

The following is the text of a letter, summary of values and valuation certificates, prepared for the purpose of incorporation in this prospectus received from Jones Lang LaSalle Sallmanns Limited, an independent valuer, in connection with its valuation as of 30 September 2010 of the property interests of the Group and Skyland Group.



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17 November 2010

The Board of Directors
China Gold International Resources Corp. Ltd.
Suite 1030, One Bentall Centre
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Dear Sirs,

We refer to your instructions to value the properties in which China Gold International Resources Corp. Ltd. (the "Company") and its subsidiaries (hereinafter together referred to as the "Group") have interests in the People's Republic of China (the "PRC") and Canada. On 30 August 2010, the Company entered into a Sale and Purchase Agreement with China National Gold Group Hong Kong Limited and Rapid Result Investment Limited to acquire a 100% interest in Skyland Mining Limited ("Skyland"). We are further instructed to value the properties in which Skyland and its subsidiaries (hereinafter together refer to as "Skyland Group") have interests in the PRC. We confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the capital values of the property interests as of 30 September 2010 (the "date of valuation").

We have categorized the property interests valued into two parts: Part I (Groups I to III) — property interests relating to the Group and Part II (Groups IV to V) — property interests relating to Skyland Group.

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

We have valued the property interest of property no. 4 in Group I by the direct comparison approach assuming sale of the property interest in its existing state with the benefit of immediate vacant possession and by making reference to comparable sales transactions as available in the relevant market.

Where, due to the nature of the buildings and structures of the properties in Group I (excluding property no. 4) and Group IV and the particular location in which they are situated, there are unlikely to be relevant market comparable sales readily available, the property interests have therefore been valued on the basis of their depreciated replacement cost.

Depreciated replacement cost is defined as “the current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimization”. It is based on an estimate of the market value for the existing use of the land, plus the current cost of replacement of the improvements, less deductions for physical deterioration and all relevant forms of obsolescence and optimization. The depreciated replacement cost of the property interest is subject to adequate potential profitability of the concerned business.

We have attributed no commercial value to the property interests in Groups II, III and V, which are leased by the Group and Skyland Group, due either to the short-term nature of the lease or the prohibition against assignment or sub-letting or otherwise due to the lack of substantial profit rent.

Our valuation has been made on the assumption that the seller sells the property interests in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the values of the property interests.

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

In valuing the property interests, we have complied with all requirements contained in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited; the RICS Valuation Standards published by the Royal Institution of Chartered Surveyors; the HKIS Valuation Standards on Properties published by the Hong Kong Institute of Surveyors; and the International Valuation Standards published by the International Valuation Standards Council.

We have relied to a very considerable extent on the information given by the Group and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, and all other relevant matters.

We have been shown copies of various title documents including State-owned Land Use Rights Certificates, Building Ownership Certificates and official plans relating to the property interests in the PRC and have caused searches on the title ownership in respect of the property in Canada if available. Where possible, we have examined the original documents to verify the existing title to the property interests in the PRC and any material encumbrance that might be attached to the property interests or any tenancy amendments. We have relied considerably on the advice given by the Company’s PRC legal advisers — Haiwen & Partners, concerning the validity of the property interests in the PRC.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the properties but have assumed that the areas shown on the title documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

We have inspected the exterior and, where possible, the interior of the properties. However, we have not carried out investigation to determine the suitability of the ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defect. We are not, however, able to report whether the properties are free of rot, infestation or any other structural defect. No tests were carried out on any of the services.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also sought confirmation from the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to arrive an informed view, and we have no reason to suspect that any material information has been withheld.

Unless otherwise stated, all monetary figures stated in this report are in Renminbi (RMB). The exchange rate adopted in our valuations is approximately CAD1 = RMB6.478 which was the prevailing exchange rate at the date of valuation.

Our valuation is summarized below and the valuation certificates are attached.

Yours faithfully,
for and on behalf of
Jones Lang LaSalle Sallmanns Limited
Paul L. Brown
B.Sc. FRICS FHKIS
Director

Note: Paul L. Brown is a Chartered Surveyor who has 27 years' experience in the valuation of properties in the PRC, extensive property valuation experience in Hong Kong and the United Kingdom, relevant valuation experience in the Asia-Pacific region and certain America countries.

SUMMARY OF VALUES

PART I — PROPERTY INTERESTS RELATING TO THE GROUP

Group I — Property interests held and occupied by the Group in the PRC

No.	Property	Capital value in existing state as of 30 September 2010 RMB	Interest attributable to the Group	Capital value attributable to the Group as of 30 September 2010 RMB
1.	A parcel of land, 60 buildings and various structures located at Moren Gacha Village Xinhure Sumu Wulate Zhong Banner Bayannur City Inner Mongolia Autonomous Region The PRC	220,640,000	96.5%	212,918,000
2.	9 buildings located at Moren Gacha Village Xinhure Sumu Wulate Zhong Banner Bayannur City Inner Mongolia Autonomous Region The PRC	No commercial value	96.5%	No commercial value
3.	Various structures located at Moren Gacha Village Xinhure Sumu Wulate Zhong Banner Bayannur City Inner Mongolia Autonomous Region The PRC	No commercial value	96.5%	No commercial value
4.	Unit 608 on Level 6 of a 28-storey Wanhao International Building No. 33 Steel & Iron Avenue Kunlun District Baotou City Inner Mongolia Autonomous Region The PRC	No commercial value	96.5%	No commercial value
	Sub-total:	220,640,000		212,918,000

Group II — Property interests leased and occupied by the Group in the PRC

<u>No.</u>	<u>Property</u>	Capital value in existing state as of 30 September 2010 RMB	Interest attributable to the Group	Capital value attributable to the Group as of 30 September 2010 RMB
5.	A parcel of land located at Moren Gacha Village Xinhure Sumu Wulate Zhong Banner Bayannur City Inner Mongolia Autonomous Region The PRC	No commercial value	96.5%	No commercial value
6.	An office unit on Level 3 Entrance 1, Block 1 National Tax Bureau Community Xianlong Road Chengguan Town Liangdang County Longnan City Gansu Province The PRC	No commercial value	71%	No commercial value
Sub-total:		<u>Nil</u>		<u>Nil</u>

Group III — Property interest leased and occupied by the Group in Canada

<u>No.</u>	<u>Property</u>	Capital value in existing state as of 30 September 2010 RMB	Interest attributable to the Group	Capital value attributable to the Group as of 30 September 2010 RMB
7.	Unit 1030 on Level 10 One Bentall Centre No. 505 Burrard Street Vancouver British Columbia Canada	No commercial value	100%	No commercial value
Sub-total:		<u>Nil</u>		<u>Nil</u>
Grand total of Groups I to III:		<u><u>220,640,000</u></u>		<u><u>212,918,000</u></u>

PART II — PROPERTY INTERESTS RELATING TO SKYLAND GROUP

Group IV — Property interests held and occupied by Skyland Group in the PRC

<u>No.</u>	<u>Property</u>	<u>Capital value in existing state as of 30 September 2010</u> RMB	<u>Interest attributable to Skyland Group</u>	<u>Capital value attributable to Skyland Group as of 30 September 2010</u> RMB
8.	A parcel of land, an industrial building and an ancillary structure located at Longda Village Jiama Town Mozhugongka County Lhasa City Tibet Autonomous Region The PRC	2,126,000	100%	2,126,000
9.	5 parcels of land, 34 buildings and various structures located at Zizirong Village Jiama Town Mozhugongka County Lhasa City Tibet Autonomous Region The PRC	137,710,000	100%	137,710,000
	Sub-total:	<u>139,836,000</u>		<u>139,836,000</u>

Group V — Property interests leased and occupied by Skyland Group in the PRC

No.	Property	Capital value in existing state as of 30 September 2010	Interest attributable to Skyland Group	Capital value attributable to Skyland Group as of 30 September 2010
		RMB		RMB
10.	10 parcels of land located at Jiama Town and Zhaxigang Town Mozhugongka County Lhasa City Tibet Autonomous Region The PRC	No commercial value	100%	No commercial value
11.	Unit 3 on Level 2, Block 3 No. 377 Chadianzi Road Jinniu Avenue Jinniu District Chengdu City Sichuan Province The PRC	No commercial value	100%	No commercial value
12.	Villa 2, Entrance 7 Agriculture Bank Community No. 90 Jinzhu West Road Lhasa City Tibet Autonomous Region The PRC	No commercial value	100%	No commercial value
13.	An office building No. 34 Jinzhu Zhong Road Lhasa City Tibet Autonomous Region The PRC	No commercial value	100%	No commercial value
14.	A warehouse located at Longda Village Jiama Town Mozhugongka County Lhasa City Tibet Autonomous Region The PRC	No commercial value	100%	No commercial value
15.	Nanjing Hotel located at the southern side of National Highway 318 Jiama Town Mozhugongka County Lhasa City Tibet Autonomous Region The PRC	No commercial value	100%	No commercial value
	Sub-total:	<u>Nil</u>		<u>Nil</u>
	Grand total of Groups IV to V:	<u><u>139,836,000</u></u>		<u><u>139,836,000</u></u>

VALUATION CERTIFICATE

PART I — PROPERTY INTERESTS RELATING TO THE GROUP

Group I — Property interests held and occupied by the Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as of 30 September 2010 RMB
1.	A parcel of land, 60 buildings and various structures located at Moren Gacha Village Xinhure Sumu Wulate Zhong Banner Bayannur City Inner Mongolia Autonomous Region The PRC	<p>The property comprises a parcel of land with a site area of approximately 99,535 sq.m. and 60 buildings and various structures erected thereon which were completed in 2007 and 2009.</p> <p>The buildings have a total gross floor area of approximately 38,094.7 sq.m.</p> <p>The buildings mainly include an office building, industrial buildings, transfer stations and dormitories.</p> <p>The structures mainly include fences and roads.</p> <p>The land use rights of the property have been granted for a term with the expiry date on 20 June 2056 for industrial use.</p>	The property is currently occupied by the Group for production, ancillary facilities and office purposes.	<p>220,640,000</p> <p>96.5% interest attributable to the Group: RMB 212,980,000</p>

Notes:

- (1) Pursuant to a State-owned Land Use Rights Certificate — Wu Zhong Guo Yong (2010) Di No. 20100267, the land use rights of a parcel of land with a site area of approximately 99,535 sq.m. have been granted to Inner Mongolia Pacific Mining Co. Limited (“CSH CJV”) for a term with the expiry date on 20 June 2056 for industrial use.
- (2) Pursuant to 3 Building Ownership Certificates — Fang Quan Zheng Zi Di Nos. 200900401, 200900403 and 20090402, 60 buildings with a total gross floor area of approximately 38,094.7 sq.m. are owned by CSH CJV.
- (3) As advised by the Group, Pacific PGM (Barbados) Inc., a wholly-owned subsidiary of the Company, holds 96.5% interest in CSH CJV.
- (4) We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal advisers, which contains, *inter alia*, the following:
 - a. CSH CJV has legally obtained the land use rights of the property and has the rights to use, occupy, transfer, lease, mortgage or otherwise dispose of the land use rights of the property in accordance with the valid term stipulated in the State-owned Land Use Rights Certificate legally;
 - b. CSH CJV has legally obtained the building ownership certificates of the buildings and has the rights to use, occupy, transfer, lease, mortgage or otherwise dispose of these buildings in accordance with the PRC laws; and
 - c. The property is not subject to security interest, mortgage, expropriation, lawsuit, dispute or circumstance of any other material adverse effect on it.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as of 30 September 2010 RMB
2.	9 buildings located at Moren Gacha Village Xinhure Sumu Wulate Zhong Banner Bayannur City Inner Mongolia Autonomous Region The PRC	The property comprises 9 buildings completed in 1990. The buildings have a total gross floor area of approximately 1,769.12 sq.m. The buildings include 2 storages, a boiler room, 4 dormitories and 2 office buildings.	The property is currently vacant.	No commercial value

Notes:

- (1) Pursuant to a Building Ownership Certificate — Fang Quan Zheng Zi Di No. 145, 9 buildings with a total gross floor area of approximately 1,769.12 sq.m. are owned by Ningxia Pacific Mining Co., Limited, the former name of Inner Mongolia Pacific Mining Co. Limited (“CSH CJV”).
- (2) We have not been provided with any title certificates relating to the land on which the property is erected.
- (3) As advised by the Group, Pacific PGM (Barbados) Inc., a wholly-owned subsidiary of the Company, holds 96.5% interest in CSH CJV.
- (4) In the valuation of this property, we have attributed no commercial value to the property which is erected on the land without proper title certificate. However, for reference purpose, we are of the opinion that the depreciated replacement cost of the buildings (excluding the land element) as of the date of valuation would be RMB372,000 assuming all relevant title certificates have been obtained and they could be freely transferred.
- (5) We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal advisers, which contains, *inter alia*, the following:
 - a. Since CSH CJV have not obtained relevant State-owned Land Use Rights Certificate pertaining to the land on the property is erected, (i) the property may be ordered to be dismantled or seized in accordance with relevant PRC laws; and (ii) CSH CJV may be fined no higher than RMB 30 per sq.m. according to the land area by the relevant local authority; and
 - b. As advised by CSH CJV, the property has been vacant since June 2007 and CSH CJV currently has no plans to use the property, so it is no material adverse effect on CSH CJV caused by the legal defect of the property.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as of 30 September 2010 RMB
3.	Various structures located at Moren Gacha Village Xinhure Sumu Wulate Zhong Banner Bayannur City Inner Mongolia Autonomous Region The PRC	The structures mainly include road, wells, weirs & water pipeline. The property is erected a parcel of land with a site area of approximately 909,958 sq.m., the details of which please refer to note 1.	The property is currently occupied by the Group for ancillary facilities purpose.	No commercial value

Notes:

- (1) Pursuant to a Grassland Use Right Lease Agreement dated 10 November 2005 entered into among Inner Mongolia Pacific Mining Co. Limited (“CSH CJV”), as Lessee, Moren Gacha, Xinhure Sumu, Wulate Central Banner, Inner Mongolia Autonomous Region (an independent third party), as Leasor, and the People’s Government of Wulate Central Banner, Inner Mongolia Autonomous Region (an independent third party), as Endorser, a parcel of land with a site area of approximately 18,392 mu (12,261,395 sq.m.) (the “Land”) is leased to CSH CJV for a term of 20 years expiring on 9 November 2025 for mining and ancillary production and living facilities or other business activities uses at a total rent of RMB4,600,000.

As advised by CSH CJV, (a) a State-owned Land Use Rights Certificate pertaining to a portion of the Land with a site area of approximately 99,535 sq.m. has been obtained and is set out in property no. 1; (b) the property is erected on the portion of the Land with a site area of approximately 909,958 sq.m.; and (c) the remaining portion of the Land with a total site area of approximately 11,251,902 sq.m. has not been occupied by CSH CJV and no buildings or structures are erected thereon.

- (2) As advised by the Group, Pacific PGM (Barbados) Inc., a wholly-owned subsidiary of the Company, holds 96.5% interest in CSH CJV.
- (3) In the valuation of this property, we have attributed no commercial value to the property which is erected on the leased land. However, for reference purpose, we are of the opinion that the depreciated replacement cost of the property (excluding the land element) as of the date of valuation would be RMB129,908,000 assuming all relevant title certificates have been obtained and it could be freely transferred.
- (4) We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal advisers, which contains, *inter alia*, the following:
- a. Pursuant to a Short-term Land Use and Re-cultivation Agreement dated 28 October 2009 entered into between CSH CJV and Wulate Central County Substation, Bayannur City Bureau of State-owned Land and Resources, CSH CJV has obtained the short-term land use rights of a portion of the Land with a site area of approximately 1,364.93 mu (909,958 sq.m.) for a term of 2 years and is entitled to use such portion in accordance with valid term, conditions and usage stipulated in the Short-term Land Use and Re-cultivation Agreement.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as of 30 September 2010 RMB
4.	Unit 608 on Level 6 of a 28-storey Wanhao International Building No. 33 Steel & Iron Avenue Kunlun District Baotou City Inner Mongolia Autonomous Region The PRC	The property comprises an office unit on Level 6 of a 28-storey office building completed in 2008. The unit has a gross floor area of approximately 75.62 sq.m.	The property is currently occupied by the Group for office purpose.	No commercial value

Notes:

- (1) Pursuant to a Baotou Commodity Property Sale & Purchase Contract — No. 2007-8002469 dated 25 September 2009 entered into between CSH CJV and Baotou Hongfa Real Estate Development Co., Ltd., a unit with a gross floor area of approximately 75.62 sq.m. was contracted to be sold to Inner Mongolia Pacific Mining Co. Limited (“CSH CJV”) at a consideration of RMB437,083.60.
- (2) We have not been provided with any title certificate of the property.
- (3) As advised by the Group, Pacific PGM (Barbados) Inc., a wholly-owned subsidiary of the Company, holds 96.5% interest in CSH CJV.
- (4) In the valuation of this property, we have attributed no commercial value to it without any proper title certificate. However, for reference purpose, we are of the opinion that the capital value of it as of the date of valuation would be RMB470,000 assuming all relevant title certificates have been obtained and it could be freely transferred.
- (5) We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal advisers, which contains, *inter alia*, the following:
 - a. If CSH CJV follows the required legal procedures in applying for the state-owned land use rights certificate and building ownership certificate of the property, there shall be no material legal impediment for CSH CJV to obtain those certificates; and
 - b. CSH CJV will be entitled to legally occupy, use, transfer, lease, mortgage or otherwise dispose of the property upon obtaining relevant State-owned Land Use Rights Certificate and Building Ownership Certificate.

VALUATION CERTIFICATE

Group II — Property interests leased and occupied by the Group in the PRC

<u>No.</u>	<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Capital value in existing state as of 30 September 2010</u> RMB
5.	A parcel of land located at Moren Gacha Village Xinhure Sumu Wulate Zhong Banner Bayannur City Inner Mongolia Autonomous Region The PRC	The property comprises a parcel of leased land with a site area of approximately 12,261,395 sq.m. The property is leased to Inner Mongolia Pacific Mining Co. Limited (“CSH CJV”) from an independent third party for a term of 20 years expiring on 10 November 2025 at a total rent of RMB4,600,000.	The property is currently occupied by the Group for production purpose except for a portion of the property with a site area of approximately 11,251,902 sq.m. which is vacant.	No commercial value

Notes:

- (1) Pursuant to a Grassland Use Right Lease Agreement dated 10 November 2005 entered into among Inner Mongolia Pacific Mining Co. Limited (“CSH CJV”), as Lessee, Moren Gacha, Xinhure Sumu, Wulate Central Banner, Inner Mongolia Autonomous Region (an independent third party), as Lessor, and the People’s Government of Wulate Central Banner, Inner Mongolia Autonomous Region (an independent third party), as Endorser, a parcel of land with a site area of approximately 18,392 mu (12,261,395 sq.m.) (the “Land”) is leased to CSH CJV for a term of 20 years expiring on 9 November 2025 for mining and ancillary production and living facilities or other business activities uses at a total rent of RMB4,600,000.

As advised by CSH CJV, (a) a State-owned Land Use Rights Certificate pertaining to a portion of the Land with a site area of approximately 99,535 sq.m. has been obtained and is set out in property no. 1; (b) property no.3 is erected on a portion of the Land with a site area of approximately 909,958 sq.m.; (c) the remaining portion with a site area of approximately 11,251,902 sq.m. has not been occupied by CSH CJV and no buildings or structures are erected thereon; and (d) the property consists of the portion on which property no. 3 is located and the vacant portion together having a total site area of approximately 12,261,395 sq.m.

- (2) As advised by the Group, Pacific PGM (Barbados) Inc., a wholly-owned subsidiary of the Company, holds 96.5% interest in CSH CJV.
- (3) We have been provided with a legal opinion on the legality of the Lease Agreement to the property issued by the Company’s PRC legal advisers, which contains, *inter alia*, the following:
- a. Pursuant to a Short-term Land Use and Re-cultivation Agreement dated 28 October 2009 entered into between CSH CJV and Wulate Central County Substation, Bayannur City Bureau of State-owned Land and Resources, CSH CJV has obtained the short-term land use rights of a portion of the Land with a site area of approximately 1,364.93 mu (909,958 sq.m.) for a term of 2 years and is entitled to use the such portion in accordance with valid term, conditions and usage stipulated in the Short-term Land Use and Re-cultivation Agreement.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as of 30 September 2010 RMB
6.	An office unit on Level 3, Entrance 1 Block 1, National Tax Bureau Community Xianlong Road Chengguan Town Liangdang County Longnan City Gansu Province The PRC	<p>The property comprises a unit on Level 3 of a 6-storey building completed in about 2006.</p> <p>The property has a lettable area of approximately 146 sq.m.</p> <p>The property is leased to Gansu Pacific Mining Company Limited from an independent third party for a term expiring on 31 December 2010 at a monthly rent of RMB600, exclusive of water and electricity charges.</p>	The property is currently occupied by the Group for office purpose.	No commercial value

Notes:

- (1) Pursuant to a Lease Agreement, the property is leased to Gansu Pacific Mining Company Limited ("Dadiangou CJV") from an independent third party (the "Lessor") for a term expiring on 31 December 2010 at a monthly rent of RMB600, exclusive of water and electricity charges.
- (2) As advised by the Group, Gansu Mining Company (Barbados) Limited, a wholly-owned subsidiary of the Company, holds 71% interest in Dadiangou CJV.
- (3) We have been provided with a legal opinion on the legality of the Lease Agreement to the property issued by the Company's PRC legal advisers, which contains, *inter alia*, the following:
 - a. It is uncertain whether the Lease Agreement is legal and valid or Dadiangou CJV's rights under the Lease Agreement could be protected by relevant PRC laws; and
 - b. Pursuant to an Undertaking Letter issued by the Lessor, the Lessor has undertaken to indemnify Dadiangou CJV against any losses and potential income suffered from the absence of title certificate.

VALUATION CERTIFICATE

Group III — Property interest leased and occupied by the Group in Canada

<u>No.</u>	<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Capital value in existing state as of 30 September 2010</u> RMB
7.	Unit 1030 on Level 10 One Bentall Centre No. 505 Burrard Street Vancouver British Columbia Canada	<p>The property comprises a unit on Level 10 of a 20-storey office building completed in about 1967.</p> <p>The unit has a lettable area of approximately 333 sq.m.</p> <p>The property is leased to the Company from an independent third party for a term of 5 years and 7 months expiring on 31 March 2015. The monthly rent is CAD100,352 from 1 September 2009 to 31 March 2012 and CAD139,776 from 1 April 2012 to 31 March 2015, exclusive of rates, management fees, water and electricity charges.</p>	The property is currently occupied by the Group for office purpose.	No commercial value

Notes:

- (1) The registered owner of the property is BTC Properties II Co., Inc.
- (2) Pursuant to a Lease Agreement entered into between BTC Properties II Ltd., 670763 British Columbia Ltd. and the Great -West Life Assurance Company, 3 independent third parties, the property is leased to 670763 British Columbia Ltd. from BTC Properties II Ltd. and the Great -West Life Assurance Company for a term of 6 years expiring on 31 March 2015.
- (3) Pursuant to a Lease Agreement entered into between the Company and 670763 British Columbia Ltd. and an Assignment and Assumption Agreement entered into between the Company, 670763 British Columbia Ltd., BTC Properties II Ltd., the Great -West Life Assurance Company and Barclay Street Real Estate Ltd., 4 independent third parties, the property is sub-leased to the Company for a term of 5 years and 7 months expiring on 31 March 2015. The monthly rent is CAD100,352 from 1 September 2009 to 31 March 2012 and CAD139,776 from 1 April 2012 to 31 March 2015, exclusive of rates, management fees, water and electricity charges for office use.

VALUATION CERTIFICATE

PART II — PROPERTY INTERESTS RELATING TO SKYLAND GROUP

Group IV — Property interests held and occupied by Skyland Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as of 30 September 2010 RMB
8.	A parcel of land, an industrial building and an ancillary structure located at Longda Village Jiama Town Mozhugongka County Lhasa City Tibet Autonomous Region The PRC	<p>The property comprises a parcel of land with a site area of approximately 33,333.5 sq.m. and an industrial building and an ancillary structure erected thereon which were completed in about 2008.</p> <p>The building has a gross floor area of approximately 1,096.82 sq.m.</p> <p>The structure includes boundary fences.</p> <p>The land use rights of the property have been granted for a term expiring on 30 May 2047 for industrial use.</p>	The property is currently occupied by Skyland Group for temporary storage purpose.	<p>2,126,000</p> <p>100% interest attributable to Skyland Group: RMB 2,126,000</p>

Notes:

- (1) Pursuant to a State-owned Land Use Rights Certificate — Mo Guo Tu Guo Yong (2009) Di No. 081244, the land use rights of a parcel of land with a site area of approximately 33,333.5 sq.m. have been granted to Huatailong Mining Development Co., Ltd. (“Huatailong”) for a term expiring on 30 May 2047 for industrial use.
- (2) As advised by the Group, Huatailong is an indirectly wholly-owned subsidiary of Skyland.
- (3) We have not been provided with any title certificate of the building.
- (4) In the valuation of this property, we have attributed no commercial value to the building without Building Ownership Certificate. However, for reference purpose, we are of the opinion that the depreciated replacement cost of the building (excluding the land element) as of the date of valuation would be RMB1,478,000 assuming all relevant title certificates have been obtained and it could be freely transferred.
- (5) We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal advisers, which contains, *inter alia*, the following:
 - a. Huatailong has legally obtained the land use rights of the property and has the rights to use, occupy, transfer, lease, mortgage or otherwise dispose of the land use rights of the property in accordance with the valid term stipulated in the State-owned Land Use Rights Certificate;
 - b. As advised by Huatailong, the building is not essential for production and operation and will be dismantled; and
 - c. The land use rights are not subject to security interest, mortgage, expropriation, lawsuit, dispute or circumstance of any other material adverse effect on it.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as of 30 September 2010 RMB
9.	5 parcels of land, 34 buildings and various structures located at Zizirong Village Jiama Town Mozhugongka County Lhasa City Tibet Autonomous Region The PRC	<p>The property comprises 5 parcels of land with a total site area of approximately 484,658.2 sq.m. and 34 industrial buildings with a total gross floor area of approximately 44,177 sq.m. erected thereon which were completed in 2006 and 2009.</p> <p>The structures mainly include fences, roads and pools.</p> <p>The land use rights of the property have been granted for terms with the expiry dates between 15 September 2059 and 13 November 2059 for industrial use.</p>	The property is occupied by Skyland Group for production use.	<p>137,710,000</p> <p>100% interest attributable to Skyland Group: RMB 137,710,000</p>

Notes:

- (1) Pursuant to 4 State-owned Land Use Rights Grant Contracts — GF-2009-Nos. 461, 462, 463 and 464 dated 15 September 2009 entered into between the State-owned Land and Resources of Mozhugongka County and Huatailong Mining Development Co., Ltd. (“Huatailong”), the land use rights of 4 parcels of land with a total site area of approximately 29,855.9 sq.m. were contracted to be granted to Huatailong for terms of 50 years expiring on 15 September 2059 for industrial use. The total land premium was RMB1,791,354.
- (2) Pursuant to a State-owned Land Use Rights Grant Contract — GF-No. 465 dated 13 November 2009 entered into between the State-owned Land and Resources of Mozhugongka County and Huatailong, the land use rights of a parcel of land approximately 454,802.3 sq.m. were contracted to be granted to Huatailong for a term of 50 years expiring on 13 November 2059 for industrial use. The land premium was RMB23,194,800.
- (3) Pursuant to 5 State-owned Land Use Rights Certificates — Mo Zhu Guo Yong 2009 Di Nos. 081233 to 081236 and 081243, the land use rights of the 5 parcels of land mentioned in notes (1) and (2) with a total site area of approximately 484,658.2 sq.m. have been granted to Huatailong for terms with the expiry dates between 15 September 2059 and 13 November 2059 for industrial use.
- (4) As advised by the Group, Huatailong is an indirectly wholly-owned subsidiary of Skyland.
- (5) Pursuant to a Construction Work Planning Permit — No. 2009007 in favour of Huatailong, 35 buildings with a total gross floor area of approximately 41,646.37 sq.m. have been approved for construction. As confirmed by Huatailong, 2 of the 35 buildings with a total gross floor area of approximately 469.37 sq.m. have not commenced to be constructed as of the date of valuation.
- (6) Pursuant to a Construction Work Commencement Permit — No. 2009011 in favour of Huatailong, permission by relevant local authority was given to commence the construction work of the 35 buildings mentioned in note 5.
- (7) We have not been provided with any title certificates relating to the remaining one building with a gross floor area of approximately 3,000 sq.m.
- (8) In the valuation of this property, we have attributed no commercial value to the 34 buildings without any proper title certificate. However, for reference purpose, we are of the opinion that the depreciated replacement cost of them (excluding the land element) as of the date of valuation would be RMB163,128,000 assuming all relevant title certificates have been obtained and they could be freely transferred.

- (9) We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, *inter alia*, the following:
- a. Huatailong has legally obtained the land use rights of the property and has the rights to use, occupy, transfer, lease, mortgage or otherwise dispose of the land use rights of the property in accordance with the valid term stipulated in the State-owned Land Use Rights Certificates;
 - b. As advised by Huatailong, the building mentioned in note (7) is not essential for production and will be dismantled;
 - c. For the 33 newly completed buildings with a total gross floor area of approximately 41,177 sq.m., Huatailong has obtained all requisite construction permits, and there shall be no material legal impediment to obtain relevant Building Ownership Certificates on condition that these buildings have passed the completion and acceptance inspection and Huatailong can follow the required legal procedures in applying for title registration;
 - d. Huatailong will be entitled to legally occupy, use, transfer, lease and mortgage the 33 newly completed buildings of the property upon obtaining relevant Building Ownership Certificates; and
 - e. The property is not subject to security interest, mortgage, expropriation, lawsuit, dispute or circumstance of any other material adverse effect on it.

VALUATION CERTIFICATE

Group V — Property interests leased and occupied by Skyland Group in the PRC

<u>No.</u>	<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Capital value in existing state as of 30 September 2010 RMB</u>
10.	10 parcels of land located at Jiama Town and Zhaxigang Town Mozhugongka County Lhasa City Tibet Autonomous Region The PRC	The property comprises 10 parcels of land with a total site area of approximately 2,091,820.22 sq.m. The property is leased to Huatailong Mining Development Co., Ltd. (“Huatailong”) from 4 independent third parties for various terms with the expiry dates between 7 November 2010 and 9 December 2028 at a total annual rent of RMB1,908,081.60.	The property is currently occupied by Skyland Group for ancillary production purpose.	No commercial value

Notes:

- (1) Pursuant to 10 Land Lease Agreements entered into between Huatailong and 4 independent third parties, 10 parcels of land with a total site area of approximately 2,091,820.22 sq.m. are leased to Huatailong for various terms with the expiry dates between 7 November 2010 and 9 December 2028 at a total annual rent of RMB1,908,081.60.

<u>Location</u>	<u>Usage</u>	<u>Site Area (sq.m.)</u>
Zizirong and Chikang Villages	Mining, roads, silos	474,867.78
Zizirong Village	Mineral dregs depositories	24,066.79
Zhaxigang Town	Roads	165,053.49
Jiama Mining Area	Mining area	1,427,832.16
Total:		<u>2,091,820.22</u>

- (2) As advised by the Group, Huatailong is an indirectly wholly-owned subsidiary of Skyland.
- (3) We have been provided with a legal opinion on the legality of the Land Lease Agreements to the property issued by the Company’s PRC legal advisers, which contains, *inter alia*, the following:
- a. As advised by the Company, no permanent buildings and structures will be constructed on the property. Huatailong has obtained the relevant Short-term Land Use Rights Approvals issued by Mozhugongka County Planning Bureau of State-owned Land and Resources. It is legal for Huatailong to use the 10 parcels of land for a term of 2 years according to the terms, conditions and the usages stipulated in the Approvals of the Short-term Land Use Rights. Also, Huatailong can apply for extending the use term of land one month before the expiry date of relevant Short-term Land Use Rights Approvals on the condition of compliance with relevant PRC laws.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as of 30 September 2010 RMB
11.	Unit 3 on Level 2 Block 3 No. 377 Chadianzi Road Jinniu Avenue Jinniu District Chengdu City Sichuan Province The PRC	The property comprises a unit on Level 2 of a 7-storey building completed in about 2006. The property has a lettable area of approximately 216.39 sq.m. The property is leased to Huatailong Mining Development Co., Ltd. ("Huatailong") from an independent third party for a term of 2 years expiring on 7 January 2011 at an annual rent of RMB42,000, exclusive of water and electricity charges.	The property is currently occupied by Skyland Group for office purpose.	No commercial value

Notes:

- (1) Pursuant to a Lease Agreement, the property is leased to Huatailong from an independent third party for a term of 2 years expiring on 7 January 2011 at an annual rent of RMB42,000, exclusive of water and electricity charges.
- (2) As advised by the Group, Huatailong is an indirectly wholly-owned subsidiary of Skyland.
- (3) We have been provided with a legal opinion on the legality of the Lease Agreement to the property issued by the Company's PRC legal advisers, which contains, *inter alia*, the following:
 - a. The Lease Agreement is binding on both signing parties and is consistent with the PRC laws; and
 - b. Huatailong has the rights to use and occupy the property in accordance with the Lease Agreement.

VALUATION CERTIFICATE

<u>No.</u>	<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Capital value in existing state as of 30 September 2010 RMB</u>
12.	Villa 2, Entrance 7 Agriculture Bank Community No. 90 Jinzhu West Road Lhasa City Tibet Autonomous Region The PRC	<p>The property comprises a 2-storey villa completed in about 2003.</p> <p>The property has a lettable area of approximately 195.78 sq.m.</p> <p>The property is leased to Huatailong Mining Development Co., Ltd. ("Huatailong") from an independent third party for a term of one year expiring on 16 November 2010 at an annual rent of RMB24,000, exclusive of management fees, water and electricity charges.</p>	The property is currently occupied by Skyland Group for staff quarters purpose.	No commercial value

Notes:

- (1) Pursuant to a Lease Agreement, the property is leased to Huatailong from an independent third party for a term of one year expiring on 16 November 2010 at an annual rent of RMB24,000, exclusive of management fees, water and electricity charges.
- (2) As advised by the Group, Huatailong is an indirectly wholly-owned subsidiary of Skyland.
- (3) We have been provided with a legal opinion on the legality of the Lease Agreement to the property issued by the Company's PRC legal advisers, which contains, *inter alia*, the following:
 - a. The Lease Agreement is binding on both signing parties and is consistent with the PRC laws; and
 - b. Huatailong has the rights to use and occupy the property in accordance with the Lease Agreement.

VALUATION CERTIFICATE

<u>No.</u>	<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Capital value in existing state as of 30 September 2010 RMB</u>
13.	An office building No. 34 Jinzhu Zhong Road Lhasa City Tibet Autonomous Region The PRC	The property comprises a 3-storey office building completed in about 1998. The property has a lettable area of approximately 1,200 sq.m. The property is leased to Huatailong Mining Development Co., Ltd. ("Huatailong") from an independent third party for a term of 3 years expiring on 1 January 2011 at an annual rent of RMB330,000, inclusive of management fees, water and electricity charges.	The property is currently occupied by Skyland Group for office and staff quarters purposes.	No commercial value

Notes:

- (1) Pursuant to a Lease Agreement, the property is leased to Huatailong from an independent third party (the "Lessor") for a term of 3 years expiring on 1 January 2011 at an annual rent of RMB330,000, inclusive of management fees, water and electricity charges.
- (2) As advised by the Group, Huatailong is an indirectly wholly-owned subsidiary of Skyland.
- (3) We have been provided with a legal opinion on the legality of the Lease Agreement to the property issued by the Company's PRC legal advisers, which contains, *inter alia*, the following:
 - a. It is uncertain whether the Lease Agreement is legal and valid or Huatailong's rights under the Lease Agreement could be protected by relevant PRC laws; and
 - b. Pursuant to an Undertaking Letter issued by the Lessor, the Lessor has undertaken to indemnify Huatailong against any losses and potential income suffered from the absence of title certificate.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as of 30 September 2010 RMB
14.	A warehouse located at Longda Village Jiama Town Mozhugongka County Lhasa City Tibet Autonomous Region The PRC	<p>The property comprises a warehouse completed in about 2003.</p> <p>The property has a lettable area of approximately 1,378 sq.m.</p> <p>The property is leased to Huatailong Mining Development Co., Ltd. from (“Huatailong”) an independent third party for a term expiring on 30 September 2010 at an annual rent of RMB60,000, exclusive of management fees, water and electricity charges. As advised by Huatailong, the lease agreement has expired and terminated.</p>	The property is currently occupied by Skyland Group for ancillary facility purpose.	No commercial value

Notes:

- (1) Pursuant to a Lease Agreement, the property is leased to Huatailong from an independent third party (the “Lessor”) for a term expiring on 30 September 2010 at an annual rent of RMB60,000, exclusive of management fees, water and electricity charges. As advised by Huatailong, the Lease Agreement has terminated after the expiry date of 30 September 2010.
- (2) As advised by the Group, Huatailong is an indirectly wholly-owned subsidiary of Skyland.
- (3) We have been provided with a legal opinion on the legality of the Lease Agreement to the property issued by the Company’s PRC legal advisers, which contains, *inter alia*, the following:
 - a. It is uncertain whether the Lease Agreement is legal and valid or Huatailong’s rights under the Lease Agreement could be protected by relevant PRC laws; and
 - b. Pursuant to an Undertaking Letter issued by the Lessor, the Lessor has undertaken to indemnify Huatailong against any losses and potential income suffered from the absence of title certificate.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as of 30 September 2010 RMB
15.	Nanjing Hotel located at the southern side of National Highway 318 Jiama Town Mozhugongka County Lhasa City Tibet Autonomous Region The PRC	<p>The property comprises a 2-storey hotel completed in about 2000.</p> <p>The property has a lettable area of approximately 800 sq.m.</p> <p>The property is leased to Huatailong Mining Development Co., Ltd. ("Huatailong") from an independent third party for a term of 3 years expiring on 1 January 2011 at an annual rent of RMB80,000, exclusive of management fees, water and electricity charges.</p>	The property is currently occupied by Skyland Group for staff quarters purpose.	No commercial value

Notes:

- (1) Pursuant to a Lease Agreement, the property is leased to Huatailong from an independent third party (the "Lessor") for a term of 3 years expiring on 1 January 2011 at an annual rent of RMB80,000, exclusive of management fees, water and electricity charges.
- (2) As advised by the Group, Huatailong is an indirectly wholly-owned subsidiary of Skyland.
- (3) We have been provided with a legal opinion on the legality of the Lease Agreement to the property issued by the Company's PRC legal advisers, which contains, *inter alia*, the following:
 - a. It is uncertain whether the Lease Agreement is legal and valid or Huatailong's rights under the Lease Agreement could be protected by relevant PRC laws; and
 - b. Pursuant to an Undertaking Letter issued by the Lessor, the Lessor has undertaken to indemnify Huatailong against any losses and potential income suffered from the absence of title certificate.