

*The following is the text of a letter, summary of values and valuation certificates, prepared for the purpose of incorporation in this Prospectus received from Jones Lang LaSalle Sallmanns Limited, an independent valuer, in connection with its valuation as at 31 March 2011 of the property interests of the Group.*



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Licence No: C-030171

21 June 2011

The Board of Directors  
Newton Resources Ltd  
(新礦資源有限公司)  
Walker House, 87 Mary Street,  
George Town, Grand Cayman,  
KY1-9005, Cayman Islands

Dear Sirs,

In accordance with your instructions to value the properties in which Newton Resources Ltd (新礦資源有限公司) (the "Company") and its subsidiary (hereinafter together referred to as the "Group") have interests in Hong Kong and the People's Republic of China (the "PRC"), we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the capital values of the property interests as at 31 March 2011 (the "date of valuation").

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

Where, due to the nature of the structures of the property in Group I and the particular location in which they are situated, there are unlikely to be relevant market comparable sales readily available, the property interest has been valued on the basis of its depreciated replacement cost.

Depreciated replacement cost is defined as "the current cost of replacement (reproduction) of a property less deductions for physical deterioration and all relevant forms of obsolescence and optimization." It is based on an estimate of the market value for the existing use of the land, plus the current cost of replacement (reproduction) of the improvements, less deductions for physical deterioration and all relevant forms of obsolescence and optimization. The depreciated replacement cost of the property interest is subject to adequate potential profitability of the concerned business.

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

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

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

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

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

We have been shown copies of various title documents including State-owned Land Use Rights Certificates and official plans relating to the property in the PRC and have made searches to be made at the relevant Land Registry in respect of Hong Kong Property. Where possible, we have examined the original documents to verify the existing title to the property interest in the PRC and any material encumbrance that might be attached to the property interests or any tenancy amendment. We have relied considerably on the advice given by the Company's PRC legal advisors – King & Wood, concerning the validity of the property interest in the PRC.

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

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

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

Unless otherwise stated, all monetary figures stated in the valuation certificates are in RMB.

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

Yours faithfully,  
for and on behalf of  
**Jones Lang LaSalle Sallmanns Limited**

**Paul L. Brown**  
*B.Sc. FRICS FHKIS*  
*Chief Valuation Adviser*

**Sam B. Q. Zhu**  
*MRICS*  
*Director*

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*Note:*

1. Paul L. Brown is a Chartered Surveyor who has 28 years' experience in the valuation of properties in the PRC and 31 years of property valuation experience in Hong Kong, the United Kingdom and the Asia-Pacific region.
2. Sam B. Q. Zhu is a Chartered Surveyor who has 13 years' experience in the valuation of properties in the PRC.

## SUMMARY OF VALUES

## Group I – Property interest held and occupied by the Group in the PRC

<u>No.</u>	<u>Property</u>	<u>Capital value in existing state as at 31 March 2011</u>	<u>Interest attributable to the Group</u>	<u>Capital value attributable to the Group as at 31 March 2011</u>
		<i>RMB</i>		<i>RMB</i>
1.	2 parcels of land and various structures located in the southwest of Shiwopu Village and the west of Shilou Village Haozhuang Town Lincheng County Xingtai City Hebei Province The PRC	12,505,000	99%	12,380,000
	<b>Sub-total:</b>	<u>12,505,000</u>		<u>12,380,000</u>

## Group II – Property interest leased and occupied by the Group in Hong Kong

<u>No.</u>	<u>Property</u>	<u>Capital value in existing state as at 31 March 2011</u>	<u>Interest attributable to the Group</u>	<u>Capital value attributable to the Group as at 31 March 2011</u>
		<i>HK\$</i>		<i>HK\$</i>
2	Room 1502-5 15th Floor New World Tower 16-18 Queen's Road Central Hong Kong	No commercial value		No commercial value
	<b>Sub-total:</b>	<u>Nil</u>		<u>Nil</u>
	<b>Grand total:</b>	<u><u>12,505,000</u></u>		<u><u>12,380,000</u></u>

## VALUATION CERTIFICATE

## Group I – Property interest held and occupied by the Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2011 RMB
1.	2 parcels of land and various structures located in the southwest of Shiwopu Village and the west of Shilou Village Haozhuang Town Lincheng County Xingtai City Hebei Province The PRC	<p>The property comprises 2 parcels of land with a total site area of approximately 92,700 sq.m. and various structures erected thereon which were completed in various stages between 2005 and 2008.</p> <p>The structures mainly include a tailing dam, cisterns, sheds and roads together with 15 bungalows with a total gross floor area of approximately 1,102 sq.m.</p> <p>The land use rights of the property have been granted for a term of 50 years expiring on 25 September 2049 for industrial use.</p>	The property is currently occupied by the Group for iron ore processing production purpose.	<p style="text-align: right;">12,505,000</p> <p style="text-align: right;">99% interest attributable to the Group: RMB12,380,000</p>

*Notes:*

1. Lincheng Xingye Mineral Resources Co., Ltd. (臨城興業礦產資源有限公司) is a 99% interest owned subsidiary of the Company.
2. Pursuant to 2 State-owned Land Use Rights Grant Contracts numbered 2010-02 and 03 dated 26 February 2010 entered into between Lincheng Xingye Mineral Resources Co., Ltd. and the Land Resource Bureau of Lincheng County, the land use rights of 2 parcels of land with a total site area of approximately 92,700 sq.m. were contracted to be granted to Lincheng Xingye Mineral Resources Co., Ltd. for a term of 50 years expiring on 25 September 2049 for industrial use. As advised by the Company, the total land premium was RMB4,130,000 and the land premium was fully paid on 16 December 2010.
3. Pursuant to 2 State-owned Land Use Rights Certificates – Lin Guo Yong (2009) Zi Di No. 010 and 011, the land use rights of 2 parcels of land with a total site area of approximately 92,700 sq.m. have been granted to Lincheng Xingye Mineral Resources Co., Ltd. for a term of 50 years expiring on 25 September 2049 for industrial use.
4. Pursuant to a letter issued by Lincheng Xingye Mineral Resources Co., Ltd., the building construction plan for the land of the property will be applied along with its business development. And the bungalows of the property are intended for temporary use and will be demolished after the construction plan is approved by the government.
5. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisors, which contains, *inter alia*, the following:
  - a. the land use rights of the property are legally owned by the Group and the Group will be entitled to transfer, lease, mortgage or otherwise dispose of the land use rights within the use terms; and
  - b. the property is not subject to any mortgage or any other encumbrances.

## Group II – Property interest leased and occupied by the Group in Hong Kong

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2011 HK\$
2.	Room 1502-5 15th Floor New World Tower 16-18 Queen's Road Central Hong Kong	<p>The property comprises an office unit on level 15 of a 41-storey commercial building completed in about 1976.</p> <p>The unit has a gross floor area of approximately 365.85 sq.m. (3,938 sq.ft.)</p> <p>The property is leased to the Company for a term commencing from 28 October 2009 and expiring on 27 October 2012 at a monthly rent of HK\$169,334 and for a term commencing from 28 October 2012 and expiring on 31 December 2013 at a monthly rent of HK\$255,970, exclusive of government rates, service charges and other outgoings.</p>	The property is currently occupied by the Company for office purpose.	No commercial value

*Notes:*

1. The registered owner of this property is New World Tower Company Limited, a connected party of the Company, vide UB6075995 dated 1 July 1994.
2. (i) Pursuant to a Tenancy Agreement dated 18 December 2009, China Tian Yuan Mining Limited (the predecessor of the Company) leases from New World Tower Company Limited an office unit with a gross floor area of approximately 365.85 sq.m. at a monthly rent of HK\$169,334 for a term of 3 years commencing from 28 October 2009 and expiring on 27 October 2012, exclusive of government rates, service charges and other outgoings.
- (ii) Pursuant to another Tenancy Agreement dated 10 January 2011, China Tian Yuan Mining Limited leases from New World Tower Company Limited an office unit with a gross floor area of approximately 365.85 square metres at a monthly rent of HK\$255,970 for a term commencing from 28 October 2012 and expiring on 31 December 2013, exclusive of government rates, service charges and other outgoings.