



Ref: RHA007/01/12/BC

GANSU GOLD 1

29th March 2012

An operating underground **GOLD** mine with a total (333) of 4.76t of gold resources is available for sale.

- ASSETS:**
- Mining permit: area(0.35km²); production capacity (4,000tpa); expires (Apr 2013)
 - A 200t/d processing plant
 - Held under a PRC company

RESOURCES: As reported in a 2011 geological study:

- Gold:

Chinese Classification	Ore (t)	Grade (g/t)	Gold (t)
333	1,127,721	4.22	4.76
334	36,434	5.25	0.19
Grand Total	1,164,155	4.25	4.95

- OPERATION:**
- Mining within a 300m thick vertical zone underground
 - Mining and processing at 200t/d for 300days per year. At this throughput, the mine life is estimated to be approx. 15 years
 - Advised estimated operating cost is RMB174/t ore or RMB44/g gold at 4g/t
 - Advised estimated annual net profit before tax is RMB64M

BENEFICIATION: ● A 200t/d carbon-in-leach processing plant

INFRASTRUCTURE:

- Accessible by road
- Power and water supply available

CONSIDERATIONS: ● RMB XXX million