a legal opinion on the legality of the lease issued by the Group’s PRC legal adviser, which contains, inter alia, the following information:
 - (i) According to the Land Use Right Certificate No. Ba Tu Ji Yong 2003 Zi Di, the land use right of the property with a site area of approximately 6,167.50 sq m has been allocated to Party A for the purpose of building self-used house;
 - (ii) according to the three copies of Building Ownership Certificate Nos. Bai Shan Fang Quan Zheng Bai BQ Zi Di 068568, Di 068569 and Di 070024, the buildings with a total gross floor area of 490.4 sq.m. (the “Baishan Buildings”) were built on the land of the property; and
 - (iii) the aforesaid tenancy agreement does not contravene the PRC Laws, and is legally binding to the parties thereto. Party A has the right to lease Baishan Buildings to Party B, who has the right to use the Baishan Buildings according to the terms and conditions of the tenancy agreement.

<u>Property</u>	<u>Description and Tenure</u>	<u>Particulars of Occupancy</u>	<u>Market value in existing state as at 31 December 2006</u>
7. Units 207 and 209A on Level 2 Shengliangshiju Complex Building No. 3 Luoyuan Avenue Lixia District Jinan City Shandong Province The PRC	The property comprises two office units with a total gross floor area of approximately 125 sq m (1,346 sq ft) in Shengliangshiju Complex Building. The building was completed in 2005.	The property is currently occupied by the Group for office uses for a term of 1 year from 25 August 2006 to 24 August 2007 at an annual rental of RMB135,000 inclusive of management fee.	No commercial value

Notes:

1. Pursuant to a tenancy agreement entered into between Shandong Province Liangyou Comprehensive Services Co. (山東省糧油綜合服務公司) (“Party A”) and the Jinan representative office of Sino Gold Fields Shandong JV Ltd. (澳華金田山東合作有限公司濟南代表處) (“Party B”), the property is leased by Party B for a term of 1 year from 25 August 2006 to 24 August 2007 at an annual rental of RMB135,000 inclusive of management fee.
2. As advised by the Group, the landlord of the property, Party A, is an independent third party of the Group.
3. We have been provided with a legal opinion on the legality of the lease issued by the Group’s PRC legal adviser, which contains, inter alia, the following information:
 - (i) Due to the absence of relevant title documents in relation to the leased property, the validity and legality of the aforesaid tenancy agreement remains uncertain. In the event that the above tenancy agreement is treated as null and void, the lessee may bear the risk to return the leased property to the beneficial owner thereof; and
 - (ii) in accordance with the aforesaid tenancy agreement, it is not used for mining operations, it can be substituted with a new tenancy agreement which is valid and in full effect under PRC laws.

<u>Property</u>	<u>Description and Tenure</u>	<u>Particulars of Occupancy</u>	<u>Market value in existing state as at 31 December 2006</u>
8. Unit 109 on Level 1 East Building No. 74 Lishan Road Jinan City Shandong Province The PRC	The property comprises an office unit with a gross floor area of approximately 22 sq m (237 sq ft) in East Building, No. 74 Lishan Road. The building was completed in 1956.	The property is currently occupied by the Group for office uses for a term of 1 year from 1 August 2006 to 31 July 2007 at an annual rental of RMB15,840 exclusive of management fee.	No commercial value

Notes:

1. Pursuant to a tenancy agreement entered into between Shandong Province Mine Exploration and Development Bureau Organization Services Centre (山東省地礦勘查開發局機關服務中心) ("Party A") and Shandong Sino Gold Fields Ludi Ltd. (山東澳金魯地礦業有限公司) ("Party B"), the property is leased by Party B for a term of 1 year from 1 August 2006 to 31 July 2007 at an annual rental of RMB15,840 exclusive of management fee.
2. As advised by the Group, the landlord of the property, Party A, is a connected party of the Group.
3. We have been provided with a legal opinion on the legality of the lease issued by the Group's PRC legal adviser, which contains, inter alia, the following information:
 - (i) Due to the absence of relevant title documents in relation to the leased property, the validity and legality of the aforesaid tenancy agreement remains uncertain. In the event that the above tenancy agreement is treated as null and void, the lessee may bear the risk to return the leased property to the beneficial owner thereof; and
 - (ii) in accordance with the aforesaid tenancy agreement, the property is not used for mining operations, it can be substituted with a new tenancy agreement which is valid and in full effect under PRC laws.

<u>Property</u>	<u>Description and Tenure</u>	<u>Particulars of Occupancy</u>	<u>Market value in existing state as at 31 December 2006</u>
9. Unit 611 on Level 4 Administrative Building No. 14 Shanshi East Road Jinan City Shandong Province The PRC	The property comprises an office unit with a gross floor area of approximately 29.97 sq m (323 sq ft) in Administrative Building, No. 14 Shanshi East Road. The building was completed in 1980.	The property is currently occupied by the Group for office uses for a term of 1 year from 1 September 2006 at a monthly rental of RMB501.40 exclusive of management fee.	No commercial value

Notes:

1. Pursuant to a tenancy agreement entered into between Shandong Zhengyuan Property Limited Liability Company (山東正元物業有限責任公司) (“Party A”) and Shandong Sino Gold Fields Zhengyuan Ltd. (山東澳金正元礦業有限公司) (“Party B”), the property is leased by Party B for a term of 1 year from 1 September 2006 at a monthly rental of RMB501.40 exclusive of management fee.
2. As advised by the Group, the landlord of the property, Party A, is a connected party of the Group.
3. We have been provided with a legal opinion on the legality of the lease issued by the Group’s PRC legal adviser, which contains, inter alia, the following information:
 - (i) Due to the absence of relevant title documents in relation to the leased property, the validity and legality of the aforesaid tenancy agreement remains uncertain. In the event that the above tenancy agreement is treated as null and void, the lessee may bear the risk to return the leased property to the beneficial owner thereof; and
 - (ii) in accordance with the aforesaid tenancy agreement, the property is not used for mining operations, it can be substituted with a new tenancy agreement which is valid and in full effect under PRC laws.

<u>Property</u>	<u>Description and Tenure</u>	<u>Particulars of Occupancy</u>	<u>Market value in existing state as at 31 December 2006</u>
10. Units 1712–1714 on Level 17 Ruoy Chai International Building No. 8 Yongan East Lane Jianguomenwai Avenue Chaoyang District Beijing The PRC	The property comprises three office units with a total gross floor area of approximately 337.23 sq m (3,630 sq ft) in Ruoy Chai International Building. The building was completed in 1999.	The property is currently occupied by the Group for office uses for a term of 2 years from 10 January 2007 to 9 January 2009 at a monthly rental of RMB60,178.69 inclusive of management fee.	No commercial value

Notes:

1. Pursuant to a tenancy agreement entered into between Beijing Huabin International Building Co., Ltd. (北京華彬國際大廈有限公司) (“Party A”) and Sino Gold Limited Beijing Office (澳大利亞澳華黃金有限公司北京代表處) (“Party B”), the property is leased by Party B for a term of 2 years from 10 January 2007 to 9 January 2009 at a monthly rental of RMB60,178.69 inclusive of management fee.
2. As advised by the Group, the landlord of the property, Party A, is an independent third party of the Group.
3. We have been provided with a legal opinion on the legality of the lease issued by the Group’s PRC legal adviser, which contains, inter alia, the following information:
 - (i) According to the Building Ownership Certificate No. Jing Fang Quan Zheng Shi Chao Gang Ao Tai Zi Di 10099, Party A owns the property. The building was built on the state-owned land, of which State-owned Land Use Right Certificate No. Shi Chao Gang Ao Tai Guo Yong (2000 Chu) Zi Di 10129 has been granted;
 - (ii) the said tenancy agreement is in compliance with the PRC laws and is legally binding to the parties thereto; and
 - (iii) Party A has the right to lease the property to Party B, who has the right to use the property according to the terms and conditions of the said tenancy agreement.

Group III — Property Interest leased by the Group in Australia

<u>Property</u>	<u>Description and Tenure</u>	<u>Particulars of Occupancy</u>	<u>Market value in existing state as at 31 December 2006</u>
11. Level 8 Nos. 17–19 Bridge Street Sydney NSW Australia	The property comprises an office unit with a gross floor area of approximately 571.57 sq m (6,152 sq ft) in Nos. 17–19 Bridge Street. The subject building was completed in 1926.	The property is currently occupied by the Group for office uses for a term of 6 years from 1 April 2001 to 31 March 2007 at a monthly rental of AUD16,206.66 exclusive of management fee for the first year and is subject to rent review every year after the first year of lease. The current monthly rent is AUD20,020 exclusive of management fee.	No commercial value

Notes:

1. Pursuant to a tenancy agreement entered into between Kahlbetzer Holding Pty. Limited (“Party A”) and Sino Mining Limited (currently known as “Sino Gold Mining Limited”) (“Party B”), the property is leased by Party B for a term of 6 years from 1 April 2001 to 31 March 2007 at a monthly rental of AUD16,206.66 exclusive of management fee for the first year and is subject to rent review every year after the first year of lease.
2. As advised by the Group, the landlord of the property, Party A, is an independent third party of the Group.

Group IV — Property Interest contracted to be leased by the Group in the PRC

<u>Property</u>	<u>Description and Tenure</u>	<u>Particulars of Occupancy</u>	<u>Market value in existing state as at 31 December 2006</u>
12. Block E (Unit 5) on Level 13 Fu Zhong Cai Zhi Building No. 1 Ruijin North Road Guiyang City Guizhou Province The PRC	The property comprises an office unit with a gross floor area of approximately 143 sq m (1,539 sq ft) in Fu Zhong Cai Zhi Building. The subject building was completed in 2006.	The property is currently leased by the Group for office uses for a term of 5 years from 1 January 2007 to 31 December 2011 at a monthly rental of RMB6,864 exclusive of management fee.	No commercial value

Notes:

1. Pursuant to a tenancy agreement entered into between Henry Huachao Hsu (許化昭) (“Party A”) and Sino Guizhou Jinfeng Mining Ltd. (貴州錦豐礦業有限公司) (“Party B”), the property is leased by Party B for a term of 5 years from 1 January 2007 to 31 December 2011 at a monthly rental of RMB6,864 exclusive of management fee.
2. As advised by the Group, the landlord of the property, Party A, is an independent third party of the Group.
3. We have been provided with a legal opinion on the legality of the lease issued by the Group’s PRC legal adviser, which contains, inter alia, the following information:
 - (i) Due to the absence of relevant title documents in relation to the leased property, the validity and legality of the tenancy agreement of the property remains uncertain. In the event that the tenancy agreement of the property is treated as null and void, the lessee may bear the risk to return the leased property to the beneficial owner thereof; and
 - (ii) in accordance with the tenancy agreement, the property is not used for mining operation, it can be substituted with a new tenancy agreement which is valid and in full effect under PRC laws.