

Competent Person's Report Yunnan Polymetallic Projects Yunnan Province, China

Minarco-MineConsult, 13/F,
68 Yee Wo Street,
Causeway Bay,
Hong Kong.

Contact:

rungeasia@runge.com.au
www.runge.com.au

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Compiled by:

Peer Review by:

Jeremy Clark

Michael Eckert

Senior Consultant Geologist

Senior Mining Engineer, Beijing

China Polymetallic Mining Limited

Unit 4712, 47/F
The Center
99 Queen's Road Central
Hong Kong

November 25, 2011

RE: INDEPENDENT TECHNICAL REVIEW AND COMPETENT PERSONS REPORT

Dear Sirs,

Runge Asia Limited ("RAL"), trading as Minarco-MineConsult ("MMC"), has been engaged by China Polymetallic Mining Limited (the "Client" or "Company") to carry out an Independent Technical Review ("ITR") of the Yunnan mining and exploration assets ("the Projects") located in Yunnan Province, China. The Company is planning to list on The Stock Exchange of Hong Kong Limited ("HKEx").

The process and conclusions of the ITR are presented in the attached Independent Technical Review and Competent Person's Report, which will be included in the HKEx prospectus prepared as part of the Initial Public Offering.

MMC's technical team ("the Team") consisted of both international and Chinese nationals, Competent Persons, senior mining engineers and geologists. The Team undertook a number of site visits to the Projects to familiarize themselves with site conditions. MMC's Competent Persons were responsible for compiling the report and the JORC compliant Mineral Resource and Ore Reserve Estimates stated within.

During the site visits, the Team had open discussions with Company personnel on technical aspects relating to the Project issues. The company personnel were cooperative and open in facilitating MMC's work.

In addition to work undertaken to generate independent JORC compliant Mineral Resource and Ore Reserve Estimates for the Shizishan Project, this report relies largely on information provided by the Company, either directly from the site and other offices, or from reports by other organizations whose work is the property of the Company. The data relied upon for the Mineral Resource and Ore Reserve Estimates completed by MMC have been compiled primarily by the Company and subsequently validated by MMC. The report is based on information made available to MMC as of October 25, 2011. The Company has not advised MMC of any material change, or event likely to cause material change, to the underlying data, designs or forecasts since the date of asset inspections.

Project Summary and Conclusions

The Projects consist of the Shizishan Pb-Zn-Ag Project (the Shizishan Project") which has commenced operations and the Liziping PB-Zn-Ag-Cu Project (the "Liziping Project") which is at an early stage of exploration. Both Projects are located in Yunnan Province of the Peoples Republic of China.

Shizishan project

- The Shizishan Project is a large scale high grade lead, zinc, silver mining asset. The Project has commenced operations with underground development underway and trial processing of ore on-going. The current total Project mine life as outlined in the Feasibility Study prepared by the Changsha Nonferrous Metallurgy Design Institute, a qualified Chinese institute, is estimated to be approximately 12.5 years (from July 2011) inclusive of a ramp up forecast production of 48 and 419 kilotonnes per annum (ktpa) in 2011 and 2012 respectively, prior to reaching a full forecast production capacity of 660 ktpa by the end of December 2012. The proposed mining schedule is considered reasonable and achievable.
- The Project is located 45 km north east of Yingjiang County Town, and is under the jurisdiction of Zhanxi Town, Yingjiang County. The Mining Licence No. C5300002010023220056038 covers an area bounded by Longitude 98°09'30"E to 98°10'26"E and Latitude 25°05'20"N to 25°06'25"N. The Project is easily accessible on well established roads. Water and power infrastructure in the area is not seen as a limiting factor to the projects development.
- Mineral Resources (Pb-Zn-Ag) within the current Mining Licence area have been independently estimated as at October 25, 2011 by MMC, in accordance with the recommendations of the JORC Code. The estimated Mineral Resources using a 0.5% Pb cut-off grade are 9,345 kt at an average grade* of 9.4% Lead (Pb), 6.0% Zinc (Zn), 256 grams per tonne (g/t) Silver (Ag), for a total of 878,600 t of contained Pb metal, 563,000 t of contained Zn metal and 2,400 t of contained Ag metal. MMC understands that the current Mining Licence has a vertical limit of 1,000m elevation. An estimated total of 108 kt of Indicated and Inferred resources at 4.7% Pb, 4.4% Zn and 171 g/t Ag are located below this elevation, which MMC considers immaterial to the global resource.
- Ore Reserves (Pb-Zn-Ag) within the current Mining Licence area have been independently estimated as at October 25, 2011 by MMC in accordance with the recommendations of the JORC Code. Ore Reserves are estimated to be 8,024 kt at an average grade* of 9.3% Pb, 6.0% Zn and 250 g/t Ag, for a total of 745,900 t of contained Pb metal, 477,300 t of contained Zn metal and 2,000 t of contained Ag metal. The JORC Ore Reserve estimate can be reconciled to the Mineral Resource estimate by considering 'Modifying Factors', which MMC has applied to the JORC Mineral Resource estimate. Some of these Factors include mining licence boundaries, non-economical areas of the deposit, mining dilution factors based on mining method and stope geometry and mining loss factors.
- Exploration to date has defined a significant high grade deposit within a limited portion of the total potentially mineralized host rock. It is MMC's opinion that significant potential exists to expand the currently defined resources within the Project with further drilling and advanced exploration techniques such as downhole geophysics within the remainder of the area.
- An upgrade of a significant portion of the existing Inferred Mineral Resource to the Indicated category can be achieved with the completion of an additional 2 to 3 holes, for approximately 1,000 m. This would potentially result in the upgrade of approximately 250 kt of the resource from Inferred to Indicated classification under JORC.

* In line with the industry standard, average grade refers to the overall grade of the whole resources or whole reserves and incorporates the bulk density grade variations of the deposit. The average grade of the reserves reflects the life of the mine grade.

- The Cut-and-Fill stoping mining method as described in the mining study and reviewed by MMC is planned to be implemented. This is a flexible and selective mining method which is appropriate for high grade resources where increased ore recoveries and reduced ore dilutions are desired.
- A processing plant designed to process Pb-Zn-Ag material at a throughput capacity of 660 ktpa (2,000 tpd) has been constructed and is undergoing commissioning and optimization. The processing circuit is a conventional flotation operation in which marketable lead and zinc concentrates, both containing payable silver, are produced. Forecast recoveries of 93% Pb and 89% Ag reporting to a Pb concentrate, and 89% Zn and 7% Ag reporting to a Zn concentrate are based on metallurgical testing.
- The Project has an estimated long term average mining operating cost of 62 RMB/t of ore mined, and an estimated processing operating cost of 82 RMB/t of ore processed. MMC considers both cost estimates to be reasonable for the operations.
- The total capital cost of developing the mine and processing plant to full production is estimated to be 403 million RMB, which MMC considers to be in line with similar styles of operation in China.
- The environmental quality classification standards of the region do not impose any restrictions on mining activities. No nature reserves or protected areas were reported within a 2km radius of the Project area.
- Local labor will be employed during project construction and operation, which should result in economic benefit for the local people and government.
- The local land utilization status should not be altered by the Project's construction or operation. The construction process is not expected to cause large areas of water or soil loss and the pollutants being discharged should not have a significant impact upon the surrounding ecosystem. Atmospheric pollution generated is not anticipated to be of harm to animals and plants in the area.

The key risks identified to the Shizishan Project during the ITR are outlined below:

- Detailed geotechnical information was not available for review. As such, MMC cannot comment on the ground conditions or stability of the underground workings. If the ground conditions are less favorable than expected, dilution may increase and recovery could be less than expected.
- The Cut-and-Fill mining method requires workers to operate in active stope areas. Working in stopes increases the workers risk of exposure to rock falls. This risk will potentially increase as mining progresses, however this can be mitigated through effective operational safety practices.
- Detailed understanding of the mineralization style and controls on mineralization in these types of deposits often rests with identification of the main controls of the high grade domains. Although the close spaced drill holes have confirmed the continuity of the high grade lenses surrounded by lower grade material, the larger spacing in some portions of the Project results in a lower level of confidence for the estimated grade.

Liziping Project

- The Liziping Project is contained within a single exploration licence which is held by Nujiang Shengjia Chengxin Industrial Company Ltd. MMC has been informed that the Company has an agreement to acquire 90 percent of Nujiang Shengjia Chengxin Industrial Company Ltd. Although no legal due diligence work has been completed by MMC, it is aware the Company is in the process of performing the legal due diligence which is yet complete to be completed.
- The Liziping Project is a single Pb-Zn-Ag-Cu exploration asset which is at the early stage of exploration. The Liziping Project has a reasonable amount of exploration completed, with recent surface drilling having delineated and underground sampling confirming remnant mineralization within the historical workings. The Liziping Project is located 40 km north west of the Lanping County, Yunnan Province, China. The Exploration Licence T53120091102035905 covers an area bounded by 99°14'00"E to 99°17'00"E and from 26°50'30"N to 26°53'00"N resulting in an area of approximately 18.29 sq.km
- Mining operations have been undertaken within the Liziping Project area since the early 1900's. No mining took place between 1949 and 1996 at which point operations recommenced via small scale private mining activity. In 2002 mining operations increased in scope and scale and peaked in 2005. Although no detailed surveys have been completed, documents and recent exploration work indicates that the mine workings reached a depth of 300 m from surface. In 2006, the Lanping Dipingxian Mining Company was established which resulted in mining activities becoming more organized and systematic until its closure in 2009.
- The Liziping project is a thrust fault system controlled, sediment hosted deposit containing Pb-Zn-Ag mineralization with minor Cu and Sn. The Pb-Zn-Ag mineralization is hosted within the finely laminated dolomitic and sandstone units of the upper Jurassic Period. Mineralization appears to be highly structurally controlled within these units and associated with significant late stage calcite veining and fracture fill. Both the galena and sphalerite mineralization occur as very fine grains, particularly galena which appears often to have a sheared fabric that overprints the primary crystal structure. Observations indicate that remobilization of the mineralization has occurred which is likely the result of shearing or ductile deformation events. Although it is likely remobilization will not have a significant impact on the overall geometry or grade distribution, there is potential for localized concentration, which may result in some higher grade areas being formed.
- Four areas of considerable Pb-Zn-Ag mineralization have been identified through underground historical mining and surface outcrop sampling. Although variable in orientation and geometry, the veins strike south of east and generally dip steeply towards the south with variable thicknesses ranging up to several meters. Three of the known Pb-Zn mineral occurrences are emplaced in east west trending fault systems which are approximately parallel. This style of emplacement typically results in discontinuous veins which pinch and swell at a local scale.
- Prior to 2004 minimal systematic geological and cursory reconnaissance exploration were undertaken. These works however noted several base metal anomalous areas within the district. During the 2004 campaign, which was completed by the No.3 team of the Yunnan Geological Bureau, geophysical surveys revealed 14 Induced polarization (IP) anomalies, all of which were highly prospective for base metals, in particular Pb and Zn. Following a

review of the 2004 exploration work a systematic logging and sampling campaign was undertaken. This campaign which focused on the four historical mining areas included a detailed geological survey, underground geological mapping and sampling of historical drives, surface trench samples, and completion of the first chemical analysis.

- Recent exploration, which began in July, 2011 has primarily focused on establishing working infrastructure, rehabilitating and sampling of the historical underground workings, and completion of preliminary surface diamond drilling. The results received from this preliminary work have confirmed the geological interpretation and will enable a detailed exploration program to be planned in the next 6 to 12 months for the main mineralized zone located in the southern portion of the licence area.
- A review of the exploration data indicates the following:
 - During the review of the drilling and sampling data supplied MMC noted that insufficient data is available to complete a Mineral Resource and Ore Reserve estimate for the Liziping Project.
 - Remnant mineralization is still present in the lower levels of the underground workings and there are likely to be no structures or faults which offset mineralization directly below these levels. MMC notes that a significant underground drill program is planned to target the area directly below the mine workings on the main vein in Area 2 which is to commence in the next 2 months. MMC considers the likelihood of the definition of resources in the area directly below the mine workings to be high, however cannot comment as to the likely depth which these extensions will reach, as only limited information is available for this area.
 - Cu mineralization has been identified within surface outcrop and underground workings in the Liziping Project area which is likely related to the Pb and Zn mineralization. Further work is required to understand this relationship prior to undertaking any exploration for Cu.
 - Although no significant mineralization intercepts have been made in the recent drilling (pending results), these drill holes were targeting the potential host sequence well below any current mine workings (the closest target being over 300 m below the lowest mine workings). During the site visit MMC observed minor amounts of mineralization (Pb and Zn) in the available drill core, which indicates that at least the structure which contains the main vein of mineralization is potentially continuous at depth. MMC considers the potential identification of the mineralized structures at depth to be encouraging for future exploration and the likelihood for discovery of significant mineralization at depth to be likely.
 - Structures have a significant impact on the controls on mineralization within the Project and this is likely to be reflected both at a regional and local scale. Parallel repetitions of the mineralized structures have been identified within the Project which could potentially host blind veins which do not outcrop at surface. The geophysical surveys planned by the Company will likely highlight potential areas requiring further exploring.

MMC has conducted its review and preparation of the Independent Technical Review and Competent Person's Report in accordance with the requirements of Chapter 18 of the Listing Rules of the HKEx. The report is also in compliance with:

- the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, The JORC Code, 2004 Edition, Prepared by: The Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC); for determining resources and reserves; and
- the Code and Guidelines for technical assessment and/or valuation of mineral and petroleum assets and mineral and petroleum securities for Independent Expert Reports (the "Valmin Code").

MMC operates as an independent technical consultant providing resource evaluation, mining engineering and mine valuation services to the resources and financial services industries. This report was prepared on behalf of MMC by technical specialists, details of whose qualifications and experience are set out in **Annexure A**.

MMC has been paid, and has agreed to be paid, professional fees for its preparation of this report. However, none of MMC or its directors, staff or sub-consultants who contributed to this report has any interest or entitlement, direct or indirect in:

- the Company, securities of the Company or companies associated with the Company; or
- the Relevant Asset; or
- the outcome of the Initial Public Offering.

The work undertaken is an ITR of the information provided, as well as information collected during site inspections completed by MMC as part of the ITR process. It specifically excludes all aspects of legal issues, marketing, commercial and financing matters, insurance, land titles and usage agreements, and any other agreements/contracts that the Company may have entered into.

MMC does not warrant the completeness or accuracy of information provided by the Company which has been used in the preparation of this report.

Drafts of this report were provided to the Company, but only for the purpose of confirming the accuracy of factual material and the reasonableness of assumptions relied upon in the report.

Generally, the data available was sufficient for MMC to complete the scope of work. The quality and quantity of data available, and the cooperative assistance, in MMC's view, clearly demonstrated the Company's assistance in the ITR process. All opinions, findings and conclusions expressed in the report are those of MMC and its specialist advisors.

Yours faithfully,

Jeremy Clark

Senior Consultant Geologist

Runge Asia Limited

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1 INTRODUCTION

Runge Asia Limited (“MMC”), trading as Minarco-MineConsult (“MMC”), has been engaged by China Polymetallic Mining Limited (the “Client” or “Company”) to carry out an Independent Technical Review (“ITR”) of the Yunnan mining and exploration assets (“the Projects”) located in Yunnan Province, China. The Projects are to be included into a listing circular for The Stock Exchange of Hong Kong Limited (“HKEx”).

The Projects are all located in Yunnan Province of the Peoples Republic of China. The Projects consist of:

- the Shizishan Pb-Zn-Ag Project (the “Shizishan Project”) is located 45 km north east of Yingjiang County. Exploration activities have been ongoing within the Shizishan Project area intermittently since the 1950’s, however only recently has significant exploration been conducted which culminated with the Company completing a significant surface diamond drilling program in 2010 and 2011. This recent drilling has successfully defined a significant high grade lead, silver, zinc deposit which is the focus of this ITR. The Project has commenced operations with underground development underway and trial processing of ore on-going;
- the Liziping Pb-Zn-Ag-Cu Project (the “Liziping Project”) is located 40 km north west of Lanping County and is an early stage exploration project with some historical underground workings which are currently being rehabilitated. Exploration is being carried out through drilling and underground sampling as well as further geophysical surveying with the aim of delineating a Mineral Resources in the next 12 months.

1.1 Scope of Work

MMC carried out the following scope of work for the ITR:

- Gathered relevant information on the Project including drill hole information (collar, survey, geology, and assays), quality control data, life of mine production schedules, and operating and capital cost information;
- Reviewed geological information, including quantity and quality of drilling, and verified existing data and procedures;
- Completed geological and exploration reviews of the Projects;
- Completed a Mineral Resource and Ore Reserve Estimation in compliance with the recommendations of the JORC Code resulting in a Statement of Mineral Resources for the Shizishan Project;
- Completed Ore Reserve estimations in compliance with the recommended guidelines of the JORC Code for the Shizishan Project;
- Reviewed and commented on the appropriateness of planned mining methods and mine design in the relevant technical studies for the Shizishan Project;
- Reviewed potential production profiles for the Shizishan Project;
- Reviewed and commented on forecast operating and capital expenditure in the relevant technical studies for the Shizishan Project;

- Reviewed the Company's short and long term development plans for the Shizishan Project; and
- Reviewed the Project's environmental and social setting.

1.2 Relevant Assets

The Relevant Asset include:

- Shizishan Project: a Pb-Zn-Ag deposit which occurs within a single mining licence with extents of Longitude 98°09'30" to 98°10'26"E and Latitude 25°05'20" to 25°06'25"N.
- Liziping Project: a Pb-Zn-Ag-Cu deposit which occurs within a single exploration licence with extents of Longitude 99°14'00"E to 99°17'00"E and Latitude 26°50'30"N to 26°53'00"N.

1.3 Review Methodology

MMC's ITR methodology was as follows:

- Preparation for the study by translating and reviewing existing reports. The list of reports reviewed is outlined in *Chapter 1.5* below.
- Several sites visits were conducted to the projects by a Chinese geologist, senior international Consultant Geologists, a processing engineer and a senior international mining engineer. Technical issues were discussed with technical Project personnel.
- Meetings were held with technical staff from the various design institutes including Changsha Nonferrous Metallurgy Design Institute ("the Design Institute") who prepared the Feasibility Study of Shizishan Pb Zn Ag deposit Expansion Project, April 2011, ("Feasibility Study") which was reviewed by MMC.
- MMC prepared this ITR and provided drafts to the Company and its specialist advisers to ensure factual accuracy.

The comments and forecasts in this report are based on information compiled by enquiry and verbal comment from the Company. Where possible, this information has been cross checked with hard data or by comment from more than one source. Where there was conflicting information on issues, MMC used its professional judgment to assess the issues.

1.4 Site Visits and Inspections

Shizishan Project

The MMC technical team which visited site ("the Team") consisted of a Chinese Resource Geologist (Mr Sheng Zhan), an international senior consultant geologist (Mr Alexander Arizanov), a Chinese processing engineer (Mr Jim Jiang) and senior international mining engineers (Mr Andrew Shepherd and Mr Michael Eckert). Four site visits were completed in November 2010, March 2011, May 2011 and October 2011. During these site visits, the Team inspected the surface exposures, access roads, underground development, the processing plant construction site and conducted general

inspections of the surrounding countryside. These visits were also used to gain a better understanding of the Project and to ensure compliance with the JORC Code of MMC's Mineral Resource and Ore Reserve Estimations. Particular attention was paid to the drilling, sampling and analytical procedures to ensure no sample bias was occurring and ensure compliance with the JORC Code.

Open discussions were held with the Company and associated Design Institute's experts on aspects relating to the technical issues of the Project. Technical personnel were co-operative and open in facilitating MMC's work.

Liziping Project

The MMC technical team which visited Liziping sites consisted of a Chinese resource geologist (Mr Feng Wu), a Chinese senior consultant geologist (Mr Jinping Xu), an international senior consultant geologist (Mr Mark Burdett), and an international consultant geologist (Miss Tanya Nayda). Two site visits were completed in August 2011, September 2011. During these site visits, the Team inspected the surface exposures, access roads, underground development, and conducted general inspections of the surrounding countryside. These visits were also used to gain a better understanding of the drilling, sampling and analytical procedures to ensure no sample bias was occurring and ensure compliance with the JORC Code.

Open discussions were held with the Company and associated Design Institute's experts on aspects relating to the technical issues of the Project. Technical personnel were co-operative and open in facilitating MMC's work.

1.5 Information Sources

The following information sources were provided for review:

Shizishan Project

Reports

- "Detailed Survey Report of Shizishan Pb Zn Ag deposit, Yingjiang County, Yunnan Province", Institute of Mineral Resources, China Academy of Geological Sciences, February 2006.
- "Feasibility Study of Shizishan Pb Zn Ag deposit Expansion Project" ("Metallurgy Testing"), Changsha Nonferrous Metallurgy Design Institute, April 2011.
- "Feasibility Study of Shizishan Pb Zn Ag deposit Expansion Project", Changsha Nonferrous Metallurgy Design Institute, April 2011.
- "Geological Hazard Assessment of the Tailing Storage Facility", Yunnan No. 2 Geological Engineering Institute, October 2010.
- "Metallurgy Testing and Study Report of Shizishan Pb Zn Ag deposit", Geology and Mineral Resources of Sichuan Province, Chengdu Integrated Mineral Exploration and Development Test Centre, June 2009.

- “Shizishan Pb Zn deposit Geological Environment Protection and Restoration Plan”, Yunnan No. 2 Geological Engineering Institute, October 2010.
- “Water and Soil Conservation Plan for the Shizishan Mine 1,500 tpd Mining and 2,000 tpd Ore Processing Plant Projects”, Southwest Nonferrous Kunming Exploration and Design Institute, October 2010.
- “Yingjiang Pb-Zn-Ag Safety Chapter”, Changsha Non-ferrous Metal Design Institute, November 2010.

Licence

- Mining Licence C5300002010023220056038.

Liziping project

Reports

- “Detail Exploration Design of Lizhiping Pb-Zn Polymetallic Project”, Northwest brigade, Sichuan Bureau of Geology, August 2011.

Licence

- Exploration Licence T53120091102035905.

1.6 Competent Person and Responsibilities

1.6.1 Mineral Resources

The information in this report that relates to Mineral Resources is based on information compiled by or under the supervision of Mr Jeremy Clark who is a full time employee of MMC and a Member of the Australian Institute of Geoscientists. Jeremy Clark has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (“The JORC Code”).

The Mineral Resource estimate complies with the recommended guidelines of the JORC Code. Therefore it is suitable for public reporting.

1.6.2 Ore Reserves

The information in this report relating to Ore Reserves, is based on information compiled by the Company and reviewed by Mr Michael Eckert, who was a mining engineer with MMC at the time of Ore Reserve Estimate and a Member of the Australasian Institute of Mining and Metallurgy. Mr Michael Eckert has sufficient experience relevant to the style of mineralization and type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the JORC Code.

Further details regarding all participants can be found in Annexure A Qualifications and Experience.

1.6.3 HKEx Requirements

Mr Jeremy Clark meets the requirements of a Competent Person, as defined by Chapter 18 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. These requirements include:

- Greater than five years' experience relevant to the type of deposit;
- Member of the Australian Institute of Geoscientists ("MAIG");
- Does not have economic or beneficial interest (present or contingent) in any of the reported assets;
- Has not received a fee dependent on the findings outlined in the Competent Person's Report;
- Is not an officer, employee of proposed officer for the issuer or any group, holding or associated company of the issuer, and
- Assumes overall responsibility for the Competent Person's Report.

Mr Jeremy Clark has over 9 years of experience working in the mining industry. During this time he has been responsible for the planning, implementation and supervision of various exploration programs, open pit and underground production duties, detailed structural and geological mapping and logging and a wide range of experience in resource estimation techniques. Mr Jeremy Clark's experience has included 5 years actively working in narrow vein gold mines which have similar styles of mineralization to the Deposit. His experience includes working and estimating resources both in underground and open pit operations in Western Australia, including the Saint Barbara gold operations at Southern Cross from 2001-2006, the gold Leonora operations in 2006 and the Jaguar mine (Pb-Zn-Ag) during his work with Jabiru mines in 2007. During this time Mr Jeremy Clark completed internal estimations (not for public release) for the Marvel Loch, Golden Pig, Blue Haze, Jaccoleti, Nevoria, Jaguar, and Gwalia Deeps gold deposits which have similar style of mineralization to the skarn type mineralization which hosts the Shizishan deposit within the Project.

During his work with Runge from 2007 to the present, Mr Jeremy Clark has working on numerous epithermal base and precious metals deposit throughout the world including China, Central Asia, Europe, Africa, and North and South America. This work has included resource estimation of deposits which have similar styles of mineralization to the Shizishan deposit. These deposits include but are not limited to the Central Ashanti Gold Project (Perseus Mining) in Ghana, the Gurupi Au-Ag deposit in Brazil (Jaguar Mines), the Sierra Mojada (Pb-Zn-Ag) deposit in Mexico (Metalline Mining), the Daisy Milano and Murchison Operations (Silver lake Resources) in Western Australia, the Silver Coin Gold deposit (Au-Ag-Zn-Pb) (Jayden Resources Canada) in Canada. All of these deposits were estimated in accordance with the JORC Code (Australia, Africa, Europe and Asia) or the NI-43-101 code (Canada, and South America) and resulted in public releases or Technical Reports, of which Jeremy was a Component or Qualified person and are available on the Australian Stock Exchange (ASX) or the Toronto Stock Exchange (TSX).

1.7 Limitations and Exclusions

The review was based on various reports, plans and tabulations provided by the Company either directly from the mine site and other offices, or from reports by other organizations whose work is the property of the Company. The Company has not advised MMC of any material change, or event likely to cause material change, to the operations or forecasts since the date of asset inspections.

The work undertaken for this report is that required for a technical review of the information, coupled with such inspections as the Team considered appropriate to prepare this report. It specifically excludes all aspects of legal issues, commercial and financing matters, operating licences, regulatory approvals, land titles and agreements, excepting such aspects as may directly influence technical, operational or cost issues. In this regard, MMC is reliant on the information supplied to it by the Company, including documents and/or matters referred to in chapters 2.1.3, and 3.1.5.

MMC has specifically excluded making any comments on the competitive position of the Relevant Asset compared with other similar and competing lead, zinc and silver producers around the world. MMC strongly advises that any potential investors make their own comprehensive assessment of both the competitive position of the Relevant Asset in the market, and the fundamentals of the base metals market at large.

1.7.1 Limited Liability

This Report has been prepared by MMC for the purposes of the Company in respect of its proposed listing on the Hong Kong Stock Exchange and is not to be used or relied upon for any other purpose. MMC will not be liable for any loss or damage suffered by a third party relying on this report or any references or extracts therefrom contrary to the purpose (regardless of the cause of action, whether breach of contract, tort (including negligence) or otherwise) unless and to the extent that MMC has consented to such reliance or use.

1.7.2 Responsibility and Context of this Report

The contents of this report have been based upon and created using data and information provided by or on behalf of the Company. MMC accepts no liability for the accuracy or completeness of data and information provided to it by, or obtained by it from, the Company or any third parties, even if that data and information has been incorporated into or relied upon in creating this report. The report has been produced by MMC in good faith using information that is available to MMC as at the date stated on the cover page. This report contains forecasts, estimates and findings that may materially change in the event that any of the information supplied is inaccurate or materially changes in any way. MMC is under no obligation to update the information contained in the report at any time.

1.7.3 Indemnification

The Company has indemnified and held harmless MMC and its subcontractors, consultants, agents, officers, directors, and employees from and against any and all claims, liabilities, damages, losses, and expenses (including lawyers' fees and other costs of litigation, arbitration or mediation) arising out of or in any way related to :

- (a) MMC's reliance on any information provided by the Company; or
- (b) MMC's services or Materials; or
- (c) any use of or reliance on these services.

In all cases, save and except in cases of wilful misconduct (including fraud) or gross negligence on the part of MMC and regardless of any breach of contract or strict liability by MMC.

1.7.4 Intellectual Property

All copyright and other intellectual property rights in this report are owned by and are the property of MMC.

MMC has granted the Company a non-transferable, perpetual and royalty-free Licence to use this report for its internal business purposes and has consented to the Report's inclusion in the Company's listing document to be lodged with the Hong Kong Stock Exchange.

1.7.5 Mining Unknown Factors

The findings and opinions presented herein are not warranted in any manner, expressed or implied. The ability of the operator, or any other related business unit, to achieve forward-looking production and economic targets is dependent on numerous factors that are beyond the control of MMC and cannot be fully anticipated by MMC. These factors included site-specific mining and geological conditions, the capabilities of management and employees, availability of funding to properly operate and capitalize the operation, variations in cost elements and market conditions, developing and operating the mine in an efficient manner, etc. Unforeseen changes in legislation and new industry developments could substantially alter the performance of any mining operation.

1.8 Capability and Independence

MMC provides advisory services to the mining and finance sectors. Within its core expertise it provides independent technical reviews, resource evaluation, mining engineering and mine valuation services to the resources and financial services industries.

MMC has independently assessed the Relevant Assets of the Company by reviewing pertinent data, including resources, reserves, manpower requirements and the life of mine plans relating to productivity, production, operating costs and capital expenditures. All opinions, findings and conclusions expressed in this Report are those of MMC and its specialist advisors.

Drafts of this report were provided to the Company, but only for the purpose of confirming the accuracy of factual material and the reasonableness of assumptions relied upon in this Report.

MMC has been paid, and has agreed to be paid, professional fees based on a fixed fee estimate for its preparation of this Report. None of MMC or its directors, staff or specialists who contributed to this report has any interest or entitlement, direct or indirect, in:

- the Company, securities of the Company or companies associated with the Company; or
- the Relevant Asset; or
- the outcome of the Initial Public Offering.

This ITR was prepared on behalf of MMC by the signatories to this letter, details of whose qualifications and experience are set out in *Annexure A* to this ITR. The Specialists who contributed to the findings within this Report have each consented to the matters based on their information in the form and context in which it appears.

2 SHIZISHAN PROJECT

2.1 Project Overview

2.1.1 Project Location

The Shizishan Project is located 45km north east of Yingjiang County Town, as shown in *Figure 2.1-1*, and is under the jurisdiction of Zhanxi Town, Yingjiang County. The mining licence extents are Longitude 98°09'30"E to 98°10'26"E and Latitude 25°05'20"N to 25°06'25"N.

2.1.2 Regional Environment

The mining licence area is located in the southern part of the north south trending Hengduan Mountain Range. The Shizishan Project relative elevation ranges from 1,000 m to 1,500 m above sea level and is surrounded by steep terrain.

The area has a typical tropical monsoonal climate. The average temperature is 18° C to 20° C, and average annual precipitation ranges from 1,400 mm to 1,700 mm.

2.1.3 Licences and Approvals

The mining licence is held by Yingjiang County Kunrun Industry Company Limited, as outlined in *Table 2.1-1*.

Table 2.1-1-Shizishan Polymetallic Project — Mining Licence

Mine/Project	Shizishan Polymetallic Project
Name of Certificate . . .	Mining Licence
Certificate No.	C5300002010023220056038
Mining Title Holder . . .	Yingjiang County Kunrun Industry Company Limited
Address	Yingdong Rd., Yingjiang County, Yunnan Province
Name of Mine	Shizishan Pb-Zn Mine, Zhanxi Town, Yingjiang County, Yunnan Province
Company Category	Limited Liability Company
Mining Method	Underground Mining
Production Scale	450 ktpa
Area	3.2 sq.km
Excavation Depth	1,498 m — 1,000 m
Validation	April 6 th , 2011 to April 5 th , 2026
Issue Date	March, 9 th 2011
Issuer	Department of Land & Resources Ministry of PRC

Source: MMC sighted original documents

MMC provides this information for reference only and recommends that land titles and ownership rights be reviewed by legal experts. Readers are also directed to consult the chapter titled “Business — Legal Proceedings and Compliance”, on page 216 of China Polymetallic Mining Limited Global Offering Prospectus (“the Prospectus”).

2.1.4 History of Exploration

The Shizishan region has a long history of exploration starting in the 19th century. Modern exploration activity dates back to the 1960's. **Table 2.1-2** shows a brief summary of the exploration in the region completed since 1962.

Table 2.1-2- Shizishan Polymetallic Project-Regional Exploration History

Year	Activity	Conducted By
1962-64	General Geological Survey	Army geological survey Team 00919
1978-82	Regional Mapping M1:200 000	Geological Survey Team Yunnan Bureau
1982-83	General exploration discovered good potential for polymetallic deposits (Pb, Zn, Ag, Sn, Au)	Team 4 of Yunnan Bureau of Geology
1984-85	Carried out exploration on potential areas for tin and submit report with Shizishan Pb-Zn-Ag deposit	Team 4 of Yunnan Bureau of Geology
1992	Soil chemistry of the area	Geophysics Team of Bureau of Geology
2001-2002	Geological exploration under 'Copper-polymetallic evaluation of Tengchong-Baoshan region, Yunnan' Project. Updated report submitted.	Team 4 of Yunnan Bureau of Geology exploration team
2006-07	40 surface diamond drillholes completed	Previous owner, data not supplied.
2010-2011	A three stage surface diamond drilling program undertaken	Yingjiang County Kunrun Industry Limited

Source: Based on information provided by the Company and Geological and Detailed Exploration Reports

Prior to 2010 (2006-2007), 40 drill holes were completed which formed the basis for the 2009 resource estimate. To date no details of these drill holes have been provided to MMC and as a result these were not utilized as part of the ITR. MMC is aware that all of these drill holes were located within the limits of the resource defined by the recent drilling and were completed following the Chinese standards. MMC considers the recent drilling to have been completed to international standards and as a result, the addition of these holes would be immaterial to any Mineral Resource estimate.

In late 2010, Yingjiang County Kunrun Industry Limited commenced a drilling program aimed at confirming and expanding resources defined by the historical drilling. The drilling program, which has recently concluded, consisted of three stages. The first two stages of drilling, which were completed in late 2010, consisted of 11 drill holes totalling 5,274 m and 30 drill holes totalling 11,110 m. The third stage consisted of 18 drill holes for a total of 6,506 m. A total of 59 diamond drill holes were drilled resulting in a total of 22,890 m.

MMC was engaged in September 2010, to review the Shizishan Project, the completed drill holes and the planned exploration program. Subsequent to this review, MMC recommended appropriate procedures and changes to the planned drilling programs to ensure the recommended guidelines of the JORC Code were followed. Since being engaged, MMC has consistently provided exploration advice and reviewed drilling results to ensure the highest international standards were being followed and the resource potential was maximized through a targeted drilling program.

2.1.5 History of Mining

Production commenced in July 2011 at the Shizishan Project, however adit development is ongoing and has not intersected the Ore Reserves mineralization to date. During the October site visit MMC noted mineralisation from outside the current Resource and Reserves area has been intersected. This material is being utilised to commission to recently constructed processing facility.

2.1.6 Infrastructure

Road

The Shizishan Project's processing plant is located approximately 4.8 km from Zhanxi town and 45 km from Yingjiang County, Yunnan Province. The processing facility is readily accessible by roads.

Power

The Feasibility Study estimated the overall power demand of 7,663 kW with an installed equipment power of 8,767 kW for both mining and processing facilities.

The Company is currently sourcing power from China Southern Power Grid and is negotiating to update their supply contract. Whilst there is currently no power supply contract, MMC considers power demand to be reasonable and does not believe that limitations to power supply are likely.

Water

The Feasibility Study estimated fresh water demand of 2,358 cu.m/d and logistic water of 80 cu.m/d. Water is pumped from the Zhina River located 1.2 km from the processing facility.

The availability of water and the ability to obtain the associated permitting is not seen as a limitation to any potential site development. Additionally, process water is planned to be recovered and recycled from the processing plant as well as the final tailings dam.

Tailings dam

The tailings dam is located close to the processing plant which is currently being constructing in two phases. The Company has advised, confirmed by MMC during the site visit, that the first stage of construction has been completed, which resulted in a total dam volume of 0.79 M cu.m and a live capacity of 0.35 M cu.m. At the completion of the second construction phase, there will be a total dam volume of 1.46 M cu.m with a live capacity of 1.28 M cu.m, which MMC considers to be sufficient to store the processing tailings. Additionally, 60% of the flotation tailings is intended to be recovered for backfill in the underground mine.

MMC estimates that the processing plant is likely to produce 495,000 tpa of tailings (average of 75% of the process feed), of which some 297,000 tpa is proposed to be recovered as mine backfill (60% of the tailings). The net tailings production would therefore be expected to be 198,000 tpa which, assuming a bulk density of 1.8 cu. m/t, would be 0.11 M cu.m per annum. The first dam will thus provide three years of storage, while the second dam will allow another nine years of tailings storage, making a total of approximately 12.5 years which is the current life of mine based on the Ore Reserve estimate.

Figure 2.1-1. Shizishan Polymetallic Project — General Location Plan

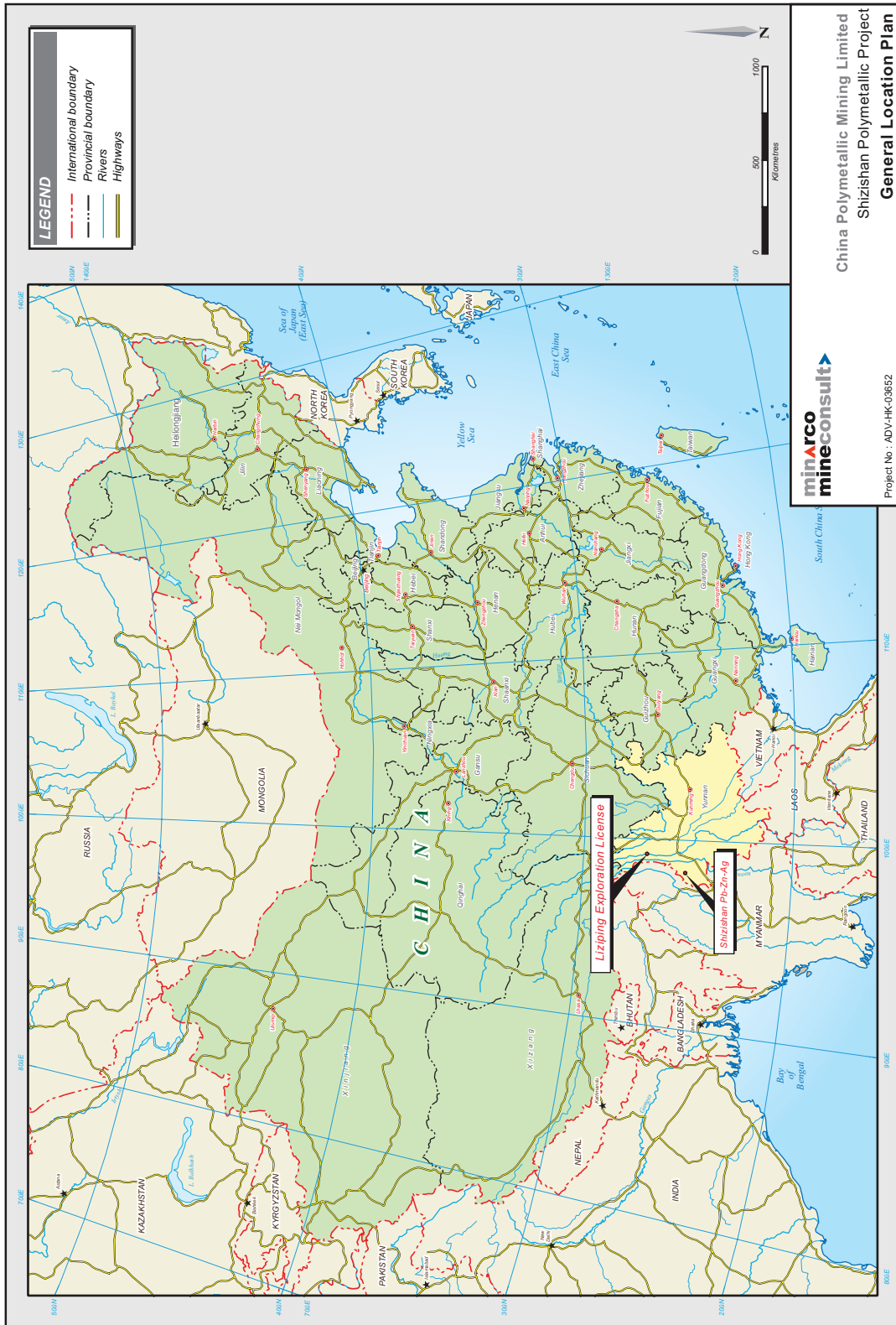
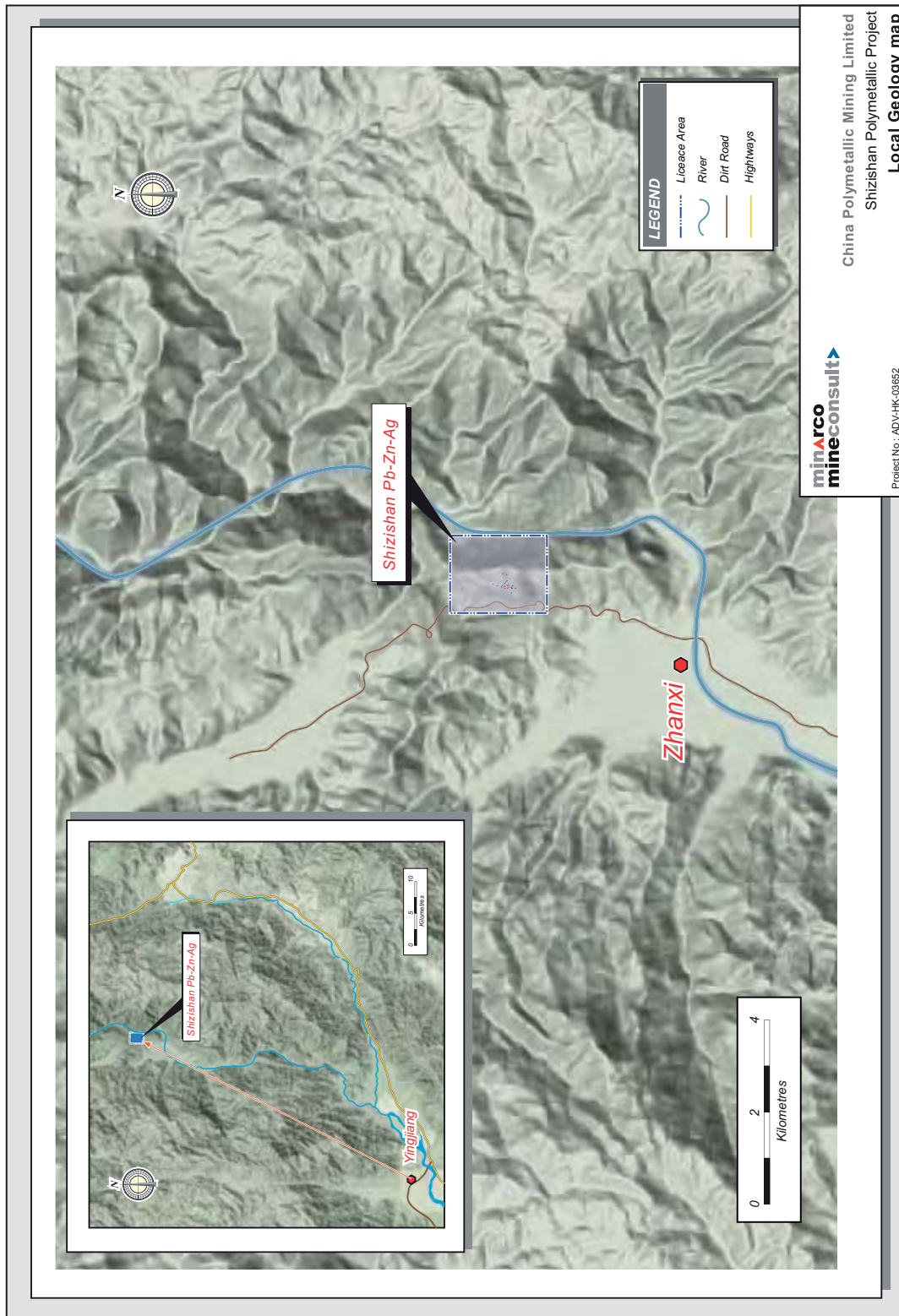


Figure 2.1-2 - Shizishan Polymetallic Project — Detail Location Plan



2.2 Geology

2.2.1 Regional Geology

The Shizishan Project is located in the Shizishan Mountains, Yunnan Province. The geology of the region is dominated by a series of sedimentary rocks; these rocks have been subdivided into groups which include (from oldest to youngest):

- *Lower Palaeozoic (Gaoishan gongshan group)*: This group is composed of dolomite and dolomitic siltstone layers. Total thickness of the group varies from 340m to 530m.
- *Upper Silurian*: This group consists of grey dolomite, slightly metamorphosed limestone and some marble layers. Total thickness of the group varies from 30m to 270m. This group is separated from the Lower *Carboniferous* series by an unconformity.
- *Lower Devonian (Guanshang group)*: This group outcropped in a large area of the mining licence and trend in north-south direction. The group is separated from the Lower *Carboniferous* series by an unconformity and consists of a series of shallow sea sediments. The group is divided into 4 subgroups:
 - Fourth subgroup: consists of gray fine-grained feldspar quartz sandstone, dark gray siltstone and metamorphosed feldspar-quartz sandstone and siltstone layers, rarely small pyrite veins occur in the layer. The thickness of the subgroup is more than 450m.
 - Third subgroup: consists of grey sandy slate, carbonaceous sericite slate, siltstone, quartz and feldspar-quartz sandstone layers. Limonite is occasionally observed along fractures. The total thickness varies from 250m to 300m.
 - Second subgroup: composed of grey banded limestone, crystalline limestone, gray marble, muddy limestone and slightly metamorphosed quartz sandstone layers. Disseminated pyrite is observed along fractures. This subgroup is the second strata to host Pb-Zn-Ag mineralization. The total thickness of this subgroup varies from 150m to 200m.
 - First subgroup: this subgroup is located in the centre of the mining licence and is the first strata to contain Pb-Zn-Ag mineralization. The ore bodies formed mainly in the interlayer faults of this subgroup. This subgroup begins with slightly metamorphosed feldspar-quartz sandstone, feldspar-quartz sandstone, siltstone and argillaceous limestone. The top of the subgroup ends with dark gray silty slate, dark grey carbonaceous silty slate and feldspar-quartz sandstone layers. This subgroup has a total thickness exceeding 240m.
- *Carboniferous (Menghong group)*: This group outcrops in the central and west part of the mining licence. The lower members are metamorphosed sandstone, feldspar-quartz sandstone and muddy siltstone and the upper members are dark grey silty slate, feldspar-quartz sandstone, siltstone and limestone lens. The total thickness of the group is more than 630m.
- *Quaternary* — The lower members are dacite, andesite-dacite and andesite volcanic rocks and the upper members are gravelite, pebbles, sand, silt, clay and rock debris. The total thickness of the group varies from 0 m to 10 m.

2.2.2 Local Geology and Mineralization

The Shizishan Project is located in the north of Gangdisi-Nianqingtanggula fold system, south of the Guyong-zhanxi fold, west of Tengchong-Yingjiang arc fault, in the southern portion of the Bosulaling-Gaoligongshan fold system. It is also in the west of Binglang River fault (the faults in this area generally have a North-South strike and $>65^\circ$ dip toward West). The tectonic structures show 3 different trends in the area:

- *Northeast-Southwest trend:* These are the principal tectonic structures in the area, and they cut all represented groups. Tectonic structures included Guanshang anticline and Mengnai-Shizishan reverse fault. The axis of the anticline trend toward NE (30°). The east wing of the anticline dips to the southeast with an angle of $10\sim 25^\circ$ (Figure 2.2-1), the west wing dips to the northwest with an angle of $30\sim 42^\circ$. The Mengnai-Shizishan fault extends more than 5km, and the fault plane dips to the southeast. The Lower and Upper Cambrian sediments reverse on the top of Devonian sediments along this fault. These structures probably formed in the early Palaeozoic and have been re-activated repeatedly during geological history. This structure is the main mineralization controlling structure in the asset.
- *Northwest trend:* Tectonic structures include the Lanniqing anticline, the Mengwai-Caobazhai-Lanniqing fault and a number of other small faults. The axis of the Lanniqing anticline is consistent with the Shizishan granite uplift, and it is accepted that both formed in the same time. The Mengwai-Caobazhai-Lanniqing fault (F2) extends more than 10km, with fault plane dipping to the southwest at 60° . The early normal fault is a brecciated zone that a later tectonic event transformed into a mylonitised reverse fault. Parallel to the Mengwai-Caobazhai-Lanniqing fault, the Lanniqing-Shizishan fault is a normal fault, dipping to southwest. In addition to these main structures, there are the Yuanbaoshan syncline, the Yuanbaoshan south anticline, the Caobazhai north syncline and the Guangmo anticline as the secondary structure in the same trend. The F3 fault cutting the No.1 ore body has the same characters as F2; it starts as a normal fault and ends as a reverse fault, forming many tectonic lenses in the fractured zone.
- *North-south trend:* These structures have no genetic relation to the mineralization and are determine to be post mineralization. The structures intersect the above Northeast, and Northwest structures and may cut the orebodies as well and complicate the structure of the region even further.

Acid intrusive rocks and lamprophyre dykes can be found within the area. These rocks are mainly located in the north of the deposit and consist of fine-grained porphyritic biotite granite and coarse-grained porphyritic biotite granite of Tertiary age. These intrusions have a genetic relationship with the Pb-Zn-Ag mineralization. Lamprophyre dykes are located in the first and second subgroups of the Devonian strata, as veins along the fractures with length approximately 100~200m and thickness less than 30m. Some granite porphyry and biotite monzogranite veins are found along the faults.

Mineralization

The local geology in the area is dominated by the sedimentary units of the upper Devonian, in particular the first and second subgroups which consists mainly of limestone, sandstone, marble and intrusive rocks. The Pb-Zn-Ag mineralization is located in the dolomite series of the upper Devonian units.

As a result of the neogene acid intrusive emplacements the upper Devonian limestone and sandstone were metasomatised to form skarns. These skarns host Pb-Zn-Ag mineralization within the Shizishan Project.

Project Characteristics

The skarn type mineralization is hosted by the limestone layers within the dolomite which strikes northeast to southwest and dipping towards the west at an angle ranging between 40-60°. Based on the data completed to date, the mineralized zone extends more than 240m along strike, and over 330m down dip with an average downhole thickness of 60m. The mineralization is composed predominately of galena, sphalerite, pyrite, smithsonite, limonite and chalcopyrite, while the gangue minerals are mainly quartz, chlorite and hydro-mica.

The geometry of the mineralization is linked to the skarn bodies hosted by the surrounding dolomites. Contacts between the alteration zones and the dolomites are gradual and a distinct halo surrounds the main zone of mineralization. To date no comprehensive understanding of the structural control and relationship with the mineralized zone has been completed, however interpreted structural displacement has occurred.

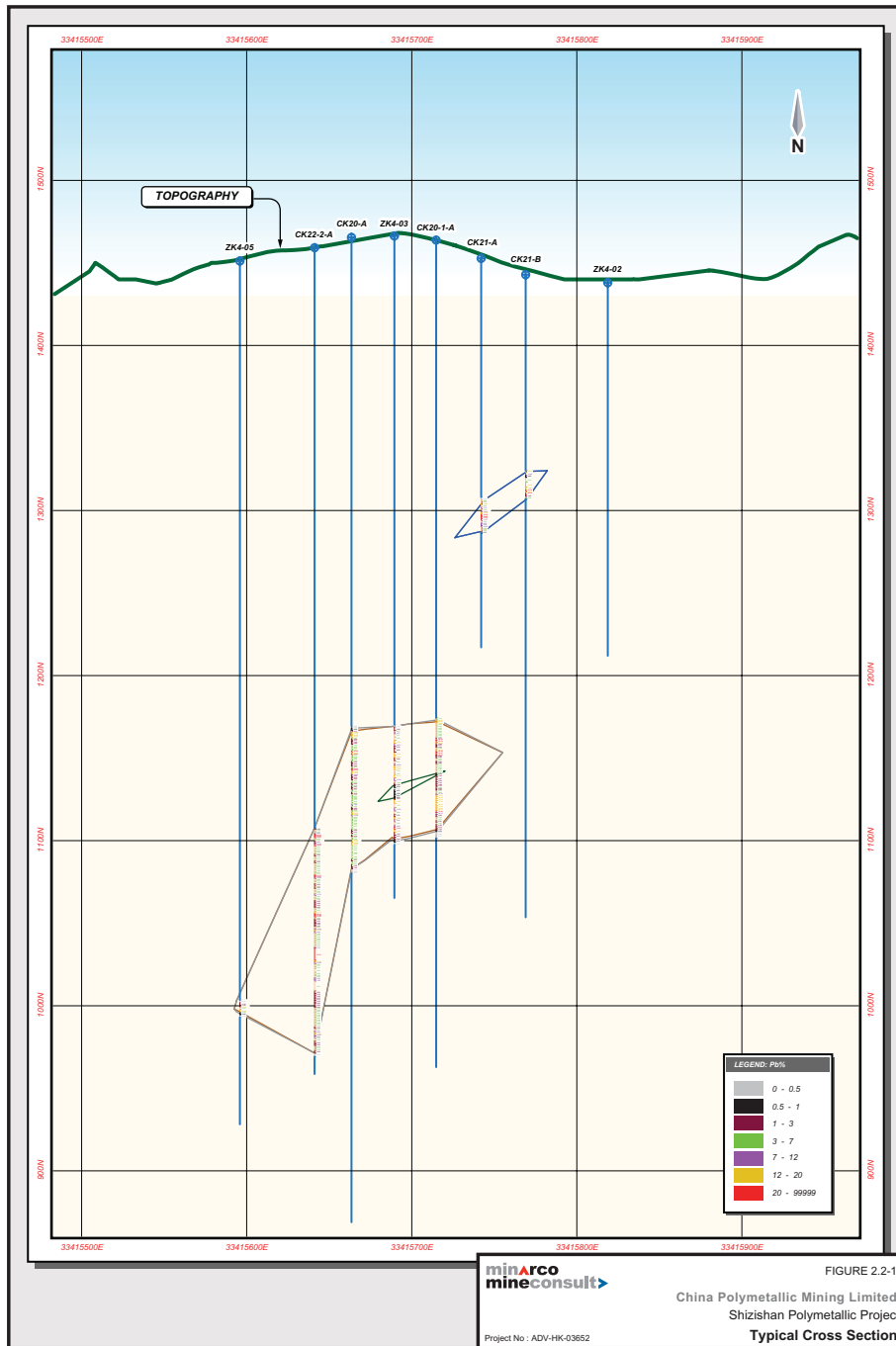
Two style of mineralization is observed within the deposit, these include:

- **Stock Work:** This material is formed from veins of quartz and sulphide intruding and/or replacing the dolomite host rock. Analysis of the logged lithology and mineralization suggests that a combined Pb and Zn grade of less than 15% is commonly associated with the style of mineralization.
- **Massive:** This material as the name suggests contains massive sulphide. The contact with the stock work style is generally sharp. The massive zones commonly form as lenses within a 'sea' of stock work style mineralization. Grades within this style of mineralization are always over 15% combined Pb and Zn.

Although it is clearly evident that two styles of mineralization occur within the main zone (surrounded by the halo), a detailed understanding of the geometry of the massive lenses has not been completed. Although the close spaced drilling confirms the continuity of the high grade zones, they appear not to be continuous along strike or down dip over 40m and as a result cannot be interpreted in the areas with larger spaced drill holes.

With further infill drilling and detailed structure and mineralogical logging of the core a determination of the geometry of the lenses can be established, which can then form the basis of the geological and mineralized envelopes.

Figure 2.2-1 Shizishan Polymetallic Project — Typical Cross Section



minarco
mineconsult
Project No : ADV-HK-03652

FIGURE 2.2-1
China Polymetallic Mining Limited
Shizishan Polymetallic Project
Typical Cross Section

2.3 Data Verification

MMC conducted a review of the digital data provided by the Company for The Shizishan Project during the site visits and also as a desktop review.

Further checks of the digital data by MMC included:

- Compared photographs of 1,152 original assay certificates (more than 85% of the total assay results in the digital database) with the digital database, no errors were identified;
- Checked the relative position of 7 drill holes collars using a hand GPS (15%) locations. All locations were consistent with the plans and digital datasets provided;
- Randomly reviewed and took photographs of 7 drilling hole reports on site (15%) and subsequently compared these records with the digital database, no errors were noted;
- Inspected the remaining core of 24 drilling holes, ensured mineralization was consistent with the supplied assay results and the relative position of the sample locations were correct;
- Conducted a laboratory visit to review the sample preparation and analytical procedures.
- A review of the assay and sampling procedures of the core and channel samples.
- Comparison of geological maps, exploration drill plans and digital datasets.

During this review MMC noted only very minor inconsistencies with the provided data, which were subsequently corrected in the digital database which formed the underlying data for the independent JORC Statement of Mineral Resource completed by MMC. These inconsistencies included differences between the hole ID recorded on the geological maps and observations during the site visit, different coordinate systems were used and minor data entry errors. During discussions with the Company it was determined that these errors were the result of incorrect data entry or miscommunication and are immaterial to any Mineral Resource completed.

2.3.1 Quality Assurance and Quality Control

The Quality Assurance and Quality Control data supplied to MMC included internal and external duplicate samples, while standard reference materials were also submitted to the laboratory for analysis. In addition MMC completed independent re-assays of the coarse reject material at the SGS Tianjin laboratory.

2.3.2 Internal and External Duplicate Checks

The internal duplicate samples were taken from the homogenized pulverized material, while the external duplicates were taken from the secondary crushed material (coarse reject). The number of duplicate samples is shown in *Table 2.3-1*, and the comparison to the original sample is shown graphically in the scatter plots in *Figure 2.3-1* and *Figure 2.3-2*.

A review of these scatter plots indicates that generally there is an excellent correlation between the original and the duplicate sample, however some samples vary significantly. Further analysis of

the data indicates that the samples which vary on each scatter plot are the same i.e. the same sample ID. During discussions with the primary sample laboratory it was uncovered that these duplicate samples were split from the original material, placed in smaller bags which were labeled by hand. As a result it is highly likely that sample naming issues during preparation of the duplicates rather than during the primary analytical or systematic sample preparation have resulted in the errors observed.

Table 2.3-1 - Shizishan Polymetallic Project — Internal and External Duplicate Samples for the Deposit

Independent Re-Assay	Internal	External
50	43	92

2.3.3 Independent Pulp Re-assaying

MMC collected a total of 50 coarse reject samples and submitted them to the independent SGS Laboratory in Tianjin, China. SGS utilized the four acid digestion method with an AAS finish for determinations, which differs from the titrate method used by the primary laboratory. The comparison of the independent sample to the original sample indicates an excellent correlation exists with only minor variations being observed, as shown graphically in the scatter plots in *Figure 4-3*. Although variation is observed MMC considers this correlation to be excellent considering the source sample for these re-assays are coarse rejects which are not homogenized.

2.3.4 Data Quality Review

The review of the drilling and sampling procedures indicate that international standard practices were used with only very minor or immaterial issues being noted during the review completed by MMC. Furthermore a good correlation is observed for the majority of internal and external duplicates while an excellent correlation is observed for the independent check assays completed at the SGS laboratory from the coarse reject samples retrieved from site by MMC. As a result MMC believes the sample preparation and assay determination procedures have not resulted in any sample bias and are representative of the sample taken.

2.3.5 Data Verification Statement

As a result of the above data verification and data quality, the digital database used as the basis for the Statement of JORC Mineral Resources and Ore Reserves is supported by verified certified assay certificates, original drill logs, QAQC, independent assays and independently verified survey data. Therefore MMC believes there is sufficient data to enable the use of this data in a Mineral Resource estimate and resultant classification following the guidelines set by the JORC Code.

Figure 2.3-1 Shizishan Polymetallic Project — Internal Duplicate

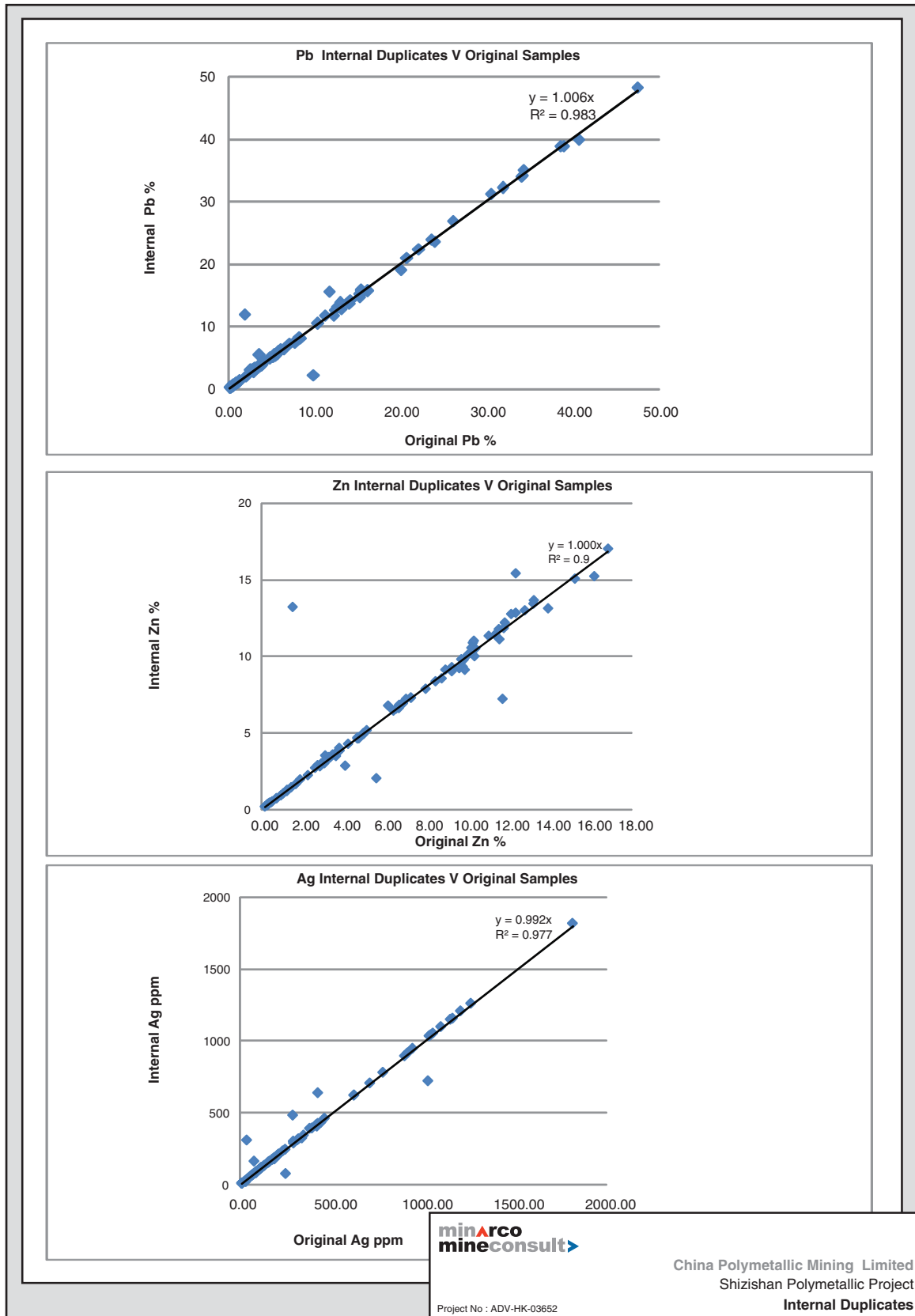


Figure 2.3-2 Shizishan Polymetallic Project — External Duplicates

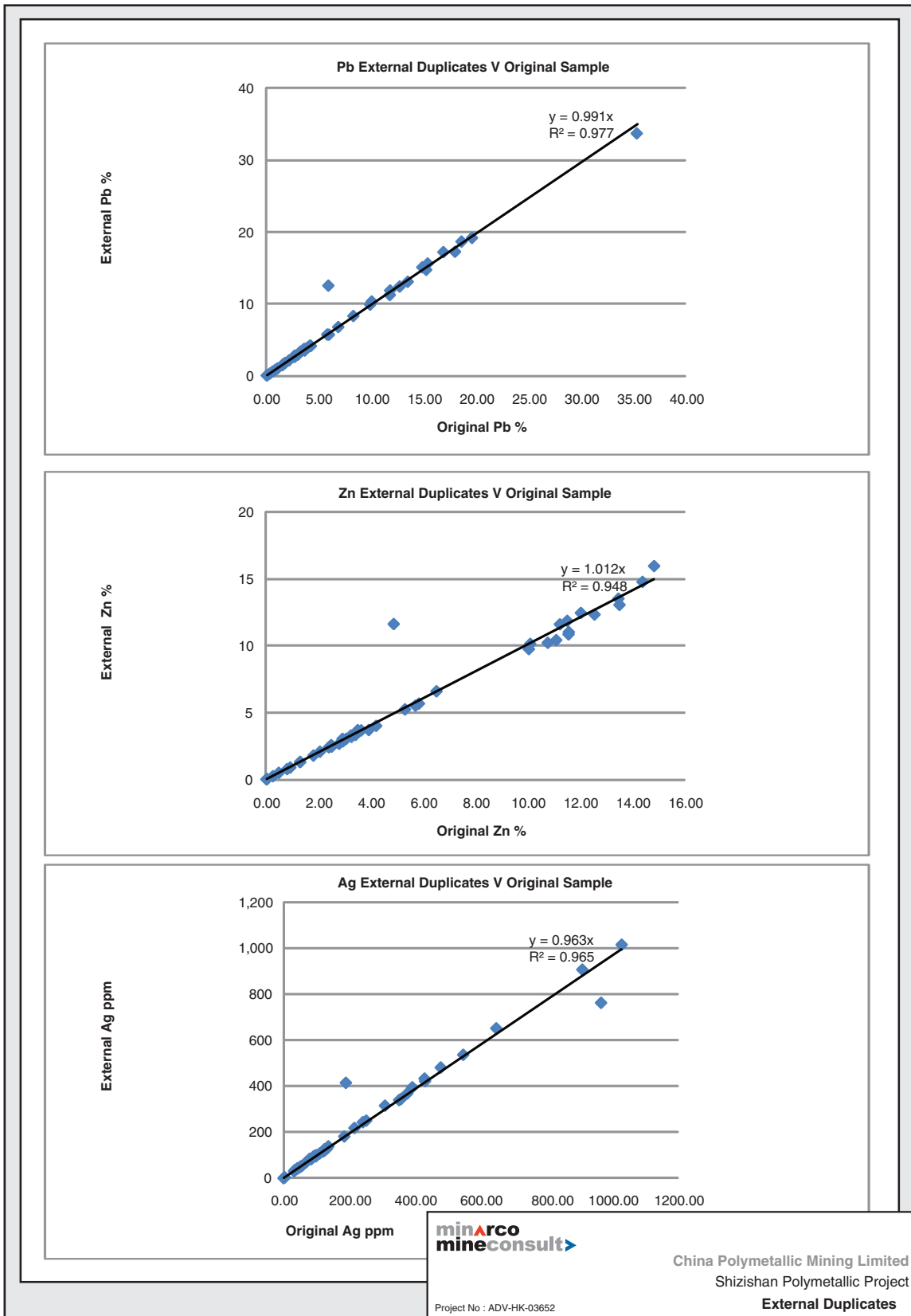
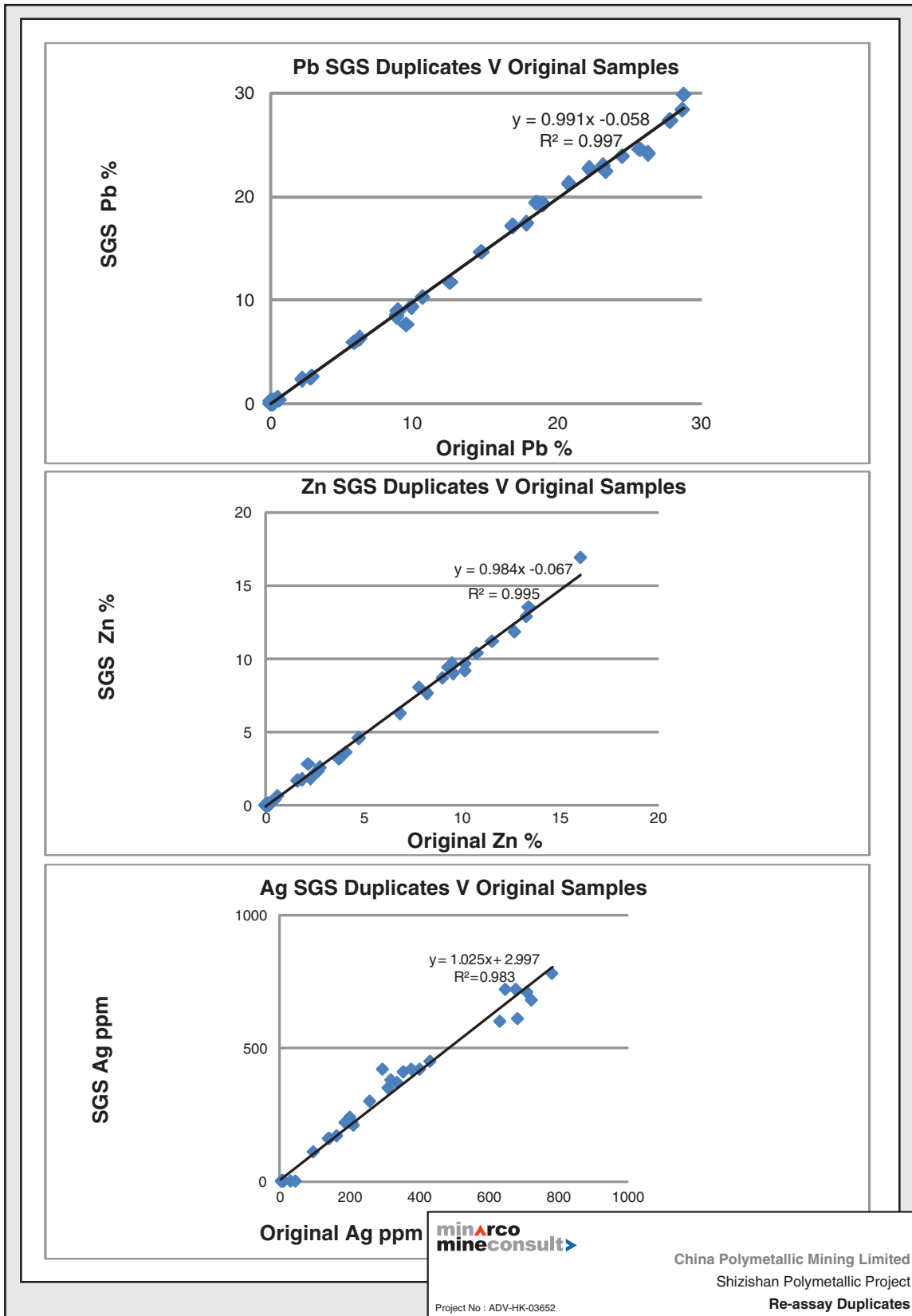


Figure 2.3-3 Shizishan Polymetallic Project — Re-Assays Duplicates



2.4 Mineral Resources Estimation

MMC has completed a standalone 'Resource Report and Statement' for The Shizishan Project within the Licence area, for which JORC Mineral Resources have been estimated. The report, entitled 'Shizishan Pb-Zn-Ag Deposit Mineral Resource Estimate Report' has been compiled with appropriate 'Competent Person signoff by Mr Jeremy Clark. This ITR document contains extracts from this standalone JORC Resource Reports.

2.4.1 Statement of Mineral Resources

MMC has independently estimated the Mineral Resources contained within the Shizishan Project area, based on the data collected by the local Chinese geological team as at May 2011. The Mineral Resources estimate and underlying data complies with the recommended guidelines in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves prepared in 2004 by the Joint Ore Reserves Committee (JORC), therefore it is suitable for public reporting.

MMC is aware that mining is ongoing within the Project area, during the site visit MMC noted that all mining activities as of October 25, 2011 have been undertaken outside both the Mineral Resource and Ore Reserve areas. The quantities which have been mined are additional to the current Mineral Resource (*Table 2.4-1*) and Ore Reserve Statements (*Table 2.5-1*) due to location of the mined areas relative to the current drill hole location.

The results of the resource estimate for the Shizishan Project are tabulated in *Table 2.4-1* below.

Table 2.4-1 - Shizishan Polymetallic Project — Statement of JORC Mineral Resources as at October 25, 2011 Mineral Resource at 0.5% Pb Cut Off

<u>Class</u>	<u>Quantity (t)</u>	<u>Pb (%)</u>	<u>Zn (%)</u>	<u>Ag (g/t)</u>	<u>Pb metal (t)</u>	<u>Zn metal (t)</u>	<u>Ag metal (t)</u>
Measured	2,431,000	10.9	6.6	271	263,800	160,000	700
Indicated	6,398,000	9.0	5.9	250	575,200	378,500	1,600
Inferred	516,000	7.7	4.8	247	39,600	24,500	100
Total	<u>9,345,000</u>	<u>9.4</u>	<u>6.0</u>	<u>256</u>	<u>878,600</u>	<u>563,000</u>	<u>2,400</u>

Note: Figures reported are rounded which may result in small tabulation errors.

MMC is aware that the current mining licence has a lower vertical limit of 1,000 m elevation. A total of 108,800 t at 4.7% Pb, 4.4% Zn and 171 g/t Ag of the Indicated and Inferred Mineral Resources Estimate is located below this elevation. Discussion indicated that the Company will apply to extend the exploration licence below this elevation and as a result, MMC has not delineated it separately in the above *Table 5-1*.

At a cut-off of 0.5% Pb, the Shizishan deposit reports an Inferred, Indicated and Measured Mineral Resource of 9.345 Mt grading 9.4% Pb, 6.0% Zn and 256g/t Ag.

2.4.2 JORC Resource Classification

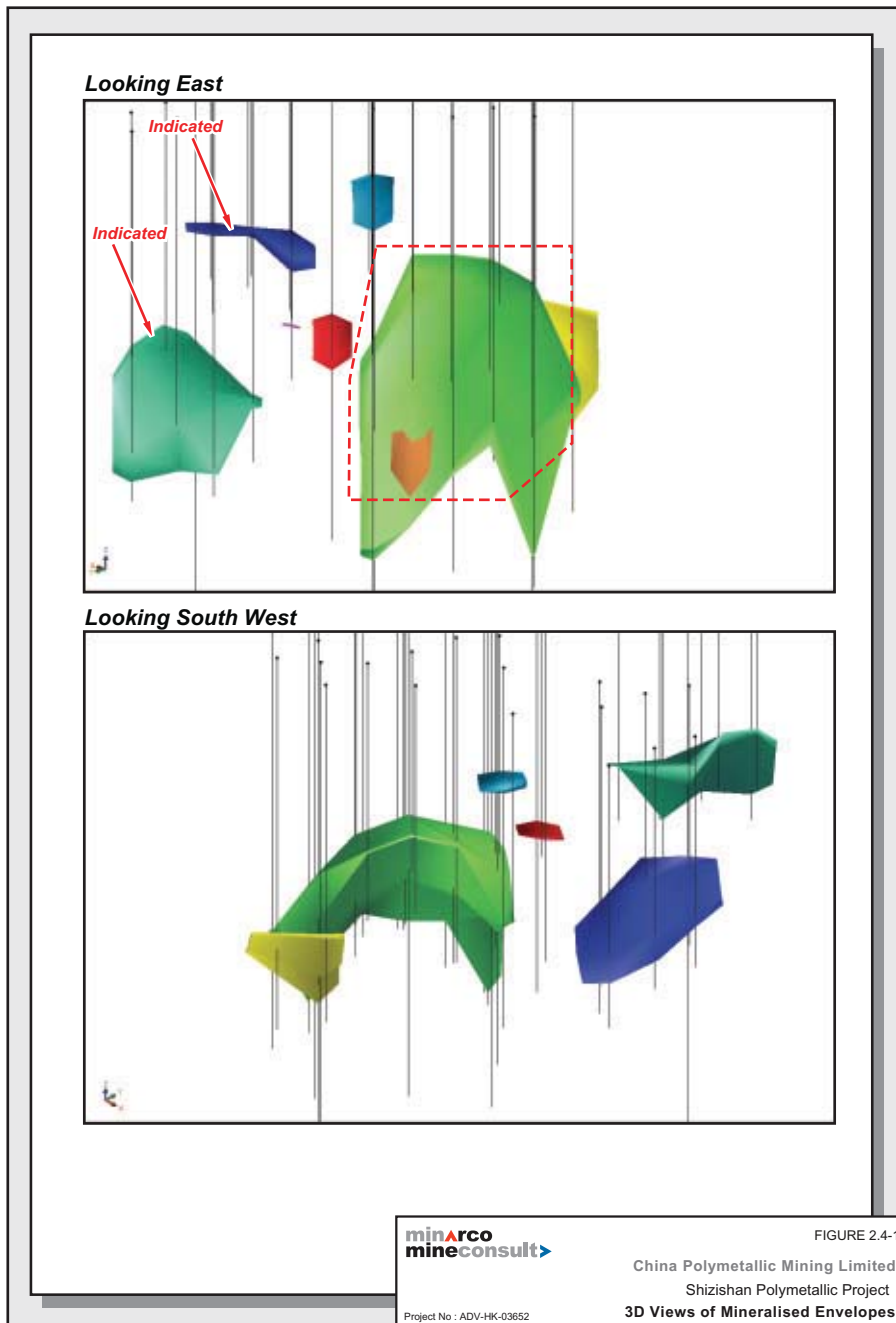
A significant number of holes have been completed from the surface on the deposit. Using the data from the recent drilling (2010 and 2011) MMC constrained a geospatial analysis of the grade distributions of all elements. This detailed statistical analysis suggested that a sample spacing of 20-25 m, 40 m, and 150 m were appropriate for classification of Measured, Indicated and Inferred Mineral Resources respectively which would be compliant with the recommended guidelines of the JORC Code. These distances were based on the variogram ranges for the major direction of continuity and the visual inspection of the geology and grade within the drill hole for each element. These distances represent the maximum distance between two composites from at least two different drill holes. The area classified as Measured and Indicated are shown graphically on *Figure 2.4-1*.

2.4.3 Exploration Potential

Mineralization is open along strike both north and south of the current drilling limits. Only a small portion of the rock type which hosts the Skarn type mineralization has been drilled and this has successfully defined four mineralized bodies including lodes No. I, II and V. Skarn type mineralized bodies generally occur in clusters. Furthermore no detailed downhole geophysical work has been conducted on the Shizishan Project to test for additional 'hidden' lodes. Although the exploration to date has defined a significant high grade deposit this exploration has been limited to only a small area of the potentially mineralized host rock. As a result MMC considers there to be excellent potential to expand the currently defined resources within the Shizishan Project with further drilling and advanced exploration techniques.

In addition to the excellent potential to define further resources, MMC believes an upgrade of a significant portion of the Inferred Mineral Resource to the Indicated category can be achieved with the completion of 2-3 holes for approximately 1,000 m. This would potentially result in the upgrade of approximately 250 kt of the Inferred to Indicated.

Figure 2.4-1 Shizishan Polymetallic Project — 3 D View of Mineralized Envelopes



2.4.4 Estimation Parameters and Methodology

The Mineral Resource estimate was completed using the following parameters:

- The Shizishan Polymetallic resource covers approximately 3.2 sq.km with lateral extents from 98°09'30"E to 98°10'27"E and 25°05'25"N to 25°06'29"N. The known resource reaches a maximum depth below surface of 500 m.
- 59 drill holes were used to define the resource envelopes for a total of 1,994 m of drilling within the resource envelopes. Drilling has been conducted on predominantly 40 m spaced NW-SE sections, with some broader spacing at depth. Infill drilling during the third stage of drilling was completed on 20 m - 30 m section within the middle portion of the main zone (*Figure 2.4-2*).
- Two resource estimation specific site visits were conducted one by Mr. Alex Arizanov and Mr. Sheng Zhan in November, 2010, and one by Mr. Sheng Zhan in March 2011.
- All diamond drill holes were drilled vertically using mainly HQ and NQ sizes. BQ sized core was used sporadically but not within the mineralized zones.
- Holes were sampled to the mineralisation boundaries with a maximum of 3 m forming one sample. Only 2 to 3 samples were taken outside mineralisation.
- Sample preparation and assay determinations were carried out by the laboratory of No.3 Geology Team (subsidiary of Yunnan Bureau of Geology). Assay determinations consisted of Pb, Zn and Ag.
- Quality control samples were collected on a regular basis throughout the exploration program. Internal and external samples were completed. A total of 43 internal samples were completed, while 92 external checks were completed at the Southwest Metallurgical and Geological Analysis Centre
- 50 coarse reject samples were collected by MMC and sent to SGS Tianjin for analysis.
- Downhole surveys were not completed as all holes were vertical. MMC notes that while several holes have significant length, all drill holes have a vertical orientation. Although MMC considers the lack of down hole surveys to be a risk to the resource estimate, MMC considers this risk to be low. Given the geological continuity observed and the drill spacing applied MMC believes that any potential deviation of the holes will be minimal and immaterial to the Mineral Resource or the classification applied.
- The Chinese 1942 survey system was used for the estimate.
- Envelopes were constructed based on 3 dimensional interpretations of the mineralized bodies. Mineralized envelopes were constructed at mineralized contacts or a nominal 0.5% Pb cut-off grade with no minimum downhole length.
- Samples within the envelopes were composited to 1 m with no high grade cuts applied.
- One Surpac block model was generated for the estimate to encompass the full extent of the deposit. The model was created using a block size of 10 m NS by 10 m EW by 4 m vertical with sub-cells of 0.625 m by 0.625 m by 0.3125 m.

- The Ordinary Kriging (OK) algorithm with an anisotropic search was selected for grade interpolation due to the number of samples and the interpreted geospatial analysis. The search ellipses utilized for the estimate were based on the interpreted variogram parameters for each element and the relative orientations of the geology. Due to the interpreted variation in the grade and discontinuous high grade within the domains, a maximum of 4 samples were used from each drill hole
- A total of 169 bulk density determinations using the wax emersion method were supplied, which represent a 10 cm sample for every 3 mineralized assays. A significant amount of variation was observed with a minimum of 2.71 t/cu.m, a maximum of 5.47 t/cu.m and an average of 3.75 t/cu.m.
- The bulk density value for each block was calculated based on a regression of the combined Pb and Zn grades for each block. Using the regression analysis an average density of 3.79 t/cu.m is reported within the estimate as compared to 3.75 t/cu.m for the 168 bulk density determinations supplied to MMC.

2.5 Ore Reserves

The JORC Code defines Ore Reserves as the economically mineable portion of a Measured and/or Indicated Mineral Resource, taking into account any diluting materials and allowances for losses which may occur when the material is mined.

The Ore Reserves Estimate for the Shizishan Project has been summarized in *Table 2.5-1*. The Measured and Indicated Mineral Resources reported in *Chapter 5* are inclusive of, and not additional to, the Mineral Resources modified to produce the Ore Reserve Estimate reported below.

Table 2.5-1-Shizishan Polymetallic Project — Statement of JORC Ore Reserve Estimate as at October 25, 2011

JORC Ore Reserve Classification	Ore Quantity (t)	Pb Grade (%)	Zn Grade (%)	Ag Grade (g/t)	Pb Metal (t)	Zn Metal (t)	Ag Metal (t)
Proved	2,311,000	10.0	6.1	251	231,400	140,400	600
Probable	5,713,000	9.0	5.9	250	514,500	336,900	1,400
Total	8,024,000	9.3	6.0	250	745,900	477,300	2,000

Note: Figures reported are rounded which may result in small tabulation errors.

To enable the estimation of Ore Reserves, MMC has:

- Examined and characterized the Shizishan Project on a lode by lode basis;
- Reviewed the proposed mining methods and current life of mine designs;
- Estimated appropriate mining parameters for ore loss and dilution;
- Estimated cut-off grades suitable for use in an Ore Reserve estimate, and
- Completed economic modelling to determine the economic viability of extraction of the Ore Reserves.

This process and the findings are outlined in more detail below.

2.5.1 Description of Mining Method

The Feasibility Study proposes the use of two variants of the Cut-and-Fill mining method, namely Transverse Cut-and-Fill Stopping and Longitudinal Cut-and-Fill Stopping. These are selective mining methods and are suited to the variable geometry and high grade tenure of the Shizishan Project. It is proposed that stopping blocks narrower than 15 m shall use the longitudinal method while blocks wider than 15 m shall use the transverse method. These mining methods are defined in further detail in *Chapter 7*.

2.5.2 JORC Ore Reserve Estimate

JORC Ore Reserve Estimation Parameters

MMC has determined suitable mining parameters to apply in the Ore Reserve estimation process following discussions with site personnel, revision of the Feasibility Study, and revision and application of the proposed life of mine plan, mining methods, and processing plant recoveries to the areas of the Shizishan Project where Measured and Indicated Mineral Resources have been estimated.

The following parameters have been used in the Ore Reserve Estimate:

- Lead Equivalence (Pb Eq) based on processing plant recoveries proposed by MMC of 93% Pb and 89% Ag reporting to Pb concentrate, and 89% Zn and 7% Ag reporting to Zn Concentrate, saleable quality of concentrates as discussed in **Section 2.7.2**, and forecast metal prices outlined in the Feasibility Study of 11,000 RMB/t Pb and 4.8 RMB/g Ag in Pb concentrate, and 10,000 RMB/t Zn and 1.14 RMB/g Ag in Zn concentrate; where
 - 1% Pb Eq ~ 1% Pb ~ 1.149% Zn ~ 23.508 g/t Ag, so
 - $\text{Pb Eq}\% = 1.000 \times \text{Pb}\% + 0.870 \times \text{Zn}\% + 0.043 \times \text{Ag g/t}$.
- Life-of-Mine Cut-off Grade (Industrial Cut-off Grade) of 4.3% Pb Eq after dilution and losses. This is the minimum grade for each stoping block that can be economically extracted taking into account all operating and capital costs forecast in the Feasibility Study;
- Minimum Cut-off grade (Operational Cut-off Grade) of 3.3% Pb Eq after dilution and losses. This is the minimum grade for any parcel of ore within or adjacent to a stoping block that can be economically extracted taking into account all variable costs directly associated with mining, processing and concentrate handling forecast in the Feasibility Study;
- Minimum mining width (including ore and planned waste dilution) is 4.0 m, which is based on the equipment selected in the Feasibility Study;
- Mining dilution factor of 5.4% has been used for Transverse Cut-and-Fill primary stoping, assuming 0.3 m over-break of ore and waste, 0.5 m over-break and 0.3 m over-muck of back-fill applied to the proposed stope geometries;
- Mining dilution factor of 9.8% has been used for Transverse Cut-and-Fill secondary stoping, assuming 0.3 m over-break of ore and waste, 0.5 m over-break and 0.3 m over-muck of back-fill applied to the proposed stope geometries;
- Mining dilution factor of 10.3% has been used for Longitudinal Cut-and-Fill Stoping, assuming 0.3 m over-break of waste, 0.5 m over-break and 0.3 m over-muck of back-fill applied to the proposed stope geometries at an average stope width of 10 m;
- Recovery factor of 92.5% assumed for orebodies with a dip greater than 45 degrees, and
- Recovery factor of 87.5% assumed for orebodies with a dip less than 45 degrees.

JORC Ore Reserve Estimation Procedure

Ore Reserves were estimated using Surpac Mine Planning Software. The Ore Reserve estimation applied the reserve estimation parameters to the 3-D geological block model created for the Mineral Resource estimate. The following steps were completed as part of the estimation process:

- The block model was examined and the appropriate mining method for each part of the Mineral Resource was identified based on horizontal width;
- Appropriate stoping shapes for the selected mining method and minimum mining width were created on 5 m sections around mineralization within the licence area and above the minimum cut-off grade before mining losses and dilution;
- Internal waste required to be mined to stope a parcel of ore was shaped with that parcel of ore;
- The stoping shapes were reviewed to confirm the mining method selected based on the resource;
- Tonnes and grade were reported for each stoping shape on 5 m sections;
- In Transverse Stopping mining areas, tonnes and grade of each 5 m section was reviewed and position of the primary stopes was optimized to extract highest grade ore first;
- The appropriate recovery factor was applied according to the dip of the orebody;
- The appropriate mining dilution was added according to the designated mining method. The grade of the applied dilution material was 0% Pb Eq;
- The Minimum Cut-off Grade was applied to the diluted stoping shapes. Stopping shapes below the Minimum Cut-off Grade were excluded from the Ore Reserve estimate;
- Diluted stoping shapes remaining were combined into relevant stoping blocks;
- The Life-of-mine Cut-off Grade was applied to all stoping blocks. Stopping blocks below the Life-of-mine cut-off grade were excluded from the Ore Reserve estimate;
- Ore Reserves within Indicated Mineral Resource were classified as Probable, and
- Ore Reserves within Measured Mineral Resource were classified as Proved.

2.6 Mining

The Shizishan Project consists of a single underground mining operation. The Company commenced production at the end of July 2011 followed by a forecast ramp up of production of 48 ktpa and 419 ktpa in 2011 and 2012 respectively, prior to reaching a full forecast production capacity of 660 ktpa by the end of December 2012. The current Project mine life (based on the Ore Reserves Estimate) is estimated to be 12.5 years, commencing July 2011.

Based on the Ore Reserves Estimate, the mine is likely to produce a high grade Run-of-Mine material with an estimated average grade of 9.3%, 6.0% and 250 g/t for Pb, Zn and Ag respectively. Two variants of the Cut-and-Fill Stopping method will be implemented. Cut-and-Fill Stopping is a conventional mining method and is appropriate for high grade resources where high ore recovery and low dilution rates are desired.

The Company plans to mine 4 main lodes; the largest of which contains approximately two thirds of the currently defined Mineral Resource and is neighbored by three smaller lodes 100 m to the north, 120 m to the east and 20m to the east. In addition, there are several smaller pods within the mining licence. These pods are presently classified as Inferred Mineral Resources and are excluded from the Ore Reserve Estimate. However, with further drilling and Mineral Resource reclassification these lenses present an opportunity to increase the Ore Reserve Estimate and provide alternate production sources. These can be seen in *Figure 2.4-1*.

The mine design and plans were outlined in the Feasibility Study and have been reviewed by MMC. A summary of the Feasibility Study and MMC's findings are provided below.

2.6.1 Mine Design

A three dimensional mine design (prepared using Surpac Mine Design Software) completed by the Design Institute for the Feasibility Study was provided to MMC for review. A number of adits will provide access to mining levels for personnel and materials, ore and waste movement and ventilation. Adits are considered appropriate for the Shizishan Project given the site's topographical relief. The planned Mining Level interval is 50m. Sublevels for stopping will be accessed through an internal decline with sub-level intervals of approximately 12m.

MMC notes that this mine design has not incorporated the most recent drilling information. MMC considers that the mine design concept, whilst at a high level, is still appropriate for the Shizishan Project and envisages there will not be significant impact on the life-of-mine production profile. MMC has been advised by the Company that the detailed mine design is in the process of being updated to incorporate the new geological information.

In addition to photographs of the drill core supplied by the company, MMC has reviewed the geotechnical and hydrogeological data provided in the Feasibility Study. A limited amount of Porosity and Uniaxial Compressive Strength ("UCS") testing has been carried out on the different rock types in the area, including the contact group which hosts the mineralization. These results are positive, and coupled with conditions observed during the site visits and the flexibility offered by the Cut-and-Fill Stopping Method selected; MMC envisages that with conventional ground support that the modifying factors applied for the reserves are achievable.

2.6.2 Mining Method

Cut-and-Fill Stopping Method

The planned Cut-and-Fill Stopping method is both flexible and selective. It is suited to deposits of variable dimension and shape, and for rock that cannot be supported over large spans. The method has a higher mining cost compared to less selective mining methods but is suitable for high grade resources, as increased recovery and reduced dilutions may be achieved.

The stopes are accessed by two main levels at the top and bottom of the stope, plus 4 sub-levels serviced by an internal decline. The stopes will be mined in 4 m lifts from the bottom of the level to the top of the level. As each lift is mined a void will be created which will be backfilled with a tailings product from the processing plant. The bottom lift will be filled with high cement backfill and the top portion of each backfill layer will be filled with a cement mix that provides a solid work floor to support heavy equipment. This will ensure no pillars are left and recovery of the resource is maximized. The process is repeated until the level above is reached.

Due to the variable dimensions of the deposit, two variants of the mining method will be implemented. These are Longitudinal Cut-and-Fill Stopping and Transverse Cut-and-Fill Stopping.

Longitudinal Cut-and-Fill Stopping

Longitudinal Cut-and-Fill Stopping extracts the material parallel to the strike of the orebody. It is suited to narrower portions of the orebody where the entire width can be mined without producing an unstable stope crown. The Feasibility Study proposed that mineralized zones that are less than 15 m wide are suitable for the longitudinal method.

Proposed Longitudinal Cut-and-Fill Stope dimensions are 50 m in height, 80 m to 150 m in length and less than 15 m wide. Within each stope, panel length will be 40 m to 50 m, as shown in *Figure 2.6-1*.

MMC estimates that the dilution rates for this method would vary between 8.7% for 15 m wide stopes to 17.6% for 4 m wide stopes. Higher dilution rates are anticipated in narrower stopes as over-break will contribute a greater proportion of the material mined.

Transverse Cut-and-Fill Stopping

Transverse Cut-and-Fill stopping extracts the material perpendicular to the strike of the orebody. It is suited to portions of the orebody that are too wide for the longitudinal method. The stopes are mined in a sequential fashion, where primary stopes are mined and back-filled first. Secondary stopes located between the completed primary stopes are then mined, exposing the back-fill used to fill the primary stopes. The Feasibility Study proposes that mineralized zones equal to or greater than 15 m wide will be mined using the transverse method.

Proposed Transverse Cut-and-Fill Stope dimensions for both primary and secondary stopes are 50 m in height, 15 to 120 m in length and 12.5 m wide. Within each stope, panel length will be 45 to 60 m. This is shown in *Figure 2.6-2*.

Dilution in Transverse Cut-and-Fill Stopes will be dependent on the stope extraction sequence, with higher dilution expected in secondary stopes then in primary stopes. MMC estimates that dilution rates for this stopping method would vary between 5.4% for primary stopes and 9.8% for secondary stopes. Assuming an equal proportion of primary stopes to secondary stopes, an overall dilution factor of 7.5% for the transverse method is estimated.

2.6.3 Production Rate

Table 2.6-1 shows the Company's forecast mine production schedule until 2015.

Table 2.6-1 - Shizishan Polymetallic Project — Underground Production Schedule

	Unit	2011	2012	2013	2014	2015
ROM Ore	ktpa	48	419	660	660	660
ROM Grade	Lead %	9.3	9.3	9.3	9.3	9.3
	Zinc %	6.0	6.0	6.0	6.0	6.0
	Silver g/t	250	250	250	250	250

Source: Feasibility Study update provided by the Company and reviewed by MMC

Although the proposed mining quantities are considered reasonable and achievable, MMC envisages minor variation in annual tonnages. In addition to this, MMC expects grade variation over the life of the mine. This variations will be the result of natural variations in bulk density and grade distribution throughout the resource, optimization of the stoping schedule to mine high grade material earlier in the mine life and increased dilution in secondary stopes which will contribute the majority of tonnes towards the end of the mine life.

The Feasibility Study detailed the forecast mining equipment, the equipment list is summarized in *Annexure E*. MMC considers the current equipment list to be suitable for the planned mining operation and production rate. Due to the long mine life, opportunity exists to review and optimize the equipment selection when equipment is replaced.

Underground development commenced in early 2011. The total underground development meters completed as of June 2011 and capital development remaining is shown in *Table 2.6-2*. MMC considers the estimated development rates to be achievable.

Table 2.6-2 - Shizishan Polymetallic Project — Underground Development Plan

Item	Engineering Design No.	Total Length (m)	Development Meters (as of June 2011)	Development Rate (m per month)
Lateral Development	1250PD	1,659	145	120
	1200PD	3,231	295	120
	1150PD	3,089	40	120
Internal Decline	Sublevel Access Decline	761	0	100
Vertical Development	Ore Passes, Vent Rises	404	0	80

Source: Feasibility Study and Provided by the Company and reviewed by MMC

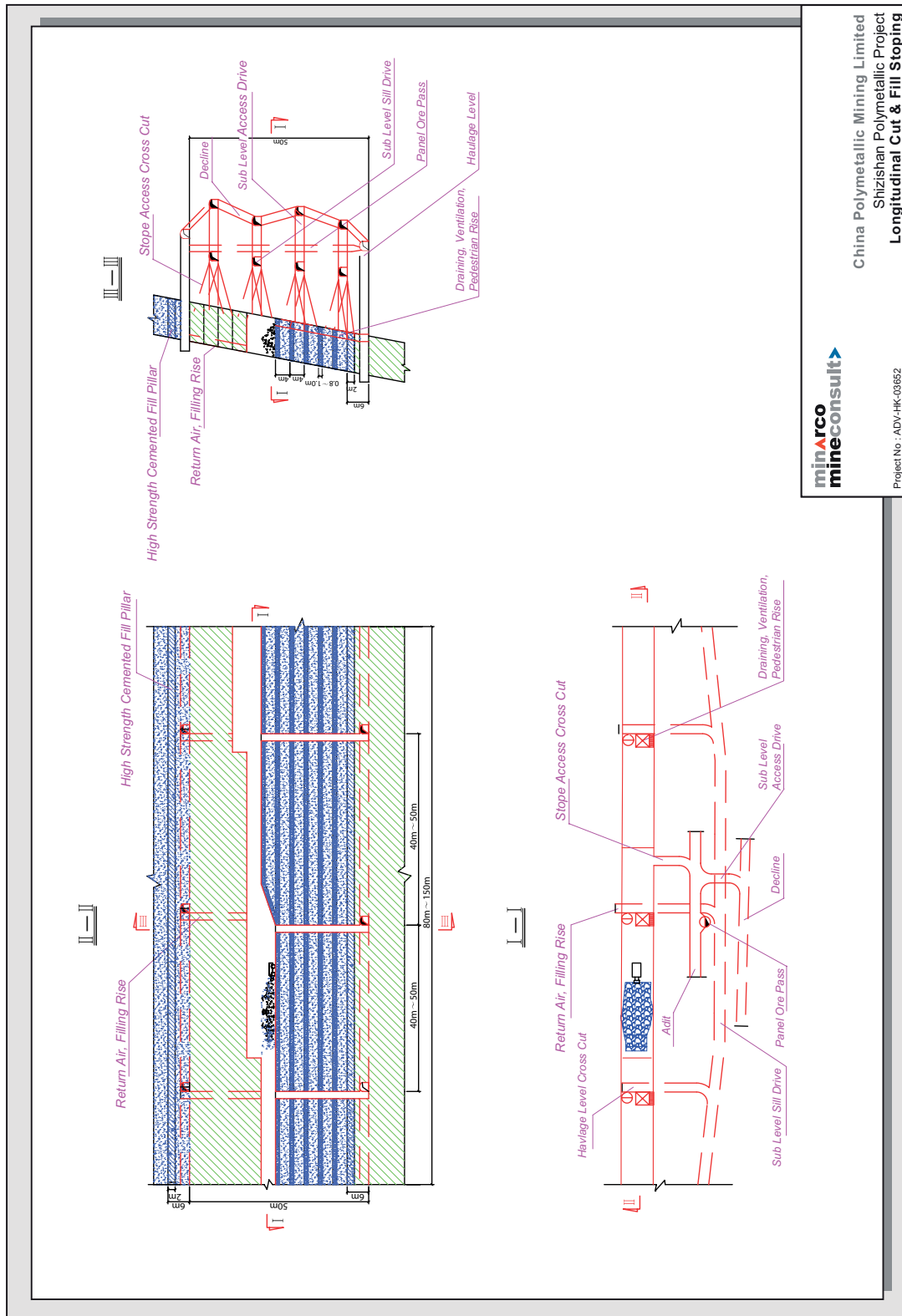
2.6.4 Comments and Recommendations

The mining method, mine design concept and forecast production rates currently proposed are considered by MMC to be technically achievable and suitable for the Shizishan Project. A key concept of the current mine plan is the implementation of the Cut-and-Fill mining method, to minimize ore losses and dilutions of the high grade material at Shizishan Project.

To ensure successful implementation and optimization of the mine plans, MMC provides the following recommendations:

- Once trial processing commences, complete an evaluation and design program for the tailings and back-fill products. The program should include (but not be limited to) testing the compressive strength of back-fill at various cement proportions, water content, pH levels, particle size distributions and cure times. Drainage properties at various particle size distributions should also be measured. Once the back-fill product design is optimized, a QAQC program should be developed to measure achieved performance and variance to design. An understanding of back-fill performance will underpin design of stable back-fill spans which will determine safe panel lengths in Transverse Cut-and-Fill stopes, safe exposure sizes and necessary properties of back-fill stope crowns.
- A geotechnical review of ore and waste rock properties and development of a ground control management plan should be progressively completed as further development is undertaken. This review should include (but not be limited to) testing compressive strength of all rock types to be encountered in the mine, measurement of joint sets including spacing, orientation and state, wedge formation analysis, rock densities, weathering profiles, in-situ stress testing including orientation and magnitude, induced stress modeling, reactive ground, and development of a regional shear model. Maximum stable ore and waste exposures should be determined and appropriate ground support selected. Stope geometry, including maximum width of longitudinal stopes, ratio of width of primary to secondary transverse stopes, panel length and height of mining lift should be reviewed and optimized to minimize dilution and cement requirements for backfill, and maximize productivity.
- Some operating risks of the Cut-and-Fill mining method will require ongoing management. Effective mine scheduling will be required to ensure the planned productivity is maintained as the production rate per stope will be limited. Additionally, as workers must enter the stope during mining operations there is an increased safety hazard associated with rock-falls. This hazard will increase as mining progresses. These risks may be controlled through effective mine management and implementation of a ground control management plan.
- Variable Cut-Off Grades present an opportunity to maximize the Shizishan Project's value. The Cut-off Grade should be increased at the beginning of the operation due to reduced productivity during ramp-up and reduced recoveries at the processing plant. The Cut-off Grade can also be increased to improve revenue early in the Shizishan Project's development and reduce capital payback time. The Cut-off Grade can then be reduced. This will help optimize the production schedule to increase revenues earlier in the life. MMC recommends a Cut-off Grade study be completed to determine the optimum Cut-off Grade at relevant stages of the mine life.

Figure 2.6-1 - Shizishan Polymetallic Project — Longitudinal Cut-and-Fill Stopping





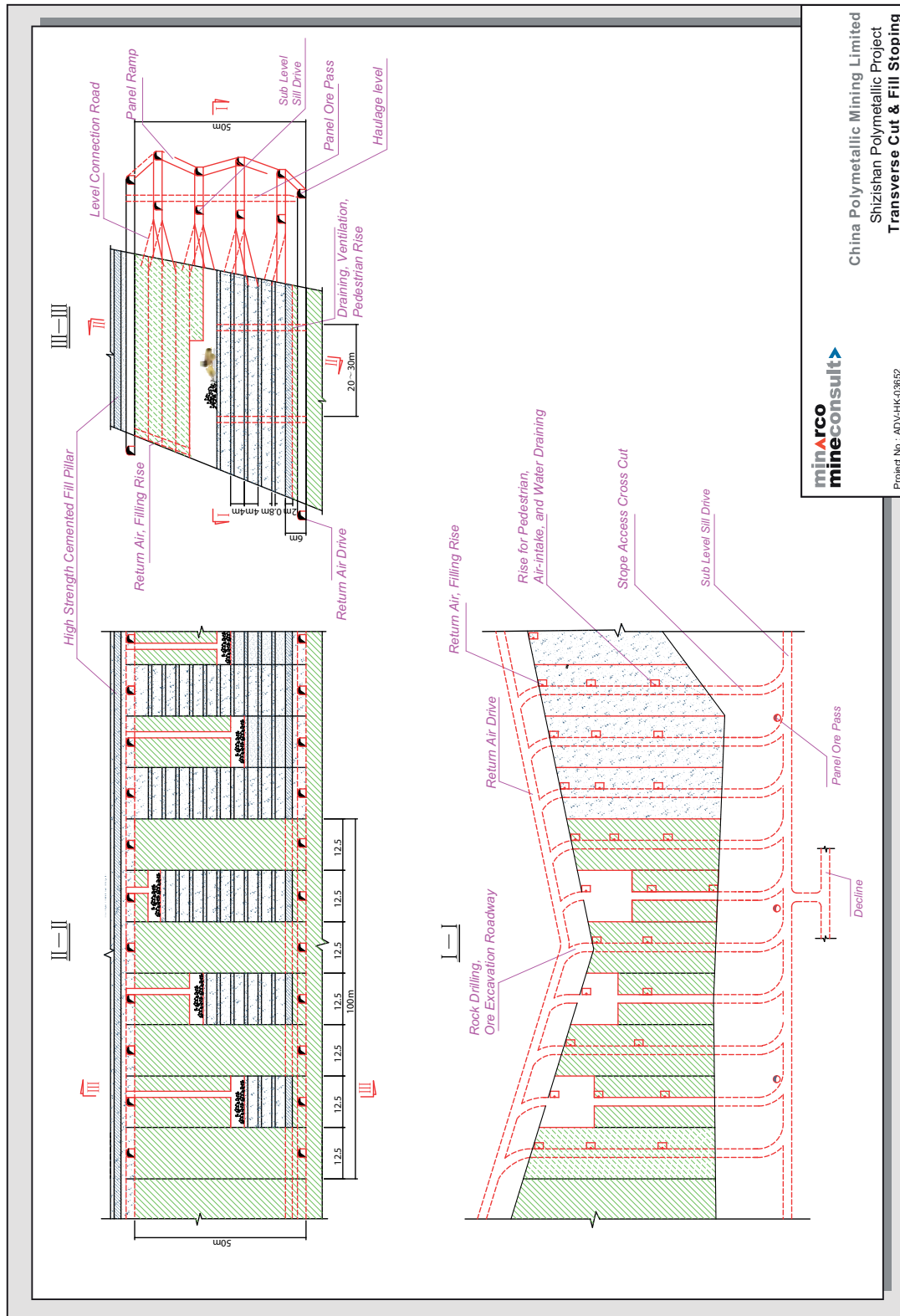
 China Polymetallic Mining Limited

 Shizishan Polymetallic Project

 Longitudinal Cut & Fill Stopping

 Project No.: ADV-HK-03652

Figure 2.6-2 - Shizishan Polymetallic Project — Transverse Cut-and-Fill Stopping



minarco mineconsult
 China Polymetallic Mining Limited
 Shizishan Polymetallic Project
 Transverse Cut & Fill Stopping
 Project No : ADV-HK-03652

2.7 Processing Plant and Mineralogy

The Shizishan Project's processing plant is designed to process Pb, Zn and Ag material at a throughput capacity of 660 ktpa (2,000 tpd). The processing circuit is a conventional flotation operation in which marketable lead and zinc concentrates are produced through three stages of crushing, one stage of milling followed by a lead flotation and a zinc flotation circuit. The Shizishan Project's mineralogy and metallurgical testing has established that the mineralized material is expected to be readily concentrated.

The construction of the processing plant concluded in late July 2011 and production of concentrate subsequently commenced. Process Description

The proposed processing circuit is a conventional flotation operation in which separate lead and zinc concentrates are produced. The flowsheet (as presented in *Figure 2.7-1*) consists of three stages of crushing, one stage of milling followed by separate lead and a zinc flotation circuits. The milling circuit employs hydrocyclones to classify the slurry for flotation. Each flotation circuit consists of one stage of roughing followed by two stages of scavenging, with the rougher concentrate being upgraded to a final concentrate with three stages of cleaning. The lead and zinc concentrates are initially dewatered by thickening followed by filtration with ceramic filters.

MMC considers the process design and equipment selection to be appropriate for the proposed processing capacity and the production of two marketable concentrates.

MMC inspected the Shizishan Project's processing facility on the 5th May 2011. This facility was under construction with part of the major concrete works finished. The grinding mills and the concentrate and tailings thickeners had been installed. The crushing circuit equipment, the flotation cells as well as the filters were yet to be installed.

A summary of the processing plant is presented in *Table 2.7-1*.

Table 2.7-1 - Shizishan Polymetallic Project — Processing Plant Overview

<u>Name of Plant</u>	<u>Processing Line</u>	<u>Daily Capacity tpd</u>	<u>Annual Capacity ktpa</u>	<u>Ore Type</u>	<u>Status</u>
Shizishan	Single	2,000	660*	Pb-Zn-Ag	Under Construction

Source: Feasibility Study Report and reviewed by MMC.

* 330 operating days per year

The crushing circuit consists of a primary C100 jaw crusher and a secondary cone crusher, feeding a screen. The screen oversize feeds a tertiary HP200 cone crusher while the screen undersize, 95% passing 15 mm, feeds a fine ore storage bin with a live capacity of 2,000 t (24 hours).

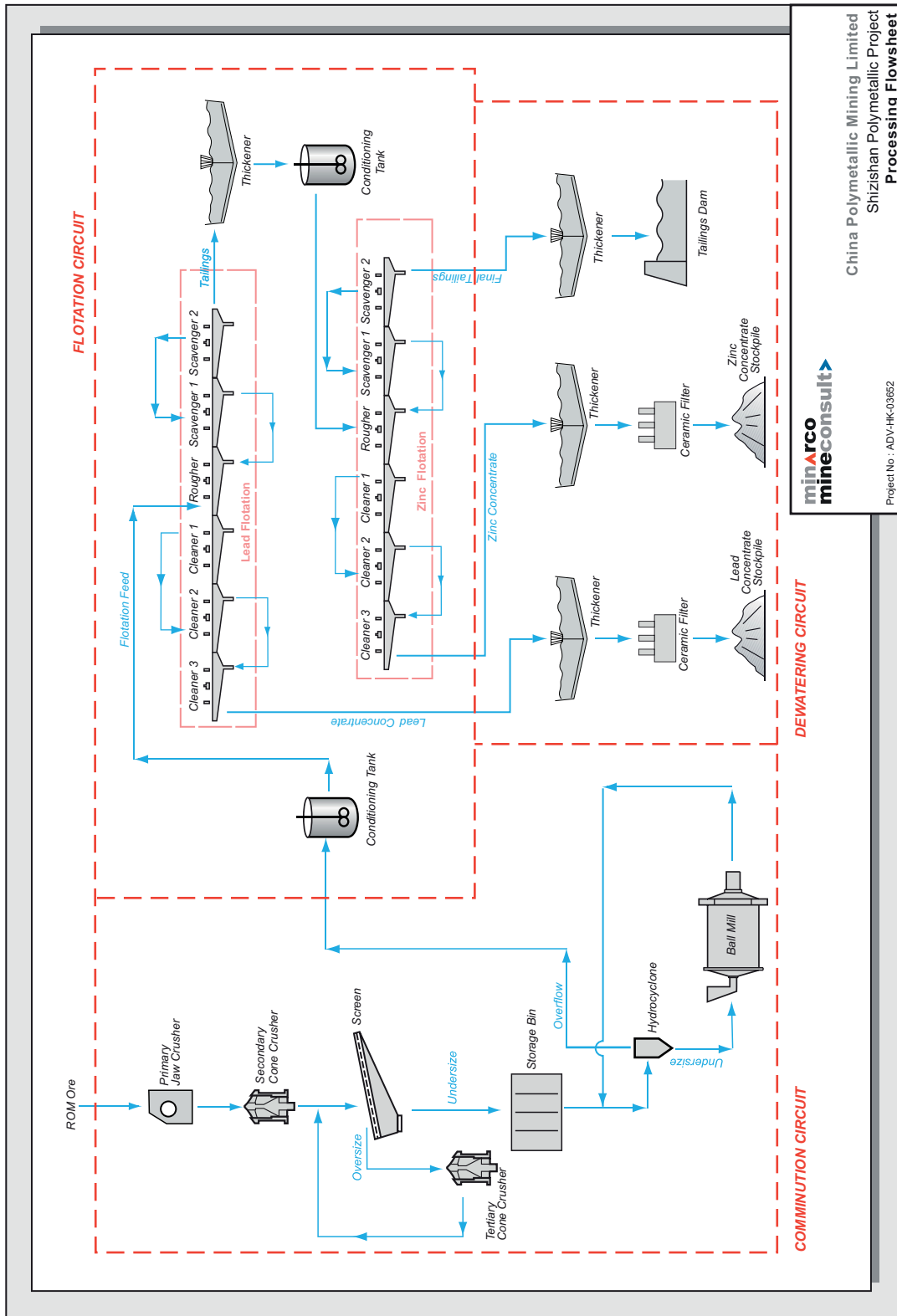
Ore is recovered from the storage bin and fed into two parallel overflow ball mills (2.7 m Ø, 4.5 m long and 500 kW motor) in a closed circuit with two sets of hydrocyclones. The hydrocyclone underflow is returned to the ball mill feed for further grinding while the overflow (P₆₀₋₆₅ =74 microns) reports to the flotation circuit.

The first flotation stage consists of a lead flotation process in which lead minerals containing silver are separated from the gangue and zinc minerals to form a separate lead concentrate. During

the lead flotation stage, zinc sulphate (ZnSO_4) and sodium sulphite (Na_2SO_3) are added to inhibit the flotation of any activated zinc minerals. The lead flotation circuit is conventional, consisting of a rougher and two stages of scavengers with the rougher concentrate upgraded in three stages of cleaning. The tailings from the scavenger circuit are dewatered in a 40 m diameter thickener, where most of the reagents are removed prior to zinc flotation.

The zinc flotation circuit is the same as that of lead flotation circuit, however copper sulphate (CuSO_4) is added to activate the zinc and cause flotation.

Figure 2.7-1 - Shizishan Polymetallic Project — Processing Flowsheet



China Polymetallic Mining Limited
 Shizishan Polymetallic Project
Processing Flowsheet

minarco
 mineconsult

Project No. : ADV-HK-03652

The lead and zinc concentrates are dewatered in dedicated dewatering circuits, consisting of two thickeners (28 m diameter) followed by two ceramic disc filters (each 45 sq.m area) to produce final marketable lead and zinc concentrate products. Water is recovered from dewatering and re-used in the process.

The final tailings from the zinc scavenger circuit are dewatered in a 40 m diameter thickener before flowing to the tailings dam.

2.7.1 Equipment

MMC consider the equipment types and sizes are modern and satisfactory for an operation of this capacity. The key processing equipment has been ordered and is summarized in *Annexure E*. Although this may guarantee performance, it may have been more cost-effective to install one single milling line with a larger mill, with some capital and operating costs savings. The Company indicated that due to spatial limitations, a group of 8 cu.m flotation cells are to be used for all flotation duties although additional smaller sized flotation cells would be preferable in cleaner flotation duties.

2.7.2 Production Schedule

The Company provided forecast production from 2011 to 2015, which estimated marketable grades of lead and zinc would be produced with a lead recovery of 93%, a zinc recovery of 89%, a silver recovery of 89% from the lead concentrate and a silver recovery of 7.4% from the zinc concentrate. MMC considers these recoveries to be appropriate.

Whilst production will steadily increase until 2013, MMC consider that a lower recovery should be applied during the commissioning and optimization period. MMC notes that the lead concentrate grade has been relaxed from 56.78% to 55% Pb, which should improve the lead recovery to 93%. MMC considers that during the commissioning and optimization period (first 6 months of operation) the process recoveries should be de-rated by 20%.

MMC considers that the planned plant performance in terms of both the lead and zinc metallurgy is reasonable and supported by the metallurgical testing.

Table 2.7-2 Shizishan Polymetallic Project — Actual and Scheduled Processing Plant Production

	Items	Unit	Actual 2011			Planned			
			Aug	Sept	Oct	2011	2012	2013-2023 (annual)	2024
ROM Ore	Mined	kt	6.2	8.8	9.8	48	419	660	297
	Processed	kt	5.1	7.8	9.8	48	419	660	297
	Annualized processed*	ktpa	25.5	36.3	42.3	48	419	660	297
Feed Grade	Lead	%	2.7	3.6	3.6	9.3	9.3	9.3	9.3
	Zinc	%	4.4	4.3	4.2	6.0	6.0	6.0	6.0
	Silver	g/t	41	40	44	250	250	250	250
Recovery	Lead	%	71.8	75.0	76.2	74.4	93	93	93
	Zinc	%	83.8	84.1	84.1	71.2	89	89	89
	Silver in lead concentrate	%	64.1	71.5	72.4	71.2	89	89	89
	Silver in zinc concentrate	%	5.9	6.4	5.9	5.9	7.4	7.4	7.4
Concentrate Grade	Lead	%	60	55	55	55	55	55	55
	Zinc	%	45	46	46	55	55	55	55
	Silver in lead concentrate	g/t	808	595	632	1,414	1,414	1,414	1,414
	Silver in zinc concentrate	g/t	30	33	34	192	192	192	192
Concentrate Tonnes	Lead-silver concentrate	kt	0.164	0.378	0.493	6.0	65.9	103.8	46.71
	Zinc-silver concentrate	kt	0.409	0.611	0.749	3.7	40.3	63.6	28.62
Metal Contained in Concentrate	Lead	t	98	209	270	3,320	36,220	57,080	25,686
	Zinc	t	184	279	348	2,030	22,180	34,950	15,728
	Silver in lead concentrate	kg	133	225	311	8,540	93,130	146,790	66,056
	Silver in zinc concentrate	kg	12	20	25	710	7,740	12,200	5,490

Source: Feasibility Study update provided by the Company and reviewed by MMC

* Annualized rate assumes 2011 year commenced in August

Metallurgical Testing

A testing program was developed and conducted by the Ministry of Land and Mineral Resources, Chengdu Supervision and Testing Centre (“Testing Centre”) in 2011 to provide the basic technical parameters for developing a 2,000 tpd processing operation. The Testing Centre believes that correct and representative samples were selected for testing.

The testing program encompassed the following aspects:

- Mineralogical and elemental determination for test samples, sample composite head assays, determination of lead and zinc occurrences, ore specific gravity determination, hardness etc.;
- Grinding size determination;
- Reagent screening testing for roughing-scavenging-cleaning flowsheet: activator (copper sulphate), depressant (zinc sulphate, lime) and collector;
- Locked cycle tests to confirm optimum processing conditions and final concentrate quality; and,
- Toxicity screening of the flotation tailings.

As in most Chinese testing programs, crushing and milling properties such as work indices, unconfined compressive strengths and abrasion indices, were not determined. The values of these properties are assumed based on apparently similar ore types from around China and used to select the crushers and mills and the associated motor sizes.

Sample Selection

Approximately 116 kg of sample was collected from drill cores and prepared as a composite for testing. Based on a review of the Mineral Resource estimate and the Metallurgical Testing Report (“Metallurgical Testing Report”) MMC considers that these samples were representative of the deposit and that the composite is representative of future mining production.

While the ore grade and geological characteristics do vary, it is not considered to be significant. Mineralogical and chemical analysis of the Shizishan Project’s mineralized material revealed that the sample was high grade and consisted of the sulphide minerals galena and sphalerite (please refer to *Table 2.7-3*).

Table 2.7-3- Shizishan Polymetallic Project — Composite Head Assays

Element	Pb (%)	Zn (%)	TFe (%)	S (%)	Au (g/t)	Ag (g/t)	As (%)	Cu (%)
Content	8.74	7.06	9.23	8.13	<0.1	253.1	<0.05	0.08

Source: Metallurgy Test Report for Shizishan Pb-Zn-Ag Ore, Ministry of Land and Mineral Resources, Chengdu Supervision and Testing Centre, 2011, reviewed by MMC

Independent assays completed by MMC indicated that As had up to 5 percent in some samples. These independent samples taken from pulverized samples of drill core which are not representative of the entire deposit. Furthermore all metallurgical testwork indicates that the head grade has low levels of penalty elements (ranging between 0.014 -0.05 percent). As a result, MMC regards these high grade samples as anomalous and will not materially affect the expected head grade of the concentrate. MMC does however recommend testwork and monitoring of the penalty elements to ensure blending of the feed ore is resulting in the required concentrate grades.

Mineralogy

As described in the Metallurgy Testing Report, the mineralized material consists predominately of the sulphide minerals (98.51% of the lead and 96.46% of the zinc) silver-bearing galena and sphalerite with small quantities of pyrite and chalcopyrite. Gangue minerals are dominated by dolomite, quartz, calcite, and chlorite.

Galena occurs as coarse grains (>0.5 mm) while sphalerite occurs as irregular granular and massive grains, associated or within the galena. A trace of pyrite and chalcopyrite were observed as fine grains within samples sourced from near the bottom of the deposit.

The average grade of the ore is higher than most of Chinese lead and zinc deposits. There are no obvious impurities of concern, with the arsenic content less than 0.05%.

Grinding

Once the flotation reagent types and dosages were determined by exploratory tests, the optimum grind size for the best flotation performance was investigated. Three grinding conditions were tested, namely $P_{54} = 74$ microns, $P_{64} = 74$ microns and $P_{72} = 74$ microns. It was found that grinding to $P_{64} = 74$ microns achieved best flotation performance.

Reagent Screening

The reagent screening tests focused on the collector addition rates (ethyl xanthate), addition points for lead flotation and activator addition rates (CuSO_4) for the flotation of zinc. It was found that addition of ethyl xanthate of 140 g/t in the rougher, 70 g/t in the first scavenger and 35 g/t in the second scavenger of lead flotation offered the most cost-effective performance. The zinc flotation recovery was found to be independent of the copper sulphate addition rate (100-500 g/t) and addition stage (roughing or scavenging stage). Consequently, 100 g/t of copper sulphate would be used ahead of the zinc roughing stage.

Locked cycle tests

Locked cycle testwork was conducted to estimate the impact of circulating loads including reagent build-up upon flotation circuit performance as well as establish the cleaner circuit recovery and the final concentrate grade. The testing program included both the lead and zinc concentrate with one roughing, three cleaning and two scavenging circuit, employing 4.5 minutes flotation time for roughing and 7 minutes for scavenging and 8 minutes for cleaning. The locked cycle testing results are summarized in *Table 2.7-4*.

Table 2.7-4 - Shizishan Polymetallic Project — Locked Cycle Testing Results

Items	Mass (%)	Grade			Recovery		
		Pb (%)	Zn (%)	Ag(g/t)	Pb (%)	Zn (%)	Ag (%)
Lead Concentrate	14.14	56.78	2.16	1,591.27	91.86	4.33	88.9
Zinc Concentrate	11.52	1.99	55.00	162.58	2.62	89.75	7.40
Tailings	74.34	0.65	0.56	12.60	5.52	5.92	3.70
ROM Ore	100.00	8.74	7.06	253.10	100.00	100.00	100.00

Source: Metallurgy Test Report for Shizishan Pb-Zn-Ag Ore, Ministry of Land and Mineral Resources, Chengdu Supervision and Testing Centre, 2011, reviewed by MMC

Testing showed that up to 92% of lead, 90% of zinc and 95% of silver were recovered at the selected grind size ($P_{64} = 74$ microns). Nearly 90% of the silver was recovered to the lead concentrate which will attract a credit, while over 7% reported to the zinc concentrate which will receive some payment (18%). The products include a reasonably high grade lead concentrate (57% Pb) with a very high silver grade (1,591 g/t Ag) and a high grade zinc concentrate (55% Zn) containing a good silver content (163 g/t). As shown in *Table 2.7-5*, testing demonstrates that both concentrates contain no significant quantities of deleterious elements. MMC envisages that the concentrates produced are of good and saleable quality.

Table 2.7-5 - Shizishan Polymetallic Project — Locked Cycle Concentrate Grade

Product	Pb (%)	Zn (%)	Cu (%)	TFe (%)	Au (g/t)	Ag (g/t)	As (%)	Al₂O₃ (%)
Lead Concentrate	56.78	2.16	0.04	3.71	3.06	1,591.27	0.02	0.05
Zinc Concentrate	1.99	55.00	0.05	3.19	0.09	162.58	0.01	0.04

Source: Metallurgy Test Report for Shizishan Pb-Zn-Ag Ore, Ministry of Land and Mineral Resources, Chengdu Supervision and Testing Centre, 2011, reviewed by MMC

Further testing is recommended for ores with different head grades to establish the relationship between metal recoveries and head grade. Additionally, more information is required regarding the crushing and milling characteristics of ores with greater quantities of harder materials such as quartz. This may arise due to dilution during mining.

2.8 Operating and Capital Costs

2.8.1 Operating Cost

The estimated total operating cash cost includes mining costs, processing costs, and General and Administration (“G&A”) costs. The estimated total cash cost includes total operating cash cost and taxes and royalties. The estimated total production cost includes total cash costs and depreciation and amortization costs. The operating costs given in *Table 2.8-1* have been forecast based on information provided by the Company for the period 2011 to 2015. MMC considers the operating cost estimates and forecast to be reasonable for the Shizishan Project and its planned operations. The unit operating costs have not been escalated over the forecast period.

A mining cost of 62 RMB/t ore mined includes estimated contract mining rates. The contractor mining costs of 62 RMB/t ore mined reflect the cut and fill mining method.

A processing cost of 82 RMB/t processed at full production rate reflects the flotation process and production of separate lead-silver and zinc-silver concentrates. The processing costs include appropriate estimates for materials, salary, services such as electricity and water and maintenance. Concentrate transport costs are not included in the operating cost estimate as the cost will be beared by the costumer.

Mine management and other costs, such as administrative and sales costs, have been included in the G&A and Other costs. These costs are estimated to be approximately 39 RMB/t ore processed once full production has been achieved in 2013.

The unit operating costs decrease significantly from 2011 to 2013 which reflects the ramp-up in production from 48 kt in 2011 to 660 ktpa in 2013. From 2011 to 2015, the weighted average total operating cash cost is 193 RMB/t ore processed and total production cost are 396 RMB/t ore processed.

Table 2.8-1 - Shizishan Polymetallic Project — Forecast Operating Costs

Cost Item	Unit	Aug 2011 (Actual)	Sep 2011 (Actual)	Oct 2011 (Actual)	2011	2012	2013	2014	2015
Mining cost	RMB/t ore mined	62	58	58	62	62	62	62	62
Subcontracting fee	RMB/t ore mined	62	58	58	62	62	62	62	62
Processing cost	RMB/t ore processed	153	129	146	121	89	82	82	82
Materials cost . . .	RMB/t ore processed	51	53	60	40	38	38	38	38
Labor	RMB/t ore processed	49	35	32	41	13	8	8	8
Electricity and Water	RMB/t ore processed	39	37	46	23	23	23	23	23
Maintenance and Others	RMB/t ore processed	14	4	8	17	15	13	13	13
G&A and Other Costs	RMB/t ore processed	84	113	103	270	55	39	40	42
Total Operating Cash Cost* . . .	RMB/t ore processed	299	300	307	453	206	183	184	186
Total Operating Cash Cost* . . .	RMB/t concentrate	2,633	2,366	2,419	2,232	812	722	726	734
Total Taxes and Royalties	RMB/t ore processed	55	63	79	176	154	150	150	150
Total Cash Cost⁺	RMB/t ore processed	354	363	386	629	360	333	334	336
Total Cash Cost⁺	RMB/t concentrate	3,117	2,863	3,041	3,100	1,420	1,313	1,317	1,325
Total Depreciation and Amortization . .	RMB/t ore processed	38	28	123	110	52	50	50	50
Total Production Cost	RMB/t ore processed	392	391	509	739	412	383	384	386
Total Production Cost	RMB/t concentrate	3,452	3,083	4,010	3,642	1,625	1,511	1,515	1,522

Source: Provided by the Company and reviewed by MMC

Note: * "Total Operating Cash Costs" includes all mining, processing, G&A and other costs, which are inclusive of administrative and sales costs.

+ "Total Cash Costs" includes Total Operating Cash Costs as well as Taxes and Royalties

Capital Costs

The capital cost schedule from present to 2012 as forecast based on information provided by the Company is given in *Table 2.8-2*. MMC considers the estimated capital costs to be reasonable and understands the estimate is based on the latest available construction and contract rates.

The mining capital costs consist of underground development, mine infrastructure, design and equipment.

The processing capital costs include construction, design and equipment and appear higher relative to other similar processing plants in China. It is considered by MMC that the relatively higher cost reflects the standard of equipment selected for the Shizishan Project.

Almost 45% of the capital costs are scheduled to occur in 2011 which aligns with the planned production ramp up from 2011 to full production in 2013.

Table 2.8-2 - Shizishan Polymetallic Project — Actual and Planned Capital Expenditure (M RMB)

	Apr 23 2009 to				Total
	Dec 31 2009	2010	2011	2012	
Mining	6.0	34.7	68.5	120.5	229.7
Mining Infrastructure	0.3	0.3	35.7	120.5	156.8
Mining Right and Exploration	5.7	34.4	32.8	0.0	72.9
Processing	1.3	48.7	91.5	4.5	146.0
Processing Factory and Equipment	0.3	40.0	77.3	0.5	118.1
Tailing Storage Facilities (TSF)	1.0	8.7	14.2	4.0	27.9
Land Use Right	0.0	7.2	10.3	0.0	17.5
Buildings	0.0	0.0	10.0	0.0	10.0
Total	7.3	90.6	180.3	125.0	403.2

Source: Based on information provided by the Company and reviewed by MMC

2.9 Operational Safety

MMC reviewed the Special Safety Chapter of the Preliminary Design which has also been independently reviewed by an expert group organized by the Safety Supervision Bureau of Yunnan Province on 4th November of 2010. The Safety Special Chapter of the Preliminary Design was written by the Design Institute in September 2010. MMC considers the Special Safety Chapter adequate as conceptual level safety planning.

The Safety Special Chapter details the potential safety issues and prevention practices for the Shizishan Project, as summarized below.

2.9.1 Ventilation

The Special Safety Chapter provides a description of the Shizishan Project's ventilation requirements. Ventilation is a fundamental system for underground mining that plays a vital role in providing fresh air, diluting potentially poisonous gas and preventing the build-up of dust.

Ventilation mode and system: The cut-and-fill horizontal mining face will be ventilated by fresh air entering through air-intake gateway and returning through the air-return gateway with "Z" type form of ventilation. The planned ventilation capacity is 103.88 cu.m/sec (6,233 cu.m/min), which will be subject to the results of a ventilation simulation study. The Feasibility Study further recommends the use of a rotating axial flow fan (KD-8-No25).

Development mining face ventilation: The development roadways will be developed individually in a single driven roadway face. A ventilation fan will be installed in the intake roadway. The developing faces will be ventilated by means of an auxiliary fan and ventilation duct, feeding air under positive pressure to the development. The return air will travel along the roadway to the intake roadway.

Underground ventilation facilities and structures: Underground ventilation installation and structures include ventilation doors, regulators, seals, overcast structures, and wind measurement stations. These facilities and structures ensure reliable air flow along the required roadway routes. Careful management and maintenance of these items is needed to ensure safety and production.

Ventilation equipment and reversed wind: For fire fighting, the axial flow fans enable the ventilation flow to be reversed within 10 minutes, while retaining 60% of the normal airflow.

2.9.2 Mine Water Control

The normal water discharge was stated to be 5,000cu.m/d on the 1,150 m Level. The following controls will be deployed:

- Establish an underground drainage system including the pump station, water storage sumps, ditches, drains and other drainage facilities at 1,000 m level, pumping water up to the 1,150 m Level;
- An automatic water drainage system has been designed through the east drift on the -1,150 m Level; and
- Ensure adequate pumping capacity with redundancy for maintenance/breakdown.

2.9.3 Dust Control

Dust is generated by the mining process and the key hazard is long-term inhalation of dust by the underground workers which may result in various lung diseases. The Safety Special Chapter requires implementation of a series of measures for controlling the mine dust as follows:

- Proper ventilation;
- Establishment of underground sprinkler water systems under the control of a specially appointed person;
- Regular dust inspections; and
- Personal protective equipment for those who come into contact with dust.

2.9.4 Fire Prevention and Extinguishment

The Preliminary Design outlined some common extinguishment methods. Careful management and adequate fire fighting equipment will be needed for both underground and surface facilities.

2.9.5 Mine Rescue Team

The Shizishan Project does not plan to establish a mine rescue team, but will provide the necessary equipment and health care and first aid station onsite.

2.10 Environment and Health

2.10.1 Environmental Setting

According to the Shizishan Project's Environmental Impact Assessment Report ("EIA"), the Shizishan Project is subject to the following environmental quality classifications:

- Class III surface water quality;
- Class II air quality (i.e. for residential and rural areas);
- Class II acoustic quality (i.e. for residential, commercial and industrial mixed areas), and;
- Class III groundwater quality (i.e. for use for drinking, industrial and agricultural purposes).

These environmental quality classification standards do not impose any restrictions to mining activities in the Shizishan Project area. In addition no nature reserves or protected areas were reported within a 2km radius of the Shizishan Project area.

2.10.2 Social Setting

Zhanxi Town has over 67 housing areas comprised of 4,214 households. The total population of the area is 21,532, of which 98% are farmers. The population is predominantly comprised of Dai (48%), Jingpo (21.94%), Han (21.9%) and Lisu (8%). Zhanxi Town has a total farmland of 26.26 sq.km and agricultural products include oil seed, sugar cane and tea leaves. In 2008, the average annual income for local farmers was 2,159 RMB per capita.

There are sparsely distributed residential houses located to the south of the Shizishan Project, which are part Lannijing Village. The nearest house to the Shizishan Project is located approximately 100 to 150 m away, while the Lannijing Primary School is located 250 m south. In addition, it was observed that two newly-constructed residential houses were located approximately 200 m to the southwest of the tailing storage facility location. The new houses are located on the hillside and upstream of the tailings dam, while no residential areas have been noted downstream of the tailing dam location.

No record of public opposition to the operation conducted at the asset was revealed in the scope of this investigation. As such, no immediate community risks were observed regarding the assets.

Local labor will be employed during project construction and operation of the mine, which will result in an economic benefit for the local people and government. Sections of roads were rebuilt for the Shizishan Project and will also serve to improve the local transportation.

2.10.3 Environment Protection Measures

Surface water

Waste water from processing activities will be recycled. As a result, minimal impact will be placed upon the quality of the surface water environment. Irregular occurrences, such as dam failures, floods and storms, have caused damage to tailings storage facilities of other operations

which resulted in waste water being released into rivers. These events have resulted in partial surface water exceeding the standards for heavy metal content. It is, therefore, necessary that preventative measures for unplanned waste water release incidents be adopted during production.

Domestic sewage quantity will be 32 cu.m/d, which meets the first level of 'Sewage Draining Standard' (GB8978-1996). This level is deemed to have a minor impact on surface water quality. This standard will be achieved by oil separation, sewage treatment and the recycling of waste water.

Underground water

The Shizishan Projects surface storage facility is situated in underground water recharging areas. Anti-seepage treatment will be required during tailings dam construction for the prevention of underground water pollution. According to leaching tests the tailings belong to the Type 1 general industrial solid waste category and are considered to have a relatively minor impact upon surface water quality under normal conditions.

Atmospheric environment impact

The Shizishan Project will adopt a single bulk floatation process which will result in minimal dust production. The uncontrolled discharge of particles from the processing plant will have little impact upon the surrounding atmospheric environment and Lanniqing residential areas after these environmental protection measures have been adopted.

Noise

The Shizishan Project's operating equipment will be located inside plant workshops or underground. Efforts to minimize noise production will include the addition of damping pads for the bases of all equipment, the use of low noise equipment and workshop sound insulation. The processing plant is located 250 to 350 m from the Lanniqing Primary School and residential areas, as a result the noise impact on Lanniqing residents will be relatively minor after processing plant noise reduction measures are adopted.

Solid Waste

The tailings generated through ore processing will be stored in tailings dams. The EIA requires the construction of a domestic waste landfill area and collective treatment in order to reduce the environmental impact of the Shizishan Project. The process was undertaken with the approval of the relevant sectors of the government, environmental sanitation, and environmental protection.

The tailings dam construction will impact nearby residents through the release of dust and noise into local environment. Once environmental protection measures are undertaken, the influence of the tailings construction process will be further reduced.

Ecology

The local land utilization status will not be altered by the Shizishan Project's construction. The construction process will not cause large areas of water or soil loss and the pollutants being discharged will not have a significant impact upon the surrounding ecosystem. Atmospheric pollution generated is not anticipated to be of harm to animals and plants in the area.

Dust

Dust production will be unavoidable consequence of the Shizishan Project. The primary cause of dust production is the mineralized material crushing process. According to dust emission calculations, the processing plant sanitation protection distance of 65 m is appropriate. However, according to environmental regulations, the protection distance should be 100 m. The environmental appraisal confirmed the requirement to relocate the crushing facility to an area that will allow for a 100m sanitation protection distance to be established. This sanitation protection distance is based on the observation that dust is largely generated through wind action on dry tailings. Currently there are no residents living in the environmental appraisal settled ranges and processes are in place to prevent schools, hospitals and other residential facilities being built inside sanitation protection areas.

2.10.4 Impact of Non-Governmental Organizations

MMC has not noted the impact of any Non-Government Organizations on the Shizishan Project. However, as outlined on page 60 of the Prospectus, in the section titled “Risk Factors — Our operations are subject to risks relating to environmental protection and rehabilitation”, the Shizishan Project may be subjected to actions by environmental protection groups or other interested parties, whether governmental or non-governmental, who object to the actual or perceived environmental impact of mining or the perceived condition of the Shizishan Project. These actions may delay or halt production or may create negative publicity related to the Shizishan Project.

2.10.5 Rehabilitation

The Company has developed a rehabilitation and re-planting program for the mined and disturbed areas of the Shizishan Mine, pursuant with which the Company will be required to rehabilitate the tailings storage facility and waste rock storage area upon mine closure and plant vegetation to stabilize the ground and to prevent erosion. MMC has not reviewed the proposed rehabilitation program outlined above. Readers are directed to consult the section headed “Business — Land Rehabilitation” in the Prospectus.

2.10.6 Environmental Liabilities

MMC has not been made aware of any environmental liabilities.

2.10.7 Historical Experience

MMC has not reviewed and is not aware of non-compliances with PRC laws and regulations. Readers are directed to consult the section headed ‘Business — Legal Proceedings and Compliance’ of the Prospectus.

3 LIZIPING PROJECT

3.1 Project Description

3.1.1 Project Location

The Liziping Project area is located in 40 km north west of Lanping County, Yunnan Province, China (*Figure 2.1-1*). The Project area is in close proximity to the regional villages of Liziping, Wudichang and Wangjia and ranges in coordinates from 99°14'00"E to 99°17'00"E and from 26°50'30"N to 26°53'00"N resulting in an area of approximately 18.29 sq.km. The access to the Liziping Project area is via a 125 km dirt road from Liziping to Zhongpai then via a dirt access road for 17 km (*Figure 3.1-1*).

The majority of the Project area can be accessed by all-wheel drive vehicles on a network of rural tracks, however these tracks are rugged, narrow, steep and prone to interrupted access at times of heavy rainfall.

3.1.2 Climate

The climate of the Liziping Project area is mild subtropical highland climate with short, mild, dry winters, and warm, rainy summers. The region has minor temperature variation throughout the year with distinct dry and rainy seasons. Temperature is influenced by elevation with approximately a 0.5°C temperature decrease for every 100 m rise in elevation.

The average annual temperature within the region is 9.7°C with the maximum daily temperatures ranging from 20°C to 27°C, while the lowest temperature is -5°C. Frost occurs between 131 to 165 days a year. Rainfall in the area is abundant with an annual average rainfall of 1,010 mm. Approximately 85% of the annual rainfall occurs between the months of May to October, while the dry season occurs between November and April.

3.1.3 Physiography

The geography of the Project area is comprised of mountainous plateau canyon areas, high mountains and deep valleys with steep terrain. Landslides occasionally occur in areas with steep slopes that display extensive weathering. This is particularly prevalent during the rainy season which results in potential delays to exploration activities and access to areas within the Project area. The lowest elevation in the Liziping Project area is at 2,350 m, while the highest altitude is 3,595 m.

The vegetation is widely dispersed and quite dense in areas, particularly with increasing elevation. There are wooded areas and subtropical, temperate forest in the mountain valleys.

3.1.4 Local Resources and Infrastructure

The local population is predominantly of the Lisu, Pumi, Bai ethnic groups with a lesser number of Han people. Due to the geographical constraints in the region, production technology and economic development is limited. The main industry of the area is in agricultural production, particularly corn, buckwheat and potato. Minor amounts of logging and mining also occur in addition to income from livestock breeding. The mining industry is quite developed in the region, with both modern and small-scale mining processing facilities as well as a large number of ancient ruins left by historical mining and milling.

3.1.5 Mineral Right and Land Tenure

The Liziping Project is contained within a single exploration licence which is currently held by Nujiang Shengjia Chengxin Industrial Company Ltd. MMC is aware the Company is in the process of acquiring 90% of the licence. The licence is detailed in *Table 3.1-2* and shown graphically in *Figure 3.1-1*.

MMC is aware that a small licence is located within the coordinates presented in *Table 3.1-2*. This licence covers an area of approximately 0.25 sq.km and is located in the vicinity of Area 2 and includes several of the historical mine workings, as shown graphically on *Figure 3.3-5*. MMC has been informed that this licence has lapsed as of July 15, 2011 however MMC is not aware of any renewal application by the previous owners.

MMC provides this information for reference only and recommends that land titles and ownership rights be reviewed by legal experts. Readers are also directed to consult the chapter titled "Business — Legal Proceedings and Compliance", on page 216 of the Prospectus.

Table 3.1-1. Liziping Polymetallic Project — Exploration License

Project	Liziping Polymetallic Project	
Type of Licence	Exploration Licence	
Certificate No.	T53120091102035905	
Area	18.29 sq.km	
Valid From	December 29, 2010 December 29, 2012	
Point	Longitude	Latitude
1	99°14'00" E	26°53'00" N
2	99°17'00" E	26°53'00" N
3	99°17'00" E	26°52'15" N
4	99°16'30" E	26°52'15" N
5	99°16'30" E	26°51'45" N
6	99°16'15" E	26°51'45" N
7	99°16'15" E	26°50'45" N
8	99°15'15" E	26°50'45" N
9	99°15'15" E	26°50'30" N
10	99°14'00" E	26°50'30" N

Source: MMC Sighted Original

3.1.6 Exploration History

Exploration activities have been carried out in the Liziping project area since the mid 1970's. *Table 3.1-2* provides a summary of the exploration activities undertaken in the region to date.

Table 3.1-2. Liziping Polymetallic Project — Exploration History

Year	Activity	Conducted By
1975-1985	1:50,000 Regional geological mapping	No. 1 Survey Team of Yunnan Geological Bureau
2004	1:10,000 and 1:25,000 Geophysical survey, 1:200,000 Geochemical survey. Survey and logging of mining tunnels	Geological Institute of No. 3 Geological Team, Yunnan Geological Bureau
2009	1:10,000 and 1:2,000 Geological mapping, underground tunnel logging, trench sampling, exploration and geological report	South Geological Exploration Company Of Yunnan

Source: August, 2011 Detailed Exploration Design Report.

The Liziping Project area has long been identified for its exploration potential due to the favorable structural and lithological setting and close proximity to multiple producing mines. The most significant of which are the Baiyangping Cu-Co-Ag project to the east, the Fulongchang Cu-Ag-Pb project to the south and the Jinding Pb-Zn deposit to the southeast.

Minimal systematic geological and exploration activities have been undertaken prior to 2004, with only cursory reconnaissance exploration completed. The geological, geophysical and geochemical exploration methods used have resulted in the identification of several areas which have anomalously high soil values in Pb, Zn, Ag, and Cu. Limited attempts to study the controls on mineralization, characteristics of mineralization and the geometry and continuity of mineralized bodies have been undertaken. Until the recent exploration campaigns completed since 2004, only one drill hole of 150 m length had been drilled within the Liziping Project area. No information related to this hole was supplied, however an extensive network of underground workings have been completed, which are currently being reviewed for geological information.

Two significant exploration campaigns have been undertaken in the region since the preliminary reconnaissance surveys in the 1970's and 1980's. These were completed in 2004 and 2009.

2004

During the 2004 campaign, which was completed by the No.3 team of the Yunnan Geological Bureau, geophysical surveys revealed 14 inverse polarization (IP) anomalies. These included the D1-D6 anomalies located in the southern portion of the Project area, near the Liziping village. These are regular-shaped and overlapped with Cu, Pb, Zn, Ag surface geochemical anomaly, the KT2 mineralized body and a fault zone. The D7-D10 anomalies, located near the Wudichang village in the northern portion of the project area are of relatively high intensity and cover a larger area. These anomalies are considered to be prospective for Pb and Zn. The D11-D14 anomalies are located near the village of Tianshengchang in the Northern portion of the Liziping Project.

2009

Following the completion and review of the 2004 exploration campaign a systematic logging and sampling campaign was undertaken. These works included a geological survey of 1:10,000 covering an area of 10.444 sq.km (on a scale of 1:2,000), geological mapping of 10,667 m underground development drives, 294 surface trench samples, and collection of 1,097 samples for chemical analysis. These works resulted in the compilation of the 'Liziping Pb and Zn Polymetallic Deposit Exploration and Geological Report'.

Recently the Company has completed further exploration works, these are summarized in *Section 4.4* of this report.

3.1.7 Mining

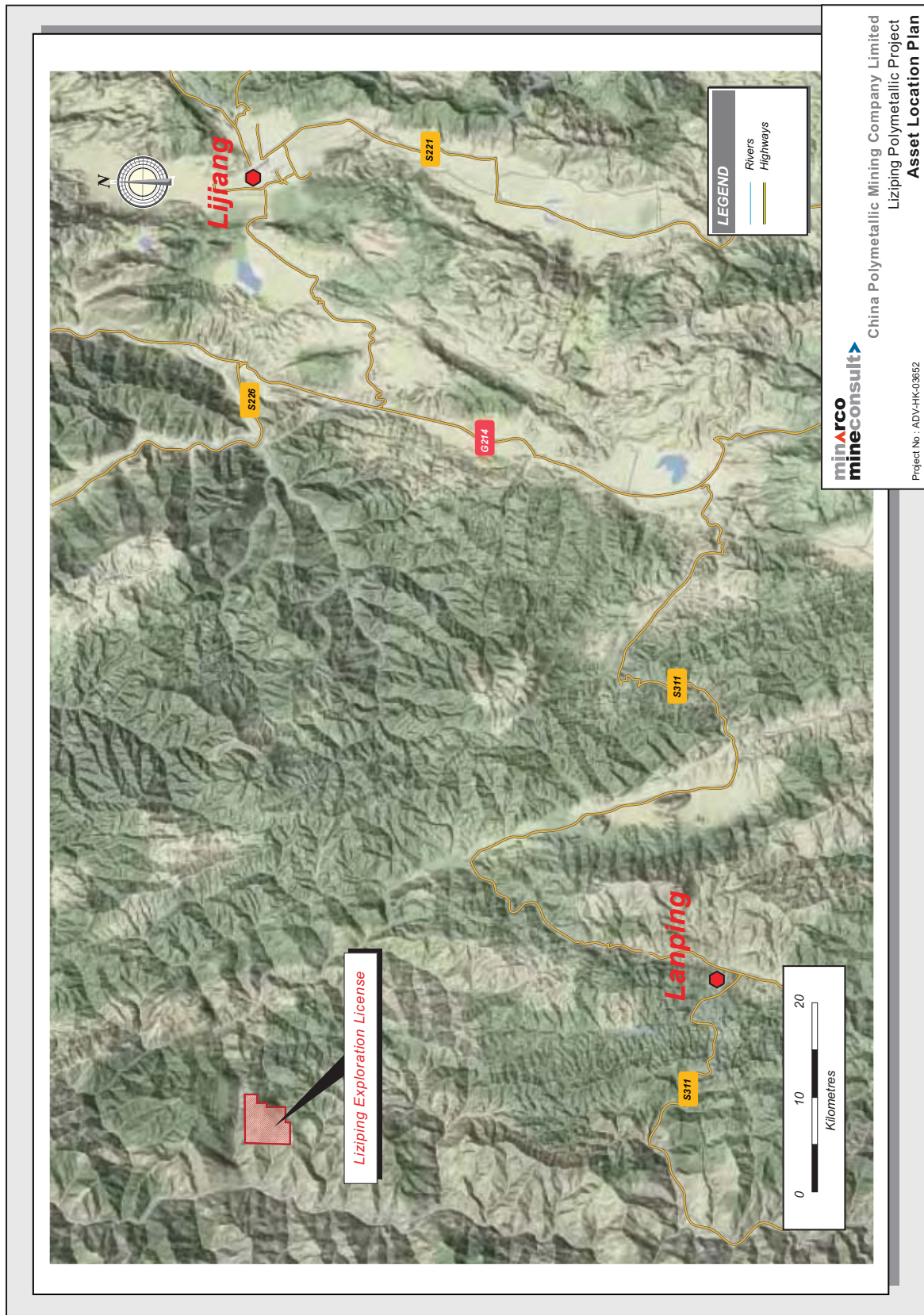
Mining operations have been undertaken within the Liziping Project area since the early 1900's and ceased in 1949. Operations recommenced in 1996 via small scale private mining activity. In 2002 these mining operations increased in scope and scale with production peaking in 2005. During this period, dozens of extensive underground workings were developed, with the largest reaching a horizontal length in excess of 1 km. Although no detailed surveys have been completed, documents and recent exploration work indicates that the mine workings reach a depth of 300 m from surface.

Due to a lack of official historical data, no detailed production data is available. Approximate estimates indicate that up to 50,000 m underground development has been completed. Production estimates suggest that approximately 1Mt has been mined within the district until the mines closure in 2009.

Eight small-scale private processing plants were constructed in the village of Zhongpai between 2005 and 2006 to serve operations. These processing facilities mostly utilized the gravity separation or flotation method. Similar to the mining operations, limited documentation exists which detail the processing plants production, however estimates suggest the combined plants throughput totalled approximately 1,500 to 2,000 tonnes of ore per day (approximately 0.5 Mtpa). The largest processing facility is the Zhongpai Village Flotation Plant, which at the time of full operation had a processing capacity of 200 tonnes per day. Another large processing facility with a daily processing capacity of 100 tonnes per day was also known to exist with the remainder of the plants having daily capacity typically of between 20 and 50 tonnes per day.

In June 2011 the Company entered into an agreement to purchase the current licence holders. At the time the majority of the underground workings and processing plants had ceased operation.

Figure 3.1-1 Liziping Polymetallic Project — Detailed Location Plan



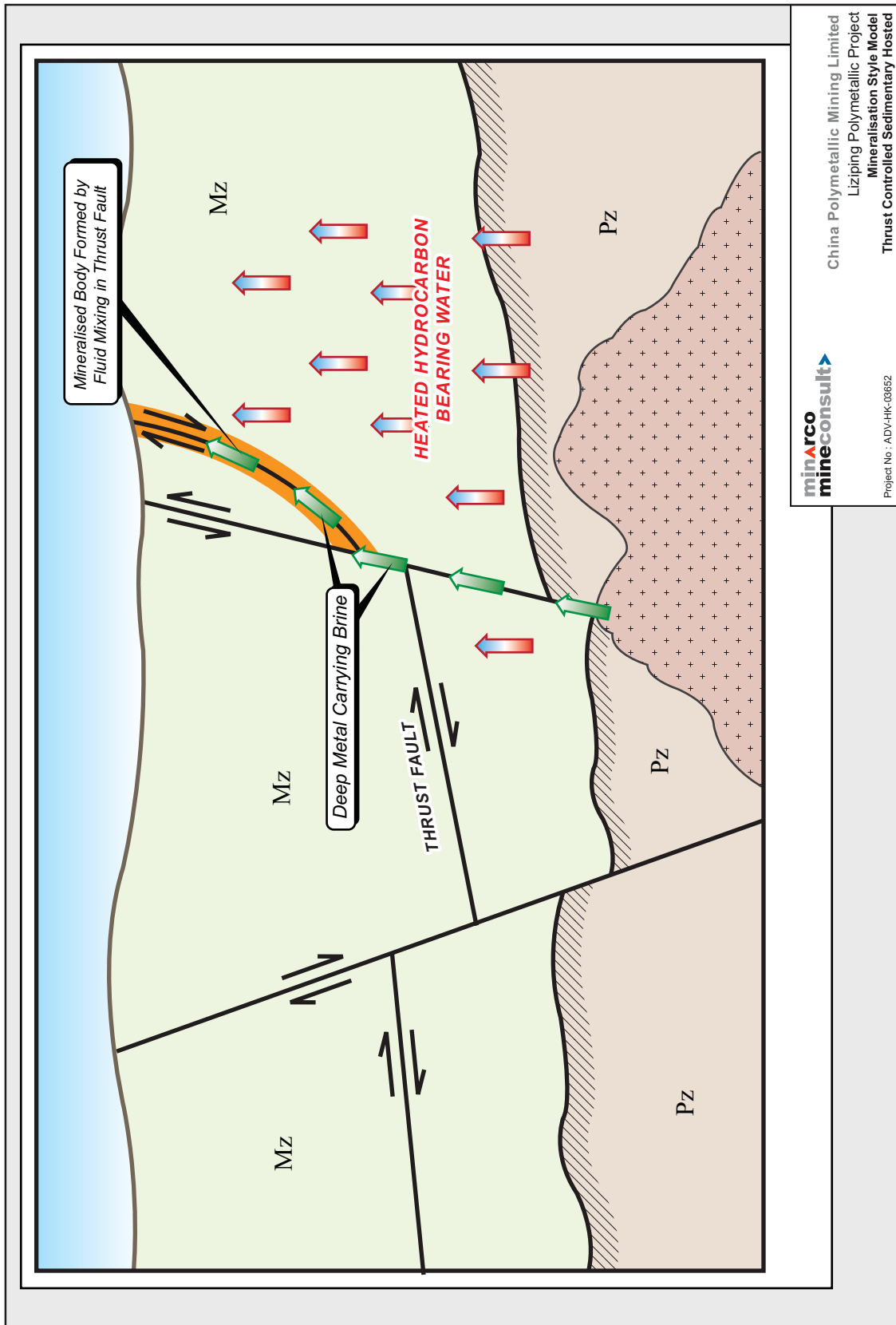
3.2 Thrust Controlled Sedimentary Hosted

Mineralization within the Liziping Project was emplaced at a high crustal level. The mineralization appears to be similar to that of other silver, lead, zinc (copper) mineralized areas in the Lanping Basin, for example the Jinding sediment-hosted Zn-Pb deposits and the Baiyangping Cu-Ag-Co Polymetallic deposit.

Genetic models published on the mineralization of Jinding deposit, indicate metal bearing solutions from deep set intrusions rise to higher crustal levels on normal fault systems and earlier thrust faults that have been deformed in subsequent deformation events. Thrust fault systems in the Lanping Fold Belt are recognized to have a strong genetic link with mineralization in the Lanping Basin. The regional distribution of sulphide mineralization in the fold belt is controlled by the Cenozoic age thrust-nappe systems. The low angle thrust systems provide potential migration paths for mineralization forming fluids derived from basinal brines. These thrust planes represent trap structures for the accumulation of minerals and organic reductants that have traveled upward away from deeper parts of the heated sedimentary pile. Interaction of the reductants with the passing magmatic solutions caused the precipitation of the Ag- Pb-Zn-Cu mineralization in the form of veins or lenses of mineralization. Texturally, mineralization predominantly occurs as open-space filling, such as cavity-filling, fracture-filling and brecciation. This model is graphically shown in *Figure 3.2-1*.

Numerous studies have been completed on the nearby deposits which support this model of mineralization. These studies included isotopic analysis results (supportive of dual solutions, both high temperature magmatic brines and lower temperature basinal brines), the presence of bitumen in mineralization, the structural location of mineralization and evidence for over pressured solutions involved in formation of mineralization.

Figure 3.2-1 Liziping Polymetallic Project — Mineralization Style Model



3.3 Geology

3.3.1 Regional Geology

The Liziping Project is located in the Lanping-Weixi region, which forms part of the eastern portion of the Alps-Himalaya orogenic belt. This region is dominated by the north south trending giant right-lateral strike-slip belt and has a significant influence on the regional structural setting and occurrences of mineralization concentrations. The Lanping-Weixi region is located inside the Tanggula-Changdu — Lanping-Simao fold system, which is a combination of a number of sub fold systems, these include the Dangdisi-Nianqingtanggula fold system in the west, the Zhongdian fold system in the east, and the Yangtze block and Southeast Yunnan fold systems in the south.

The Lanping Zn-Pb-Cu-Ag Polymetallic belt is tectonically located within the Lanping Basin, a large composite basin developed on the Changdu-Simao continental block and contains a number of the above mentioned fold system. The Lanping Basin has experienced a complex tectonic evolution beginning with the late Triassic intra-continental rifting, Jurassic-Cretaceous depression, early Tertiary foreland development, and finally incorporation as part of the Lanping-Simao Foreland Fold Belt. A number of Cenozoic basins were formed during of the pull, thrust and strike-slip of fault development. These basin formations are known as thrust-nappe systems and are a distinctive deformational style within the Lanping Fold Belt.

More than 100 base metals deposits and mineralized occurrences have been identified within the Lanping Basin. The most notable of which include, the Jinding Zn-Pb, Jiman Cu, Sanshan Zn-Pb-Cu-Ag, and Fulongchang Ag-Cu-Zn-Pb deposits (*Figure 3.3-1*).

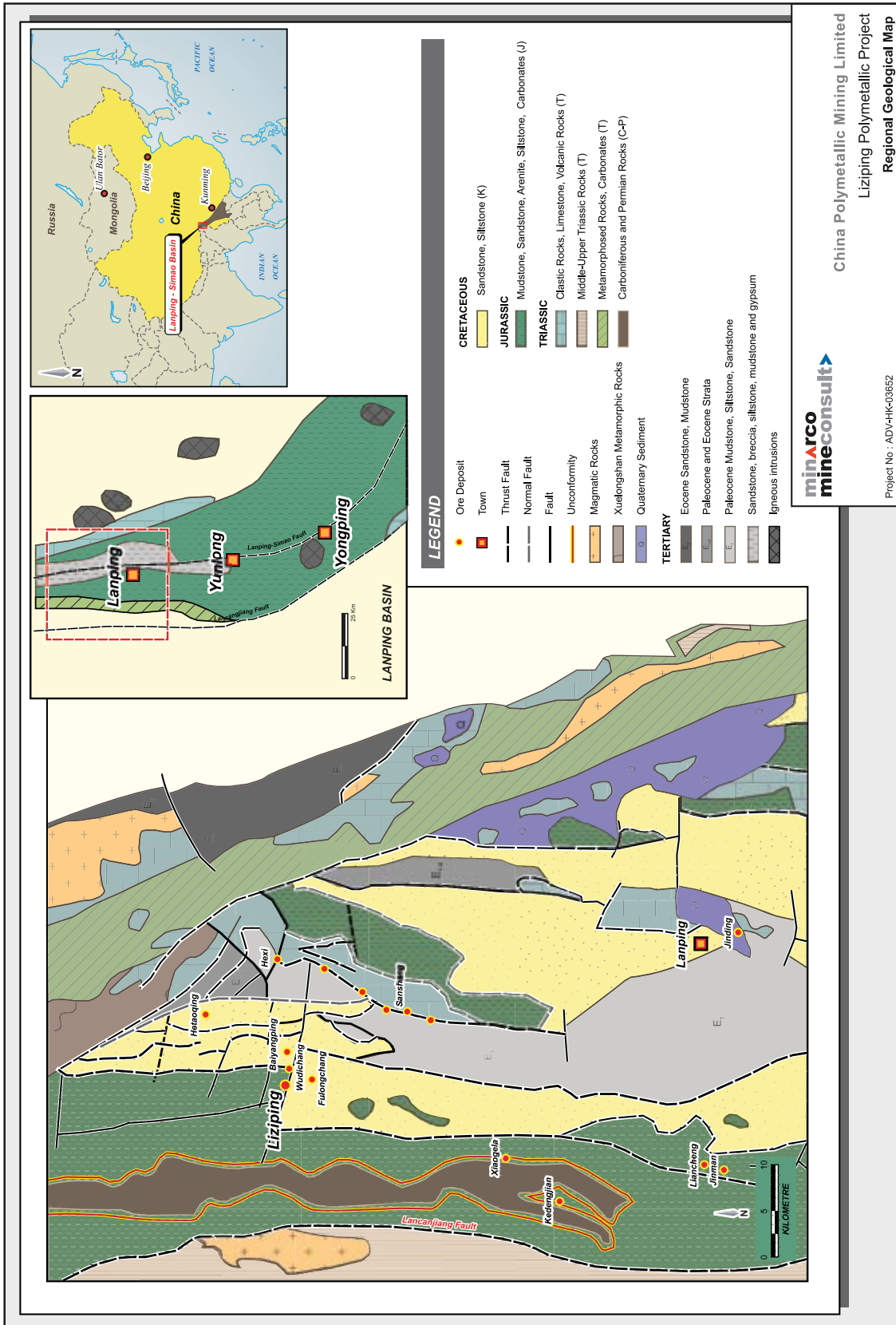
Mineralization in the region can be classified into four belts, each of which display distinct structural controls on mineralization, host rock sequences and bulk metal composition. The Liziping Project is located within the Fulongchang Mineralization Belt, which is located in the frontal zone of the western thrust system. It is Cu-Ag dominant however local concentrations of Pb, Zn and Co are observed. The Stratigraphy of the belt has been subdivided into groups, which include (from youngest to oldest):

- *Quaternary (Q4)*: Occurs in the river valleys and southeast portion of the region and is composed primarily of accumulated sand, gravel, clay and other components. This unit unconformably overlies the underlying strata and has a total thickness ranging from 0 to 15 m.
- *Cretaceous (K)*: This group is subdivided into two formations, the upper Nanxin formation, and the lower Jingxing formation. Both formations have a fault contact with the underlying Jurassic group.
 - *Nanxin formation(K2n)*: Occurs in the southwest of Project area and is composed of silty mudstone, quartz sandstone, siltstone with quartz conglomerates and argillaceous dolomites. The formation has a strike of 250° and a total thickness of approximately 480 m.
 - *Jingxing formation(K2j)*: Occurs in the west and eastern portions of the region and is composed of an upper segment of purple quartz siltstone, mudstone with thin sand layers and a lower segment containing quartz sandstone, siltstone, mudstone, quartz siltstone, shale and mica mudstone. The segments have a total thickness of 220 m and 950 m respectively.

- Jurassic (J): Occurs primarily in the central portion of the region, and is composed of an upper and lower formation.
 - Upper Formation (J2h2): The Formation is composed of gray, gray-yellow, gray-green and purple silty mudstone, mudstone, limestone, thin-bedded bioclastic limestone, with copper, silver, lead, zinc mineralization. The formation has a total thickness ranging from 115 m to 370 m.
 - Lower Formation (J2h1). The Formation is composed of purple thin-bedded lithic sandstone, siltstone, shale and sandstone and has a total thickness of approximately 685 m.

Structurally the region is extremely completed, with dominant faults in the region generally trending north south (*Figure 3.3-5*). These faults include from west to east the Lanchangjiang Fault, the North Maoshan Fault, the Weixi-Qiaohou Fault and the Jinshajiang-Ailaoshan Fault.

Figure 3.3-1 Liziping Polymetallic Project — Regional Geology Map



minarco
mineconsult

China Polymetallic Mining Limited
Liziping Polymetallic Project
Regional Geological Map

Project No. - ADV-HK-03652

3.3.2 Local Geology

The majority of the Project area is covered by fluvial/alluvial sediment of the quaternary group, while the stratigraphy is dominated by the sandstones, mudstones and limestones of the Jurassic and Cretaceous groups (*Figure 3.3-2*). The groups all tend to have north south orientation and are offset by the north south trending major faults and east west trending younger faults. The older north-south trending faults are steeply dipping to east (F13, F14 and F15), formed prior to the emplacement of the mineralization. The older faults have been subsequently offset by the younger northwest-southeast strike-slip faults (F16, F18 and F24). The intersection of these two fault sets have for a series of fracture and dome structures which host mineralization.

Mineralization within the area is hosted by a sequence consisting of permeable coarse-grained siliciclastics, pebbled sandstone, limestone breccias of the Devonian period. These host rocks are blanketed by two units consisting of mudstone and siltstone of the overlying strata,

3.3.3 Project Characteristics

The Pb-Zn-Ag mineralization is hosted within the finely laminated dolomitic and sandstone units of the upper Jurassic Period. Mineralization appears to be highly structurally controlled within these units and is associated with significant later stage, calcite fracture fill and veining. Both galena and sphalerite occurs as very fine grains, particularly galena which appears often to have a sheared fabric that overprints the primary crystal structure (*Figure 3.3-3*).

Four areas of considerable Pb-Zn-Ag mineralization have been identified through underground historical mining and surface outcrop. Although variable in orientation and geometry, the veins strike south of east (*Figure 3.3-2*) and generally dip steeply toward the south with variable thicknesses ranging up to several metres.

Three of the known Pb-Zn mineral occurrence (Area 2, 3 and 4) are emplaced in east west trending fault systems which are approximately parallel. This is typical of the thrust fault system which controls emplacement of the mineralization. These faults are typically deep-set systems with mineralization concentrating in dilation areas within the fault. This style of emplacement result's in discontinuous veins which pinch and swell at a local scale. Observations made in Area 1 indicate that mineralization is predominately Cu with minor Pb and Zn. Mineralization within this area is emplaced in a north south trending fault sets.

Currently the complex local structure is only partly understood and consists of numerous strike-slip faults that appear to off-set vein mineralization. The structurally complex zones provide a good host for mineralization and further understanding through closer spaced drilling will assist in further extensional exploration targets.

Figure 3.3-2 Liziping Polymetallic Project — Local Geology Map Showing Drill Hole Locations

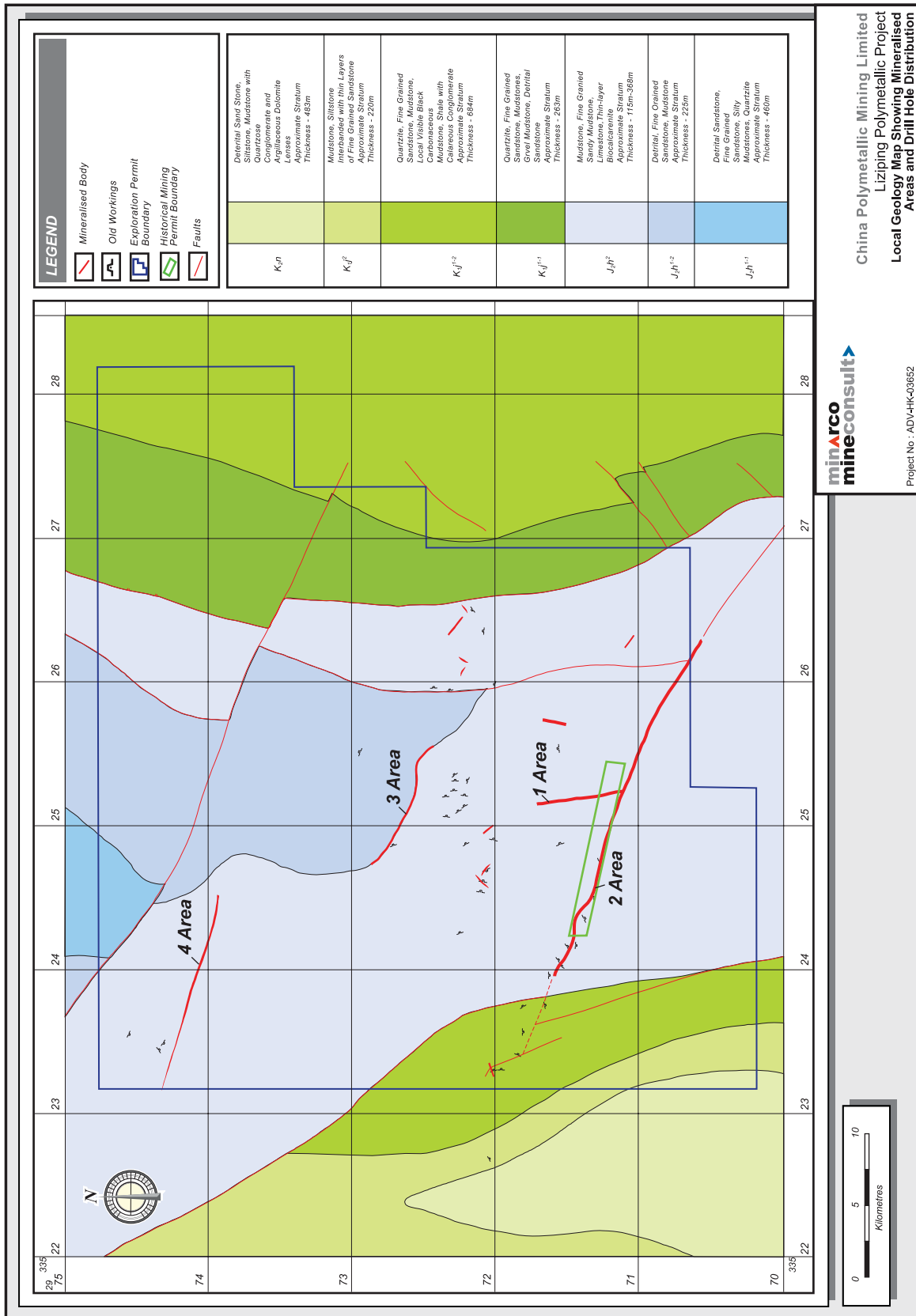


Figure 3.3-3 Liziping Polymetallic Project — Hand Specimen Showing Mineralization



3.4 Recent and Planned Exploration

3.4.1 Recent Exploration

Recent exploration, which began in July, 2011 has primarily focused on establishing working infrastructure, rehabilitating and sampling the historical workings, and completing preliminary surface diamond drill holes. The preliminary works which have been completed have been aimed at confirming the geological interpretation to enable for a detailed exploration program to be planned in the next 6 to 12 months. Below is an outline of each method employed to date.

Rehabilitating and Sampling of Historical Workings.

An extensive amount of historical underground development has taken place within the Liziping Project. Recent works have focused on 2 main horizontal development levels within Area 2 (*Figure 3.3-3*). This area contains the main veins which were targeted during mining in the 1990's and 2000's. Following rehabilitation of the development drives to ensure a safe working environment, these drives were geologically mapped and channel sampled. The detailed geological mapping was completed to define and confirm the continuity of the base metal bearing veins and gain a detailed understanding of the lithologies and alteration assemblages which host the mineralization.

The channel sampling program is being conducted according to Chinese standard practices, which is considered appropriate for the style of mineralization and deposit geometry. Sampling is being completed every 5 m along the drive and perpendicular to the strike of the vein.

A total of 74 samples have been completed from 28 channels within the two levels. MMC notes this program is not completed and is ongoing with a significant number of channels yet to be completed. MMC considers that upon completion of the detailed mapping and sampling program the data will allow a detailed analysis of the controls of mineralization to be completed which will aid significantly with drill hole planning and further exploration works. This is particularly prevalent in the Liziping Project, given the early stage of exploration and long history of mining and exposures available within the underground development drives.

Surface Diamond Drilling

A total of 4 surface diamond holes have been completed since exploration began. These holes were drilled on a spacing of 160 m and were targeting the down dip extensions of mineralization beneath the historical workings in Area 2. During the site visit MMC noted the presence of very fine grained galena, within the target zone.

Drilling is ongoing within the Project, with drilling currently targeting Cu bearing veins within Area 1.

3.4.2 Planned Exploration

Short Term (2 to 3 months)

Short term planned exploration will continue to focus on Area 2, with the aim to confirm the down dip continuity of the mineralization. This will be undertaken by continuing the rehabilitation and sampling of the historical workings and commencing a significant underground drilling program.

Rehabilitating and Sampling of Historical Workings.

Sampling of the underground development levels will continue using the same procedures which are currently being utilized. This program will be expanded to incorporate more underground levels to gain a broader picture of the mineralization within the Project and the down dip continuity within the individual veins. This information will be analyzed to help plan the underground drilling program which is planned to commence in the next 2 months.

Underground Diamond Drilling

Due to the large amount of drilling required to target mineralization at depth, drilling will commence from underground within the newly rehabilitated development drives. Although the plan is yet to be finalized discussion with the Company and site personnel indicates this will be a significant program, aimed to define resources directly below the depleted mining area. This drilling will be completed by standard Chinese underground rigs from the bottom two levels within Area 2 of the Project.

MMC believes this is the correct approach given the geometry of the deposit and the current understanding of the controls of mineralization. The review completed by MMC indicates mineralization is likely to be continuous below the bottom level of the current working and should be a high priority.

Long Term (6 to 12 months)

Long term exploration will target both the deeper depth extensions of the main veins and the regional and near mine mineralization targets. This will be undertaken using a phased approach utilizing multiple methods including:

Geophysical Surveys

Due to the extensive cover thickness within the Liziping Project and potential contamination of the surface exposure by historical mining an extensive geophysical survey program is planned. An integrated approach to the investigation of the various geophysical responses of the geology and potentially mineralized structures will be completed using primarily with the Induced Polarization (IP) and Magnetotellurics (MT) geophysical methods. IP measures and maps an induced potential field in the ground in order to map the geological subsurface. From measurements of the induced potential field the chargeability and resistivity of the subsurface can be calculated. The IP method is particularly useful in areas hosting disseminated sulphides and massive sulphide mineralization as is the case at Liziping. Magnetotellurics (MT) is a surface geophysical method used to determine the electrical resistivity of the subsurface to greater depths than possible for the IP method. It is effective for mapping conductive zones, as well as deep-seated structures.

These surveys are planned to commence within the next 2 months and will be ongoing over the next 6 months. Initially the surveys will be targeting the area to the east of Area 1 where there has been indications of significant structural influence (fold and faulting) that are yet to be understood. Following completion of this survey the area will be expanded to cover Areas 3 and 4, and regional targets to the east of the Project.

In addition to the IP and MT surveys planned, the Company is also planning on completing a large TEM surface scan, MT control points, CSAMT profiles to supplement the results derived from IP. These methods will aim to locate anomalies caused by the presence of underground workings and search for local perturbations in the natural gravitational, magnetic, electrical and electromagnetic fields that may be caused by concealed geological features of economic or other interests. This local variation is known as a geophysical anomaly.

Surface Diamond Drilling

Upon completion of the geophysical surveys and analysis of the results, surface diamond drilling will be planned to evaluate any potential mineralization. This long term drilling (which is separate to the short term underground drilling) will be specifically targeting near surface Pb, Zn, Ag and Cu mineralization.

Regional Geological Mapping and Geochemical Sampling

Given the long history of mining and production and lack of insitu surface exposures within the region, geological mapping and geochemical sampling will enable only limited detailed interpretation of the controls of mineralization and establishment of additional mineralization targets. The Company believes any geochemical samplings will be biased by the contamination of historical mining spillages. MMC agrees with this interpretation and concludes geochemical sampling should be limited to regional areas, were contamination of the soil will unlikely have taken place.

Trench Sampling

Trench sampling has been employed during past exploration campaigns, however trenching will not form part of exploration works in the immediate future as the majority of focus will be based on more systematic surface drilling delineation of the already identified areas of mineralization. Surface trench sampling may be instituted in the relatively unexplored area within the east of the Project, where geological mapping and geophysical surveys are planned to be undertaken.

The Company plans to complete the exploration both short term and long term as described above by the third quarter of 2012, which MMC believes to be reasonable.

3.5 Exploration Results

MMC has completed a review of the currently available data against the recommendations of the JORC guidelines as set forth in Table 1 of the JORC Guidelines. MMC believes that the data to date meets the recommendations of the JORC Code for drilling and sampling methodology and that upon completion of successful external and internal quality control samples should meet the requirements for use as the basis for a JORC Mineral Resource estimate.

3.5.1 Sampling of Old Workings

Results from the recently completed underground channel sampling in Area 2 are presented in *Table 3-5-1* below.

Table 3.5-1 Liziping Polymetallic Project Results from Sampling of Old Workings

Sample_ID	Northing	Easting	Elevation	Cu (%)	Pb (%)	Zn (%)	Ag (g/t)
KD118-11-H1	2,970,940	33,523,770	2,265.6	—	2.8	0.3	43
KD118-13-H3	2,970,919	33,523,785	2,265.6	—	3.2	0.1	57
KD118-9-HQ1	2,970,940	33,523,759	2,265.6	—	6.6	0.1	118
KD118-11-H3	2,970,941	33,523,772	2,265.6	—	10.3	4.8	341
PD118-1/-H3	2,970,900	33,523,794	2,266.6	—	11.9	12.3	247
PD118-5/-1-H1	2,971,165	33,523,846	2,200.6	—	15.9	8.8	313
PD118-1/-H8	2,970,924	33,523,801	2,266.6	—	20.2	1.3	488
PD118-4/-H2	2,971,197	33,523,805	2,200.6	—	21.1	8.5	478
PD118-1/-H7	2,970,919	33,523,800	2,266.6	—	23.3	1.9	365
PD118-5/-1-H3	2,971,166	33,523,848	2,200.6	—	24.4	2.4	458
KD117/-1-H6	2,971,003	33,523,912	2,370.0	—	26.3	4.7	547
PD118-1/-H9	2,970,929	33,523,803	2,266.6	—	27.1	4.8	522
KD117-20-H2	2,971,109	33,523,908	2,370.0	—	27.6	1.8	482
PD118-1/-H10	2,970,933	33,523,804	2,266.6	—	28.6	6.7	533
PD118-1/-H2	2,970,895	33,523,792	2,266.6	—	29.0	3.1	550
KD118-27-H2	2,971,127	33,523,905	2,265.6	—	29.8	5.1	494
PD118-5/-1-H2	2,971,166	33,523,847	2,200.6	—	30.0	8.4	653
PD118-2/-2-H2	2,970,947	33,523,809	2,266.6	—	30.1	1.9	723
KD117-20-H3	2,971,109	33,523,909	2,370.0	—	31.1	1.8	560
KD118-13-H1	2,970,918	33,523,783	2,265.6	—	31.4	3.7	654
PD118-5-H2	2,971,079	33,523,785	2,265.6	0.1	31.5	1.4	605
PD118-1/-H1	2,970,890	33,523,791	2,266.6	—	32.3	1.9	589
KD117-18-H2	2,971,129	33,523,961	2,370.0	—	32.9	3.0	629
KD118-27-H3	2,971,126	33,523,906	2,265.6	—	33.4	3.3	567
KD117/-1-H2	2,970,972	33,523,870	2,370.0	—	33.5	4.3	660
PD118-1/-H4	2,970,905	33,523,795	2,266.6	—	33.6	1.0	641
PD118-1/-H5	2,970,909	33,523,797	2,266.6	—	33.6	3.3	646
PD118-1/-H6	2,970,914	33,523,798	2,266.6	0.6	33.8	2.6	687
PD118-1/-H11	2,970,938	33,523,806	2,266.6	—	34.5	2.8	600
KD118-11-H2	2,970,941	33,523,771	2,265.6	—	34.7	3.4	698
KD117/-1-H3	2,970,972	33,523,871	2,370.0	—	35.8	8.2	720
KD118-13-H2	2,970,918	33,523,784	2,265.6	—	36.8	2.9	669
KD118-10-H2	2,970,940	33,523,765	2,265.6	0.4	43.3	1.5	746

3.6 Review of Exploration

Review of information supplied to MMC indicates that the exploration works including soil geochemical and geological surface mapping, as well as surface diamond drilling, underground channel sampling and trenching has been completed. Mineralization has been intersected during this work. A preliminary review indicates insufficient data is available at this time to support a Mineral Resource Statement, which is compliant with the recommended guidelines of the JORC Code, however, a strong exploration potential is indicated by the data.

The review of the drilling and sampling procedures indicate that international standard practices were used with only very minor or immaterial issues being noted during the review completed by MMC. MMC believes that upon completion of the currently planned exploration works and planned quality control sampling, it is likely that JORC Mineral Resources could be defined at both Projects, within the current Exploration Licences.

Below is an outline of the review of the data available and the Exploration Potential of the Liziping Project.

3.6.1 Geological interpretation

Limited systematic exploration has been completed to date within the Project area, the Company is planning on completing a substantial drilling and sampling program within Area 2. Area 2 is the main vein which has been identified within the Liziping Project area, and has been the location of the vast majority of the historical mining activities which have taken place over the past century. Recent exploration works have focused on this area, with drilling and sampling ongoing. Results from the recent exploration allows for several geological observations to be made, these include:

- Although results are not currently available, MMC did note mineralization and alteration within the drill core through the target zone.
- Recent resampling and detailed mapping of the underground development level has indicated that substantial mineralization remains within the historical mining limits.
- Observations indicate that mineralization is potentially remobilized in areas. This is likely the result of shearing or ductile deformation events. Although it is likely remobilization will not have a significant impact on the overall geometry or grade distribution, there is potential for localized concentration, which may result in some higher grade areas being formed.
- Cu mineralization has been identified within the Liziping Project area, which has previously not been the main focus of the region. Cu mineralization has been identified in surface outcrop within Area 1 and also in the underground workings. It is unclear what the relationship is between the Cu mineralization and Pb and Zn, however it is likely they are related. These styles of deposit commonly exhibit metal zonations which are related to fluid chemical chemistry and further work is required to understand this relationship.

3.6.2 Exploration Potential

Sampling within the lower levels of the underground workings indicates that remnant mineralization is still present and there are likely to be no structures or faults which offset mineralization directly below the lower levels. MMC notes that a significant underground drill program is planned to target the area directly below the mine workings on the main vein in Area 2 which is to commence in the next 2 months. MMC considers the likelihood of the definition of resources in the area directly below the mine workings to be high, however cannot comment on the depth to which these extensions are likely, as only limited information is available. However, MMC considers that the mineralization tenor and geometry observed is likely to be continuous below the mine workings.

Although no significant intercepts have been made in the recent drilling (pending results), these drill holes were targeting the potential host sequence well below any current mine workings (the closet target being over 300 m below the lowest mine workings). During its site visit MMC observed minor amounts of mineralization (Pb and Zn) in the available drill core, which indicates that at least the structure which contains the main vein of mineralization is potentially continuous at depth. These styles of deposits typically pinch and swell at a local scale and the veins of mineralization are generally continuous for only a few hundred metres. Given this, MMC considers the potential identification of the mineralized structures at depth to be encouraging for future exploration and the likelihood for discovery of significant mineralization at depth to be likely. MMC notes that detailed logging and review of the drill core is underway to enable further exploration to be planned.

Structures have a significant impact on the controls on mineralization within the Project and this is likely to be reflected both at a regional scale and a local scale. Repetitions of the structures which host the veins have already been discovered, as noted on *Figure 3.3-3*, with multiple parallel veins being observed in Area 2, 3 and 4. MMC envisages this pattern of repetition is likely to occur on a regional scale as well and as a result, considers the likelihood of blind, veins, which do not outcrop at surface, to be high. The geophysical surveys planned by the Company will likely highlight potential areas for these blind veins.

4 RISKS

Mining is a relatively high risk business when compared to other industrial and commercial operations. Each mine has unique characteristics and responses during mining and processing, which can never be fully predicted. MMC's review of the assets indicate Project risk profiles typical of mining projects at similar levels of resource estimation, mine planning and Project development. During its review, MMC did not discover any critical or "fatal" Project flaws.

MMC has classified risks for the projects based on the general mining industry definition such as listed below. MMC notes that in most instances, it is likely that through provision of further documentation and additional technical studies, these risks will be mitigated.

Table 4.6-1-Yunnan Polymetallic Projects — Overall Risk Assessment

Likelihood of Risk (within 7 years)	Consequence of Risk		
	Minor	Moderate	Major
Likely	Moderate	High	High
Possible	Low	Moderate	High
Unlikely	Low	Low	Moderate

H — High Risk: This implies that there are key Project parameters as presented in the current documentation, which if uncorrected, will have a material effect (for example >15 % to 20%) on the Project cash flow and performance, and could possibly lead to Project failure.

M — Moderate Risk: This implies that there is a danger of failure of a critical Project parameter as presented in the current documentation, which if uncorrected, may have a material effect (for example 10% to 15%) on the Project cash flow and performance unless mitigated by some corrective action.

L — Low Risk: Implies that if some factors are uncorrected, they will have little or no effect (<10%) on Project production rates or Project economic performance.

Table 4.6-2- Yunnan Polymetallic Projects — Project Risk Summary for the Shizishan Project

Risk Ranking	Risk Description and Suggested Further Review	Mitigant	Area of Impact
M	Ground Control: The Cut-and-Fill mining method requires workers to operate in active stope areas. Working in stopes increases a workers risk of exposure to rock falls. This risk will increase as mining progresses.	Undertake geotechnical testing program and develop and implement a Ground Control Management Plan. Monitor underground workings and manage as required.	Safety of Mine Personnel
M	Geotechnical Assumptions: Detailed geotechnical information was not available for review. As such, MMC cannot comment on the ground conditions or stability of the underground workings. If the ground conditions are poor, dilution may be greater and recovery could be less than expected.	Undertake geotechnical testing program and develop and implement a Ground Control Management Plan. Monitor underground workings and manage as required.	Underground production rate, dilution rate, recovery rate and operating costs.
M	Mineralization Style: Detailed understanding of the mineralization style and controls on mineralization in these types of deposit often rests with identification of the main controls of the high grade domains.	Review upon commencement of underground production and grade control activities.	Resource estimation.

Risk Ranking	Risk Description and Suggested Further Review	Mitigant	Area of Impact
L	<p>Mining Production:</p> <p>New equipment, installations and operating systems will need to be installed and commissioned in a timely manner to ensure the planned increase in production rate can be successfully achieved.</p>	<p>Careful planning for a smooth ramping up period to ensure that the newly implemented systems are adequate to handle a higher production rate.</p>	<p>Underground and surface production rate and operating costs.</p>
L	<p>Bulk Density:</p> <p>Review of the data supplied indicates a correlation of bulk density with grade. As the distribution of the high grade is not fully understood there is potential to either under estimate or overestimate the bulk density, potentially resulting in an under or over estimation of resource tonnes respectively.</p>	<p>Complete further bulk density determination</p>	<p>Resource tonnage estimate</p>
L	<p>Fault Offsets:</p> <p>There is significant evidence that structures have offset mineralization however mapping is unavailable.</p>	<p>A detailed geotechnical review of the drill core and surface structures could potentially aid in defining additional exploration targets.</p>	<p>Geological Interpretation</p>
L	<p>Flotation cell size:</p> <p>Due to spatial limitations, a group of 8 cu.m flotation cells are to be used for all flotation duties although additional smaller sized flotation cells would be preferable in cleaner flotation duties. This may have a negative impact upon the final concentrate grades.</p>	<p>None</p>	<p>Saleable Concentrate</p>
L	<p>Processing Feed Rates and Grades:</p> <p>During the commissioning, optimization and project ramp up phase plant feed rates and grades may be variable. This may result in lower than forecast concentrate production.</p>	<p>The processing performance over the longer term is expected to meet the planned design levels.</p>	<p>Short term processing performance.</p>

Risk Ranking	Risk Description and Suggested Further Review	Mitigant	Area of Impact
L	<p>Arsenic (As):</p> <p>Grades ranging up to 5% were identified in MMC's independent check sampling. Arsenic is a known penalty element and its distribution within the deposit, as well as propensity to upgrade through the concentration process, will need to be clearly analyzed during further metallurgical test work.</p>	Complete further test work to identify the extent of As	Saleable Concentrate
L	<p>Down Hole Survey</p> <p>No down hole surveys have been completed on the drill holes. Drill holes commonly deviated from planned resulting in inaccurate positions</p>	Complete down hole surveys	Mineral Resource

No material project risks arising from environmental, social, and health and safety issues were found to be present.

5 ANNEXURE A — QUALIFICATIONS AND EXPERIENCE

Philippe Baudry — General Manager — China and Mongolia, Bsc. Mineral Exploration and Mining Geology, Assoc Dip Geo science, Grad Cert Geostatistics, MAIG

Philippe is a geologist with over 14 years of experience. He has worked as a consultant geologist for over 6 years first with Resource Evaluations and subsequently with Runge after they acquired the ResEval group in 2008. During this time Philippe has worked extensively in Russia assisting with the development of two large scale copper porphyry projects from exploration to feasibility level, as well as carrying out due diligence studies on metalliferous projects throughout Russia. His work in Australia has included resource estimates for BHPB, St Barbara Mines and many other clients both in Australia and overseas on most styles of mineralization and metals. Philippe furthered his modelling and geostatistic skills in 2008 by completing a Post Graduate Certificate in Geostatistics at Edith Cowan University. Philippe relocated to China in 2008 and has since Project managed numerous Due Diligences and Independent Technical Reviews for private acquisitions and IPO listings purposes mostly in China and Mongolia.

Prior to working as a consultant Philippe spent 7 years working in the Western Australian Goldfields in various positions from mine geologist in a large scale open cut gold mine through to Senior Underground Geologist. Before this time Philippe worked as a contractor on early stage gold and metal exploration projects in central and northern Australia.

With relevant experience in a wide range of commodity and deposit types, Philippe meets the requirements for Qualified Person for 43-101 reporting, and Competent Person ("CP") for JORC reporting for most metalliferous Mineral Resources. Philippe is a member of the Australian Institute of Geoscientists

Dan Peel — Operations Manager — Beijing, Bachelor of Engineering, Mining — University of New South Wales, Unrestricted Quarry Manager (WA), Grad. Cert. Applied Finance — Kaplan, Diploma (Bus), Member of Australasian Institute of Mining and Metallurgy

Dan has worked as a mining engineering consultant with MMC for three years. Since joining MMC, Dan has completed a range of projects including technical valuations, life-of-mine designs and scheduling, pit optimization, development of economic models, mine reserves estimation and reporting.

Prior to joining MMC, Dan worked with an open cut mining contracting firm for five years where he gained significant open cut metal mining experience. During this period, Dan developed operational, engineering and Project management expertise. Dan's roles included Quarry Manager of the BHPB Jimblebar iron ore mine and Quarry Manager/Mining Superintendent of the Mt Gibson Koolan Island iron ore mine. Dan also worked at the Plutonic and Cuddingwarra gold mines and the Wodgina tantalum mine.

With relevant experience in a wide range of commodity and deposit types, Dan meets the requirements for Qualified Person for 43-101 reporting, and Competent Person ("CP") for JORC reporting for both metalliferous and coal open cut Reserves. Dan is a member of the Australian Institute of Mining and Metallurgy.

Jeremy Clark — Senior Consultant Geologist — Beijing, Bsc. with Honours in Applied Geology, Grad Cert Geostatistics, MAIG

Jeremy has over 9 years of experience working in the mining industry. During this time he has been responsible for the planning, implementation and supervision of various exploration programs, open pit and underground production duties, detailed structural and geological mapping and logging and a wide range of experience in resource estimation techniques. Jeremy's wide range of experience within various mining operations in Australia and recent experience working in South and North America gives him an excellent practical and theoretical basis for resource estimation of various metalliferous deposits including iron ore and extensive experience in reporting resource under the recommendations of the NI-43-101 reporting code.

With relevant experience in a wide range of commodity and deposit types, Jeremy meets the requirements for Qualified Person for 43-101 reporting, and Competent Person ("CP") for JORC reporting for most metalliferous Mineral Resources. Jeremy is a member of the Australian Institute of Geoscientists.

Andrew Newell — BE, MEngSc, University of Melbourne, PhD, University of Cape Town. Member of the SME, CIMM, AusIMM& IEA as well as a Chartered Professional Engineer, Australasia

Over 30 years of broad experience in the fields of minerals processing, hydrometallurgy, plant design, process engineering (including equipment selection and design) and metallurgical testwork. Andrew has worked on five iron ore projects, one involving flotation, and is knowledgeable about iron ore processing techniques such as magnetic separation. The experience includes operating and management experience in base-metal concentrators, precious metal leaching facilities as well as diamond processing and base-metal smelting in several countries, including Chile, Peru, South Africa, USA and Australia. Responsible for the design of flotation equipment, concentrators and

commissioning of flotation and precious metals leach plants. In addition, Andrew has had experience in process and process plant evaluations, due diligence audits, feasibility studies and metallurgical test work and program development.

Jim Jiang — Processing Consultant, Bachelor and Master of Mineral Processing Engineering

Jim's technical background is mineral engineering with laboratory research experience. He has site experience in China, working as processing engineer with China Gold Group Corporation. Since joining MMC in 2007, has been actively involved in many technical review projects, his working including analyzing and reviewing processing plants design and performance. He also has experience in metallurgy and process plant evaluations, pre-feasibility studies, metallurgical test work and flowsheet development in a wide range of commodity types.

Andrew Shepherd — Project Manager, Senior Mining Engineer — Bachelor of Engineering, Mining — Curtin University WASM, Graduate Diploma of Finance and Banking — Curtin University, MBA — Curtin University

Andrew is a mining engineer with over 14 years of experience in the Australian mining industry. With a strong background in economic evaluation, Andrew gained post graduate qualifications in finance and business administration, leading to a specialization in prefeasibility studies management.

In recent years Andrew has lead teams which were performing commercial and Government approvals negotiations, business analysis, strategic and long term mine planning. These roles included participation in several large mining and processing prefeasibility studies in the iron ore, nickel and uranium industries.

Michael Eckert — Senior Mining Engineer, BEng (Mining) — UQ, First Class Mine Manager's Certificate of Competency (underground metalliferous) — Qld, First Class Mine Manager's Certificate of Competency — WA, Member of the Australasian Institute of Mining and Metallurgy

Michael has 10 years experience working in the mining industry. During this time he has worked for several underground base metals (Cu, Zn and Pb polymetallic deposits) operations in Australia and Indonesia. He has a strong operational background having held various positions such as Underground Mine Manager, Senior Mining Engineer, Project Engineer, and various Production Engineering roles.

Michael has broad experience in the design, development, operation and management of underground metalliferous mines. This includes planning and operating experience in multiple mining methods such as open and sublevel open stoping, room and pillar, post pillar Cut-and-Fill, Avoca stoping, plus multiple filling methods.

With relevant experience in a wide range of commodity and deposit types, Michael meets the requirements for Competent Person ("CP") for JORC reporting for most underground metalliferous Ore Reserves. Michael is a member of the Australasian Institute of Mining and Metallurgy.

Peilin Guo — Mining Engineer — BM. (Mining Engineering), China University of Mining & Technology (Beijing)

Peilin has 7 years of experience working in the domestic and international mining industry, including underground coal operations, open pit nickel laterite operations, and as a consultant in a mining software company. Whilst consulting he performed geological modelling, resource estimation, mining design, scheduled plan and software training for coal, iron, gold, copper, limestone and nickel-cobalt projects. Peilin is an expert user of AUTOCAD, SURPAC and 3DMINE.

Alexander Arizanov — Consultant Geologist, PhD degree in Characteristics, genesis and development of the Chelopech volcanic structure; Master degree in Geology and Mineral Prospecting, both at the University of Mining and Geology in Sofia, Bulgaria.

Alex has had 21 years of experience as a metals geologist. He has been involved in numerous projects situated in Bulgaria, Siberia, Russia, Kazakhstan, China, etc.. Alex held positions of field geologist, mine geologist and chief geologist in Bulgaria where his work mainly included geophysical exploration, drilling programs and resource estimation. He also used Gemcom for resource modelling, cut-off grades, sampling, mapping and database. Alex worked as ore resources manager at Highland Gold Mining and Kazakhmys in Kazakhstan, where he was responsible for database setup, resource management for over 20 deposits and projects, resource auditing, assessing potential and geological aspects of all operations, weekly and monthly reporting standards, QA/AC implementation, Russian resource vs JORC evaluation systems, etc. Alex worked in Australia as a contract geologist for CSA Global. He was involved in a number of projects including the Jinshan Gold project in China, in which he was responsible for QA/QC, sampling, drilling supervising, weekly and monthly reporting standards. He also worked on auditing the Kosmorume and Akbastau Resources project in Kazakhstan.

With relevant experience in a wide range of commodity and deposit types, Alex meets the requirements for Qualified Person for 43-101 reporting, and Competent Person ("CP") for JORC reporting for most metalliferous projects. Alex is a member of the Australian Institute of Mining and Metallurgy.

Sheng Zhan — Consultant Geologist — China, PhD in Tectonics (Peking University and Universite d'Orleans, 2007), BSc in Geology (Peking University, 2002)

Sheng is a geologist with about 4 years of experience. He is experienced in data collaboration, geological modelling, resource estimation, and reports drafting. Commodity experience includes uranium, gold, Rare Earth Elements, coal, and Iron Ore. Country experience includes France, Canada, Mongolia, Namibia and DR Congo (stayed more than 3 months). He gets involved with a lot of mineral projects ranging from green field level to pre-production level, before join Runge he first worked as a project manager for China Uranium Corporation Ltd (CUC) and then as a department manager for Mongolia International Resources Ltd, he checked more than 120 uranium, gold, Rare Earth Elements and Iron Ore projects and successful invested 3 of them, they are (1) the JV between CUC and a Namibia local partner about the EPL3600 and EPL3602 licenses in 2007; (2) the JV between CUC and Zimbabwe government between Kanyemba uranium-vanadium project in 2008; (3) the acquisitions of Mongolia Gurvanbulag uranium deposit for \$30M in 2009. He has good knowledge of the evaluation of mineral projects as well as the project management, also provided input to the CUC acquisitions of United Metals (02302.HK) for \$78M in 2008.

Feng Wu — Graduate Geologist — China, BSc in Geology (The China University of Geosciences, 2000)

Feng is a geologist with 6 years field geological exploration work experience. He is experienced in geochemical/geophysical exploration, geological mapping, trench/pit/drilling project, geological modeling, resource estimate, and report drafting. Fields related gold, lateritic nickel, copper, lateritic bauxite, iron, limestone ore, petroleum. Commodity project experience: Petroleum drilling project in Xingjiang Province China (2004); Yangshan gold mine periphery prospecting project in Gansu province China (2005-2006); Lateritic nickel mine capital construction project in Papua New Guinea (2007); Copper prospecting in Copperbelt Province Zambia (2008); Gold grass exploration project in Indonesia (2009); Lateritic bauxite drilling exploration project in LA Laos (2010). He chief wrote a geological exploration report of limestone ore in PNG (approved by the experts with China standard 2008).

Tanya Nayda — Mine Geologist, BSc. Geology / Economic Geology

Tanya has worked as a mine geologist and geological technician at BHP Billiton's Cannington Ag-Pb-Zn Mine since September 2007. As a production geologist Tanya was in charge of maintaining geological data sets, stockpile and grade reporting and management, production reconciliation and reporting, drilling hole design, supervision of underground diamond drilling programs, geological core logging, underground geological mapping and interpretation, face mapping and grade control, QAQC of assay data, wireframe modelling, geological assessment of underground development and stope design, etc.

Tanya is a native English speaker; she also has spoken and written skills in Mandarin Chinese and Portuguese.

Mark Burdett — Senior Consultant Geologist (China) - Bachelor of Science (Honours) - Geology, University of Melbourne

Mark is a geologist with over 10 years of experience in the Australian mining industry. After gaining experience in mine geology, Mark entered into various resource geologist roles.

In recent years Mark worked for Oz Minerals as the Senior Resource Geologist and was responsible for updating the Prominent Hill Resource (IOCG) including the management of infill and extensional drilling programs. Prior to this Mark worked as a resource geologist on various deposits including iron, gold and lead/zinc. Mark has also worked as a mine/project geologist for BHP (Pilbara) and Perilya (Broken Hill). Mark is proficient in Vulcan 3D software and is a member of the AUSIMM.

Jinping Xu — Consultant Geologist — B.S. East China Institute of Geology

Jinping Xu is a senior geologist with over 17 years of experience in the mining industry, He has been involved in many projects in China. Jinping has good knowledge of the China exploration standard and the system for resource estimation. Jinping did more than 10 national exploration project, worked in a gold mine for three years. Jinping took in charge of a lead-zinc project in Inner Mongolia an a gold project on Guangdong for Silvercorp Metals Inc. and he worked for Lafarge before joining Runge. In those work, Jinping got substantial experience in a wide range of commodity and deposit types, mining development. He understands the geophysical prospecting method, geochemical exploration method very well.

Company's Relevant Experience

Minarco-MineConsult, part of the Runge Group, is a premier international consulting and engineering firm. It provides a full range of services from pure technical consulting through to strategic corporate advice, undertaking assignments on mining projects covering a range of commodities and countries, serving clients in most of the countries on the West Pacific Rim.

Minarco-MineConsult maintains a full time staff of qualified specialists in the fields of mining engineering, geology, process and metallurgical engineering, environmental and geotechnical engineering, and environmental economics.

Minarco-MineConsult typically completes over 200 assignments per year and has over 300 professionals (through its parent Runge Group) available in disciplines including:

- Mining Engineering;
- Minerals Processing;
- Coal Handling and Preparation;
- Power Generation;
- Environmental Management;
- Geology;
- Contracts Management;
- Project Management;
- Finance;
- Commercial Negotiations.

The roots of Minarco-MineConsult were established in the Australian mining industry. Minarco-MineConsult is committed to compliance with the codes which regulate Australian corporations and consultants and has established an International business which has continued to give its clients and those that rely on its work the confidence that can be associated by the use of the relevant Australian codes.

These codes include:

- The Australian Corporation Law;
- The Australian Institute of Company Directors Code of Conduct;
- The Securities Institute of Australia Code of Ethics;
- The Australasian Institute of Mining and Metallurgy Code of Ethics;
- The Australasian Code for Reporting of Exploration Results, Mined Resources and Ore Reserves (The JORC Code).

Minarco-MineConsult has conducted numerous mining technical due diligence programs and reporting for IPO's and capital raisings over the past six years, with involvement in projects raising a total of over \$US 10 billion of capital. This and other work is summarized in *Table A1*.

Table A1 — Mining Related IPO and Capital Raising Due Diligence Experience

2011 China Precious Metals Holdings Co., Ltd; Luanling Project; Competent Persons Report of Mineral Resources and Ore Reserves under JORC and Independent Technical Review for inclusion in a HKEx Circular to support the acquisition of multiple underground gold mining assets in Henan Province, China.

2011 HaoTian Resources Group Limited; Competent Persons Report of Coal Resources and Reserves under JORC and Independent Technical Review for inclusion in a HKEx Circular to support acquisition of and underground coal mines in Xinjiang Autonomous Region, China.

2011 King Stone Energy Group., Ltd; Competent Persons Report of Coal Resources and Reserves under JORC and Independent Technical Review for inclusion in a HKEx Circular to support acquisition of 2 underground coal mines in Shanxi Province, China.

2010 China Precious Metals Holdings Co., Ltd; Kangshan Gold Mine; Competent Persons Report of Mineral Resources and Ore Reserves under JORC and Independent Technical Review for inclusion in a HKEx Circular to support the acquisition of multiple underground gold mining assets in Henan Province, China.

2010 Century Sunshine Group Holdings Limited; Competent Persons Report of Mineral Resources and Ore Reserves under JORC and Independent Technical Review for inclusion in a HKEx Circular to support the acquisition of a serpentinite mining asset in Jiangsu Province, China.

2010 Doxen Energy Group Limited; Independent Technical Review and estimation of Coal Resources under JORC for inclusion in a HKEx Circular to support the acquisition of a coal mining asset in Xinjiang Autonomous Region, China.

2010 KwongHing International Holdings (Bermuda) Limited; Independent Technical Review for inclusion in a HKEx Circular to support a Very Substantial Acquisition.

2009 Metallurgical Corporation Of China Ltd (“MCC”); Independent Technical Review for inclusion in a Prospectus to support a stock exchange listing on the Hong Kong Stock Exchange.

2009 Nubrand Group Holdings Limited, Guyi Coal Mine; Independent Technical Review for inclusion in a Stock Exchange Circular to support a mining asset purchase by a listed Hong Kong Company.

2008 China Blue Chemical Limited, Wangji and Dayukou Phosphate Mines; Independent Technical Review for inclusion in a Stock Exchange Circular to support a mining asset purchase by a listed Hong Kong Company.

2008 Kenfair International (Holdings) Limited, Shengping Coal Mine; Independent Technical Review for inclusion in a Stock Exchange Circular to support a mining asset purchase by a listed Hong Kong Company.

2007 China Railway Company Limited, African Copper/Cobalt Assets: Capital raising for mining assets on the Hong Kong Stock Exchange. Preparation of Competent Persons Report for planned IPO on the HKEx.

2007 KoYo Ecological Agrotech (Group) Limited Sichuan Phosphate: Independent Technical Review for inclusion in a Stock Exchange Circular to support a mining asset purchase by a listed Hong Kong Company.

2007 Prosperity International Holdings Limited, Guilin Granite Project: Independent Technical Review for inclusion in a Stock Exchange Circular to support a mining asset purchase by a listed Hong Kong Company.

2007 China Primary Resources — Independent Technical Review for inclusion in a Stock Exchange Circular to support a mining asset purchase by China Primary Resources.

2007 China Railway Company Limited, African Copper/Cobalt Assets: Capital raising for mining assets on the Hong Kong Stock Exchange. Preparation of Competent Persons Report for planned IPO on the HKEx.

2007 Gloucester Coal Limited — Independent Technical Review for Australian Stock Exchange Scheme of Arrangement.

2007 Confidential Hong Kong Private Equity Partners — Independent Technical Review to support private equity capital raising to purchase lead/zinc mining assets in Tibet.

2007 Confidential International Investor — Independent Technical Review to support private equity capital raising to purchase iron ore assets in Hubei. Preparation of ITR.

2007 Whitehaven Coal Limited — Independent Technical Review for Australian Stock Exchange IPO.

2007 Confidential Privately Owned Coke Producer — Capital raising for purchase of Coal Mines and downstream coal washing, coke production and chemical production facilities. Preparation of Competent Persons Report for planned IPO on the HKEx.

2007 China Molybdenum Group — Capital raising for large scale Molybdenum mine on the Hong Kong Stock Exchange. Preparation of Competent Person Report for IPO on the HKEx.

2007 Confidential International Investor — Independent Technical Review to support purchase of Gold Mine In Hubei Province.

2006 Excel Mining — Independent Technical Review for Australian Stock Exchange Scheme of Arrangement.

2006 Celadon Mining Investment Group (UK) — Capital raising for coal mine purchase in China and planned subsequent listing on AIM.

2005 Yanzhou Coal Mining Company Limited — Independent Technical Review of coal projects to satisfy ongoing listing requirements of the HKEx and NYSE following IPO.

2004 Excel Mining — Independent Technical Review for Australian Stock Exchange IPO (current market capitalization over \$US1billion).

2004 Excel Mining — Independent Market Review for Australian Stock Exchange IPO.

2003 New Hope — Independent Market Review for Australian Stock Exchange IPO.

2003 Confidential — Independent Market Review on 50 Mtpa operation in Kazakhstan for LSE listing (has not proceeded).

2003 Xstrata plc — Competent Person's Report for London Stock Exchange Chapter 19 Report for Acquisition of MIM Assets including mines, rail and port review (\$US 2.5 billion).

2002 Xstrata plc — Competent Person's Report for London Stock Exchange IPO (\$US2.3 billion).

2002 Kaltim Prima, Indonesia — Independent Technical Review for advising Project financiers to acquisition (\$US445 million).

2001 Enx Resources — Independent Technical Review for Australian Stock Exchange IPO.

2001 Macarthur Coal Limited — Independent Technical Report and Market Review for Australian Stock Exchange IPO.

6 ANNEXURE B — GLOSSARY OF TERMS

The key terms used in this report include:

- **AIG** Australian Institute of Geoscientist
- **AUSIMM** stands for Australasian Institute of Mining and Metallurgy
- **Company** means China Polymetallic Mining Limited
- **Competent Person** stands for Competent Person under the recommendations of the JORC Code and or HKEx chapter 18 listing rules.
- **Cut-Off Grade ('cog')**

Resource cog: is the lowest grade of mineralized material that qualifies as having reasonable economic potential for eventual extraction and supports a geologically justifiable and continuous mineralization domain.

Economic/Reserve cog: is the lowest grade of mineralized material that qualifies as economically mineable and available in a given deposit after application of modifying factors and economic assessment at given commodity prices. It may be defined on the basis of economic evaluation, or on physical or chemical attributes that define an acceptable product specification.

- **g/t** stands for grams per tonne
- **HKEx** stands for Hong Kong Stock Exchange

- **ITR** stands for Independent Technical Review
- **JORC** stands for Joint Ore Reserves Committee
- **JORC Code** refers to the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2004 edition, which is used to determine resources and reserves, and is published by JORC of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Minerals Council of Australia
- **km** stands for kilometre
- **kt** stands for 000's of tonnes
- **ktpa** stands for 000's tonne per annum
- **LOM plan** stands for Life of Mine Plan
- **m** stands for metres
- **mine production** is the total raw production from any particular mine
- **mining rights** means the rights to mine mineral resources and obtain mineral products in areas where mining activities are licenced
- **MI** stands for mega litre which is equal to one million litres
- **MMC** refers to Minarco-MineConsult
- **Mt** stands for mega tonnes which is equal to one million tonnes
- **RMB** stands for Chinese Renminbi Currency Unit; 10^3 RMB means 1,000 RMB
- **ROM** stands for run-of-mine, being material as mined before beneficiation
- **t** stands for tonne
- **tonne** refers to metric tonne
- **tpd** stands for tonnes per day
- **tph** stands for tonnes per hour
- **VALMIN Code** refers to the code and guidelines for technical assessment and or valuation of mineral and petroleum assets and mineral and petroleum securities for independent expert reports
- **\$** refers to United States dollar currency
- **¥** is the symbol for the Chinese Renminbi Currency Unit

Note: Where the terms Competent Person, Inferred Resources and Measured and Indicated Resources are used in this report, they have the same meaning as in the JORC Code.

7 ANNEXURE C — CHINESE AND OTHER INTERNATIONAL RESOURCE REPORTING STANDARDS

Chinese Resource Reporting Standards

In 1999, with a view to creating a standard that was comparable with international resource reporting standards, The Chinese National Land and Resource Department introduced its own national standard for the Classification of Resources/Reserves for Solid Fuels and Mineral Commodities (GB/T 17766-1999).

This code was to replace the previous code (China GB 13908-1992 — General rules for Geological Exploration of Solid Ore Resources) and was based upon the United Nations international code (UN Economic and Society Committee, UN document ENERGY/WP.1/R.70). Some elements of the American resource reporting standards were included and modifications made to suit Chinese conditions. All new resource estimates are reported under this new code and old estimates either re-estimated or converted to the new system.

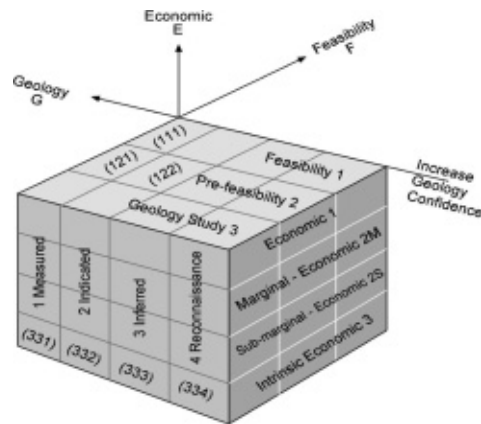
The previous Chinese standard (GB 13908-1992) divided resources into four categories (A, B, C and D) which were loosely comparable to the JORC — (December 2004) classifications of Measured Resource (A-B), Indicated Resource (B-C) and Inferred Resource (D). The old standard was more prescriptive than JORC in that it specified minimum borehole spacings (see *Table C1*) for each category, along with implied levels of geological understanding.

Table C1 — Borehole Spacing Comparison (Chinese, UN and JORC Codes)

(Chinese Reserve Code)	Classification (Chinese Reserve Class)	UN Code	JORC(Dec 2004)	Minimum Borehole / Drill Line Spacing
A	111 – 121		Measured	<100 m
B	121 – 122	331	Measured	<=100 m x 100 m
C	122 – 2 M22	332	Indicated	<=200 m x 100 m
D	122	333	Inferred	>200 m

The old code was essentially a geological classification, taking little account of the deposits economics or the level of mining studies that had been carried out on it. The new code (see *Figure C1*) attempts to address this by using a three component system (EFG) that considers the deposit economics (E), the level of mining feasibility studies that have been carried out (F) and the level of geological confidence (G) using a numerical ranking.

Figure C1 — New Chinese Resource/Reserve Classification Matrix (1999)



This system produces a three digit code for a deposit that reflects these three variables. For example a deposit classified as a 121 is economically viable (1), has had pre-feasibility studies carried out (2) and is well understood geologically (1). Various suffixes are used to distinguish Basic Reserves — essentially JORC Resources — (121b) from Extractable Reserves (121) and to identify the assumed economic viability (S or M). Certain categories are not allowed, for example pre-feasibility or feasibility level studies cannot be conducted on Inferred Resources, and so 123 and 113 are invalid classifications. Also Extractable Reserves are not estimated for marginally economic (or lesser) deposits so the (b) suffix is considered redundant. The term Intrinsically Economic indicates that while the deposit may be economic, insufficient studies have been carried out to clearly determine its status.

A tabulation of this concept is shown in *Table C2*.

Table C2 — New Chinese Resource/Reserve Categories (1999)

Economic Viability	Geological Confidence			
	Identified Mineral Resource			Undiscovered Resource
	Measured (1)	Indicated (2)	Inferred (3)	Reconnaissance (4)
Economic (1)	Basic Reserve [Resource] - 111b			
	Proved Extractable Reserve - 111			
	Basic Reserve [Resource] 121b	Basic Reserve [Resource] - 122b		
	Probable Extractable Reserve - 121	Probable Extractable Reserve -122		
Marginally Economic (2 M)	Resource			
	2 m11			
	Resource	Resource		
	2 M21	2 M22		
Sub-marginally Economic (2S)	Resource			
	2S11			
	Resource	Resource		
	2S21	2S22		
Intrinsically Economic (3)	Resource 331	Resource 332	Resource 333	Resource 334

Note: First digit reflects Economic viability; 1= Economic; 2 m=Marginally Economic; 2S= Sub-marginally Economic; 3=Intrinsically Economic; 4=Economic interest undefined.

Second digit reflects Feasibility assessment stage, 1=Feasibility; 2=Pre-feasibility; 3=Geological study.

Third digit reflects Geological assurance, 1=Measured, 2=Indicated, 3=Inferred, 4=Reconnaissance.

b=Basic Reserve (prior to recovery factors, mining losses and dilution) — [JORC Resource].

Unlike the old code, the new code does not specify required borehole spacings for each category. In the case of copper Cobalt and Gold (and other metals), there is an accompanying Chinese Professional Standard (DZ/T 0214-2002) that lays out rules for determining the level of geological confidence.

International Standards and the JORC Code for Resources

Two main styles of resource reporting codes exist internationally. These are the American style (USA and much of South America) and the JORC style (Australia, South Africa, Canada, and UK). This is further complicated by the listing and reporting requirements of different stock exchanges. It is generally true that a resource estimation that complies with the JORC code (or one of its sister codes) will meet the standards of most international investors.

The new Chinese code is a blend of the old Chinese Code and the codes in current use today, including JORC and the current United Nations (UN) standard, with some additional local components added.

JORC is a non-prescriptive code, in that it does not lay out specific limits for resource classification in terms of such things as borehole spacing. Instead it emphasises the principles of transparency, materiality and the role of the Competent Person. Whilst some guidelines do exist (e.g. the Australian Guidelines for the Estimation of Coal Resources and Reserves) they are not mandatory and classification is left in the hands of the Competent Person. When combined with its Professional Standards (which are effectively mandatory), the Chinese code is much more prescriptive but does not include the role of the Competent Person.

An examination of the details of the Chinese code suggests that in terms of broad categorization, the levels of geological confidence ascribed to Measured and Indicated resources are quite similar in both the codes. The ranges of borehole spacings, thickness cut-offs and quality limitations that are enforced by the Chinese system would generally result in the same resource classification under the JORC Code.

The JORC Code uses the following definitions for Mineral Resources and Ore Reserves:

Measured Mineral Resource is that part of Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a **high** level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and grade continuity.

Indicated Mineral Resource is that part of Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a **reasonable** level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed.

Inferred Mineral Resource is that part of Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a **low** level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability.

Exploration Target/Results includes data and information generated by exploration programs that may be of use to investors. The reporting of such information is common in the **early** stages of

exploration and is usually based on limited surface chip sampling, geochemical and geophysical surveys. Discussion of target size and type must be expressed so that it cannot be misrepresented as an estimate of Mineral Resources or Ore Reserves.

A **'Proved Ore Reserve'** is the economically mineable part of a Measured Mineral Resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified.

A Proved Ore Reserve represents the highest confidence category of Ore Reserve estimates. This requires detailed exploration and quality data "points of observation" to provide high geological confidence.

A **'Probable Ore Reserve'** is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistic ally assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified.

A Probable Ore Reserve has a lower level of confidence than a Proved Ore Reserve but has adequate reliability as the basis of mining studies.

8 ANNEXURE D — JORC ORE RESERVE CHECKLIST

Section	Comment
1. Is the Reserve derived from JORC compliant Resource Statement? Who are the competent persons?	The JORC compliant Ore Reserve Estimate is signed by Mr Michael Eckert (Runge Ltd, Senior Mining Engineer), and is derived from a JORC compliant Mineral Resource Estimate signed by Mr Jeremy Clark(Runge Ltd, Senior Geologist).
2. What is the current Project status?	The mine is in development. No ore has been produced to date. A life of mine plan has been scheduled. The mine is gradually ramping up from 48 kt of ore mined in 2011, 419 kt in 2012, to 660 kt in 2013 and thereafter.
3. What cut off parameters and physical limits have been applied in estimating the Reserves?	3.3% Pb Eq Minimum (Operational) COG and 4.3% Pb Eq Life-of-Mine (Industrial) grade. 5m sections were created and reported on 5m vertical intervals using Surpac and any diluted 5m interval below the Minimum cut-off grade was removed. Any level diluted stoping block below the Life-of-Mine cut-off grade was removed.

Section	Comment
4. What mining and geotechnical assumptions have been made?	Mining dilution of 5.4% for primary transverse cut-and-fill stoping, 9.8% for secondary cut-and-fill stoping and 10.3% for longitudinal cut-and-fill stoping assuming a 10m stope width. These are based on 0.3m over-break in waste and ore, 0.5m backfill over-break and 0.3m back-fill over-muck applied to the proposed stope geometries. Recovery factors of 92.5% assumed for lodes with a dip greater than 45 degrees and 87.5% assumed for lodes with a dip less than 45 degrees.
5. Is there a metallurgical process used and what is suitability to the type of operation?	Metals are recovered through a conventional and suitable flotation plant to produce a lead concentrate and zinc concentrate, both including silver.
6. How have the Project capital, operating costs and royalties been derived?	Costs used were derived from the Feasibility Study. Total variable operating costs used for calculation of Minimum Cut-off Grade was 336 RMB/t. Total operating Cost used for calculation of the Life-of-Mine Cut-off Grade 435 RMB/t. While these costs are marginally differ from those quoted in Chapter 9, they are considered appropriate for the Ore Reserve Estimate.
7. What is the market demand and supply of this commodity and what are the price and volume forecasts of the Reserves based upon?	Strong current and forecast demand.
8. Any other factors that may potentially affect the viability of the Project and the status of titles and approvals required for the Project?	Consolidated mine planning is required. Approvals are ongoing.
9. What is the basis for the classification of the Ore Reserves and proportion of Ore Reserves which have been derived from Measured Ore Resources?	Classification of Ore Reserves has been derived by considering the Indicated resources and the level of mine planning. Both Proved and Probable Reserves have been reported. Inferred resources have been excluded from the estimate.
10. Results of audits or reviews of Reserves Statements.	As per findings in this review, plus internal reconciliation and peer review.
11. Relative accuracy and confidence of the Reserves Estimate.	There is reasonably high confidence in the Ore Reserve. A more detailed knowledge of grade and orebody geometry variability would refine the modifying factors being applied.

9 ANNEXURE E — EQUIPMENT LISTS

Table E1 — Shizishan Polymetallic Project- Mining Equipment Inventory List

Equipment Type	Model	Qty
Single boom long hole Jumbo	Sandvik DL330-5	1
Single boom development Jumbo	Sandvik DD310-40	1
Hand Held Percussion Drill	YSP45	10
Hand Held Percussion Drill	7655	24
Hand Held Percussion Drill	YGZ90	2
Raise Bore	ZS — 150	1
Air Pick	G10	5
Diesel Carry-Scraper	ACY-2	4
	ACY-3	3
Truck	AJK15	7
Vibrating Ore-Drawing Machine	FZC-2.5/1.4-5.5	8
Multi-purpose Service Vehicle	ATY-5	3
Bridge Lift	LD10-8.5	1
Air Compressor	LGD300/077BK	4
Hydrocyclone	CZI150×10	2
Screw Conveyor	GX400-10	1

Source: Feasibility Study

Table E2- Shizishan Polymetallic Project — Processing Plant Equipment List

Equipment	Specification	Numbers	Weight (t)	Motor (kW)
Jaw Crusher	C100	1	20.1	110
Cone Crusher	GP100S	1	7.5	90
Cone Crusher	HP200	1	10.4	160
Feeder	GZT1550	1	9	
Overflow Ball Mill	QSZ 2700 * 4500	2	91.9	500
Hydrocyclone	WDS500B/2	2	6	
Conditioning Tank	CGJ	8	4.1	8
Flotation	BF-8	76	4.1	
Ceramic Filter	HTG-45	2	12.8	
Thickener	GZN-40	2	59.2	
Thickener	GZN-28	2	42.8	

Source: Based on information provided by the Company

10 ANNEXURE F — EXPLORATION RESULTS

Table F1 — Underground Channel Samples Locations and Grades for Liziping Project.

Sample_ID	Northing	Easting	Elevation	Cu (%)	Pb (%)	Zn (%)	Ag (g/t)
PD118-1/-H1	2970890.3	33523790.5	2266.6	0.0	32.3	1.9	589.0
PD118-1/-H2	2970895.1	33523792.0	2266.6	0.0	29.0	3.1	550.0
PD118-1/-H3	2970899.8	33523793.5	2266.6	0.0	11.9	12.3	247.0
PD118-1/-H4	2970904.6	33523795.0	2266.6	0.0	33.6	1.0	641.0
PD118-1/-H5	2970909.4	33523796.5	2266.6	0.0	33.6	3.3	646.0
PD118-1/-H6	2970914.2	33523798.0	2266.6	0.6	33.8	2.6	687.0
PD118-1/-H7	2970918.9	33523799.5	2266.6	0.0	23.3	1.9	365.0
PD118-1/-H8	2970923.7	33523801.0	2266.6	0.0	20.2	1.3	488.0
PD118-1/-H9	2970928.5	33523802.5	2266.6	0.0	27.1	4.8	522.0
PD118-1/-H10	2970933.2	33523804.0	2266.6	0.0	28.6	6.7	533.0
PD118-1/-H11	2970938.0	33523805.5	2266.6	0.0	34.5	2.8	600.0
PD118-5/-1-H1	2971165.1	33523846.1	2200.6	0.0	15.9	8.8	313.0
PD118-5/-1-H2	2971165.5	33523847.0	2200.6	0.0	30.0	8.4	653.0
PD118-5/-1-H3	2971165.8	33523848.0	2200.6	0.0	24.4	2.4	458.0
PD118-4/-H1	2971197.8	33523804.8	2200.6	0.0	0.1	0.0	4.8
PD118-4/-H2	2971196.8	33523805.1	2200.6	0.0	21.1	8.5	478.0
PD118-4/-H3	2971195.9	33523805.4	2200.6	0.0	0.6	0.1	26.6
PD118-2/-2-H1	2970946.3	33523808.1	2266.6	0.0	0.2	0.1	6.9
PD118-2/-2-H2	2970946.5	33523809.1	2266.6	0.0	30.1	1.9	723.0
PD118-2/-2-H3	2970946.8	33523810.1	2266.6	0.0	0.1	0.1	7.1
PD118-2/-2-H4	2970947.0	33523811.1	2266.6	0.0	0.2	0.0	11.9
PD118-2/-2-H5	2970954.3	33523840.2	2266.6	0.0	0.2	0.1	9.8
KD118-27-H1	2971126.9	33523903.9	2265.6	0.1	0.2	0.1	20.0
KD118-27-H2	2971126.5	33523904.8	2265.6	0.0	29.8	5.1	494.0
KD118-27-H3	2971126.2	33523905.7	2265.6	0.0	33.4	3.3	567.0
KD118-27-H4	2971125.8	33523906.7	2265.6	0.0	0.3	0.0	15.0
KD118-11-H1	2970940.4	33523769.9	2265.6	0.0	2.8	0.3	42.5
KD118-11-H2	2970940.6	33523770.9	2265.6	0.0	34.7	3.4	698.0
KD118-11-H3	2970940.7	33523771.9	2265.6	0.0	10.3	4.8	341.0
KD118-9-HQ1	2970940.2	33523759.0	2265.6	0.0	6.6	0.1	118.0
KD118-13-H1	2970918.3	33523782.7	2265.6	0.0	31.4	3.7	654.0
KD118-13-H2	2970918.4	33523783.7	2265.6	0.0	36.8	2.9	669.0
KD118-13-H3	2970918.5	33523784.7	2265.6	0.0	3.2	0.1	57.1
KD118-13-H4	2970918.6	33523785.7	2265.6	0.0	0.3	0.0	11.2
PD118-5-H1	2971078.2	33523783.9	2265.6	0.3	1.1	0.1	62.0
PD118-5-H2	2971078.5	33523784.8	2265.6	0.1	31.5	1.4	605.0
PD118-5-H3	2971078.9	33523785.7	2265.6	0.0	0.8	0.6	29.6
PD118-3-H1	2971098.5	33523795.7	2265.6	0.0	0.2	0.1	13.1
PD118-3-H3	2971099.2	33523797.6	2265.6	0.1	0.3	0.1	25.2
KD118-10-H1	2970939.7	33523764.0	2265.6	0.0	0.2	0.0	12.0
KD118-10-H2	2970939.6	33523765.0	2265.6	0.4	43.3	1.5	746.0
KD118-10-H3	2970939.5	33523766.0	2265.6	0.0	0.4	0.1	19.5
KD117-15-H1	2971209.2	33523972.0	2370.0	0.0	0.2	0.0	9.4
KD117-15-H2	2971208.2	33523972.0	2370.0	0.0	0.1	0.0	6.7
KD117-15-H3	2971207.2	33523972.0	2370.0	0.0	0.5	0.0	16.6
KD117-20-H1	2971108.5	33523907.4	2370.0	0.0	0.2	0.0	9.8
KD117-20-H2	2971108.5	33523908.4	2370.0	0.0	27.6	1.8	482.0
KD117-20-H3	2971108.5	33523909.4	2370.0	0.0	31.1	1.8	560.0
KD117-20-H4	2971108.5	33523910.4	2370.0	0.0	0.9	0.6	16.8
KD117-18-H1	2971128.0	33523960.3	2370.0	0.0	0.3	0.1	16.2
KD117-18-H2	2971128.6	33523961.1	2370.0	0.0	32.9	3.0	629.0
KD117-18-H3	2971129.3	33523961.9	2370.0	0.0	0.2	0.0	6.5
KD117/-1-H1	2970971.8	33523869.1	2370.0	0.0	0.1	0.1	6.0
KD117/-1-H2	2970971.8	33523870.1	2370.0	0.0	33.5	4.3	660.0
KD117/-1-H3	2970971.8	33523871.1	2370.0	0.0	35.8	8.2	720.0
KD117/-1-H4	2970971.8	33523872.1	2370.0	0.1	0.4	0.1	19.2
KD117/-1-H5	2971004.2	33523911.5	2370.0	0.0	0.2	0.0	9.6
KD117/-1-H6	2971003.2	33523911.7	2370.0	0.0	26.3	4.7	547.0
KD117/-1-H7	2971002.2	33523911.8	2370.0	0.0	0.2	0.1	10.0