

The following is the text of the letter, a summary of values and an extract of the valuation certificate received from American Appraisal China 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 July 2010.

American Appraisal China Limited  
1506 Dah Sing Financial Centre  
108 Gloucester Road / Wanchai / Hong Kong  
美國評值有限公司  
香港灣仔告士打道108號大新金融中心1506室  
Tel +852 2511 5200 / Fax +852 2511 9626

Leading / Thinking / Performing



30 September 2010  
The Board of Directors  
IRC Limited 鐵江現貨有限公司

Dear Sirs,

In accordance with your instructions we have valued property interests of IRC Limited 鐵江現貨有限公司 (hereinafter also referred to as “IRC”, or “the Company”) and its subsidiaries (hereinafter collectively referred to as “the Group”) in the Russian Federation, the People’s Republic of China (“PRC”) and Hong Kong. We confirm that we have conducted an investigation regarding the properties, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the values of such property interests as of 31 July 2010 (the “date of valuation”).

### PROPERTY APPRAISED

According to the Group’s instructions, our valuation included real estate properties, comprising land, buildings, and land improvements held by the Group.

The subject properties are located in Russia, the PRC and Hong Kong. They include industrial facilities purpose-built and used for iron ore and ilmenite mining and processing purposes. Brief descriptions of the properties appraised are provided in the valuation certificates in *Exhibit B*. The property values are summarised in *Exhibit A* hereto.

Our valuations were limited to the scope described above.

### BASIS OF VALUATION

Our valuation is our opinion of the market value of the subject property which is defined by the International Valuation Standards (IVS<sup>(1)</sup>) and the HKIS Valuation Standards on Properties (HKIS<sup>(2)</sup>) as “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”.

(1) IVS: 8th Edition, 2007. Concepts Fundamental to Generally Accepted Valuation Principles, para. 5.2

(2) The HKIS Valuation Standards on Properties, 1<sup>st</sup> Edition 2005

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 considerations or concessions granted by anyone associated with the sale, or any element of special value. The value of a property is also estimated without regard to costs of sales and purchase, and without offset for any associated taxes.

### **VALUATION METHODOLOGY**

The properties appraised are purpose-built industrial facilities mostly located in remote areas. They are operated according to their highest and best use with limited if any alternative use. Upon consideration of all relevant facts it was concluded that the real properties subject to valuations are specialised properties. However the office premises and apartments owned by the Group were concluded to have a secondary market.

The market approach cannot be used to value specialised property due to the fact that an active market for such property does not exist. As required by IVS, the depreciated replacement cost approach is used where there is insufficient market data to arrive at market value by means of market-based evidence<sup>(3)</sup>.

Depreciated replacement cost is defined by IVS<sup>(4)</sup> as “the current cost of replacing the asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisations.”

Office premises and apartment values were estimated using the sales comparison approach due to their identified sales/rental marketability.

IVS requires that for a private sector entity with specialised assets, the Valuer reports the result at market value subject to a test of adequate profitability or justified service potential, a test which is the responsibility of the entity<sup>(5)</sup>. The profitability test has been carried out based on the information provided by the Group.

In testing profitability, the impact that current economical conditions and regulation of mining utilities may potentially have on the Group’s operations and financial performance, or expectations of financial performance was analysed. This analysis took into account financial models prepared and provided by the Management which contained estimates of future operating activities and financial performance of the Group.

Based on the analysis performed, economic obsolescence was present in the Kuranakh cash-generating unit. Adjustments for economic obsolescence were applied to the properties part of this unit as appropriate.

For the property interests which are rented and occupied by the Group, they are considered to have no commercial value, either because of their non-assignability in the market or because there are prohibitions against subletting and/or assignment contained in the respective leases and/or tenancy agreements or the lack of substantial profit rent.

---

(3) IVS: IVG Note #8, para. 4.1

(4) IVS: 8th Edition, 2007. 3.0 Definitions. Para 3.1

(5) IVS: IVG Note #8, para. 5.12.1 and IVS: IVG Note #8 Appendix A.4

**ASSUMPTIONS**

Our valuations have been made on the assumption that the owners sell the property interests on the market in their existing state without the benefit of deferred terms contracts, leaseback, joint ventures, management agreements or any similar arrangement which would serve to affect the value of the property interests. In addition, no account has been taken of any option or right of pre-emption concerning or affecting the sale of the property and no forced sale situation in any manner is assumed in our valuation. Unless stated as otherwise, our opinion of value is established on the premise of continued use. It is assumed that the buyer and seller would be contemplating retention of the property interests at their present location as part of the current operations.

The profitability test for the specialised assets relied on the models and projections prepared by the Group for the purposes of financial reporting.

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

We have assumed that all consents, approvals and licences from relevant government authorities for the buildings and structures erected or to be erected on the sites have been granted. Also, we have assumed that unless otherwise stated, all buildings and structures erected on the sites are held by the owners or permitted to be occupied by the owners.

We have valued each property interest on the assumption that it is developed in accordance with the development proposals or building plans given to us. We have assumed that all consents, approvals and licences from relevant government authorities for the buildings and structures erected or to be erected thereon have been granted. Also, we have assumed that unless otherwise stated, all buildings and structures erected on the site are held by the owners or permitted to be occupied by the owner.

Other special assumptions and qualifications for each property, if any, have been stated in the footnotes of the valuation certificate for the respective property.

**TITLE INVESTIGATION**

We have been provided with extracts of documents in relation to the title of the property interests for the appraised entities. However, we have not scrutinised the original documents to verify ownership or to verify any amendments which may not appear on the copies handed to us. We have relied to a considerable extent on the information provided by the Group and the opinion provided by the Russian legal advisor, Norton Rose (Central Europe) LLP (hereafter referred to as Norton Rose and the "Russian legal opinion") and the opinion provided by the PRC legal advisor, King & Wood PRC Lawyers (hereafter referred to as King & Wood and the "PRC legal opinion").

All legal documents disclosed in this letter and all valuation certificates are for reference only and no responsibility is assumed for any legal matters concerning the legal title to the property interests set out in this letter and the valuation certificates.

**LIMITING CONDITIONS**

We have relied to a considerable extent on the information provided by the Group and have accepted advice given to us by the Group on such matters as statutory notices, easements, tenure, occupancy, construction cost, site and floor areas and all other relevant matters. Dimensions and areas included in the valuation certificates are based on information contained in the documents provided to us and are only approximations.

We have no reason to doubt the truth and accuracy of the information provided to us by the Group. We were also advised by IRC that no material facts have been omitted from the information so supplied. We consider that we have been provided with sufficient information to reach an informed view.

We have inspected the exterior and, where possible, the interior of the properties included in the attached valuation certificates. However, no structural survey has been made and we are therefore unable to report as to whether the properties are or are not free of rot, infestation or any other structural defects. No tests were carried out on any of the services.

We have not carried out investigations on site to determine the suitability of ground conditions and services for the properties, nor have we undertaken archaeological, ecological or environmental surveys. Our valuations are prepared on the assumption that these aspects are satisfactory and that no extraordinary expenses or delays will be incurred.

**COMPLIANCE**

In preparing our valuation report, we have complied with the requirements contained within the relevant provisions of the Companies Ordinance and of those stipulated in Chapter 5 and Practice Notes 12 and 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), the International Valuation Standards (8th Edition 2007) published by International Valuation Standards Committee and the HKIS Valuation Standards on Properties (1<sup>st</sup> Edition 2005) published by the Hong Kong Institute of Surveyors.

**REMARKS**

Unless otherwise stated, all monetary amounts stated in this report are in United States Dollars (USD). The exchange rates adopted in our valuations as at 31 July 2010 being USD1 = RUR30.1869, USD1 = RMB6.7748 and USD1 = HKD7.7668.

We enclose herewith the summary of values and the valuation certificates.

Yours Faithfully,  
For and on behalf of  
**American Appraisal China Limited**

Eric M. H. Poon  
*MRICS, MHKIS*  
*Assistant Vice President*

Alexander N. Lopatnikov  
*MRICS, RSA*  
*Managing Director*

---

*Note: Mr. Eric Poon, who is a Chartered Valuation Surveyor, has over 10 years' experience in valuation of properties in Hong Kong, the PRC and overseas.*

*Mr. Alexander Lopatnikov, who is a Chartered Valuation Surveyor, has over 10 years' experience in valuation of properties in Russia and overseas.*

*The valuations of the property interests in Russia are supported by American Appraisal (AAR), Inc.*

**EXHIBIT A**  
**Summary of Values**

## SUMMARY OF VALUES

## Group I — Property interests held and occupied by the Group in Russia

No.	Property Address	Capital value in existing state as at 31 July 2010	Interest attributable to the Group	Capital value attributable to the Group as at 31 July 2010
		USD		USD
1.	Land parcels, various buildings and structures erected thereon located in Settlement Olekma/GU Amurskoi Region/Line "Tynda-Xani"/North-west part of Cadastral Quarter of River Nomarak, Tyndinskiy District, Amur Region, Postal Code: 676253, Russia, held by LLC Olekminsky Rudnik	3,313,000	100%	3,313,000
2.	Land parcel, buildings and structures erected thereon located at 1 Sovetskaya Street, Tynda Town, Amur Region, Postal Code: 676282, Russia, held by LLC Olekminsky Rudnik	427,000	100%	427,000
3.	Apartment 114 located at Batareynaya Street 7, Blagoveshchensk, Amur Region, Postal Code: 675000, Russia, held by LLC Olekminsky Rudnik	87,000	100%	87,000
4.	Apartment 8 located at Gorkogo Street, 112, Blagoveshchensk, Amur Region, Postal Code: 675000, Russia, held by LLC Olekminsky Rudnik	118,000	100%	118,000
5.	Apartment 52 located at Ziburhanovskaya Street, 95, Blagoveshchensk, Amur Region, Postal Code: 675000, Russia, held by LLC Olekminsky Rudnik	159,000	100%	159,000
6.	Apartment 89 located at Otyabrskaya Street, 14, Tynda Town, Amur Region, Postal Code: 676282, Russia, held by LLC Olekminsky Rudnik	42,000	100%	42,000
7.	Apartment 9 located Otyabrskaya Street, 20, Tynda Town, Amur Region, Postal Code: 676282, Russia, held by LLC Olekminsky Rudnik	42,000	100%	42,000
8.	Apartment 53 located at Sportivnaya Street, 20, Tynda Town, Amur Region, Postal Code: 676282, Russia, held by LLC Olekminsky Rudnik	48,000	100%	48,000
9.	Apartment 50 located at Shcolnaya Street, 9, Tynda Town, Amur Region, Postal Code: 676282, Russia, held by LLC Olekminsky Rudnik	31,000	100%	31,000
10.	Apartments 4 and 13 located at 70 years October Street, 1, Olekminsky c/c Settlement Olekma, Tyndinskiy District, Amur Region, Postal Code: 676253, Russia, held by LLC Olekminsky Rudnik	27,000	100%	27,000
11.	Apartments 7 and 17 located at 70 years October Street, 2, Olekminsky c/c Settlement Olekma, Tyndinskiy District, Amur Region, Postal Code: 676253, Russia, held by LLC Olekminsky Rudnik	29,000	100%	29,000

**APPENDIX IV**
**PROPERTY VALUATION**

No.	Property Address	Capital value in existing state as at 31 July 2010	Interest attributable to the Group	Capital value attributable to the Group as at 31 July 2010
		USD		USD
12.	Apartment 1 located at 70 years October Street, 3, Olekminsky c/c Settlement Olekma, Tyndinskiy District, Amur Region, Postal Code: 676253, Russia, held by LLC Olekminsky Rudnik .....	18,000	100%	18,000
13.	Apartments 4 and 12 located at 70 years October Street, 4, Olekminsky c/c Settlement Olekma, Tyndinskiy District, Amur Region, Postal Code: 676253, Russia, held by LLC Olekminsky Rudnik .....	30,000	100%	30,000
14.	Apartments 4, 5, 8 and 14 located at 70 years October Street, 5, Olekminsky c/c Settlement Olekma, Tyndinskiy District, Amur Region, Postal Code: 676253, Russia, held by LLC Olekminsky Rudnik .....	68,000	100%	68,000
15.	Apartment 17 located at 70 years October Street, 6, Olekminsky c/c Settlement Olekma, Tyndinskiy District, Amur Region, Postal Code: 676253, Russia, held by LLC Olekminsky Rudnik .....	19,000	100%	19,000
16.	Apartments 9 and 19 located at 70 years October Street, 7, Olekminsky c/c Settlement Olekma, Tyndinskiy District, Amur Region, Postal Code: 676253, Russia, held by LLC Olekminsky Rudnik .....	34,000	100%	34,000
17.	Apartments 5 and 15 located at 70 years October Street, 8, Olekminsky c/c Settlement Olekma, Tyndinskiy District, Amur Region, Postal Code: 676253, Russia, held by LLC Olekminsky Rudnik .....	44,000	100%	44,000
18.	Apartments 1, 9, 11 and 18 located at 70 years October Street, 9, Olekminsky c/c Settlement Olekma, Tyndinskiy District, Amur Region, Postal Code: 676253, Russia, held by LLC Olekminsky Rudnik .....	62,000	100%	62,000
19.	Land parcel and an administrative building located at 22b, Prospekt 60-letiya USSR Birobidjan, EAO, Postal Code: 679000, Russia, held by LLC KS GOK .....	5,100,000	100%	5,100,000
20.	Land parcels, various buildings and structures located in Snarskiy Settlement/Landmark Settlement/Operational Forest in Izvestkovoe Divisional Forestry, Kuldurskoe Forestry, Obluchenskiy District, EAO, Russia, held by LLC KS GOK .....	No Commercial Value	100%	No Commercial Value
21.	Apartment 15 located at Dzerjinskogo Street 26, Birobidjan, EAO, Postal Code: 679000, Russia, held by LLC KS GOK .....	65,000	100%	65,000



**APPENDIX IV**
**PROPERTY VALUATION**

No.	Property Address	Capital value in	Interest	Capital value
		existing state as at 31 July 2010 <i>USD</i>	attributable to the Group	attributable to the Group as at 31 July 2010 <i>USD</i>
22.	Apartment 12 located at Gorkogo Street 18, Birobidjan, EAO, Postal Code: 679000, Russia, held by LLC KS GOK .....	64,000	100%	64,000
23.	Apartment 5 located at Lenina Street 38, Birobidjan, EAO, Postal Code: 679000, Russia, held by LLC KS GOK .....	82,000	100%	82,000
24.	Apartment 12 located at Oktyabrskaya Street 3A, Birobidjan, EAO, Postal Code: 679000, Russia, held by LLC KS GOK .....	63,000	100%	63,000
25.	Apartment 51 located at Bumagina Street 10B, Birobidjan, EAO, Postal Code: 679000, Russia, held by LLC KS GOK .....	58,000	100%	58,000
26.	Apartments 29, 58, 59 located at Pionerskaya Street 92, Birobidjan, EAO, Postal Code: 679000, Russia, held by LLC KS GOK .....	252,000	100%	252,000
27.	Apartment 16 located at Sholom-Aleyhem Street 14, Birobidjan, EAO, Postal Code: 679000, Russia, held by LLC KS GOK .....	78,000	100%	78,000
28.	Apartment 10 located at Sholom-Aleyhem Street 24, Birobidjan, EAO, Postal Code: 679000, Russia, held by LLC KS GOK .....	76,000	100%	76,000
29.	Apartment 10 located at Amurskay Street 127, Blagoveshensk, Amur Region, Postal Code: 675000, Russia, held by LLC KS GOK .....	172,000	100%	172,000
30.	Apartment 57 located at Kantemirova Street 7, Blagoveshensk, Amur Region, Postal Code: 675000, Russia, held by LLC KS GOK .....	83,000	100%	83,000
31.	Apartment 1 located at Bonibura Street 5, Settlement Teploozersk, Obluchenskiy District, EAO, Postal Code: 679000, Russia, held by LLC KS GOK .....	19,000	100%	19,000
32.	Garage 25, located at Lenina Street, PGSK 92, Birobidjan, EAO, Postal Code: 679000, Russia, held by LLC KS GOK .....	7,000	100%	7,000
33.	House located at Urgalskay 9, Izvestkoviy Settlement, Obluchenskiy District, EAO, Postal Code: 679000, Russia, held by LLC KS GOK ...	14,000	100%	14,000
34.	Land parcel, various buildings and structures located at Transformatornaya Street 1, Birobidjan, EAO, Postal Code: 679000, Russia, held by LLC KS GOK .....	1,015,000	100%	1,015,000
35.	Apartment 5, located at 7a Kagykina Street in Village of Leninskoye, Leninskiy Region, EAO, Russia, held by LLC Rubicon .....	100,000	99.979%	99,979

**APPENDIX IV**
**PROPERTY VALUATION**

<b>No.</b>	<b>Property Address</b>	<b>Capital value in existing state as at 31 July 2010</b>	<b>Interest attributable to the Group</b>	<b>Capital value attributable to the Group as at 31 July 2010</b>
		<i>USD</i>		<i>USD</i>
36.	Land parcels, various buildings and structures located at Birobidzhanskyi Municipal District, EAO, Postal Code: 679520, Russia, held by LLC Karier Ushumunsky .....	1,614,000	100%	1,614,000
37.	A building located at 8 Vokzalnaya Street, Birofeld Village, Birobidzhan Region, EAO, Postal Code: 679520, Russia, held by LLC Karier Ushumunsky .....	16,000	100%	16,000
38.	Office facility located at 151, Leninsky Prospect, Saint Petersburg, Russia, held by OJSC Giproruda .....	15,800,000	70.28%	11,104,240
39.	Apartment 93 located at 4 Paveletskaya Nab., Moscow, Russia, held by LLC Petropavlovsk-Iron Ore (formerly LLC Aricom) .....	No Commercial Value	100%	No Commercial Value
	<b>Sub-total:</b>	<b><u>29,276,000</u></b>		<b><u>24,580,219</u></b>

**Group II — Property interests held and occupied by the Group in the PRC**

<b>No.</b>	<b>Property Address</b>	<b>Capital value in existing state as at 31 July 2010</b>	<b>Interest attributable to the Group</b>	<b>Capital value attributable to the Group as at 31 July 2010</b>
		<i>USD</i>		<i>USD</i>
40.	A land parcel located at No. 668 Songxing Road, Dongfeng District, Jiamusi City, Heilongjiang Province, the PRC, held by Heilongjiang Jiatai Titanium Co., Ltd. ....	15,071,000	65%	9,796,150
41.	10 residential units Nos. 4-3-502, 3-1-501, 5-1-201, 10-3-203, 10-3-303, 10-3-401, 10-3-501, 10-3-503, 10-3-201, 17-3-602 located within Yiyuan Community Jiamusi City, Heilongjiang Province, the PRC, held by Heilongjiang Jiatai Titanium Co., Ltd. ....	449,000	65%	291,850
	<b>Sub-total:</b>	<b><u>15,520,000</u></b>		<b><u>10,088,000</u></b>

## Group III — Property interests rented and occupied by the Group in Russia

No.	Property Address	Capital value in existing state as at 31 July 2010 <i>USD</i>	Interest attributable to the Group	Capital value attributable to the Group as at 31 July 2010 <i>USD</i>
42.	4 land parcels located in River Zeya of Village Chagoyan in Shimanovsky District and 1 land parcel located in GU Amurskoi Region “Mazanovskoe lesnichestvo” in Mazanovsky District, Amur Region, Russia, held by LLC GMMC (Postal Address: 19 Ignatyevskoye shosse, Blagoveshchensk, Amur Region, Postal Code: 675000, Russia) . . . . .	No Commercial Value	99.58%	No Commercial Value
43.	Non – residential premise located at 19 Ignatievskoye Shosse, Blagoveshchensk, Amur Region, Postal Code: 675000, Russia, held by LLC GMMC . . . . .	No Commercial Value	99.58%	No Commercial Value
44.	Two office units No. 408 and No. 412 located at 14 Pionerskaya Street, Town of Sovietskaya Gavan, Postal Code: 682800, Russia, held by CJSC Soviet Harbor Maritime Trade Port . . . . .	No Commercial Value	100%	No Commercial Value
45.	An office unit located at 21 Stanislavskogo Street, Moscow, Russia, held by LLC Petropavlovsk-Iron Ore (formerly LLC Aricom) . . . . .	No Commercial Value	100%	No Commercial Value
46.	Premise 13, 98 Khokhriakova Street, Ekaterinburg, Sverdlovskaya Region, Postal Code: 620000, Russia, held by LLC Petropavlovsk-Iron Ore (formerly LLC Aricom) . . . . .	No Commercial Value	100%	No Commercial Value
47.	Office unit 313 located at 43 Lesnaya Street, Moscow, Postal Code: 127055, Russia, held by LLC Petropavlovsk-Iron Ore (formerly LLC Aricom) . . . . .	No Commercial Value	100%	No Commercial Value

**APPENDIX IV**
**PROPERTY VALUATION**

<u>No.</u>	<u>Property Address</u>	<u>Capital value in existing state as at 31 July 2010 USD</u>	<u>Interest attributable to the Group</u>	<u>Capital value attributable to the Group as at 31 July 2010 USD</u>
48.	Apartment 230 located at Building 2, 61 Shipilovsky Proezd, apartment 170 located at 55 General Belov Street, apartment 73 located at 17 Tovarishovsky Pereulok, apartment 28 located at 22 Bolshoi Fakelny Pereulok, apartment 53 located at 16 2 <sup>nd</sup> Spasonalivkovsky Pereulok, apartment 85 located at 2/22 Bolshoi Fakelny Pereulok and apartment 125 located at 19 Miachkovsky Bulvar, Moscow, Postal Code: 125000, Russia, held by LLC Petropavlovsk-Iron Ore (formerly LLC Aricom) .....	No Commercial Value	100%	No Commercial Value
49.	A forest plot No. 228 located in GU Amurskoi Region "Tyndinskoe lesnichestvo", Tyndisky District, Amur Region, Russia, held by LLC Uralmining .....	No Commercial Value	49%	No Commercial Value
50.	A forest plot No. 144 located in GU Amurskoi Region "Mazanovskoe lesnichestvo", Mazanovsky District, Amur Region, Russia, held by LLC Orlovsko-Sokhatinsky Rudnik .....	No Commercial Value	100%	No Commercial Value
51.	Locomotive parking facility and residential premises located at Settlement Olekma, Tyndinskiy District, Amur Region, Postal Code: 676253, Russia, held by LLC Olekminsky Rudnik .....	<u>No Commercial Value</u>	100%	<u>No Commercial Value</u>
	<b>Sub-total:</b>	<b><u>No Commercial Value</u></b>		<b><u>No Commercial Value</u></b>

**APPENDIX IV**

**PROPERTY VALUATION**

**Group IV — Property interests rented and occupied by the Group in the PRC**

<u>No.</u>	<u>Property Address</u>	<u>Capital value in existing state as at 31 July 2010</u> <i>USD</i>	<u>Interest attributable to the Group</u>	<u>Capital value attributable to the Group as at 31 July 2010</u> <i>USD</i>
52.	An office building located at No. 522 the Middle-Section of Baowei Road, Jiamusi City, Heilongjiang Province, the PRC, held by Heilongjiang Jiatai Titanium Co., Ltd. . . . .	No Commercial Value	100%	No Commercial Value
53.	Unit I, Level 25, in Building of Metro Classic Mansion (Oriental Kenzo) located at No. 48 Dongzhimenwai Street, Dongcheng District, Beijing, the PRC, held by LLC Aricom . . . . .	No Commercial Value	100%	No Commercial Value
	<b>Sub-total:</b>	<b>No Commercial Value</b>		<b>No Commercial Value</b>

**Group V — Property interests rented and occupied by the Group in Hong Kong**

<u>No.</u>	<u>Property Address</u>	<u>Capital value in existing state as at 31 July 2010</u> <i>USD</i>	<u>Interest attributable to the Group</u>	<u>Capital value attributable to the Group as at 31 July 2010</u> <i>USD</i>
54.	Unit H on 6TH Floor, 9 Queen's Road Central, Hong Kong, held by Petropavlovsk PLC . . . . .	No Commercial Value	100%	No Commercial Value
	<b>Sub-total:</b>	<b>No Commercial Value</b>		<b>No Commercial Value</b>
	<b>Grand-total:</b>	<b>44,796,000</b>		<b>34,668,219</b>

**EXHIBIT B**  
**Valuation Certificates**

## VALUATION CERTIFICATE

## Group I — Property interests held and occupied by the Group in Russia

No.	Property	Description	Particulars of occupancy	Capital Value in existing state as at 31 July 2010 (USD)
1.	Land parcels, various buildings and structures erected thereon located in Settlement Olekma/GU Amurskoi Region/Line "Tynda-Xani"/North-west part of Cadastral Quarter of River Nomarak, Tyndinskiy District, Amur Region, Postal Code: 676253, Russia, held by LLC Olekminsky Rudnik	<p>The property comprises assets related to iron ore and ilmenite mining and dressing as described below. It comprises 16 leased land parcels with a total site area of approximately 1,344.6 hectares.</p> <p>The property also comprises industrial buildings, structures and auxiliary facilities, with a total gross floor area of approximately 1,642.8 sq. m., mainly completed in 2008 (the "Completed Properties").</p> <p>The property also includes a number of buildings, structures and auxiliary facilities with a total gross floor area of approximately 35,765.9 sq. m. which were under construction as at the valuation date (the "CIP Properties"). A total construction cost of about USD121,503,000 has been incurred as at the valuation date. They are scheduled to be completed by the end of 2010.</p>	The property is occupied by the Group as a crushing and grading complex, ore-dressing plant, tailings dam, workshops, power substations, pumping houses and other auxiliary facilities.	<p>3,313,000</p> <p>100% interest attributable to the Group: 3,313,000</p>

*Notes:*

- Pursuant to lease agreements, 16 land parcels with a total site area of about 1,344.6 hectares were leased from municipality for industrial use. The lease term ranges from 1 to 19 years with the earliest expiry date in November 2010 at a total annual rent of USD577,369.
- We have attributed no commercial value to the leased land parcels with a total site area of approximately 1,344.6 hectares as these land parcels either cannot be assigned or sublet to other parties without the consent of the relevant local authorities, or substantial profit rent is lacking.
- Pursuant to the property ownership certificates, a production building with a total gross floor area of approximately 108.5 sq.m., and a power supply line, are held by the Group.
- We have attributed no commercial value to two buildings with a total gross floor area of 1,534.3 sq.m. due to the insufficient title proof to these buildings. We are of the opinion that the depreciated replacement cost of these buildings as at the date of valuation would be approximately of USD1,513,000 assuming all relevant title certificates have been obtained and registered by the Group and the Group has legal rights to occupy, lease, mortgage or transfer these properties.
- We have attributed no commercial value to the buildings and structures comprising the "CIP Properties" with a gross floor area of approximately 35,765.9 sq.m. due to insufficient title proof to these buildings and auxiliary facilities. We are of the opinion that the depreciated replacement cost of these buildings and auxiliary facilities as at the valuation date would be USD112,240,000 assuming all relevant title certificates have been obtained and registered by the Group and the Group has legal rights to occupy, lease, mortgage and transfer these properties.

6. We were informed that the subject subsidiary of the Group also operates 12 transportable homes. According to Russian legislation they are not registered as real estate properties and therefore were excluded from our valuation.
7. The Russian legal opinion states, inter alia, that:
  - a. The Group has registered ownership rights to the buildings. The Group is entitled and has all necessary authorisations to use the relevant buildings as mentioned in Note 3 above for the purposes for which they are presently being used, and these buildings are free from any mortgages, encumbrances or any other third party rights. The Group has the right to sell, lease and mortgage these buildings to other legal economic entities subject to the restrictions imposed by the imperative norms of the Russian legislation.
  - b. The lease as mentioned in Note 1 above constitutes a legal, enforceable, valid and binding obligation of the Group and constitutes its right to use the relevant land parcels for their designated purposes.
  - c. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010 and the extracts from the State Register, the property is not currently affected by any third party claims and no threats have been made to the Group challenging its rights to the property under the relevant lease agreement or sale and purchase agreement or the basis on which its rights were acquired.
  - d. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010: (a) The Group has complied with all material obligations imposed on it under the relevant lease agreements; (b) there are no rent payments which have become due and payable by it under the relevant lease agreements which have not been paid; and (c) there are no material breaches of any of the terms thereof, and (d) there are no grounds for early termination of lease agreements.
  - e. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010, the property is not, as at the date of the legal opinion, subject to any statutory notice or order given by the Russian governmental authority which would adversely affect the use of it, its value or rights thereto.



## VALUATION CERTIFICATE

No.	Property	Description	Particulars of occupancy	Capital Value in existing state as at 31 July 2010 (USD)
2.	Land parcel, buildings and structures erected thereon located at 1 Sovetskaya Street, Tynda Town, Amur Region, Postal Code: 676282, Russia, held by LLC Olekminsky Rudnik	The property comprises an owned land parcel with a site area of approximately 0.0677 hectares situated in Tynda Town, the Amur Region.  The property also comprises an office building of about 907.6 sq.m., completed in 1981.	The property is occupied by the Group as offices.	427,000  100% interest attributable to the Group: 427,000

*Notes:*

1. Pursuant to the ownership certificate No. 024334 dated 28 March 2006, a land parcel held by the Group with a site area of approximately 0.0677 hectares is owned in freehold.
2. Pursuant to the property ownership certificate No. 024336 dated 28 March 2006, an administrative building with a total gross floor area of approximately 907.6 sq.m., is held by the Group.
3. We were informed by LLC Olekminsky Rudnik that the subject office building was acquired in March 2006 at a consideration of RUR 6,187,034.
4. The Russian legal opinion states, inter alia, that:
  - a. The Group has registered ownership rights to the building. The Group is entitled and has all necessary authorisations to use the relevant building as mentioned in Note 2 above for the purposes for which they are presently being used, and these buildings are free from any mortgages, encumbrances or any other third party rights. The Group has the right to sell, lease and mortgage these buildings to other legal economic entities subject to the restrictions imposed by the imperative norms of the Russian legislation.
  - b. The Group has registered ownership rights to the land parcel as mentioned in Note 1 above. The Group is entitled and has all necessary authorisations to use the relevant land parcel as mentioned in Note 1 above for the designated use, and the land parcel is free from any mortgages, encumbrances or any other third party rights. The Group has the right to sell, lease and mortgage the land parcel to other legal economic entities subject to the restrictions imposed by the imperative norms of the Russian legislation.
  - c. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010 and the extracts from the State Register, the property is not currently affected by any third party claims and no threats have been made to the Group challenging its rights to the property under the relevant sale and purchase agreement or the basis on which its rights were acquired.
  - d. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010, the property is not, as at the date of the legal opinion, subject to any statutory notice or order given by the Russian governmental authority which would adversely affect the use of it, its value or rights thereto.

## VALUATION CERTIFICATE

No.	Property	Description	Particulars of occupancy	Capital Value in existing state as at 31 July 2010 (USD)
3.	Apartment 114 located at Batareynaya Street 7, Blagoveshchensk, Amur Region, Postal Code: 675000, Russia, held by LLC Olekminsky Rudnik	The property comprises an apartment with a gross floor area of approximately 58.1 sq.m.	The property is occupied by the Group as an apartment.	87,000  100% interest attributable to the Group: 87,000

*Notes:*

1. Pursuant to Ownership Certificate No. 223863 dated 7 May 2008, the apartment is held by the Group.
2. We were informed by LLC Olekminsky Rudnik, that the apartment was acquired in May 2008 at a consideration of RUR1,403,390.
3. The Russian legal opinion states, inter alia, that:
  - a. The Group has registered ownership rights of the apartment as mentioned in Note 1 above. The Group is entitled and has all necessary authorisations to use the apartment as mentioned in Note 1 above for the purpose for which it is presently being used, and the property is free from any mortgages, encumbrances or any other third party rights. The Group has the right to sell, lease and mortgage the property to other legal economic entities subject to the restrictions imposed by the imperative norms of the Russian legislation.
  - b. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010 and the extracts from the State Register, the property is not currently affected by any third party claims and no threats have been made to the Group challenging its rights to the property under the relevant sale and purchase agreement or the basis on which its rights were acquired.
  - c. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010, the property is not, as at the date of the legal opinion, subject to any statutory notice or order given by the Russian governmental authority which would adversely affect the use of it, its value or rights thereto.

## VALUATION CERTIFICATE

No.	Property	Description	Particulars of occupancy	Capital Value in existing state as at 31 July 2010 (USD)
4.	Apartment 8 located at Gorkogo Street, 112, Blagoveshchensk, Amur Region, Postal Code: 675000, Russia, held by LLC Olekminsky Rudnik	The property comprises an apartment with a gross floor area of approximately 73.9 sq.m.	The property is occupied by the Group as an apartment.	118,000  100% interest attributable to the Group: 118,000

*Notes:*

1. Pursuant to Ownership Certificate No. 159287 dated 5 June 2007, the apartment is held by the Group.
2. We were informed by LLC Olekminsky Rudnik, that the apartment was acquired in June 2007 at a consideration of RUR3,045,000.
3. The Russian legal opinion states, inter alia, that:
  - a. The Group has registered ownership rights of the apartment as mentioned in Note 1 above. The Group is entitled and has all necessary authorisations to use the apartment as mentioned in Note 1 above for the purpose for which it is presently being used, and the property is free from any mortgages, encumbrances or any other third party rights. The Group has the right to sell, lease and mortgage the property to other legal economic entities subject to the restrictions imposed by the imperative norms of the Russian legislation.
  - b. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010 and the extracts from the State Register, the property is not currently affected by any third party claims and no threats have been made to the Group challenging its rights to the property under the relevant sale and purchase agreement or the basis on which its rights were acquired.
  - c. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010, the property is not, as at the date of the legal opinion, subject to any statutory notice or order given by the Russian governmental authority which would adversely affect the use of it, its value or rights thereto.

## VALUATION CERTIFICATE

No.	Property	Description	Particulars of occupancy	Capital Value in existing state as at 31 July 2010 (USD)
5.	Apartment 52 located at Ziburhanovskaya Street, 95, Blagoveshchensk, Amur Region, Postal Code: 675000, Russia, held by LLC Olekminsky Rudnik	The property comprises an apartment with a gross floor area of approximately 99.5 sq.m.	The property is occupied by the Group as an apartment.	159,000  100% interest attributable to the Group: 159,000

*Notes:*

1. Pursuant to Ownership Certificate No. 202967 dated 17 March 2008, the apartment is held by the Group.
2. We were informed by LLC Olekminsky Rudnik, that the apartment was acquired in March 2008 at a consideration of RUR3,365,000.
3. The Russian legal opinion states, inter alia, that:
  - a. The Group has registered ownership rights of the apartment as mentioned in Note 1 above. The Group is entitled and has all necessary authorisations to use the apartment as mentioned in Note 1 above for the purpose for which it is presently being used, and the property is free from any mortgages, encumbrances or any other third party rights. The Group has the right to sell, lease and mortgage the property to other legal economic entities subject to the restrictions imposed by the imperative norms of the Russian legislation.
  - b. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010 and the extracts from the State Register, the property is not currently affected by any third party claims and no threats have been made to the Group challenging its rights to the property under the relevant sale and purchase agreement or the basis on which its rights were acquired.
  - c. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010, the property is not, as at the date of the legal opinion, subject to any statutory notice or order given by the Russian governmental authority which would adversely affect the use of it, its value or rights thereto.

## VALUATION CERTIFICATE

No.	Property	Description	Particulars of occupancy	Capital Value in existing state as at 31 July 2010 (USD)
6.	Apartment 89 located at Otyabrskaya Street, 14, Tynda Town, Amur Region, Postal Code: 676282, Russia, held by LLC Olekminsky Rudnik	The property comprises an apartment with a gross floor area of approximately 70.8 sq.m.	The property is occupied by the Group as an apartment.	42,000  100% interest attributable to the Group: 42,000

*Notes:*

1. Pursuant to Ownership Certificate No. 031903 dated 30 September 2005, the apartment is held by the Group.
2. We were informed by LLC Olekminsky Rudnik, that the apartment was acquired in September 2008 at a consideration of RUR915,000.
3. The Russian legal opinion states, inter alia, that:
  - a. The Group has registered ownership rights of the apartment as mentioned in Note 1 above. The Group is entitled and has all necessary authorisations to use the apartment as mentioned in Note 1 above for the purpose for which it is presently being used, and the property is free from any mortgages, encumbrances or any other third party rights. The Group has the right to sell, lease and mortgage the property to other legal economic entities subject to the restrictions imposed by the imperative norms of the Russian legislation.
  - b. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010 and the extracts from the State Register, the property is not currently affected by any third party claims and no threats have been made to the Group challenging its rights to the property under the relevant sale and purchase agreement or the basis on which its rights were acquired.
  - c. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010, the property is not, as at the date of the legal opinion, subject to any statutory notice or order given by the Russian governmental authority which would adversely affect the use of it, its value or rights thereto.

## VALUATION CERTIFICATE

No.	Property	Description	Particulars of occupancy	Capital Value in existing state as at 31 July 2010 (USD)
7.	Apartment 9 located Octyabrskaya Street, 20, Tynda Town, Amur Region, Postal Code: 676282, Russia, held by LLC Olekminsky Rudnik	The property comprises an apartment with a gross floor area of approximately 70.4 sq.m.	The property is occupied by the Group as an apartment.	42,000  100% interest attributable to the Group: 42,000

*Notes:*

1. Pursuant to Ownership Certificate No. 157975 dated 30 October 2007, the apartment 9 located Octyabrskaya street, 20, Tynda town is held by the Group.
2. We were informed by LLC Olekminsky Rudnik, that the apartment was acquired in October 2008 at a consideration of RUR1,215,000.
3. The Russian legal opinion states, inter alia, that:
  - a. The Group has registered ownership rights of the apartment as mentioned in Note 1 above. The Group is entitled and has all necessary authorisations to use the apartment as mentioned in Note 1 above for the purpose for which it is presently being used, and the property is free from any mortgages, encumbrances or any other third party rights. The Group has the right to sell, lease and mortgage the property to other legal economic entities subject to the restrictions imposed by the imperative norms of the Russian legislation.
  - b. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010 and the extracts from the State Register, the property is not currently affected by any third party claims and no threats have been made to the Group challenging its rights to the property under the relevant sale and purchase agreement or the basis on which its rights were acquired.
  - c. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010, the property is not, as at the date of the legal opinion, subject to any statutory notice or order given by the Russian governmental authority which would adversely affect the use of it, its value or rights thereto.

## VALUATION CERTIFICATE

No.	Property	Description	Particulars of occupancy	Capital Value in existing state as at 31 July 2010 (USD)
8.	Apartment 53 located at Sportivnaya Street, 20, Tynda Town, Amur Region, Postal Code: 676282, Russia, held by LLC Olekminsky Rudnik	The property comprises an apartment with a gross floor area of approximately 80.3 sq.m.	The property is occupied by the Group as an apartment.	48,000  100% interest attributable to the Group: 48,000

*Notes:*

1. Pursuant to Ownership Certificate No. 189661 dated 8 May 2008, the apartment is held by the Group.
2. We were informed by LLC Olekminsky Rudnik, that the apartment was acquired in May 2008 at a consideration of RUR1,250,107.
3. The Russian legal opinion states, inter alia, that:
  - a. The Group has registered ownership rights of the apartment as mentioned in Note 1 above. The Group is entitled and has all necessary authorisations to use the apartment as mentioned in Note 1 above for the purpose for which it is presently being used, and the property is free from any mortgages, encumbrances or any other third party rights. The Group has the right to sell, lease and mortgage the property to other legal economic entities subject to the restrictions imposed by the imperative norms of the Russian legislation.
  - b. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010 and the extracts from the State Register, the property is not currently affected by any third party claims and no threats have been made to the Group challenging its rights to the property under the relevant sale and purchase agreement or the basis on which its rights were acquired.
  - c. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010, the property is not, as at the date of the legal opinion, subject to any statutory notice or order given by the Russian governmental authority which would adversely affect the use of it, its value or rights thereto.

## VALUATION CERTIFICATE

No.	Property	Description	Particulars of occupancy	Capital Value in existing state as at 31 July 2010 (USD)
9.	Apartment 50 located at Shcolnaya Street, 9, Tynda Town, Amur Region, Postal Code: 676282, Russia, held by LLC Olekminsky Rudnik	The property comprises an apartment with a gross floor area of approximately 50.9 sq.m.	The property is occupied by the Group as an apartment.	31,000  100% interest attributable to the Group: 31,000

*Notes:*

1. Pursuant to Ownership Certificate No. 299507 dated 23 November 2009, the apartment is held by the Group.
2. We were informed by LLC Olekminsky Rudnik, that the apartment was acquired in November 2009 at a consideration of RUR1,410,000.
3. The Russian legal opinion states, inter alia, that:
  - a. The Group has registered ownership rights of the apartment as mentioned in Note 1 above. The Group is entitled and has all necessary authorisations to use the apartment as mentioned in Note 1 above for the purpose for which it is presently being used, and the property is free from any mortgages, encumbrances or any other third party rights. The Group has the right to sell, lease and mortgage the property to other legal economic entities subject to the restrictions imposed by the imperative norms of the Russian legislation.
  - b. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010 and the extracts from the State Register, the property is not currently affected by any third party claims and no threats have been made to the Group challenging its rights to the property under the relevant sale and purchase agreement or the basis on which its rights were acquired.
  - c. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010, the property is not, as at the date of the legal opinion, subject to any statutory notice or order given by the Russian governmental authority which would adversely affect the use of it, its value or rights thereto.



## VALUATION CERTIFICATE

No.	Property	Description	Particulars of occupancy	Capital Value in existing state as at 31 July 2010 (USD)
10.	Apartments 4 and 13 located at 70 years October Street, 1, Olekminsky c/c Settlement Olekma, Tyndinskiy District, Amur Region, Postal Code: 676253, Russia, held by LLC Olekminsky Rudnik	The property comprises 2 apartments with a gross floor area of approximately 90.7 sq.m.	The property is occupied by the Group as apartments.	27,000  100% interest attributable to the Group: 27,000

*Notes:*

1. Pursuant to Ownership Certificate No. 414465 dated 7 May 2010, the apartment 4 located at 70 years October street, 1, Olekma Village is held by the Group.
2. Pursuant to Ownership Certificate No. 414411 dated 4 May 2010, the apartment 13 located at 70 years October street, 1, Olekma Village is held by the Group.
3. We were informed by LLC Olekminsky Rudnik, that the apartments were acquired in May 2010 at a consideration of RUR945,000.
4. The Russian legal opinion states, inter alia, that:
  - a. The Group has registered ownership rights of the apartments as mentioned in Notes 1-2 above. The Group is entitled and has all necessary authorisations to use the apartments as mentioned in Notes 1-2 above for the purpose for which it is presently being used, and the property is free from any mortgages, encumbrances or any other third party rights. The Group has the right to sell, lease and mortgage the property to other legal economic entities subject to the restrictions imposed by the imperative norms of the Russian legislation.
  - b. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010 and the extracts from the State Register, the property is not currently affected by any third party claims and no threats have been made to the Group challenging its rights to the property under the relevant sale and purchase agreement or the basis on which its rights were acquired.
  - c. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010, the property is not, as at the date of the legal opinion, subject to any statutory notice or order given by the Russian governmental authority which would adversely affect the use of it, its value or rights thereto.

## VALUATION CERTIFICATE

No.	Property	Description	Particulars of occupancy	Capital Value in existing state as at 31 July 2010 (USD)
11.	Apartments 7 and 17 located at 70 years October Street, 2, Olekminsky c/c Settlement Olekma, Tyndinskiy District, Amur Region, Postal Code: 676253, Russia, held by LLC Olekminsky Rudnik	The property comprises 2 apartments with a gross floor area of approximately 96.5 sq.m.	The property is occupied by the Group as apartments.	29,000  100% interest attributable to the Group: 29,000

*Notes:*

1. Pursuant to Ownership Certificate No. 301531 dated 3 September 2009, the apartment 7 located at 70 years October street, 2, Olekma Village is held by the Group.
2. Pursuant to Ownership Certificate No. 189966 dated 8 August 2008, the apartment 17 located at 70 years October street, 2, Olekma Village is held by the Group.
3. We were informed by LLC Olekminsky Rudnik, that the apartments were acquired in August 2008 and September 2009 at a consideration of RUR384,750.
4. The Russian legal opinion states, inter alia, that:
  - a. The Group has registered ownership rights of the apartments as mentioned in Notes 1-2 above. The Group is entitled and has all necessary authorisations to use the apartments as mentioned in Notes 1-2 above for the purpose for which it is presently being used, and the property is free from any mortgages, encumbrances or any other third party rights. The Group has the right to sell, lease and mortgage the property to other legal economic entities subject to the restrictions imposed by the imperative norms of the Russian legislation.
  - b. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010 and the extracts from the State Register, the property is not currently affected by any third party claims and no threats have been made to the Group challenging its rights to the property under the relevant sale and purchase agreement or the basis on which its rights were acquired.
  - c. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010, the property is not, as at the date of the legal opinion, subject to any statutory notice or order given by the Russian governmental authority which would adversely affect the use of it, its value or rights thereto.

## VALUATION CERTIFICATE

No.	Property	Description	Particulars of occupancy	Capital Value in existing state as at 31 July 2010 (USD)
12.	Apartment 1 located at 70 years October Street, 3, Olekminsky c/c Settlement Olekma, Tyndinskiy District, Amur Region, Postal Code: 676253, Russia, held by LLC Olekminsky Rudnik	The property comprises an apartment with a gross floor area of approximately 58.7 sq.m.	The property is occupied by the Group as an apartment.	18,000  100% interest attributable to the Group: 18,000

*Notes:*

1. Pursuant to Ownership Certificate No. 272183 dated 04 August 2009, the apartment is held by the Group.
2. We were informed by LLC Olekminsky Rudnik, that the apartment was acquired in August 2009 at a consideration of RUR511,250.
3. The Russian legal opinion states, inter alia, that:
  - a. The Group has registered ownership rights of the apartment as mentioned in Note 1 above. The Group is entitled and has all necessary authorisations to use the apartment as mentioned in Note 1 above for the purpose for which it is presently being used, and the property is free from any mortgages, encumbrances or any other third party rights. The Group has the right to sell, lease and mortgage the property to other legal economic entities subject to the restrictions imposed by the imperative norms of the Russian legislation.
  - b. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010 and the extracts from the State Register, the property is not currently affected by any third party claims and no threats have been made to the Group challenging its rights to the property under the relevant sale and purchase agreement or the basis on which its rights were acquired.
  - c. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010, the property is not, as at the date of the legal opinion, subject to any statutory notice or order given by the Russian governmental authority which would adversely affect the use of it, its value or rights thereto.

## VALUATION CERTIFICATE

No.	Property	Description	Particulars of occupancy	Capital Value in existing state as at 31 July 2010 (USD)
13.	Apartments 4 and 12 located at 70 years October Street, 4, Olekminsky c/c Settlement Olekma, Tyndinskiy District, Amur Region, Postal Code: 676253, Russia, held by LLC Olekminsky Rudnik	The property comprises 2 apartments with a gross floor area of approximately 101.4 sq.m.	The property is occupied by the Group as apartments.	30,000  100% interest attributable to the Group: 30,000

*Notes:*

1. Pursuant to Ownership Certificate No. 234669 dated 9 October 2008, the apartment 4 located at 70 years October street, 4, Olekma Village is held by the Group.
2. Pursuant to Ownership Certificate No. 273996 dated 25 July 2009, the apartment 12 located at 70 years October street, 4, Olekma Village is held by the Group.
3. We were informed by LLC Olekminsky Rudnik, that the apartments were acquired in October 2008 and July 2009 at a consideration of RUR984,625.
4. The Russian legal opinion states, inter alia, that:
  - a. The Group has registered ownership rights of the apartments as mentioned in Notes 1 and 2 above. The Group is entitled and has all necessary authorisations to use the apartments as mentioned in Notes 1 and 2 above for the purpose for which it is presently being used, and the property is free from any mortgages, encumbrances or any other third party rights. The Group has the right to sell, lease and mortgage the property to other legal economic entities subject to the restrictions imposed by the imperative norms of the Russian legislation.
  - b. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010 and the extracts from the State Register, the property is not currently affected by any third party claims and no threats have been made to the Group challenging its rights to the property under the relevant sale and purchase agreement or the basis on which its rights were acquired.
  - c. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010, the property is not, as at the date of the legal opinion, subject to any statutory notice or order given by the Russian governmental authority which would adversely affect the use of it, its value or rights thereto.

## VALUATION CERTIFICATE

No.	Property	Description	Particulars of occupancy	Capital Value in existing state as at 31 July 2010 (USD)
14.	Apartments 4, 5, 8 and 14 located at 70 years October Street, 5, Olekminsky c/c Settlement Olekma, Tyndinskiy District, Amur Region, Postal Code: 676253, Russia, held by LLC Olekminsky Rudnik	The property comprises 4 apartments with a gross floor area of approximately 227.7 sq.m.	The property is occupied by the Group as an apartment.	68,000  100% interest attributable to the Group: 68,000

*Notes:*

1. Pursuant to Ownership Certificate No. 189967 dated 8 August 2008, the apartment 4 located at 70 years October street, 5, Olekma Village is held by the Group.
2. Pursuant to Ownership Certificate No. 414866 dated 22 May 2010, the apartment 5 located at 70 years October street, 5, Olekma Village is held by the Group.
3. Pursuant to Ownership Certificate No. 273210 dated 29 December 2008, the apartment 8 located at 70 years October street, 5, Olekma Village is held by the Group.
4. Pursuant to Ownership Certificate No. 272820 dated 30 April 2009, the apartment 14 located at 70 years October street, 5, Olekma Village is held by the Group.
5. We were informed by LLC Olekminsky Rudnik, that the apartments were acquired in the period from August 2008 to May 2010 at a consideration of RUR1,801,500.
6. The Russian legal opinion states, inter alia, that:
  - a. The Group has registered ownership rights of the apartments as mentioned in Notes 1-4 above. The Group is entitled and has all necessary authorisations to use the apartments as mentioned in Notes 1-4 above for the purpose for which it is presently being used, and the property is free from any mortgages, encumbrances or any other third party rights. The Group has the right to sell, lease and mortgage the property to other legal economic entities subject to the restrictions imposed by the imperative norms of the Russian legislation.
  - b. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010 and the extracts from the State Register, the property is not currently affected by any third party claims and no threats have been made to the Group challenging its rights to the property under the relevant sale and purchase agreement or the basis on which its rights were acquired.
  - c. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010, the property is not, as at the date of the legal opinion, subject to any statutory notice or order given by the Russian governmental authority which would adversely affect the use of it, its value or rights thereto.

## VALUATION CERTIFICATE

No.	Property	Description	Particulars of occupancy	Capital Value in existing state as at 31 July 2010 (USD)
15.	Apartment 17 located at 70 years October Street, 6, Olekminsky c/c Settlement Olekma, Tyndinskiy District, Amur Region, Postal Code: 676253, Russia, held by LLC Olekminsky Rudnik	The property comprises an apartment with a gross floor area of approximately 62.1 sq.m.	The property is occupied by the Group as an apartment.	19,000  100% interest attributable to the Group: 19,000

*Notes:*

1. Pursuant to Ownership Certificate No. 272815 dated 28 April 2009, the apartment is held by the Group.
2. We were informed by LLC Olekminsky Rudnik, that the apartment was acquired in April 2009 at a consideration of RUR550,000.
3. The Russian legal opinion states, inter alia, that:
  - a. The Group has registered ownership rights of the apartment as mentioned in Note 1 above. The Group is entitled and has all necessary authorisations to use the apartment as mentioned in Note 1 above for the purpose for which it is presently being used, and the property is free from any mortgages, encumbrances or any other third party rights. The Group has the right to sell, lease and mortgage the property to other legal economic entities subject to the restrictions imposed by the imperative norms of the Russian legislation.
  - b. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010 and the extracts from the State Register, the property is not currently affected by any third party claims and no threats have been made to the Group challenging its rights to the property under the relevant sale and purchase agreement or the basis on which its rights were acquired.
  - c. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010, the property is not, as at the date of the legal opinion, subject to any statutory notice or order given by the Russian governmental authority which would adversely affect the use of it, its value or rights thereto.

## VALUATION CERTIFICATE

No.	Property	Description	Particulars of occupancy	Capital Value in existing state as at 31 July 2010 (USD)
16.	Apartments 9 and 19 located at 70 years October Street, 7, Olekminsky c/c Settlement Olekma, Tyndinskiy District, Amur Region, Postal Code: 676253, Russia, held by LLC Olekminsky Rudnik	The property comprises 2 apartments with a gross floor area of approximately 111.3 sq.m.	The property is occupied by the Group as apartments.	34,000  100% interest attributable to the Group: 34,000

*Notes:*

1. Pursuant to Ownership Certificate No. 188282 dated 22 January 2008, the apartment 9 located at 70 years October street, 7, Olekma Village is held by the Group.
2. Pursuant to Ownership Certificate No. 301360 dated 2 November 2009, the apartment 19 located at 70 years October street, 7, Olekma Village is held by the Group.
3. We were informed by LLC Olekminsky Rudnik, that the apartments were acquired in January 2008 and November 2009 at a consideration of RUR851,250.
4. The Russian legal opinion states, inter alia, that:
  - a. The Group has registered ownership rights of the apartments as mentioned in Notes 1-2 above. The Group is entitled and has all necessary authorisations to use the apartments as mentioned in Notes 1-2 above for the purpose for which it is presently being used, and the property is free from any mortgages, encumbrances or any other third party rights. The Group has the right to sell, lease and mortgage the property to other legal economic entities subject to the restrictions imposed by the imperative norms of the Russian legislation.
  - b. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010 and the extracts from the State Register, the property is not currently affected by any third party claims and no threats have been made to the Group challenging its rights to the property under the relevant sale and purchase agreement or the basis on which its rights were acquired.
  - c. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010, the property is not, as at the date of the legal opinion, subject to any statutory notice or order given by the Russian governmental authority which would adversely affect the use of it, its value or rights thereto.

## VALUATION CERTIFICATE

No.	Property	Description	Particulars of occupancy	Capital Value in existing state as at 31 July 2010 (USD)
17.	Apartments 5 and 15 located at 70 years October Street, 8, Olekminsky c/c Settlement Olekma, Tyndinskiy District, Amur Region, Postal Code: 676253, Russia, held by LLC Olekminsky Rudnik	The property comprises 2 apartments with a gross floor area of approximately 146.9 sq.m.	The property is occupied by the Group as apartments.	44,000  100% interest attributable to the Group: 44,000

*Notes:*

1. Pursuant to Ownership Certificate No. 235281 dated 12 March 2009, the apartment 5 located at 70 years October street, 8, Olekma Village is held by the Group.
2. Pursuant to Ownership Certificate No. 696148 dated 3 June 2002, the apartment 15 located at 70 years October street, 8, Olekma Village is held by the Group.
3. We were informed by LLC Olekminsky Rudnik, that the apartments were acquired in June 2002 and March 2009 at a consideration of RUR652,251.
4. The Russian legal opinion states, inter alia, that:
  - a. The Group has registered ownership rights of the apartments as mentioned in Notes 1-2 above. The Group is entitled and has all necessary authorisations to use the apartments as mentioned in Notes 1-2 above for the purpose for which it is presently being used, and the property is free from any mortgages, encumbrances or any other third party rights. The Group has the right to sell, lease and mortgage the property to other legal economic entities subject to the restrictions imposed by the imperative norms of the Russian legislation.
  - b. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010 and the extracts from the State Register, the property is not currently affected by any third party claims and no threats have been made to the Group challenging its rights to the property under the relevant sale and purchase agreement or the basis on which its rights were acquired.
  - c. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010, the property is not, as at the date of the legal opinion, subject to any statutory notice or order given by the Russian governmental authority which would adversely affect the use of it, its value or rights thereto.



## VALUATION CERTIFICATE

No.	Property	Description	Particulars of occupancy	Capital Value in existing state as at 31 July 2010 (USD)
18.	Apartments 1, 9, 11 and 18 located at 70 years October Street, 9, Olekminsky c/c Settlement Olekma, Tyndinskiy District, Amur Region, Postal Code: 676253, Russia, held by LLC Olekminsky Rudnik	The property comprises 4 apartments with a gross floor area of approximately 204.3 sq.m.	The property is occupied by the Group as apartments.	62,000  100% interest attributable to the Group: 62,000

*Notes:*

1. Pursuant to Ownership Certificate No. 365989 dated 21 January 2010, the apartment 1 located at 70 years October street, 9, Olekma Village is held by the Group.
2. Pursuant to Ownership Certificate No. 272157 dated 30 July 2009, the apartment 9 located at 70 years October street, 9, Olekma Village is held by the Group.
3. Pursuant to Ownership Certificate No. 095026 dated 7 September 2006, the apartment 11 located at 70 years October street, 9, Olekma Village is held by the Group.
4. Pursuant to Ownership Certificate No. 414577 dated 4 May 2010, the apartment 18 located at 70 years October street, 9, Olekma Village is held by the Group.
5. We were informed by LLC Olekminsky Rudnik, that the apartments were acquired in the period from September 2006 to May 2010 at a consideration of RUR1,698,750.
6. The Russian legal opinion states, inter alia, that:
  - a. The Group has registered ownership rights of the apartments as mentioned in Notes 1-4 above. The Group is entitled and has all necessary authorisations to use the apartments as mentioned in Notes 1-4 above for the purpose for which it is presently being used, and the property is free from any mortgages, encumbrances or any other third party rights. The Group has the right to sell, lease and mortgage the property to other legal economic entities subject to the restrictions imposed by the imperative norms of the Russian legislation.
  - b. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010 and the extracts from the State Register, the property is not currently affected by any third party claims and no threats have been made to the Group challenging its rights to the property under the relevant sale and purchase agreement or the basis on which its rights were acquired.
  - c. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010, the property is not, as at the date of the legal opinion, subject to any statutory notice or order given by the Russian governmental authority which would adversely affect the use of it, its value or rights thereto.

## VALUATION CERTIFICATE

No.	Property	Description	Particulars of occupancy	Capital Value in existing state as at 31 July 2010 (USD)
19.	Land parcel and an administrative building located at 22b, Prospekt 60-letiya USSR Birobidjan, EAO, Postal Code: 679000, Russia, held by LLC KS GOK	The property comprises an administrative Building with a gross floor area of approximately 3,490.1 sq.m., completed in 2009, erected on a land parcel with a site area of approximately 0.4710 hectares.	The property is occupied by the Group as an office.	5,100,000  100% interest attributable to the Group: 5,100,000

*Notes:*

1. Pursuant to the ownership certificate, a land parcel held by the Group with a site area of approximately 0.4710 hectares is owned freehold. Pursuant to sale contract No. 827, dated 28 December 2009, LLC KS GOK acquired the subject land parcel at a consideration of RUR1,036,529.70.
2. According to the property ownership certificate an administrative building with a gross floor area of 3,490.1 sq.m. is held by the Group.
3. The Russian legal opinion states, inter alia, that:
  - a. The Group has registered ownership rights to the building as mentioned in Note 2 above. The Group is entitled and has all necessary authorisations to use the relevant buildings as mentioned in Note 2 above for the purposes for which they are presently being used, and these buildings are free from any mortgages, encumbrances or any other third party rights. The Group has the right to sell, lease and mortgage these buildings to other legal economic entities subject to the restrictions imposed by the imperative norms of the Russian legislation.
  - b. The Group is entitled and has all necessary authorisations to use the relevant land parcel as mentioned in Note 1 above for the designated use, and the land parcel is free from any mortgages, encumbrances or any other third party rights. The Group has the right to sell, lease and mortgage the land parcel to other legal economic entities subject to the restrictions imposed by the imperative norms of the Russian legislation.
  - c. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010 and the extracts from the State Register, the property is not currently affected by any third party claims and no threats have been made to the Group challenging its rights to the property under the relevant sale and purchase agreement or the basis on which its rights were acquired.
  - d. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010, the property is not, as at the date of the legal opinion, subject to any statutory notice or order given by the Russian governmental authority which would adversely affect the use of it, its value or rights thereto.

## VALUATION CERTIFICATE

No.	Property	Description	Particulars of occupancy	Capital Value in existing state as at 31 July 2010 (USD)
20.	Land parcels, various buildings and structures located in Snarskiy Settlement/Landmark Settlement/Operational Forest in Izvestkovoe Divisional Forestry, Kuldurskoe Forestry, Obluchenskiy District, EAO, Russia, held by LLC KS GOK	<p>The property comprises assets related to iron ore mining and dressing as described below. The buildings and structures of the property are erected on 32 land parcels with a total site area of approximately 575.8686 hectares.</p> <p>The property comprises buildings, structures and auxiliary facilities of the ore dressing plant which were under construction as at the date of valuation (the "CIP Properties"). As advised by the Company, a construction cost of USD24,315,300 has been incurred in respect of the CIP Properties with a gross floor area of approximately 10,227.6 sq.m. as at the date of valuation. The CIP Properties are scheduled to be completed within 2010-2013.</p>	The property is occupied by the Group as mining and dressing plant.	<p>No Commercial Value</p> <p>100% interest attributable to the Group: No Commercial Value</p>

## Notes:

1. Pursuant to lease agreements 32 land parcels with a total site area of about 575.8686 hectares were leased from the municipality for industrial use. The lease term ranges from 1 to 30 years with the earliest expiry date in September 2010 at a total annual rent of USD236,498.58.
2. We have attributed no commercial value to the leased land parcels as mentioned in Note 1 above with a total site area of approximately 575.8686 hectares as either these land parcels cannot be assigned or sublet to other parties without the consent of the relevant local authorities, or substantial profit rent is lacking.
3. We have attributed no commercial value to buildings and structures comprising the "CIP Properties" with a gross floor area of approximately 10,227.6 sq.m. due to insufficient title proof to these buildings and auxiliary facilities. We are of the opinion that the depreciated replacement cost of these buildings and auxiliary facilities as at the valuation date would be USD24,315,300 assuming all relevant title certificates have been obtained and registered by the Group and the Group has legal rights to occupy, lease, mortgage and transfer these properties.
4. We were informed that the subject subsidiary of the Group also operates 10 transportable homes. According to Russian legislation they are not registered as real estate properties and therefore were excluded from our valuation.
5. The Russian legal opinion states, inter alia, that:
  - a. The leases as mentioned in Note 1 above constitutes a legal, enforceable, valid and binding obligation of the Group and constitutes its right to use the relevant land parcels for its designated purposes.

- b. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010 and the extracts from the State Register, the property is not currently affected by any third party claims and no threats have been made to the Group challenging its rights to the property under the relevant lease agreement.
  
- c. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010: (a) The Group has complied with all material obligations imposed on it under the relevant lease agreements; (b) there are no rent payments which have become due and payable by it under the relevant lease agreements which have not been paid; and (c) there are no material breaches of any of the terms thereof, and (d) there are no grounds for early termination of lease agreements.
  
- d. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010, the property is not, as at the date of the legal opinion, subject to any statutory notice or order given by the Russian governmental authority which would adversely affect the use of it, its value or rights thereto.

## VALUATION CERTIFICATE

No.	Property	Description	Particulars of occupancy	Capital Value in existing state as at 31 July 2010 (USD)
21.	Apartment 15 located at Dzerjinskogo Street 26, Birobidjan, EAO, Postal Code:679000, Russia, held by LLC KS GOK	The property comprises an apartment with a gross floor area of approximately 73.5 sq.m.	The property is occupied by the Group as an apartment.	65,000  100% interest attributable to the Group: 65,000

*Notes:*

1. Pursuant to Ownership Certificate No. 072207 dated 30 November 2007, the apartment is held by the Group.
2. We were informed by LLC KS GOK, that the apartment was acquired in October 2007 at a consideration of RUR2,500,000.
3. The Russian legal opinion states, inter alia, that:
  - a. The Group has registered ownership rights of the apartment as mentioned in Note 1 above. The Group is entitled and has all necessary authorisations to use the apartment as mentioned in Note 1 above for the purpose for which it is presently being used, and the property is free from any mortgages, encumbrances or any other third party rights. The Group has the right to sell, lease and mortgage the property to other legal economic entities subject to the restrictions imposed by the imperative norms of the Russian legislation.
  - b. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010 and the extracts from the State Register, the property is not currently affected by any third party claims and no threats have been made to the Group challenging its rights to the property under the relevant sale and purchase agreement or the basis on which its rights were acquired.
  - c. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010, the property is not, as at the date of the legal opinion, subject to any statutory notice or order given by the Russian governmental authority which would adversely affect the use of it, its value or rights thereto.

## VALUATION CERTIFICATE

No.	Property	Description	Particulars of occupancy	Capital Value in existing state as at 31 July 2010 (USD)
22.	Apartment 12 located at Gorkogo Street 18, Birobidjan, EAO, Postal Code:679000, Russia, held by LLC KS GOK	The property comprises an apartment with a gross floor area of approximately 72.9 sq.m.	The property is occupied by the Group as an apartment.	64,000  100% interest attributable to the Group: 64,000

*Notes:*

1. Pursuant to Ownership Certificate No. 001099 dated 31 January 2007, the apartment is held by the Group.
2. We were informed by LLC KS GOK, that the apartment was acquired in December 2006 at a consideration of RUR1,508,500.
3. The Russian legal opinion states, inter alia, that:
  - a. The Group has registered ownership rights of the apartment as mentioned in Note 1 above. The Group is entitled and has all necessary authorisations to use the apartment as mentioned in Note 1 above for the purpose for which it is presently being used, and the property is free from any mortgages, encumbrances or any other third party rights. The Group has the right to sell, lease and mortgage the property to other legal economic entities subject to the restrictions imposed by the imperative norms of the Russian legislation.
  - b. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010 and the extracts from the State Register, the property is not currently affected by any third party claims and no threats have been made to the Group challenging its rights to the property under the relevant sale and purchase agreement or the basis on which its rights were acquired.
  - c. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010, the property is not, as at the date of the legal opinion, subject to any statutory notice or order given by the Russian governmental authority which would adversely affect the use of it, its value or rights thereto.

## VALUATION CERTIFICATE

No.	Property	Description	Particulars of occupancy	Capital Value in existing state as at 31 July 2010 (USD)
23.	Apartment 5 located at Lenina Street 38, Birobidjan, EAO, Postal Code:679000, Russia, held by LLC KS GOK	The property comprises an apartment with a gross floor area of approximately 82.1 sq.m.	The property is occupied by the Group as an apartment.	82,000  100% interest attributable to the Group: 82,000

*Notes:*

1. Pursuant to Ownership Certificate No. 185114 dated 4 June 2008, the apartment is held by the Group.
2. We were informed by LLC KS GOK, that the apartment was acquired in April 2008 at a consideration of RUR2,654,746.
3. The Russian legal opinion states, inter alia, that:
  - a. The Group has registered ownership rights of the apartment as mentioned in Note 1 above. The Group is entitled and has all necessary authorisations to use the apartment as mentioned in Note 1 above for the purpose for which it is presently being used, and the property is free from any mortgages, encumbrances or any other third party rights. The Group has the right to sell, lease and mortgage the property to other legal economic entities subject to the restrictions imposed by the imperative norms of the Russian legislation.
  - b. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010 and the extracts from the State Register, the property is not currently affected by any third party claims and no threats have been made to the Group challenging its rights to the property under the relevant sale and purchase agreement or the basis on which its rights were acquired.
  - c. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010, the property is not, as at the date of the legal opinion, subject to any statutory notice or order given by the Russian governmental authority which would adversely affect the use of it, its value or rights thereto.

## VALUATION CERTIFICATE

No.	Property	Description	Particulars of occupancy	Capital Value in existing state as at 31 July 2010 (USD)
24.	Apartment 12 located at Oktyabrskaya Street 3A, Birobidjan, EAO, Postal Code:679000, Russia, held by LLC KS GOK	The property comprises an apartment with a gross floor area of approximately 65.6 sq.m.	The property is occupied by the Group as an apartment.	63,000  100% interest attributable to the Group: 63,000

*Notes:*

1. Pursuant to Ownership Certificate No. 177360 dated 4 June 2008, the apartment is held by the Group.
2. We were informed by LLC KS GOK, that the apartment was acquired in April 2008 at a consideration of RUR2,000,000.
3. The Russian legal opinion states, inter alia, that:
  - a. The Group has registered ownership rights of the apartment as mentioned in Note 1 above. The Group is entitled and has all necessary authorisations to use the apartment as mentioned in Note 1 above for the purpose for which it is presently being used, and the property is free from any mortgages, encumbrances or any other third party rights. The Group has the right to sell, lease and mortgage the property to other legal economic entities subject to the restrictions imposed by the imperative norms of the Russian legislation.
  - b. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010 and the extracts from the State Register, the property is not currently affected by any third party claims and no threats have been made to the Group challenging its rights to the property under the relevant sale and purchase agreement or the basis on which its rights were acquired.
  - c. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010, the property is not, as at the date of the legal opinion, subject to any statutory notice or order given by the Russian governmental authority which would adversely affect the use of it, its value or rights thereto.



## VALUATION CERTIFICATE

No.	Property	Description	Particulars of occupancy	Capital Value in existing state as at 31 July 2010 (USD)
25.	Apartment 51 located at Bumagina Street 10B, Birobidjan, EAO, Postal Code:679000, Russia, held by LLC KS GOK	The property comprises an apartment with a gross floor area of approximately 56.9 sq.m.	The property is occupied by the Group as an apartment.	58,000  100% interest attributable to the Group: 58,000

*Notes:*

1. Pursuant to Ownership Certificate No. 279082 dated 13 May 2009, the apartment is held by the Group.
2. We were informed by LLC KS GOK, that the apartment was acquired in June 2008 at a consideration of RUR1,956,925.
3. The Russian legal opinion states, inter alia, that:
  - a. The Group has registered ownership rights of the apartment as mentioned in Note 1 above. The Group is entitled and has all necessary authorisations to use the apartment as mentioned in Note 1 above for the purpose for which it is presently being used, and the property is free from any mortgages, encumbrances or any other third party rights. The Group has the right to sell, lease and mortgage the property to other legal economic entities subject to the restrictions imposed by the imperative norms of the Russian legislation.
  - b. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010 and the extracts from the State Register, the property is not currently affected by any third party claims and no threats have been made to the Group challenging its rights to the property under the relevant sale and purchase agreement or the basis on which its rights were acquired.
  - c. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010, the property is not, as at the date of the legal opinion, subject to any statutory notice or order given by the Russian governmental authority which would adversely affect the use of it, its value or rights thereto.

## VALUATION CERTIFICATE

No.	Property	Description	Particulars of occupancy	Capital Value in existing state as at 31 July 2010 (USD)
26.	Apartments 29, 58, 59 located at Pionerskaya Street 92, Birobidjan, EAO, Postal Code:679000, Russia, held by LLC KS GOK	The property comprises 3 apartments with a total gross floor area of approximately 259.6 sq.m.	The property is occupied by the Group as apartments.	252,000  100% interest attributable to the Group: 252,000

*Notes:*

1. Pursuant to Ownership Certificates, No. 236544 dated 22 July 2009, No. 279975 dated 19 June 2009 and series No. 279977 dated 19 June 2009 the apartments are held by the Group.
2. We were informed by LLC KS GOK, that the apartments were acquired between June 2008 and October 2008 at a consideration of RUR9,507,351.
3. The Russian legal opinion states, inter alia, that:
  - a. The Group has registered ownership rights of the apartment as mentioned in Note 1 above. The Group is entitled and has all necessary authorisations to use the apartment as mentioned in Note 1 above for the purpose for which it is presently being used, and the property is free from any mortgages, encumbrances or any other third party rights. The Group has the right to sell, lease and mortgage the property to other legal economic entities subject to the restrictions imposed by the imperative norms of the Russian legislation.
  - b. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010 and the extracts from the State Register, the property is not currently affected by any third party claims and no threats have been made to the Group challenging its rights to the property under the relevant sale and purchase agreement or the basis on which its rights were acquired.
  - c. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010, the property is not, as at the date of the legal opinion, subject to any statutory notice or order given by the Russian governmental authority which would adversely affect the use of it, its value or rights thereto.

## VALUATION CERTIFICATE

No.	Property	Description	Particulars of occupancy	Capital Value in existing state as at 31 July 2010 (USD)
27.	Apartment 16 located at Sholom-Aleyhem Street 14, Birobidjan, EAO, Postal Code:679000, Russia, held by LLC KS GOK	The property comprises an apartment with a gross floor area of approximately 66.5 sq.m.	The property is occupied by the Group as an apartment.	78,000  100% interest attributable to the Group: 78,000

*Notes:*

1. Pursuant to Ownership Certificate No. 278632 dated 13 May 2009, the apartment is held by the Group.
2. We were informed by LLC KS GOK, that the apartment was acquired in May 2008 at a consideration of RUR2,874,878.
3. The Russian legal opinion states, inter alia, that:
  - a. The Group has registered ownership rights of the apartment as mentioned in Note 1 above. The Group is entitled and has all necessary authorisations to use the apartment as mentioned in Note 1 above for the purpose for which it is presently being used, and the property is free from any mortgages, encumbrances or any other third party rights. The Group has the right to sell, lease and mortgage the property to other legal economic entities subject to the restrictions imposed by the imperative norms of the Russian legislation.
  - b. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010 and the extracts from the State Register, the property is not currently affected by any third party claims and no threats have been made to the Group challenging its rights to the property under the relevant sale and purchase agreement or the basis on which its rights were acquired.
  - c. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010, the property is not, as at the date of the legal opinion, subject to any statutory notice or order given by the Russian governmental authority which would adversely affect the use of it, its value or rights thereto.

## VALUATION CERTIFICATE

No.	Property	Description	Particulars of occupancy	Capital Value in existing state as at 31 July 2010 (USD)
28.	Apartment 10 located at Sholom-Aleyhem Street 24, Birobidjan, EAO, Postal Code:679000, Russia, held by LLC KS GOK	The property comprises an apartment with a gross floor area of approximately 61.8 sq.m.	The property is occupied by the Group as an apartment.	76,000  100% interest attributable to the Group: 76,000

*Notes:*

1. Pursuant to Ownership Certificate No. 010144 dated 15 July 2010, the apartment is held by the Group.
2. We were informed by LLC KS GOK, that the apartment was acquired in May 2010 at a consideration of RUR2,300,000.
3. The Russian legal opinion states, inter alia, that:
  - a. The Group has registered ownership rights of the apartment as mentioned in Note 1 above. The Group is entitled and has all necessary authorisations to use the apartment as mentioned in Note 1 above for the purpose for which it is presently being used, and the property is free from any mortgages, encumbrances or any other third party rights. The Group has the right to sell, lease and mortgage the property to other legal economic entities subject to the restrictions imposed by the imperative norms of the Russian legislation.
  - b. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010 and the extracts from the State Register, the property is not currently affected by any third party claims and no threats have been made to the Group challenging its rights to the property under the relevant sale and purchase agreement or the basis on which its rights were acquired.
  - c. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010, the property is not, as at the date of the legal opinion, subject to any statutory notice or order given by the Russian governmental authority which would adversely affect the use of it, its value or rights thereto.

## VALUATION CERTIFICATE

No.	Property	Description	Particulars of occupancy	Capital Value in existing state as at 31 July 2010 (USD)
29.	Apartment 10 located at Amurskay Street 127, Blagoveshensk, Amur Region, Postal Code: 675000, Russia, held by LLC KS GOK	The property comprises an apartment with a gross floor area of approximately 106 sq.m.	The property is occupied by the Group as an apartment.	172,000  100% interest attributable to the Group: 172,000

*Notes:*

1. Pursuant to Ownership Certificate No. 203212 dated 6 December 2007, the apartment is held by the Group.
2. We were informed by LLC KS GOK, that the apartment was acquired in October 2007 at a consideration of RUR5,096,009.
3. The Russian legal opinion states, inter alia, that:
  - a. The Group has registered ownership rights of the apartment as mentioned in Note 1 above. The Group is entitled and has all necessary authorisations to use the apartment as mentioned in Note 1 above for the purpose for which it is presently being used, and the property is free from any mortgages, encumbrances or any other third party rights. The Group has the right to sell, lease and mortgage the property to other legal economic entities subject to the restrictions imposed by the imperative norms of the Russian legislation.
  - b. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010 and the extracts from the State Register, the property is not currently affected by any third party claims and no threats have been made to the Group challenging its rights to the property under the relevant sale and purchase agreement or the basis on which its rights were acquired.
  - c. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010, the property is not, as at the date of the legal opinion, subject to any statutory notice or order given by the Russian governmental authority which would adversely affect the use of it, its value or rights thereto.

## VALUATION CERTIFICATE

No.	Property	Description	Particulars of occupancy	Capital Value in existing state as at 31 July 2010 (USD)
30.	Apartment 57 located at Kantemirova Street 7, Blagoveshensk, Amur Region, Postal Code: 675000, Russia, held by LLC KS GOK	The property comprises an apartment with a gross floor area of approximately 69.9 sq.m.	The property is occupied by the Group as an apartment.	83,000  100% interest attributable to the Group: 83,000

*Notes:*

1. Pursuant to Ownership Certificate No. 192009 dated 26 September 2007, the apartment is held by the Group.
2. We were informed by LLC KS GOK, that the apartment was acquired in September 2007 at a consideration of RUR2,427,970.
3. The Russian legal opinion states, inter alia, that:
  - a. The Group has registered ownership rights of the apartment as mentioned in Note 1 above. The Group is entitled and has all necessary authorisations to use the apartment as mentioned in Note 1 above for the purpose for which it is presently being used, and the property is free from any mortgages, encumbrances or any other third party rights. The Group has the right to sell, lease and mortgage the property to other legal economic entities subject to the restrictions imposed by the imperative norms of the Russian legislation.
  - b. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010 and the extracts from the State Register, the property is not currently affected by any third party claims and no threats have been made to the Group challenging its rights to the property under the relevant sale and purchase agreement or the basis on which its rights were acquired.
  - c. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010, the property is not, as at the date of the legal opinion, subject to any statutory notice or order given by the Russian governmental authority which would adversely affect the use of it, its value or rights thereto.

## VALUATION CERTIFICATE

No.	Property	Description	Particulars of occupancy	Capital Value in existing state as at 31 July 2010 (USD)
31.	Apartment 1 located at Bonibura Street 5, Settlement Teploozersk, Obluchenskiy District, EAO, Postal Code: 679000, Russia, held by LLC KS GOK	The property comprises an apartment with a gross floor area of approximately 63.8 sq.m.	The property is occupied by the Group as an apartment.	19,000  100% interest attributable to the Group: 19,000

*Notes:*

1. Pursuant to Ownership Certificate No. 009949 dated 9 June 2010, the apartment is held by the Group.
2. We were informed by LLC KS GOK, that the apartment was acquired in May 2010 at a consideration of RUR650,000.
3. The Russian legal opinion states, inter alia, that:
  - a. The Group has registered ownership rights of the apartment as mentioned in Note 1 above. The Group is entitled and has all necessary authorisations to use the apartment as mentioned in Note 1 above for the purpose for which it is presently being used, and the property is free from any mortgages, encumbrances or any other third party rights. The Group has the right to sell, lease and mortgage the property to other legal economic entities subject to the restrictions imposed by the imperative norms of the Russian legislation.
  - b. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010 and the extracts from the State Register, the property is not currently affected by any third party claims and no threats have been made to the Group challenging its rights to the property under the relevant sale and purchase agreement or the basis on which its rights were acquired.
  - c. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010, the property is not, as at the date of the legal opinion, subject to any statutory notice or order given by the Russian governmental authority which would adversely affect the use of it, its value or rights thereto.

## VALUATION CERTIFICATE

No.	Property	Description	Particulars of occupancy	Capital Value in existing state as at 31 July 2010 (USD)
32.	Garage 25, located at Lenina Street, PGSK 92, Birobidjan, EAO, Postal Code: 679000, Russia, held by LLC KS GOK	The property comprises a garage with a gross floor area of approximately 20 sq.m.	The property is occupied by the Group as a garage.	7,000  100% interest attributable to the Group: 7,000

*Notes:*

1. Pursuant to Ownership Certificate No. 185115 dated 4 June 2008, the garage is held by the Group.
2. We were informed by LLC KS GOK, that the garage was acquired in April 2008 at a consideration of RUR350,000.
3. The Russian legal opinion states, inter alia, that:
  - a. The Group has registered ownership rights of the garage as mentioned in Note 1 above. The Group is entitled and has all necessary authorisations to use the garage as mentioned in Note 1 above for the purpose for which it is presently being used, and the property is free from any mortgages, encumbrances or any other third party rights. The Group has the right to sell, lease and mortgage the property to other legal economic entities subject to the restrictions imposed by the imperative norms of the Russian legislation.
  - b. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010 and the extracts from the State Register, the property is not currently affected by any third party claims and no threats have been made to the Group challenging its rights to the property under the relevant sale and purchase agreement or the basis on which its rights were acquired.
  - c. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010, the property is not, as at the date of the legal opinion, subject to any statutory notice or order given by the Russian governmental authority which would adversely affect the use of it, its value or rights thereto.



## VALUATION CERTIFICATE

No.	Property	Description	Particulars of occupancy	Capital Value in existing state as at 31 July 2010 (USD)
33.	House located at Urgalskay 9, Izvestkoviy Settlement, Obluchenskiy District, EAO, Postal Code: 679000, Russia, held by LLC KS GOK	The property comprises a house with a gross floor area of approximately 36.8 sq.m.	The property is occupied by the Group as a residential premise.	14,000  100% interest attributable to the Group: 14,000

*Notes:*

1. Pursuant to Ownership Certificate No. 178180 dated 11 August 2008, the house is held by the Group.
2. We were informed by LLC KS GOK, that the house was acquired in May 2008 at a consideration of RUR252,873.
3. The Russian legal opinion states, inter alia, that:
  - a. The Group has registered ownership rights of the apartment as mentioned in Note 1 above. The Group is entitled and has all necessary authorisations to use the apartment as mentioned in Note 1 above for the purpose for which it is presently being used, and the property is free from any mortgages, encumbrances or any other third party rights. The Group has the right to sell, lease and mortgage the property to other legal economic entities subject to the restrictions imposed by the imperative norms of the Russian legislation.
  - b. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010 and the extracts from the State Register, the property is not currently affected by any third party claims and no threats have been made to the Group challenging its rights to the property under the relevant sale and purchase agreement or the basis on which its rights were acquired.
  - c. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010, the property is not, as at the date of the legal opinion, subject to any statutory notice or order given by the Russian governmental authority which would adversely affect the use of it, its value or rights thereto.

## VALUATION CERTIFICATE

No.	Property	Description	Particulars of occupancy	Capital Value in existing state as at 31 July 2010 (USD)
34.	Land parcel, various buildings and structures located at Transformatornaya Street 1, Birobidjan, EAO, Postal Code: 679000, Russia, held by LLC KS GOK	<p>The property comprises buildings related to a repair workshop as described below. The buildings and structures of the property are erected on a land parcel (1/4 share) with a site area of approximately 6.2387 hectares situated in Birobidjan, EAO. The site area attributed to the 1/4 share corresponds to a site area of 1.559 hectares.</p> <p>The property comprises a workshop building with a total gross floor area of approximately 12,456.3 sq.m. and the administrative building with a total gross floor area of approximately 411.9 sq.m., which were under construction as at the date of valuation (the "CIP Properties"). The CIP Properties have been scheduled to be completed by the end of 2011.</p>	The property is to be occupied by the Group as repair workshops facility under construction.	<p>1,015,000</p> <p>100% interest attributable to the Group: 1,015,000</p>

*Notes:*

1. Pursuant to the ownership certificate, a land parcel (1/4 share) held by the Group with a site area of approximately 6.2387 hectares is owned freehold. The site area attributed to the 1/4 share corresponds to a site area of 1.559 hectares. Pursuant to sale contract No. 136-10/KS GOK dated 20 April 2010, LLC KS GOK acquired the subject land parcel at a consideration of RUR 1,000,000.
2. According to the property ownership certificates No. 011993 dated 8 July 2010 and No. 008251 dated 04 May 2010 an administrative building with a gross floor area of 411.9 sq.m. and a workshop building with a gross floor area of 12,456.3 sq.m., which were under construction (the "CIP Properties") are held by the Group and were included in the valuation.
3. Pursuant to the sale contract No. 136-10/KS GOK dated 20 April 2010, LLC KS GOK acquired the repair workshop building with a gross floor area of 12,456.3 sq.m. at a consideration of RUR 27,118,644.
4. Pursuant to sale contract No. 247-10/KS GOK dated 22 June 2010, LLC KS GOK acquired the administrative building with a gross floor area of 411.9 sq.m. at a consideration of RUR 2,542,373.
5. The Russian legal opinion states, inter alia, that:
  - a. The Group has registered ownership rights to the buildings as mentioned in Note 2 above. The Group is entitled and has all necessary authorisations to use the relevant buildings as mentioned in Note 2 above for the purpose for which they are presently being used, and these buildings are free from any mortgages, encumbrances or any other third party rights. The Group has the right to sell, lease and mortgage these buildings to other legal economic entities subject to the restrictions imposed by the imperative norms of the Russian legislation.
  - b. The Group has registered ownership rights to the property as mentioned in Notes 1-2 above. The Group is entitled and has all necessary authorisations to use the property as mentioned in Notes 1-2 above for the designated use, and the property is free from any mortgages, encumbrances or any other third party rights. The Group has the right to sell, lease and mortgage the property to other legal economic entities subject to the restrictions imposed by the imperative norms of the Russian legislation.

- c. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010 and the extracts from the State Register, the property is not currently affected by any third party claims and no threats have been made to the Group challenging its rights to the property under the sale and purchase agreement or the basis on which its rights were acquired.
  
- d. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010, the property is not, as at the date of the legal opinion, subject to any statutory notice or order given by the Russian governmental authority which would adversely affect the use of it, its value or rights thereto.

## VALUATION CERTIFICATE

No.	Property	Description	Particulars of occupancy	Capital Value in existing state as at 31 July 2010 (USD)
35.	Apartment 5, located at 7a Kagykina Street in Village of Leninskoye, Leninskiy Region, EAO, Russia, held by LLC Rubicon	The property comprises an apartment with a gross floor area of approximately 98.1 sq.m.	The property is occupied by the Group as an apartment.	100,000  99.979% interest attributable to the Group: 99,979

*Notes:*

1. Pursuant to the Ownership Certificate, No. 176627 dated 13 May 2008, the apartment is held by the Group.
2. Pursuant to the sale contract, dated 25 March 2008, LLC Rubicon acquired the apartment at a consideration of RUR1,774,400.
3. The Russian legal opinion states, inter alia, that:
  - a. The Group has registered ownership rights of the property as mentioned in Note 1 above. The Group is entitled and has all necessary authorisations to use the relevant property for the purpose for which it is presently being used, and the property is free from any mortgages, encumbrances or any other third party rights. The Group has the right to sell, lease and mortgage the property to other legal economic entities subject to the restrictions imposed by the imperative norms of the Russian legislation.
  - b. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010 and the extracts from the State Register, the property is not currently affected by any third party claims and no threats have been made to the Group challenging its rights to the property under the relevant sale and purchase agreement or the basis on which its rights were acquired.
  - c. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010, the property is not, as at the date of the legal opinion, subject to any statutory notice or order given by the Russian governmental authority which would adversely affect the use of it, its value or rights thereto.

## VALUATION CERTIFICATE

No.	Property	Description	Particulars of occupancy	Capital Value in existing state as at 31 July 2010 (USD)
36.	Land parcels, various buildings and structures located at Birobidzhanskyi Municipal District, EAO, Postal Code: 679520, Russia, held by LLC Karier Ushumunsky	<p>The property comprises buildings and structures related to coal production as described below. The buildings are erected on 4 leased land parcels with a total site area of approximately 245.21 hectares.</p> <p>The property comprises a railway line with a length of approximately 2,454.5 m., completed in 2010 (the "Completed Properties").</p> <p>The property also comprises an airplane shed with a gross floor area of approximately 359.8 sq.m. and structures with a total length of approximately 16,350.6 m., as well as other auxiliary facilities which were under construction as at the date of valuation (the "CIP Properties"). A total construction cost of about USD393,377 has been incurred as at the valuation date. They are scheduled to be completed within 2010.</p>	The property is occupied by the Group as railway line, airplane shed and other ancillary facilities.	<p>1,614,000</p> <p>100% interest attributable to the Group: 1,614,000</p>

Notes:

- Pursuant to the lease agreements, 4 land parcels with a total site area of about 245.21 hectares were leased from municipality for industrial use. The lease term ranges from 4 to 10 years with the earliest expiry date in March 2013 at a total annual rent of USD 154,796.83.
- Pursuant to the property ownership certificate, No. 007383 dated 16 April 2010, the railway line with a length of approximately 2,454.5 m. is held by the Group.
- Pursuant to the property ownership certificates, dated 18 February 2009, 6 structures with a total length of approximately 16,350.6 m. and airplane shed with a total gross floor area of approximately 359.8 sq. m. which were under construction as at the valuation date (the "CIP Properties") are held by the Group.
- Pursuant to the sale contract, dated 23 January 2009, LLC Karier Ushumunsky acquired the property at a consideration of RUR12,428,278.26.
- We have attributed no commercial value to the leased land parcels as mentioned in Note 1 above with a total site area of approximately 245.21 hectares as these land parcels either cannot be assigned or sublet to other parties without the consent of the relevant local authorities, or substantial profit rent is lacking.
- We were informed that the subject subsidiary of the Group also operates 16 transportable homes. According to Russian legislation they are not registered as real estate properties and therefore were excluded from our valuation.

7. The Russian legal opinion states, inter alia, that:
- a. The Group has registered ownership rights of the buildings and structures as mentioned in Notes 2 and 3 above. The Group is entitled and has all necessary authorisations to use the relevant buildings as mentioned in Notes 2 and 3 above for the purpose for which they are presently being used, and this building is free from any mortgages, encumbrances or any other third party rights. The Group has the right to sell, lease and mortgage these buildings and structures to other legal economic entities subject to the restrictions imposed by the imperative norms of the Russian legislation.
  - b. The lease as mentioned in Note 1 above constitutes a legal, enforceable, valid and binding obligation of the Group and constitutes its right to use the relevant land parcels for their designated purposes.
  - c. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010 and the extracts from the State Register, the property is not currently affected by any third party claims and no threats have been made to the Group challenging its rights to the property under the relevant lease agreements or sale and purchase agreement or the basis on which its rights were acquired.
  - d. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010: (a) The Group has complied with all material obligations imposed on it under the relevant lease agreements; (b) there are no rent payments which have become due and payable by it under the relevant lease agreements which have not been paid; and (c) there are no material breaches of any of the terms thereof, and (d) there are no grounds for early termination of lease agreements.
  - e. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010, the property is not, as at the date of the legal opinion, subject to any statutory notice or order given by the Russian governmental authority which would adversely affect the use of it, its value or rights thereto.

## VALUATION CERTIFICATE

No.	Property	Description	Particulars of occupancy	Capital Value in existing state as at 31 July 2010 (USD)
37.	A building located at 8 Vokzalnaya Street, Birofeld Village, Birobidzhan Region, EAO, Postal Code: 679520, Russia, held by LLC Karier Ushumunsky	The property comprise a train shed with a gross floor area of approximately 207.3 sq. m. which was under construction as at the date of valuation (the "CIP Properties"). A total construction cost of about USD5,959.11 has been incurred as at the valuation date. It is scheduled to be completed within 2010.	The property is occupied by the Group as auxiliary facility.	16,000  100% interest attributable to the Group: 16,000

*Notes:*

1. Pursuant to the property ownership certificate No. 007816 dated 19 April 2010, the train shed with gross floor area of approximately 207.3 sq. m. which was under construction as at the valuation date (the "CIP Property") is held by the Group.
2. Pursuant to the sale contract, dated 23 January 2009, LLC Karier Ushumunsky acquired the property at a consideration of RUR203,417.03.
3. The Russian legal opinion states, inter alia, that:
  - a. The Group has registered ownership rights of the building as mentioned in Note 1. The Group is entitled and has all necessary authorisations to use the relevant buildings as mentioned in Note 1 above for the purpose for which they are presently being used, and this building is free from any mortgages, encumbrances or any other third party rights. The Group has the right to sell, lease and mortgage these buildings and structures to other legal economic entities subject to the restrictions imposed by the imperative norms of the Russian legislation.
  - b. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010 and the extracts from the State Register, the property is not currently affected by any third party claims and no threats have been made to the Group challenging its rights to the property under the relevant sale and purchase agreement or the basis on which its rights were acquired.
  - c. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010, the property is not, as at the date of the legal opinion, subject to any statutory notice or order given by the Russian governmental authority which would adversely affect the use of it, its value or rights thereto.

## VALUATION CERTIFICATE

No.	Property	Description	Particulars of occupancy	Capital Value in existing state as at 31 July 2010 (USD)
38.	Office facility located at 151, Leninsky Prospect, Saint Petersburg, Russia, held by OJSC Giproruda	<p>The property comprises a portion amounting to 46/100 of the non-residential building with a total gross floor area of approximately 20,430.4 sq.m., completed in 1984. The area owned corresponds to a total gross floor area of 9,397.98 sq.m.</p> <p>The property is situated on 2 leased land parcels with a total site area of approximately 0.2124 hectares.</p>	<p>A total gross floor area of approximately 5,407.2 sq.m. of the property was occupied by the Group as office facilities and a total gross floor area of approximately 3,962.4 sq.m. of the property was leased to third parties.</p>	<p>15,800,000</p> <p>70.28% interest attributable to the Group: 11,104,240</p>

Notes:

1. Pursuant to lease agreements No. 12/3D-00716 and No. 12/3D-00626 dated 19 February 1998, the land parcels with site area of about 0.1773 hectares and 0.0351 hectares respectively were leased from the municipality for erecting the institute building. The lease term is 49 years with the expire date in June 2046 at an annual rent of USD 17,557.34.
2. According to the property ownership certificate No. 848528, 46/100 of the non-residential building with a total gross floor area of approximately 20,430.4 sq.m. is held by the Group. The area owned corresponds to a total gross floor area of 9,397.98 sq.m.
3. Pursuant to 41 lease agreements, portion of the property with a total gross floor area of approximately 3,962.4 sq.m. was leased to third parties for office use. The lease term ranges from 8 month to 3.7 years with the earliest expiry date in August 2010, at a total rental income of USD 81,292.8 per month.
4. The Russian legal opinion states, inter alia, that:
  - a. The Group has registered ownership rights of the non-residential building as mentioned in Note 2 above. The Group is entitled and has all necessary authorisations to use the relevant office facilities as mentioned in Note 2 above for the purpose for which they are presently being used, and the office facilities are free from any mortgages, encumbrances or any other third party rights. The Group has the right to sell, lease and mortgage the office facilities to other legal economic entities subject to the restrictions imposed by the imperative norms of the Russian legislation.
  - b. The lease as mentioned in Note 1 above constitutes a legal, enforceable, valid and binding obligation of the Group and constitutes its right to use the relevant land parcels for their designated purposes.
  - c. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010 and the extracts from the State Register, the property is not currently affected by any third party claims and no threats have been made to the Group challenging its rights to the property under the relevant lease agreements or the basis on which its rights were acquired.
  - d. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010: (a) The Group has complied with all material obligations imposed on it under the relevant lease agreements; (b) there are no rent payments which have become due and payable by it under the relevant lease agreements which have not been paid; (c) there are no material breaches of any of the terms thereof, and (d) there are no grounds for early termination of lease agreements.
  - e. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010, the property is not, as at the date of the legal opinion, subject to any statutory notice or order given by the Russian governmental authority which would adversely affect the use of it, its value or rights thereto.



## VALUATION CERTIFICATE

<u>No.</u>	<u>Property</u>	<u>Description</u>	<u>Particulars of occupancy</u>	<u>Capital Value in existing state as at 31 July 2010 (USD)</u>
39.	Apartment 93 located at 4 Paveletskaya Nab., Moscow, Russia, held by LLC Petropavlovsk-Iron Ore (formerly LLC Aricom)	The property comprises an apartment with a gross floor area of approximately 78.8 sq.m.	The property was occupied by the Group as an apartment.	No Commercial Value  100% interest attributable to the Group: No Commercial Value

*Notes:*

1. Pursuant to the Ownership Certificate, No. 373123 dated 11 August 2006, the apartment is held by the Group.
2. Pursuant to a deed of gift as at 31 March 2010, the apartment was transferred to Mr. Sevriugin B.A. as a gift, while the transfer of such ownership rights was registered on 20 August 2010. As LLC Petropavlovsk-Iron Ore cannot freely transfer this apartment in the market as at the date of valuation, no commercial value has been assigned to this apartment in the course of our valuation.
3. The Russian legal opinion states, inter alia, that:

On 31 March 2010 LLC Petropavlovsk-Iron Ore entered into the deed of gift with Mr. Sevriugin B.A. The transfer of ownership rights to the Apartment was duly state registered on 20 August 2010. Therefore since that date the owner of the Apartment is Mr. Sevriugin B.A.

## VALUATION CERTIFICATE

## Group II—Property interests held and occupied by the Group in the PRC

No.	Property	Description	Particulars of occupancy	Capital Value in existing state as at 31 July 2010 (USD)
40.	A land parcel located at No. 668 Songxing Road, Dongfeng District, Jiamusi City, Heilongjiang Province, the PRC, held by Heilongjiang Jiatai Titanium Co., Ltd.	<p>The property comprises a land parcel with a site area of approximately 826,026 sq.m.</p> <p>As advised by the Company, the property will be developed as an industrial complex with a total gross floor area of approximately 373,224 sq.m. The proposed development has been divided into 2 phases. Phase I construction works have been scheduled to be commenced in late June 2010 and to be completed at the end of 2012.</p> <p>The land use rights of the property have been granted for a term of 50 years expiring on 22 July 2059 for industrial use.</p>	<p>As confirmed by the Company, the development proposal of the property is in the planning stage as at the date of valuation.</p> <p>As at the date of our inspection, the property was vacant.</p>	<p>15,071,000</p> <p>65% interest attributable to the Group: 9,796,150</p>

## Notes:

- Pursuant to a State-owned Land Use Right Grant Contract (國有土地使用權出讓合同), entered into between Jiamusi City Land Resources Bureau (佳木斯市國土資源局) (the "bureau") and Heilongjiang Jiatai Titanium Co., Ltd. (黑龍江佳泰鈦業有限公司) ("Jiatai Titanium") dated 19 June 2009, the property was granted to Jiatai Titanium at a consideration of RMB83,300,000 for a term of 50 years for industrial use.
- Pursuant to a State-Owned Land Use Certificate (國有土地使用權証), Jia Si Guo Yong (09) Di No. 0901365 (佳市國用(09)第0901365號), issued by Jiamusi City Land Resources Bureau (佳木斯市國土資源局) dated 31 July 2009, the land use rights of the property with a site area of 826,026 square metres is held by Jiatai Titanium for a term of 50 years expiring on 22 July 2059 for industrial use.
- Pursuant to three Construction Works Planning Permits (建設工程規劃許可証), Jian Zi Di Nos. 118 – 120 (建字第118-120號), issued by Jiamusi City Planning Bureau (佳木斯市規劃局) all dated 8 September 2008, construction of the property as an industrial complex was approved.
- Pursuant to six Construction Works Commencement Permits (建設工程施工許可証), Nos. 230805200808100101, 230805200808100201, 230805200808100301, 230805200808100401, 230805200808100501 and 230805200808100601, all dated 9 September 2008 issued by the Construction Bureau of Jiamusi City (佳木斯市建設局), commencement of the construction of the property as an industrial complex was approved.
- As advised by Jiatai Titanium that after the issuance of the above mentioned land use certificate for the Land, the local government required that part of the boundary of the subject land be re-delineated because certain parts of the existing boundary of the subject land is too close to the local railway. We have been further informed by Jiatai Titanium that for compliance purposes, Jiatai Titanium has agreed with the relevant authorities that part of the boundary of the subject land will be slightly re-delineated to the extent required by the local government and on this basis, the total land use area will be decreased to 816,014 sq.m. (representing a decrease of about 10,012 sq.m.). For the aforesaid purposes, once the boundary adjustment is agreed with the local governmental authorities, corresponding applications will be made by Jiatai Titanium to the local authorities for amendment of the above mentioned land use right grant contract and land use certificate currently held by Jiatai Titanium.
- We have been informed by the Company that the permits referred to in Notes 3 and 4 above are not applicable to the proposed development. Instead, the corresponding construction planning and commencement permits will be applied for and obtained by Jiatai Titanium corresponding to the proposed development plan.

7. The PRC legal opinion states, inter alia, that:
- a. As confirmed by Jiatai Titanium, the construction of the building has not yet started, pending the completion of design and planning of the project.
  - b. Subject to the completion of the amendment to the land use right grant contract and the variation of the land use certificate for the property, Jiatai Titanium as the owner of the land use right of the land under the land use right certificate as varied, to the extent, and during the term of land use as provided for in the said certificate as varied, is entitled to develop and use the land pursuant and subject to the provisions and requirements for the real estate project to be developed as provided under the land use right grant contract as amended and relevant construction permits and certificates.
  - c. Jiatai Titanium as owner of the land use right of the subject property, is entitled to mortgage, lease or transfer the land use right in accordance with applicable PRC Laws and the terms of the land use right grant contract as amended.
  - d. A search on the ownership status of the Jiamusi Property in the Jiamusi Municipal Land and Resources Bureau (佳木斯市國土資源局) was taken on 17 August 2010, and as at the date of the said search, no sequestration or mortgage or other encumbrance is registered against the property.
  - e. Subject to the completion of the amendment of the land use right grant contract and the variation of the land use certificate for the property, and the timely commencement by Jiatai Titanium of the construction on the land according to the terms of the land use right grant contract as amended, and applicable laws and regulations, no regaining of the land use right by the government on the property has come to the legal adviser's knowledge or is revealed from the documents and information provided by the Company.
  - f. Jiatai Titanium has obtained the project approval, the approval for environmental impact appraisal report and the construction land planning permit (which may need to be restated due to the prospective variation of the land use right certificate, as referred to above) for the development of the property, but the construction works planning permit (建築工程規劃許可証) and the construction works commencement permit (建設工程施工許可証) for the development have yet to be obtained.
  - g. Jiatai Titanium has obtained the relevant approvals, permits and certificates for the construction and planning of the property corresponding to the development or construction status of the property, apart from the construction works planning permit and the construction works commencement permit, as outlined in (f) above.

## VALUATION CERTIFICATE

No.	Property	Description	Particulars of occupancy	Capital Value in existing state as at 31 July 2010 (USD)
41.	10 residential units Nos. 4-3-502, 3-1-501, 5-1-201, 10-3-203, 10-3-303, 10-3-401, 10-3-501, 10-3-503, 10-3-201, 17-3-602 located within Yiyuan Community Jiamusi City, Heilongjiang Province, the PRC, held by Heilongjiang Jiatai Titanium Co., Ltd.	<p>The property comprises 10 apartments within a residential community and it was completed in about 2008.</p> <p>The total gross floor area of the property is approximately 1,032.56 sq.m.</p>	As confirmed by Jiatai Titanium, the property is provided to its expatriates, experts and senior officers for dormitory use.	<p>449,000</p> <p>65% interest attributable to the Group: 291,850</p>

*Notes:*

1. Pursuant to a Letter regarding Jiatai Titanium's Acquisition of 10 Jingangwan Residential Units (關於佳泰鈦購買金港灣十套住宅價格說明), issued by Hengjia Real Estate Development Co., Ltd. (恒佳房地產開發有限責任公司) dated 23 December 2008, Heilongjiang Jiatai Titanium Co., Ltd. (黑龍江佳泰鈦業有限公司) ("Jiatai Titanium") acquired the property with a total gross floor area of 1,032.56 square metres at a consideration of RMB2,660,000.
2. Pursuant to ten Building Ownership Certificates (房屋所有權証), Jia Fang Quan Zhang Qian Zi Di (住房權証前字第) Nos. 2009003717, 2009003785, 2009003730, 2009003737, 2009003755, 2009003721, 2009003752, 2009004004, 2009003620, 2009003619, all registered on 23 March 2009, the building ownership rights of the property with a total gross floor area of 1,032.56 square metres are held by Jiatai Titanium for residential purposes.
3. The PRC legal opinion states, inter alia, that:
  - a. Jiatai Titanium is the owner of the property.
  - b. The building ownership certificates of the property show no record of a mortgage or encumbrance being registered against the property.
  - c. A search on the ownership status of the property in the local housing administration bureau (佳木斯市房產產權市場管理處) was taken on 17 August 2010, and as at the date of the said search, no sequestration or mortgage or other encumbrance is registered against the property.
  - d. To the extent and during the term of land use as applicable to residential use land, Jiatai Titanium is entitled to occupy, use, assign, lease or mortgage or dispose of the property.
  - e. The current use of the property is consistent with the usage provided under the relevant building ownership certificates.

## VALUATION CERTIFICATE

## Group III — Property interests rented and occupied by the Group in Russia

No.	Property	Description	Particulars of occupancy	Capital Value in existing state as at 31 July 2010 (USD)
42.	4 land parcels located in River Zeya of Village Chagoyan in Shimanovsky District and 1 land parcel located in GU Amurskoi Region "Mazanovskoe lesnichestvo" in Mazanovsky District, Amur Region, Russia, held by LLC GMMC (Postal Address: 19 Ignatyevskoye shosse, Blagoveshchensk, Amur Region, Postal Code: 675000, Russia)	The property comprises 5 land parcels with a total site area of approximately 76.12 hectares. As advised by the Group, the proposed development plan of the property is an industrial complex of the mining & metallurgical plant.	The property is occupied by the Group for the geological study of subsurface resources for further development with the mining & metallurgical plant.	No Commercial Value 99.58% interest attributable to the Group: No Commercial Value

## Notes:

1. Pursuant to the lease agreements, 5 land parcels with a total site area of about 76.12 hectares were leased from municipality for industrial use. The lease term ranges from 8 months to 3 years with the earliest expiry date in December 2010 at a total annual rent of USD3,780.
2. We have attributed no commercial value to the leased land parcels as these land parcels cannot be assigned or sublet to other parties without the consent of the relevant local authorities, or substantial profit rent is lacking.
3. The Russian legal opinion states, inter alia, that:
  - a. The lease agreements as mentioned in Note 1 above constitutes a legal, enforceable, valid and binding obligation of the Group and constitutes its right to use the relevant land parcels for its designated purposes.
  - b. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010 and the extracts from the State Register, the leased land parcels are not currently affected by any third party claims and no threats have been made to the Group challenging its rights to the land parcels under the relevant lease agreements.
  - c. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010: (a) The Group has complied with all material obligations imposed on it under the relevant lease agreements; (b) there are no rent payments which have become due and payable by it under the relevant lease agreements which have not been paid; (c) there are no material breaches of any of the terms thereof, and (d) there are no grounds for early termination of lease agreements.
  - d. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010, the property is not, as at the date of the legal opinion, subject to any statutory notice or order given by the Russian governmental authority which would adversely affect the use of it, its value or rights thereto.

## VALUATION CERTIFICATE

No.	Property	Description	Particulars of occupancy	Capital Value in existing state as at 31 July 2010 (USD)
43.	Non-residential premise located at 19 Ignatievskoye Shosse, Blagoveshchensk, Amur Region, Postal Code: 675000, Russia, held by LLC GMMC	The property comprises an office premise with a total lettable area of approximately 1,663.7 sq.m.  The property is leased by the Group for a term of 11 month commencing from 1 January 2009 till 29 November 2010 at a monthly rate of RUR144,018.	The property is occupied by the Group as office.  Portions of the office have been sub-leased to LLC Orlovsko-Sokhatinsky Rudnik and LLC Olekminsky Rudnik with floor areas of approximately 16 sq.m. and 325.1 sq.m. respectively as at the date of valuation.	No Commercial Value  99.58% interest attributable to the Group: No Commercial Value

Notes:

1. Pursuant to a lease agreement entered into between State Scientific Institute of Soy (the "Landlord") and LLC GMMC (the "Tenant"), the property is rented by the tenant a term of 11 month commencing from 1 January 2009 till 29 November 2010 at a monthly rate of RUR144,018.
2. We have attributed no commercial value to the leased property as either it cannot be sublet to other parties without the consent of the relevant local authorities, or substantial profit rent is lacking.
3. The Russian legal opinion states, inter alia, that:
  - a. The lease agreement as mentioned in Note 1 above constitutes the legal, enforceable, valid and binding obligation of the Group and constitutes its right to use the property for the purposes of conducting business.
  - b. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010, the property is not currently affected by any third party claims and no threats have been made to the Group challenging its rights to the property under the relevant lease agreement.
  - c. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010: (a) the Group has complied with all material obligations imposed on it under the relevant lease agreement; (b) there are no rent payments which have become due and payable by it under the relevant lease agreement which have not been paid; (c) there are no material breaches of any of the terms thereof, and (d) there are no grounds for early termination of lease agreement.
  - d. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010, the property is not, as at the date of the legal opinion, subject to any statutory notice or order given by the Russian governmental authority which would adversely affect the use of it, its value or rights thereto.

## VALUATION CERTIFICATE

No.	Property	Description	Particulars of occupancy	Capital Value in existing state as at 31 July 2010 (USD)
44.	Two office units No. 408 and No. 412 located at 14 Pionerskaya Street, Town of Sovietskaya Gavan, Postal Code: 682800, Russia, held by CJSC Soviet Harbor Maritime Trade Port	<p>The property comprises two office premises located on the 4<sup>th</sup> floor of a multi-storey building.</p> <p>The property has a total lettable area of approximately 67.3 sq.m.</p> <p>The property is leased by the Group for a term of 11 months commencing from January 1, 2010 till November 30, 2010 at a monthly rent of RUR53,840.</p>	The property is occupied by the group as offices.	<p>No Commercial Value</p> <p>100% interest attributable to the Group:</p> <p>No Commercial Value</p>

*Notes:*

1. Pursuant to a lease agreement entered into between LLC Prival (the "Landlord") and CJSC SGMTP (the "Tenant"), the property is rented by the Tenant for a term of 11 months commencing from 1 January 2010 till 30 November 2010 at a monthly rent of RUR53,840. The Tenant has a preemptive right to extend the rental agreement.
2. We have attributed no commercial value to the leased property as either it cannot be assigned or sublet to other parties without the consent of the relevant local authorities, or substantial profit rent is lacking.
3. The Russian legal opinion states, inter alia, that:
  - a. The lease agreement as mentioned in Note 1 above constitutes a legal, enforceable, valid and binding obligation of the Group and constitutes its right to use the property for the purposes of conducting its business.
  - b. According to the confirmation from the Group set out in the letters dated 30 September 2010, the leased property is not currently affected by any third party claims and no threats have been made to the Group challenging its rights to the property under the relevant lease agreement.
  - c. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010: (a) the Group has complied with all material obligations imposed on it under the relevant lease agreement; (b) there are no rent payments which have become due and payable by it under the relevant lease agreement which have not been paid; (c) there are no material breaches of any of the terms thereof, and (d) there are no grounds for early termination of lease agreement.
  - d. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010, the property is not, as at the date of the legal opinion, subject to any statutory notice or order given by the Russian governmental authority which would adversely affect the use of it, its value or rights thereto.

## VALUATION CERTIFICATE

No.	Property	Description	Particulars of occupancy	Capital Value in existing state as at 31 July 2010 (USD)
45.	An office unit located at 21 Stanislavskogo Street, Moscow, Russia, held by LLC Petropavlovsk-Iron Ore (formerly LLC Aricom)	<p>The property comprises an office unit in a multi-storey office building completed in 2008.</p> <p>The property has a lettable area of approximately 1,417.14 sq.m.</p> <p>The property was leased by the Group for a term commencing on 25 June 2010 and expiring on 28 February 2015 at an annual rent of RUR51,370,000 excluding VAT.</p>	The property is occupied by the Group as its main office in Russia.	<p>No Commercial Value</p> <p>100% interest attributable to the Group:</p> <p>No Commercial Value</p>

Notes:

1. Pursuant to a lease agreement, entered into between CJSC Horus Capital (the "Landlord") and LLC Petropavlovsk-Iron Ore (formerly LLC Aricom) (the "Tenant"), the property was rented by the Tenant for a term commencing on 25 June 2010 and expiring on 28 February 2015 an annual rent of RUR51,370,000 excluding VAT.
2. We have attributed no commercial value to the leased property as either it cannot be assigned or sublet to other parties without the consent of the relevant local authorities, or substantial profit rent is lacking.
3. The Russian legal opinion states, inter alia, that:
  - a. The lease agreement as mentioned in Note 1 above constitutes a legal, enforceable, valid and binding obligation of the Group and constitutes its right to use the property for the purposes of conducting its business.
  - b. According to the confirmation from the Group set out in the letters dated 30 September 2010, the leased property is not currently affected by any third party claims and no threats have been made to the Group challenging its rights to the property under the relevant lease agreement.
  - c. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010: (a) the Group has complied with all material obligations imposed on it under the relevant lease agreement; (b) there are no rent payments which have become due and payable by it under the relevant lease agreement which have not been paid; (c) there are no material breaches of any of the terms thereof, and (d) there are no grounds for early termination of lease agreement.
  - d. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010, the property is not, as at the date of the legal opinion, subject to any statutory notice or order given by the Russian governmental authority which would adversely affect the use of it, its value or rights thereto.



## VALUATION CERTIFICATE

No.	Property	Description	Particulars of occupancy	Capital Value in existing state as at 31 July 2010 (USD)
46.	Premise 13, 98 Khokhriakova Street, Ekaterinburg, Sverdlovskaya Region, Postal Code: 620000, Russia, held by LLC Petropavlovsk-Iron Ore (formerly LLC Aricom)	The property comprises an office space in a multi-storey office building. The property has a total lettable area of approximately 36.2 sq.m.  The property is leased by the Group for a term of 11 month commencing from 20 December 2009 till 20 November 2010 at a monthly rate of RUR 1,330 per sq.m.	The property is occupied by the Group as office.	No Commercial Value  100% interest attributable to the Group: No Commercial Value

Notes:

1. Pursuant to a lease agreement entered into between an individual (the "Landlord") and LLC Aricom (the "Tenant"), the property is rented by the tenant a term of 11 months commencing from 20 December 2009 till 20 November 2010 at a monthly rate of RUR1,330 per sq.m.
2. We have attributed no commercial value to the leased property as either it cannot be sublet to other parties without the consent of the relevant local authorities, or substantial profit rent is lacking.
3. The Russian legal opinion states, inter alia, that:
  - a. The lease agreement as mentioned in Note 1 above constitutes the legal, enforceable, valid and binding obligation of the Group and constitutes its right to use the property for the purposes of conducting business.
  - b. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010, the property is not currently affected by any third party claims and no threats have been made to the Group challenging its rights to the property under the relevant lease agreement.
  - c. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010: (a) the Group has complied with all material obligations imposed on it under the relevant lease agreement; (b) there are no rent payments which have become due and payable by it under the relevant lease agreement which have not been paid; (c) there are no material breaches of any of the terms thereof, and (d) there are no grounds for early termination of lease agreement.
  - d. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010, the property is not, as at the date of the legal opinion, subject to any statutory notice or order given by the Russian governmental authority which would adversely affect the use of it, its value or rights thereto.

## VALUATION CERTIFICATE

No.	Property	Description	Particulars of occupancy	Capital Value in existing state as at 31 July, 2010 (USD)
47.	Office unit 313 located at 43 Lesnaya Street, Moscow, Postal Code: 127055, Russia, held by LLC Petropavlovsk-Iron Ore (formerly LLC Aricom)	The property comprises an office space in a multi-storey office building. The property has a total lettable area of approximately 6.45 sq.m.  The property is leased by the Group for a term of 11 month commencing from 01 November 2009 till 30 September 2010 at a monthly rate of RUR2,500 per sq.m.	The property is occupied by the Group as office.	No Commercial Value  100% interest attributable to the Group: No Commercial Value

Notes:

1. Pursuant to a lease agreement entered into between LLC City Estate Management (the "Landlord") and LLC Aricom (the "Tenant"), the property is rented by the tenant for a term of 11 month commencing from 01 November 2009 till 30 September 2010 at a monthly rate of RUR2,500 per sq.m.
2. We have attributed no commercial value to the leased property as either it cannot be sublet to other parties without the consent of the relevant local authorities, or substantial profit rent is lacking.
3. The Russian legal opinion states, inter alia, that:
  - a. The lease agreement as mentioned in Note 1 above constitutes the legal, enforceable, valid and binding obligation of the Group and constitutes its right to use the property for the purposes of conducting business.
  - b. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010, the property is not currently affected by any third party claims and no threats have been made to the Group challenging its rights to the property under the relevant lease agreement.
  - c. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010: (a) the Group has complied with all material obligations imposed on it under the relevant lease agreement; (b) there are no rent payments which have become due and payable by it under the relevant lease agreement which have not been paid; (c) there are no material breaches of any of the terms thereof, and (d) there are no grounds for early termination of lease agreement.
  - d. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010, the property is not, as at the date of the legal opinion, subject to any statutory notice or order given by the Russian governmental authority which would adversely affect the use of it, its value or rights thereto.

## VALUATION CERTIFICATE

No.	Property	Description	Particulars of occupancy	Capital Value in existing state as at 31 July, 2010 (USD)
48.	Apartment 230 located at Building 2, 61 Shipilovsky Proezd, apartment 170 located at 55 General Belov Street, apartment 73 located at 17 Tovarishhevsky Pereulok, apartment 28 located at 22 Bolshoi Fakelny Pereulok, apartment 53 located at 16 2 <sup>nd</sup> Spasonalivkovsky Pereulok, apartment 85 located at 2/22 Bolshoi Fakelny Pereulok and apartment 125 located at 19 Miachkovsky Bulvar, Moscow, Postal Code: 125000, Russia, held by LLC Petropavlovsk-Iron Ore (formerly LLC Aricom)	<p>The property comprises 7 apartments.</p> <p>The property has a total area of approximately 298.17 sq.m.</p> <p>The property is leased by the Group from various individuals on a short term basis at a monthly rate of RUR9,174 per sq.m.</p>	The property is occupied by the Group as apartments.	<p>No Commercial Value</p> <p>100% interest attributable to the Group:</p> <p>No Commercial Value</p>

*Notes:*

1. Pursuant to lease agreements, 7 apartments with a total area of approximately 298.17 sq.m. were leased from various individuals on a short term basis up to 11 month with the earliest expiry date in 30 September 2010 at a monthly rate of RUR9,174 per sq.m.
2. We have attributed no commercial value to the leased property as either it cannot be sublet to other parties without the consent of the relevant local authorities, or substantial profit rent is lacking.
3. The Russian legal opinion states, inter alia, that:
  - a. The lease agreements as mentioned in Note 1 above constitutes the legal, enforceable, valid and binding obligation of the Group and constitutes its right to use the property for the purposes of conducting business.
  - b. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010, the property is not currently affected by any third party claims and no threats have been made to the Group challenging its rights to the property under the relevant lease agreement.
  - c. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010: (a) the Group has complied with all material obligations imposed on it under the relevant lease agreement; (b) there are no rent payments which have become due and payable by it under the relevant lease agreement which have not been paid; (c) there are no material breaches of any of the terms thereof, and (d) there are no grounds for early termination of lease agreement.
  - d. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010, the property is not, as at the date of the legal opinion, subject to any statutory notice or order given by the Russian governmental authority which would adversely affect the use of it, its value or rights thereto.

## VALUATION CERTIFICATE

No.	Property	Description	Particulars of occupancy	Capital Value in existing state as at 31 July 2010 (USD)
49.	A forest plot No. 228 located in GU Amurskoi Region "Tyndinskoe lesnichestvo", Tyndisky District, Amur Region, Russia, held by LLC Uralmining	The property comprises a forest land plot with a total site area of approximately 229 hectares.	The property is occupied by the Group as a forest land plot zoned for geological study of subsurface resources.	No Commercial Value  49% interest attributable to the Group: No Commercial Value

*Notes:*

1. Pursuant to the lease agreement No. 0228 dated September 23, 2008 entered into between the Natural Resources Ministry of the Amur Region (the "Landlord") and LLC Uralmining (the "Tenant"), the forest land plot with a total site area of approximately 229 hectares is rented by the Tenant for a term of two years commencing from 23 September 2008 to 22 September 2010, at a current annual rent of USD34,701.
2. We have attributed no commercial value to the leased land parcel with a total site area of approximately 229 hectares, as either it cannot be assigned or sublet to other parties without the consent of the relevant local authorities, or substantial profit rent is lacking.
3. The Russian legal opinion states, inter alia, that:
  - a. The lease agreement as mentioned in Note 1 above constitutes a legal, enforceable, valid and binding obligation of the Tenant and constitutes its right to use the relevant land plot for its designated purposes.
  - b. According to the confirmation from the Tenant set out in the comfort letters dated 20 September 2010, the property is not currently affected by any third party claims and no threats have been made to the Group challenging its rights to the property under the relevant lease agreement.
  - c. According to the confirmation from the Tenant set out in the comfort letters dated 20 September 2010: (a) The Tenant has complied with all material obligations imposed on it under the relevant lease agreement; (b) there are no rent payments which have become due and payable by it under the relevant lease agreement which have not been paid; (c) there are no material breaches of any of the terms thereof, and (d) there are no grounds for early termination of the lease agreement.
  - d. According to the confirmation from the Tenant set out in the comfort letters dated 20 September 2010, the property is not, as at the date of the legal opinion, subject to any statutory notice or order given by the Russian governmental authority which would adversely affect the use of it, its value or rights thereto.

## VALUATION CERTIFICATE

No.	Property	Description	Particulars of occupancy	Capital Value in existing state as at 31 July 2010 (USD)
50.	A forest plot No. 144 located in GU Amurskoi Region "Mazanovskoe lesnichestvo", Mazanovsky District, Amur Region, Russia, held by LLC Orlovsko-Sokhatinsky Rudnik	The property comprises a forest land plot with a total site area of approximately 4.985 hectares.	The property is occupied by the Group as a forest land plot zoned for geological study of subsurface resources.	No commercial value  100% interest attributable to the Group: No Commercial Value

*Notes:*

1. Pursuant to the lease agreement, No. 144 dated 14 August 2009 entered into between the Natural Resources Ministry of the Amur Region (the "Landlord") and LLC Orlovsko-Sokhatinsky Rudnik (the "Tenant"), the forest land plot with a total site area of approximately 4.985 hectares is rented by the Tenant for a term of two years commencing from 14 August 2009 to 13 August 2011, at a current annual rent of USD818.5.
2. We have attributed no commercial value to the leased land parcel with a total site area of approximately 4.985 hectares, as either it cannot be assigned or sublet to other parties without the consent of the relevant local authorities, or substantial profit rent is lacking.
3. The Russian legal opinion states, inter alia, that:
  - a. The lease agreement as mentioned in Note 1 above constitutes a legal, enforceable, valid and binding obligation of the Group and constitutes its right to use the relevant land plot for its designated purposes.
  - b. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010, the property is not currently affected by any third party claims and no threats have been made to the Group challenging its rights to the property under the relevant lease agreement.
  - c. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010: (a) The Group has complied with all material obligations imposed on it under the relevant lease agreement; (b) there are no rent payments which have become due and payable by it under the relevant lease agreement which have not been paid; (c) there are no material breaches of any of the terms thereof, and (d) there are no grounds for early termination of the lease agreement.
  - d. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010, the property is not, as at the date of the legal opinion, subject to any statutory notice or order given by the Russian governmental authority which would adversely affect the use of it, its value or rights thereto.

## VALUATION CERTIFICATE

No.	Property	Description	Particulars of occupancy	Capital Value in existing state as at 31 July 2010 (USD)
51.	Locomotive parking facility and residential premises located at Settlement Olekma, Tyndinskiy District, Amur Region, Postal Code: 676253, Russia, held by LLC Olekminsky Rudnik	The property comprises a locomotive parking facility with a total lettable area of approximately 150 sq. m., and 2 apartments with gross floor area of 89.9 sq.m.  The properties are leased by the Group on a short term basis from 11 months to 3 years at a monthly rate of RUR17,120.	The property is occupied by the Group as locomotive parking facilities and apartments.	No Commercial Value  100% interest attributable to the Group: No Commercial Value

Notes:

1. Pursuant to a lease agreement entered into between CJSC Russian Railways (the "Landlord") and LLC Olekminsky Rudnik (the "Tenant"), the locomotive parking facility with a total lettable area of approximately 150 sq.m is rented by the tenant commencing from 20 May 2008 till 01 March 2011 at a monthly rate of RUR12,400.
2. Pursuant to a lease agreements, 2 apartments with gross floor area of 89.9 sq.m. were leased from various individuals on a short term basis up to 11 month with the earliest expiry date in December 2010 at a monthly rate of RUR4,720
3. We have attributed no commercial value to the leased properties as either it cannot be sublet to other parties without the consent of the relevant local authorities, or substantial profit rent is lacking.
4. The Russian legal opinion states, inter alia, that:
  - a. The lease agreements as mentioned in Note 1 above constitutes the legal, enforceable, valid and binding obligation of the Group and constitutes its right to use the property for the purposes of conducting business.
  - b. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010, the property is not currently affected by any third party claims and no threats have been made to the Group challenging its rights to the property under the relevant lease agreement.
  - c. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010: (a) the Group has complied with all material obligations imposed on it under the relevant lease agreement; (b) there are no rent payments which have become due and payable by it under the relevant lease agreement which have not been paid; (c) there are no material breaches of any of the terms thereof, and (d) there are no grounds for early termination of lease agreement.
  - d. According to the confirmation from the Group set out in the comfort letters dated 30 September 2010, the property is not, as at the date of the legal opinion, subject to any statutory notice or order given by the Russian governmental authority which would adversely affect the use of it, its value or rights thereto.

## VALUATION CERTIFICATE

## Group IV — Property interests rented and occupied by the Group in the PRC

No.	Property	Description	Particulars of occupancy	Capital Value in existing state as at 31 July 2010 (USD)
52.	An office building located at No. 522 the Middle-Section of Baowei Road, Jiamusi City, Heilongjiang Province, the PRC, held by Heilongjiang Jiatai Titanium Co., Ltd.	<p>The property comprises a 6-storey office building completed in about 2002.</p> <p>The property has a total gross floor area of approximately 2,000 sq.m.</p> <p>The property was leased to the Group by an independent third party for a term commencing on 1 January 2010 and expiring on 31 December 2010 at an annual rent of RMB600,000 exclusive of water, electricity, telecommunication and broadband internet service charges for office use.</p>	The property is occupied by the Group as office.	<p>No Commercial Value</p> <p>100% interest attributable to the Group:</p> <p>No Commercial Value</p>

*Notes:*

1. Pursuant to a building lease agreement (房屋租賃合同), dated 18 December 2008 and its supplementary building lease agreement dated 30 December 2009 (the "Jiatai Lease Contract") entered into between Heilongjiang Oriental Municipal Construction and Development Group Company (黑龍江省東方市政建設開發集團公司) ("Landlord") and Heilongjiang Jiatai Titanium Co., Ltd. (黑龍江佳泰鈦業有限公司) ("Jiatai Titanium") ("Tenant"), the property with a total gross floor area of 2,000 square metres is rented by Jiatai Titanium for a term commencing on 1 September 2009 and expiring on 31 December 2010 at an annual rent of RMB600,000 exclusive of water, electricity, telecommunication and broadband internet service charges for office use.
2. The PRC legal opinion states, inter alia, that:
  - a. The landlord is entitled to lease the property to Jiatai Titanium for office use; and the building lease agreement is legal and valid.
  - b. Under the Measures on the Administration of Leasing of Urban House, the signed lease contract is required to be registered with the local house registration administration authority. However, according to the Supreme Court Interpretation Concerning PRC Contract Law, the non-registration of the lease contract will not affect the validity and enforceability of the lease contract and the rights of the tenant under the lease contract, although the local house registration administration authority may require the parties to complete the registration. In such circumstances, even though the Jiatai Lease Contract is not registered, the validity and enforceability of the Jiatai Lease Contract and the rights of Jiatai Titanium thereunder will not be affected.
  - c. Even though the landlord has warranted to Jiatai Titanium in the Jiatai Lease Contract that there is no mortgage on the property, if such warranty is untrue and if a mortgage against the property existed prior to the Jiatai Lease Contract, the right of Jiatai Titanium under the Jiatai Lease Contract will be subject to the right of the mortgagee under the existing mortgage prior to the Jiatai Lease Contract; and in such situations, if the mortgagee enforces its right under the mortgage, the continued use and/or occupation by Jiatai Titanium of the property may be affected or terminated.
  - d. Where Jiatai Titanium intends to sublet all or part of the property (even if with the prior consent of the landlord), such sub-leasing of real estate property by Jiatai Titanium might be challenged by the competent governmental authorities on the grounds that Jiatai Titanium is conducting business activities beyond its registered business scope, and/or may trigger the requirement that Jiatai Titanium should be a foreign invested enterprise which participates in real estate business.
  - e. Subject to the opinions given in notes (b), (c) and (d) above, Jiatai Titanium, to the extent and during the term of the Jiatai Lease Contract, is entitled to occupy, use, assign and/or sublet (with the prior consent of the landlord) the property in accordance with the applicable PRC Laws and the Jiatai Lease Contract.

## VALUATION CERTIFICATE

No.	Property	Description	Particulars of occupancy	Capital Value in existing state as at 31 July 2010 (USD)
53.	Unit I, Level 25, in Building of Metro Classic Mansion (Oriental Kenzo) located at No. 48 Dongzhimenwai Street, Dongcheng District, Beijing, the PRC, held by LLC Aricom	<p>The property comprises an office unit of a high-rise commercial Building, which is known as Metro Classic Mansion (Oriental Kenzo), completed in 2003.</p> <p>The property has a total gross floor area of approximately 113.54 square metres.</p> <p>The property was leased to the Group by an independent third party for a term commencing on 1 January 2009 and expiring on 31 December 2010 at a monthly rent of RMB18,961.18 exclusive of management fee, water, electricity, cable TV, broadband internet fees.</p>	The property is occupied by the Group as office.	<p>No Commercial Value</p> <p>100% interest attributable to the Group:</p> <p>No Commercial Value</p>

Notes:

1. Pursuant to a Business Office Lease Contract, entered into between Oriental Kenzo Plaza Co., Ltd. and LLC "Aricom" dated 31 December 2009, the property was leased to the latter party for a term of 2 years commencing on 1 January 2009 and expiring on 31 December 2010 at a monthly rent of RMB18,961.18 exclusive of management fee, water, electricity, cable TV, broadband internet fees.
2. The PRC legal opinion states, inter alia, that:
  - a. Pursuant to the *Law of the PRC on Urban Real Estate Administration* and applicable laws and regulations, if the "landlord" is not the owner of the leased property or has not obtained the authorization or consent from the owner of the leased property for the "landlord" to lease the property, the "landlord" is not entitled to lease such property to the tenant. Under such circumstances, if any third party disputes the Lease of the Property with LLC Aricom, the continued use and/or occupation by LLC Aricom of the property may be affected or terminated, although LLC Aricom may still recover damages for the termination by the "landlord" on the basis of the Lease Contract signed. Subject to the aforesaid, the Lease Contract is legal and valid;
  - b. Under the Measures on the Administration of Leasing of Urban House, a signed lease contract is required to be registered in the local house registration administration authority. However, according to the Supreme Court Interpretation Concerning the PRC Contract Law, the non-registration of the leased contract will not affect the validity and enforceability of the lease contract and the rights of the tenant under the lease contract, although the local house registration administration authority may require the parties to complete the registration. In such circumstances, even though the Lease Contract is not registered, the validity and enforceability of the Lease Contract and the rights of LLC Aricom thereunder will not be affected;
  - c. There is no information or documents showing whether or not there is any mortgage on the Property. If there does exist a mortgage on the Property and if such mortgage existed prior to the Lease Contract, the rights of LLC Aricom under the Lease Contract will be subject to the rights of the mortgagee under the mortgage existing prior to the lease; and in such situations, if the mortgagee enforces its right under the mortgage, the continued use and/or occupation by LLC Aricom of the Property may be affected or terminated;
  - d. Since LLC Aricom is not an independent legal entity under the PRC Law nor is the signing party under the Lease Contract, LLC Aricom shall not be allowed to sublet or assign the Property;
  - e. Subject to the opinions given in the above paragraphs (a), (b) and (c), LLC Aricom is entitled to occupy and use the Property during the term of the Lease in accordance with the applicable PRC Law and the Lease Contract.



## VALUATION CERTIFICATE

## Group V — Property interests rented and occupied by the Group in Hong Kong

No.	Property	Description and Tenure	Particulars of Occupancy	Capital Value in existing state as at 31 July 2010 (USD)
54.	Unit H on 6TH Floor, 9 Queen's Road Central, Hong Kong, held by Petropavlovsk PLC  Certain parts or shares of and in R.P. of s.A of Marine Lot No. 102, s.C of Marine Lot No. 103, s.A, s.B, R.P. of s.C & R.P. of Marine Lot No. 101 and R.P. of Marine Lot No. 514, (the "Lot")	The property comprises an office unit on the 6th floor of a commercial building built in 1991.  The property has a total gross floor area of approximately 160.26 square metres.  The Lot is held under Government Lease for a term of 999 years from November 16, 1855 or January 21, 1857.  The property was leased by the Group from an independent third party, Flexwood Limited, for a term of 2 years commencing on 1 June 2010 and expiring on 31 May 2012 at a monthly rent of HK\$74,468.25, exclusive of rates and management and air-conditioning charges for office use.	The property is currently occupied as an office.	No Commercial Value  100% interest attributable to the Group: No Commercial Value

*Notes:*

1. The registered owner of the property is Flexwood Limited vide Memorial No. 09050501270166 dated 16 April 2009 under an assignment at a consideration of HK\$123,680,000.
2. The property is subject to a mortgage in favour of Shanghai Commercial Bank Limited vide Memorial No. 09111901800296 dated 11 November 2009.
3. Pursuant to a tenancy agreement entered into between Flexwood Limited (the "landlord") and Petropavlovsk PLC (the "tenant") dated 4 June 2010, the property was leased to the tenant for a term of 2 years commencing on 1 June 2010 and expiring on 31 May 2012 at a monthly rent of HK\$74,468.25, exclusive of rates and management and air-conditioning charges, for office use.
4. Pursuant to an Assignment and Undertaking entered into between Petropavlovsk PLC (the "Assignor"), Thor Limited (the "Assignee") and Flexwood Limited (the "Landlord") dated 13 August 2010, the Assignor agreed with the Assignee for the assignment to the Assignee of the full rights and benefit of the tenancy agreement stated above and the Assignor's term and interest in the property with effect from 15 August 2010. The Landlord agreed to join in and executed this Assignment and Undertaking to signify its agreement to and acknowledgement of the assignment.
5. Thor Limited, is the former name of the Company.