Annual Information Form

For the year ended September 30, 2011

December 18, 2011

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Documents Incorporated By Reference

The following documents are specifically incorporated by reference in this Annual Information Form:

1. The consolidated financial statements of New Dawn Mining Corp. for the fiscal year ended September 30, 2011 prepared in accordance with Canadian generally accepted accounting principles and the auditors' report thereon (the "2011 Consolidated Financial Statements");

2. New Dawn Mining Corp.'s Management's Discussion and Analysis for the year ended September 30, 2011 (the "2011 MD&A"); and

3. A technical report entitled "Amended 43-101 Independent Technical Report on the Mining and Exploration Properties of Casmyn Mining Zimbabwe (Private) Limited" with an effective date of December 15, 2008, authored by Anthony Martin, Pr.Sci. Nat., MAusIMM (the "Angelus-Turk Technical Report").

4. A technical report entitled "Independent NI 43-101 Technical Report – Acquisition of Central African Gold Plc Zimbabwe Properties" with an effective date of June 30, 2010, authored by Michael M. Othitis, B.Sc., MA, AIPG/CPG 11050, (the "CAG Properties Technical Report").

The above documents are available for review on the System for Electronic Data Analysis and Retrieval ("SEDAR"), which may be accessed on the Internet at website: www.sedar.com and on the Company's website at www.newdawnmining.com.

Cautionary Statement Regarding Forward-Looking Statements

This Annual Information Form contains "forward-looking information" which may include, but is not limited to, statements with respect to the future financial or operating performances of New Dawn, the Material Mineral Properties, the future supply, demand, inventory, production and price of gold and other precious minerals, the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital, operating and exploration expenditures, development costs for the Material Mineral Properties, requirements for additional capital, government regulation of mining operations, environmental risks, reclamation and rehabilitation expenses, title disputes or claims, limitations of insurance coverage and the timing and possible outcome of litigation and regulatory matters. Often, but not always, forward-looking information statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes", or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might", or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of New Dawn to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, those factors discussed in the section entitled "Risk Factors" in this document. Although New Dawn has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this document based on the opinions and estimates of management, and New Dawn disclaims any obligation to update any forward-looking statements, whether as a result of new information, estimates or opinions, future events or results or otherwise, except as required by applicable securities legislation. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, current and potential investors should not place undue reliance on forward-looking statements.

Currency

In this Annual Information Form, references to "$" or "US$" are to United States dollars, references to "C$" are to Canadian dollars, references to "£" are to UK pounds sterling, and references to "ZAR" are to South African Rand. The financial statements and (unless otherwise specified) other financial information contained in this Annual Information Form are expressed in United States dollars.

Effective January 31, 2009, foreign currencies became legal tender in Zimbabwe and in July 2009, the Zimbabwe dollar was demonetized. The Company's operating entities in Zimbabwe, have, along with most other mining companies operating in the country, adopted the US dollar as the reporting and functional currency for fiscal 2009 and subsequent fiscal years. Central African Gold Limited, the Company's wholly owned subsidiary, changed its functional currency from pounds sterling to US$ effective June 16, 2010, the date New Dawn acquired a controlling interest in that company. As a result, differences arising on translation to the US$ are no longer an issue. However, as the Company and its subsidiaries acquire goods and services for which the consideration is payable in a currency other than US$, it may still incur exchange gains and losses on these transactions.

The closing, high, low and average of the noon nominal exchange rates for the United States dollar in terms of Canadian dollars for each of the three years ended September 30, 2011, 2010 and 2009 as reported by the Bank of Canada, were as follows:

	Year Ended September 30,		
US$1 =	**2011**	**2010**	**2009**
Closing	C$1.0389	C$1.0298	C$1.0722
High	C$1.0389	C$1.0845	C$1.3000
Low	C$0.9449	C$0.9961	C$1.0609
Average(1)	C$0.9866	C$1.0407	C$1.1804

(1) Calculated as an average of the daily noon rates for each period.

The high, low and average exchange rates for the United States dollar in terms of South African Rand for each of the three years ended September 30, 2011, 2010, and 2009, as reported by the Bank of Canada, were as follows:

	Year Ended September 30,		
US$1 =	**2011**	**2010**	**2009**
Closing	ZAR 8.0224	ZAR 6.9621	ZAR 7.4083
High	ZAR 8.2831	ZAR 7.4722	ZAR 11.474
Low	ZAR 6.5780	ZAR 6.9621	ZAR 7.3411
Average(1)	ZAR 6.9659	ZAR 7.4722	ZAR 9.0501

(1) Calculated as an average of the daily noon rates for each period.

The high, low and average exchange rates for the United States dollar in terms of UK pounds sterling for the period from acquisition of Central African Gold Plc on June 16, 2010 to September 30, 2011 as reported by the Bank of Canada were as follows:

	Year Ended September 30,	
US$1 =	**2011**	**2010**
Closing	£0.6401	£0.6358
High	£0.6512	£0.6763
Low	£0.5992	£0.6259
Average(1)	£0.6227	£0.6486

(1) Calculated as an average of the daily noon rates for each period.

Effective Date

This Annual Information Form is dated December 18, 2011. Except as specified in this Annual Information Form, information is provided as of September 30, 2011, being the end of the Company's most recently completed fiscal year.

Defined Terms

In this Annual Information Form, in addition to the terms which are parenthetically defined, the following terms have the following meanings respectively:

"Angelus Mine" means the mineral rights as more particularly described under "ITEM 4 - The Angelus Mine – Property Description and Location".

"CAG" means Central African Gold Ltd. (formerly Central African Gold Plc), a company subsisting under the laws of the United Kingdom and in which the Company holds a 100% indirect interest.

"CAG Properties" means, collectively, Dalny Mine, Golden Quarry Mine, Venice Mine, Camperdown Mine and Old Nic Mine, all held by subsidiaries of CAG.

"Camperdown Mine" means the mineral rights as more particularly described under "ITEM 7 - The Camperdown Mine – Property Description and Location"

"Casmyn Zim" means Casmyn Mining Zimbabwe (Private) Limited, an indirect wholly-owned subsidiary of the Company subsisting under the laws of Zimbabwe, which holds the interests in the Turk and Angelus Mines as well as other mineral interests in Zimbabwe.

"Common Shares" means the common shares in the capital of the Company as currently constituted.

"Company" means New Dawn Mining Corp.

"Dalny Mine" means the mineral rights as more particularly described under "ITEM 8 - The Dalny Mine – Property Description and Location".

"Falgold" means Falcon Gold Zimbabwe Limited, a company subsisting under the laws of Zimbabwe in which the Company holds an approximate 85% indirect interest and which holds the interests in the Dalny, Venice and Golden Quarry Mines as well as other mineral interests in Zimbabwe.

"Golden Quarry" means the mineral rights as more particularly described under "ITEM 10 - The Golden Quarry Mine – Property Description and Location".

"Indigenisation Ministry" means the Ministry of Youth Development, Indigenisation and Economic Empowerment of Zimbabwe.

"Material Mineral Properties" means, collectively, the Turk & Angelus Mine, Old Nic Mine, Camperdown Mine, Dalny Mine, Venice Mine and Golden Quarry Mine.

"New Dawn" means the Company and its subsidiaries.

"NI 43-101" means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* adopted by the Canadian Securities Administrators.

"NIEEB" means the National Indigenisation and Economic Empowerment Board of Zimbabwe.

"Old Nic" means the mineral rights as more particularly described under "ITEM 6 - The Old Nic Mine – Property Description and Location"

"Olympus" means Olympus Mines Limited, a company subsisting under the laws of Zimbabwe in which the Company holds a 100% indirect interest through CAG, and which holds the interests in the Old Nic and Camperdown Mines as well as other mineral interests in Zimbabwe..

"RBZ" means the Reserve Bank of Zimbabwe.

"RRL" means Rand Refinery Ltd., a South African company to whom New Dawn currently sells gold produced from its properties in Zimbabwe.

"Turk" means the mineral rights as more particularly described under "ITEM 4 - The Turk Mine – Property Description and Location".

"Turk and Angelus Mine" means the mineral rights of the Turk Mine and Angelus Mine together.

"TSX" means the Toronto Stock Exchange.

"Venice" means the mineral rights as more particularly described under "ITEM 4 - The Venice Mine – Property Description and Location".

"ZESA" means the Zimbabwe Electrical Supply Authority.

ITEM 1 - CORPORATE STRUCTURE

1.1 Name, Address and Incorporation

New Dawn Mining Corp. (referred to herein as the "Company") is subsisting under the *Canada Business Corporations Act* (Canada). The registered office of the Company is located at Suite 301, 116 Simcoe Street, Toronto, Ontario, Canada M5H 4E2.

The Company was incorporated on November 29, 1999 under the laws of the State of Nevada under the name "Goldco Ltd.", changing its name to Resource Ventures Inc effective May 18, 2000 and, effective August 22, 2006, to New Dawn Mining Corp.

The Company was part of a court approved plan of reorganization of Casmyn Corp. under the United States Bankruptcy Code whereby Casmyn Corp. transferred all of its interest in its Zimbabwe mining assets to the Company effective April 11, 2000. (Casmyn Corp., which had previously been listed on the NASDAQ Small Cap Market filed for protection under Chapter 11 of the United States Bankruptcy Code in 1999 and operated as debtor-in-possession until court approval of its reorganization plan)

Effective August 22, 2006, the Company was continued under the *Business Corporations Act* (British Columbia) by Articles of Continuation, changing its incorporating jurisdiction from Nevada to British Columbia.

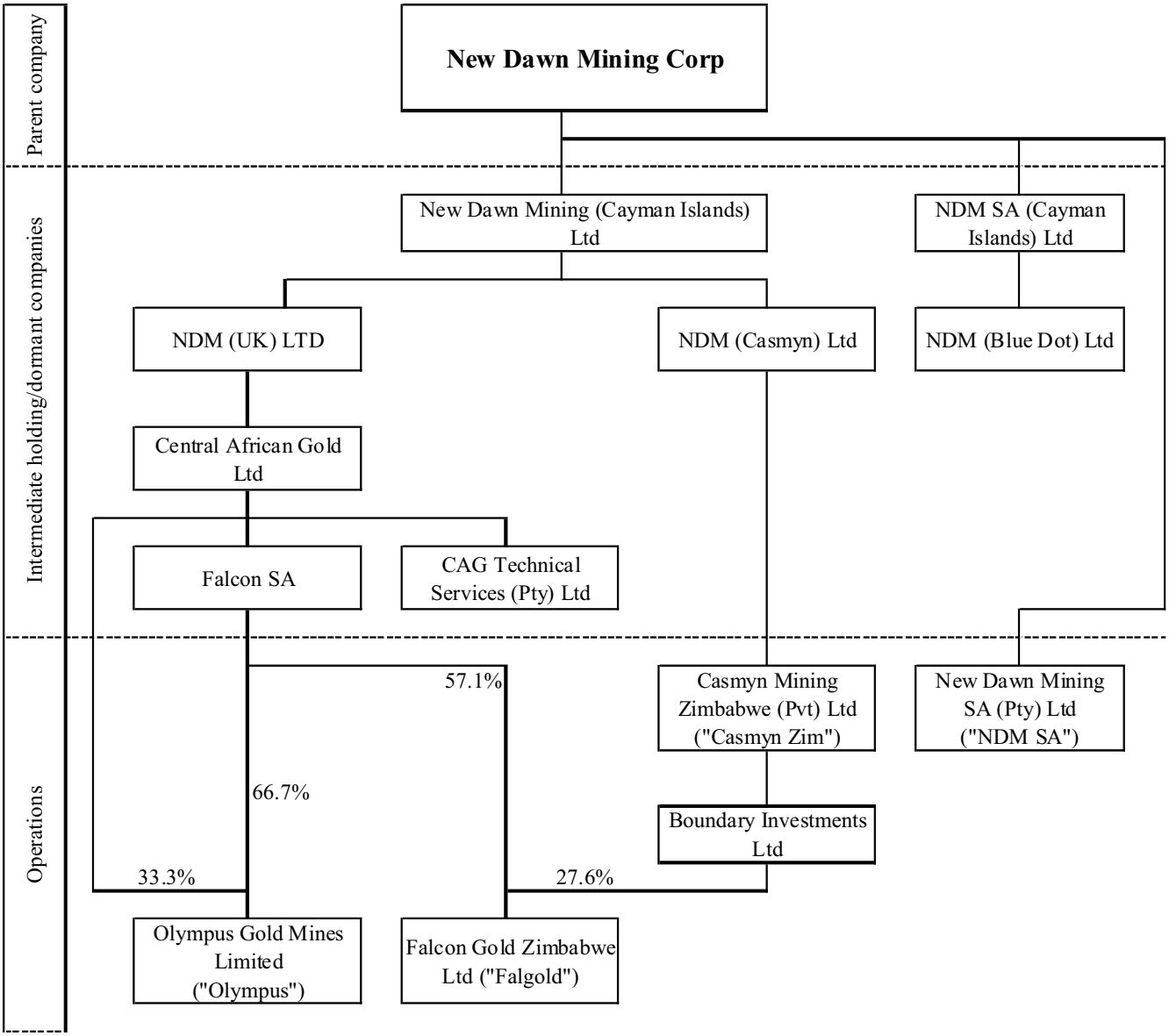
Effective November 14, 2007, the Articles of the Company were amended to subdivide the previously issued common shares of the Company on the basis of 4.7 new common shares for each old common share. In this Annual Information Form, all references to Common Shares are to the common shares of the Company after giving effect to such subdivision.

Effective November 15, 2007, the Company continued under the *Canada Business Corporations Act* by Articles of Continuance. In such Articles of Continuance, the Company amended its authorized share capital by removing the authorization to issue preferred shares, limiting the authorized share capital to 200,000,000 Common Shares, and adding restrictions on the ownership and voting of Common Shares by U.S. persons. These restrictions are described in greater detail under section 12.3.

1.2 Intercorporate Relationships

The following chart indicates the corporate structure of the Company and its active subsidiaries, the jurisdiction of incorporation, and the percentage of voting securities held.

NEW DAWN MINING CORP
CORPORATE STRUCTURE



Unless otherwise noted, holdings are 100%

ITEM 2 - GENERAL DEVELOPMENT OF THE BUSINESS

New Dawn is a gold exploration and mine development company which had, at September 30, 2011, five producing mines and one non-operational mine property (together, the Material Mineral Properties). In addition, New Dawn holds a large portfolio of exploration properties located in the greenstone belt that runs in a north-east – southwest direction across the centre of Zimbabwe. Currently, none of these exploration properties, either individually or in total, are material to the Company.

In 1996, Casmyn, acquired through its wholly owned subsidiary, Casmyn Zim, a portfolio of mineral properties in Zimbabwe, including the Turk Mine. With the investment at that time of approximately US$25,000,000 in new and upgraded infrastructure, plant and equipment, the Turk Mine started commercial production in 1997 producing sufficient cash flow to maintain operations. With both the increase in gold prices starting in 2002 and an increase in the underground production, the operations generated a positive cash flow that allowed for the implementation of a program that expanded infrastructure and mine development at Turk Mine. In 2005 and with continuing strengthening of the gold price, the decision was made to establish a Canadian head office with a view to moving the Company to the public markets with a listing and capital raise on the Toronto Stock Exchange, a move that was accomplished in 2008.

In October 2008, the hyperinflationary environment and political turmoil in Zimbabwe resulted in all major gold mines in Zimbabwe, including Turk Mine, ceasing production However, substantial economic changes starting in January 2009 and continuing throughout that year allowed the Company to resume production in March 2009 and ramp up gold production from that point.

On June 16, 2010, the Company acquired 88.7% of the issued shares of CAG and, by June 2011, had acquired the balance of the outstanding shares. CAG, through its two operating subsidiaries in Zimbabwe controls five mining properties and a significant portfolio of exploration claims, all of which are in Zimbabwe. Olympus, a wholly owned subsidiary of CAG, has a 100% interest in each of the Old Nic Mine and Camperdown Mine, and a portfolio of exploration properties. Falgold, in which the Company has an approximate 85% interest, has a 100% interest in each of the Dalny Mine, Venice Mine and Golden Quarry Mine and a significant portfolio of exploration properties.

The Zimbabwean Competition and Tariff Commission, having been notified by New Dawn of its acquisition of CAG, determined that the transaction was not likely to substantially lessen competition in the relevant market. As a result, New Dawn's June 16, 2010 acquisition of an 88.7% interest in CAG was unconditionally approved.

At the time of initial acquisition of CAG, none of the mines were operational, but in August 2010 Dalny and Old Nic Mines were moved to a production basis followed by Golden Quarry Mine in May 2011 and Camperdown in August 2011. Prior to acquisition, little exploration work had been carried out on the portfolio of exploration properties so their full potential had not been established at that time. However, the Company has initiated exploration work on these properties and expects to accelerate this program during the next several quarters. The Company has designed a four phase strategy, of which the first is largely complete and has formed the basis for identification of promising targets for more extensive work.

The strategy that the Company is following consists of three elements: increasing output at its producing properties, continuing and increasing exploration work on very prospective ground it holds, and actively working on potential acquisitions to bring other mining assets and companies in Zimbabwe under the New Dawn umbrella. The Company has, particularly over the past two years, invested in upgrades to its infrastructure, plant and equipment, and instituted underground drilling programs to increase its reserves and resources at Turk and Angelus Mine and Old Nic Mine. In addition, an underground drilling program is being started at Dalny and surface drilling is expected to commence at Camperdown during the 2012 fiscal year. As cash flow has been available, exploration work at both the Angelus Mine and other exploration properties that New Dawn controls has moved ahead. The third prong of its strategy was realized when, on June 16, 2010, the Company acquired control of CAG with its portfolio of properties in Zimbabwe.

Although New Dawn plans to continue to expand and refurbish both the infrastructure and underground mine development at its Zimbabwe properties over the next few years, the implementation of this plan will be dependent on accessing financing. The ability to raise financing is currently dependent on the ongoing negotiations with the Government of Zimbabwe with respect to the indigenisation process. This issue is more extensively discussed under section 3.4 of this Annual Information form.

Casmyn Zim properties
The Turk Mine and the Angelus properties share the same gold strikes with the lodes at Angelus being offset from those at Turk as a result of a fault intrusion or dyke. Exploration work within the two mine complex is now focusing on the western extension that will be serviced by the Armenian shaft and around the Angelus shaft at the 12 Level (360m) elevation. The existence of a milling and metallurgical plant, coupled with recent studies undertaken by the management of Casmyn Zim, justifies the continuation of the mining and underground drilling program at the property and surrounding areas that will examine key parameters such as mineral resources and metallurgical attributes for further exploration and development.

Casmyn Zim also has the right to explore and develop a number of other projects in the Upper Southwest area of Zimbabwe. These claims are currently not material to New Dawn. However, initial evaluation work has started on them and is at various stages of completion. Surface mapping, trenching and other geological studies have been undertaken on the Ladville and Payne option lands that are within the Consolidated Shurugwi Gold Fields and initial reconnaissance and target evaluation continues on the Consolidated Bubi Gold Fields. Further exploration work at these properties is dependent on cash flows from operations and the continued improvement in the Zimbabwe economy as well as positive results from the exploration work undertaken. The extent of further work is being coordinated with exploration work on the exploration properties controlled through CAG.

CAG properties
As at September 30, 2011, four of the five mining properties controlled by CAG had resumed production. The fifth, Venice Mine, produces a refractory ore unlike the other locations and, currently, the Company does not have the necessary processing plant to deal with this type of ore. Various options are being considered with respect to this property.

Although operations at four of the mines owned by CAG resumed during the past year, further development of these properties is dependent on financing availability and cash flow provided by operations. The status of equity financing is dependent on the successful conclusion of the negotiations with the Ministry of Youth Development, Indigenisation and Economic Empowerment (the "Indigenisation Ministry") and the National Indigenisation and Economic Empowerment Board ("NIEEB") with respect to the Company's Indigenisation Plan. (See section 3.4 "Indigenisation".) The Company is also considering other financing options including loan financing.

The preliminary detailed evaluation of the extensive land claim package held by the CAG subsidiaries is nearing completion. The object of the evaluation is to identify claims that are likely to be geologically attractive and to determine whether they will fit within the Company' geographical and prioritized operating philosophy. Those properties that are less promising, not within the geographical operating areas identified by the Company or are unlikely to be explored within the next five years will be considered for disposition, sale or renunciation.

2.1 Three Year History

On June 13, 2008, the Company completed an initial public offering of 3,334,000 Common Shares for net proceeds of $5,040,698, and concurrently listed its Common Shares on the Toronto Stock Exchange under the symbol "ND".

Since 2008, New Dawn has increased its exploration and development activity at the Turk Mine, initiated and completed an initial surface and underground drilling program at the adjacent Angelus Mine and continued with the exploration and development on its other exploration properties. The programs at the Turk Mine have added reserves and resources and continue to underscore the potential of both the Angelus Mine and the western extension of the Turk Mine.

In early October 2008, due to the rapid deterioration of the economic environment, New Dawn, along with most of the rest of the gold mining industry in Zimbabwe, was forced to cease production and the Turk Mine was placed on care and maintenance, with exploration programs being placed in abeyance.

With the substantial economic changes implemented by the Zimbabwe government during the early part of 2009, New Dawn was able to resume production in March 2009 and sales in the following month. Both production and sales have been increasing steadily and have now reached record production levels. Serious power disruptions due to the shortage of generating capacity in the southern African region and especially Zimbabwe prevented any significant expansion beyond that level until the introduction of continuous power supply starting in November 2010. Although the continuous power supply is priced at a substantial premium to the standard supply, the Company has or is in the process of extending this arrangement to all operating properties, thus removing the damaging interruption to operations that had been previously experienced.

On June 16, 2010, the Company acquired control of CAG and during the year ended September 30, 2011 increased its holding to 100% of CAG, all as described below. Since the initial acquisition, four of the five mines controlled by CAG have resumed production as described above. Production from these mines has substantially boosted production for the Company as a whole and will allow the Company to meet its production targets for calendar 2011 and 2012.

2.2 Significant Acquisitions

On June 16, 2010, the Company acquired an 88.7% equity interest in CAG and, during the period from mid December 2010 to early June 2011, acquired the balance of the outstanding shares for an additional cost of $1,224,667. On August 30, 2010 the Company filed a Form 52-102F4 – Business Acquisition Report in respect of the acquisition of CAG. A copy of this document is available on the Company's web site and filed on SEDAR at www.sedar.com. The London AIM listing of CAG was terminated at the end of December 2010 and CAG was re-registered as a private company at the end of January 2011.

As a result of its acquisition of CAG, the Company now controls approximately 85% of Falgold, a public company listed on the Zimbabwe Stock Exchange, and 100% of Olympus, a non-listed public company. At the date of acquisition in June 2010, Falgold had a portfolio of three previously producing properties mines and associated processing plants, much of which was in disrepair, together with additional exploration properties and Olympus owned two mines, both on care and maintenance, and a portfolio of exploration properties. Since the date of acquisition, four of the mines are now in production and an initial program has been implemented on the portfolio of exploration properties held by both companies.

ITEM 3 - DESCRIPTION OF THE BUSINESS

3.1 General

New Dawn is an explorer, developer and producer of gold, with production assets each currently providing positive operational cash flow. It has three reportable segments: the Casmyn Zim operations in Zimbabwe, the CAG operations in Zimbabwe and the head office operations in Canada. Casmyn Zim operations consist of the Turk Mine, an operating gold mine, the associated Angelus Mine, and exploration properties in Gweru-Shurugwi district. CAG operations in Zimbabwe consist of four mines (Dalny, Camperdown, Golden Quarry and Old Nic Mines) operating with production limited by the capacity of the installed plant and machinery, one non-operational mine (Venice Mine) and a portfolio of exploration properties. The Canadian operations are administrative in nature.

Summary

Gold is produced from the operations at all five operating mines in Zimbabwe. All other projects are currently under exploration and are not producing any revenue.

Principal Markets and Distribution Methods

The market for gold is the world market. All gold sales are to Rand Refinery Ltd. ("RRL") located in Johannesburg, South Africa and which reports that it is the largest single-site gold refining and smelting complex in the world. The Company's gold, in the form of doré, is exported to South Africa utilizing the Chamber of Mines of Zimbabwe Gold Sales Export License. After refining, RRL sells the gold on the world market at the spot price. Proceeds, net of RRL's charges and the 4.5% royalty, with a proposed increase to 7% from January 1, 2012, payable to the Government of Zimbabwe, are remitted in US dollars to Casmyn Zim via the Chamber of Mines of Zimbabwe. Amounts receivable from RRL are paid within normal trade terms.

Although the Company is now able to hedge its gold sales, no hedging transactions have been undertaken and the Company does not anticipate using this mechanism in the current market environment.

Revenues

All revenue is generated from the sale of gold produced at the Company's operating mines in Zimbabwe.

Production

The processing of the ore and production of gold is described in Items 4 to 10 below, and in the technical reports incorporated by reference in this Annual Information Form.

Specialized Skill and Knowledge

Management of New Dawn is composed of a team of individuals who have proven expertise in gold mine development and operation and are complemented by an experienced Board of Directors.

Competitive Conditions

The Company and its subsidiaries are not in direct competition with any other gold producer to gain additional sales as all the Company's and its competitors' production has a ready international market. As described in the risk factor section, competition is for acquisition of properties, financing, suitable employees and technical and other resources.

Economic Dependence

Although New Dawn sells all of its gold to RRL, it does not consider this situation to be one of economic dependence as RRL sells the gold directly on the world market immediately after the final purification stage. Further, as there is no long term contract with RRL, other organizations could be used to gain access to the world market.

The economic welfare of the Company is dependent on continuing economic improvements and political stability in Zimbabwe.

Environmental Protection

Under the terms of its mining licences and exploration permits, New Dawn is required to meet legislated environmental standards both for ongoing operations and at the time that a mine is permanently closed. New Dawn has and intends to continue to meet all legal requirements in the jurisdictions in which it operates.

Employees

As at September 30, 2011, the Company had 2,352 employees, with 2 full time employees at the Canadian head office and 2,350 in Zimbabwe split between 1,175 at Casmyn Zim and 1,125 at CAG operations. The number of employees in Zimbabwe has increased by 36% compared to September 30, 2010 reflecting the Company's commitment to the country with the transition of the dormant mines acquired in June 2010 to the current portfolio of five producing mines together with active exploration work being undertaken on the exploration claims located in Zimbabwe.

3.2 Risk Factors

General

An investment in the shares of the Company is speculative and involves a high degree of risk. In addition to matters set out elsewhere in this document, the following are risks related to the Company and its business.

The Company is in the business of exploring, developing and operating mineral properties, which is a highly speculative endeavour. A purchase of any of the securities of the Company involves a high degree of risk and should be undertaken only by those whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in the Company's securities should not constitute a major portion of an individual's investment portfolio and should only be made by persons who can afford a total loss of their investment. Prospective purchasers should evaluate carefully the following risk factors associated with an investment in the Company's securities prior to purchasing any of its securities. Current investors should assess the risk factors to determine whether their exposure to the Company's risk profile fits within their investment criteria.

Historically Disadvantaged Aboriginal People and Indigenisation

The Company has determined that its area of operations is limited to southern Africa; it is currently operating in Zimbabwe but may, in the future, pursue activities in other jurisdictions. Countries in this region have or are in the process of introducing legislation to assist people of aboriginal descent to overcome actual and perceived historic economic disadvantages. Legislation of this type typically requires that mine owners accept ownership from entities meeting legislated standards that allow them to represent historically disadvantaged aboriginal groups.

In Zimbabwe, the concept that has been established is that 51% of the equity of companies meeting certain criteria must be owned or controlled by historically disadvantaged Zimbabweans. Although the definition of the criteria are still not certain, the Company is of the view that it comes within the ambit of the indigenisation legislation. The Company's representative is in a continuing dialogue with the relevant government authorities, but, at this time they have not reached a determination of the adequacy of the Company's indigenisation plan. The issue of indigenisation is discussed in further detail in the Company's Management's Discussion and Analysis for the year ended September 30, 2011 filed on SEDAR. A copy of this document is available on the Company's web site and filed on SEDAR at www.sedar.com.

Operating History

The Company has a limited history of earnings. Except for the five mines currently operating, there are no additional proven commercial quantities of mineral reserves on the Company's properties. There is no guarantee that additional economic quantities of mineral reserves will be discovered on any of the Company's properties.

Based on the Turk Mine reserves and resources reported by an independent geologist, it is estimated that, at the current production rate, there is sufficient mineral inventory to support mining operations at that location for at least 20 years. At the properties held by Falgold and Olympus, the average mine life is 12 years, except for Old Nic Mine which is 4 years, based on reserves and resources currently identified. The Company anticipates that, with a consistent drilling program, these reserves and resources will be increased and the life of these mines extended, although there is no certainty that this will occur.

Reserve and resource calculations are estimates based on the economic and technical conditions in effect at the time of the analysis. There is no guarantee that these conditions will not change, altering the viability of the mineral deposit and, potentially, reducing the operating life of the mine.

Capital Requirements and Potential Dilution

The Company had cash resources of $2,191,402 as at September 30, 2011 and had cash resources of $1.666.082 as of December 15, 2011. Its sources of cash include revenue from the sale of gold, as well as incidental interest and miscellaneous income. In addition, cash may be raised through a sale of either all or an interest in any of the Company's properties, the issue of shares through a public or private financing arrangement or the issue of debt or similar securities.

Although planned expenditures for exploration, development and property acquisitions are pursued based on the Company's current and reasonably likely future cash resources, unanticipated setbacks in operations or exploration activities may cause the Company to exhaust those resources and be forced into a financial restructuring or a corporate re-organisation before it can raise additional capital to continue operations. If the Company were able to secure such financing, there can be no assurance that it would be offered on acceptable terms. If additional financing is raised through the issuance of equity or debt securities of the Company, the interests of shareholders in the net assets of the Company may be significantly diluted.

Fluctuating Gold Prices

The economic feasibility of each of the Company's properties is dependent on the world price for gold. Factors beyond the control of the Company including, but not limited to, international economic and political trends, currency exchange fluctuations, economic inflation and expectations for the level of economic inflation in the consuming economies, interest rates, global and local economic health and trends, speculative activities and changes in the supply of precious and base minerals and metals due to new mine developments, mine closures as well as advances in various production and technological advances may affect the marketability of metals produced. Properties that are economically worthwhile pursuing at the current gold price may become uneconomic if that price were to fall significantly. Exploration properties that, based on the work and data currently available, appear promising may have to be placed in abeyance or abandoned if there is a permanent decline in the world gold price. Gold production may have to be curtailed or reserves reduced if the world gold price declines making production from the lower grade mineral deposits uneconomic.

There is no guarantee that the current price level of gold will be maintained in the future.

Exploration and Development Risks

Exploration and development of resources is a speculative business, characterized by a number of significant risks including, among other things, unproductive efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. Few properties that are explored are ultimately developed into producing mines. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, including but not limited to market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, environmental protection, the combination of which factors may result in the Company not receiving an adequate return on investment capital.

There is no assurance that New Dawn's mineral exploration and development activities will result in any discoveries of commercial bodies of mineral reserves. The long-term profitability of the Company's operations will, in part, be directly related to the costs and success of its exploration programs, which may be affected by a number of factors. Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely or economic basis.

Mining Risks

The Company is subject to risks typical in the mining business. These include operational issues such as unexpected geological conditions or earthquakes causing unanticipated increases in the costs of extraction or leading to falls of ground and rock bursts, particularly as mining moves into deeper levels. Major cave-ins, flooding or fires could also occur under extreme conditions. Although equipment is stringently monitored and maintained and all staff receives rigorous safety training, accidents caused by equipment failure or human error could occur. Any of these could result in substantially reduced production or mine closure for an extended period or even permanently. If there were loss of life as a result of an accident and it were determined that New Dawn had been negligent, New Dawn could be liable for any of compensation to the estate of the deceased, penalties levied by government authorities or a cease mining order until rectification of safety deficiencies. Further, any such incidents could have consequential environmental costs during rehabilitation.

Most of the employees are members of the Associated Mine Workers Union of Zimbabwe. Pay rates for all wage earning staff are negotiated on a Zimbabwe industry wide basis between the union and representatives of the mine owners. Breakdown of negotiations could lead to strike action causing Casmyn Zim to reduce or cease production for an indeterminate period. The current wage negotiations are still not finalized and the status is discussed in detail in the Company's Management's Discussion and Analysis for the year ended September 30, 2011 available on the Company's web site and filed on SEDAR at www.sedar.com.

Reliability of Reserves and Resources

Mineral reserves and resources are calculated based on drilling and underground development results that establish a reasonable estimate of the quantity and grade of gold contained within a certain block of mineralized material. The nature of a mineral deposit is not homogeneous such that drilling results, from which it would be reasonable to assume a certain quantity of ore, may not be representative of the mineral deposit as a whole. Therefore the quantity of gold included in mineral reserves and resource estimates may be understated or overstated. Mineral inventory estimates are used to determine whether or not to continue mining operations or exploration activities. Inaccurate estimates could therefore lead to uneconomic activities or the failure to take advantage of mineral deposits that could be economically mined.

Country risk

New Dawn carries on its mining operations and exploration activities in southern Africa, currently solely focussed in Zimbabwe, but may in the future operate in other countries in this region and possibly beyond. Assets and investments in these foreign jurisdictions are subject to risks that are usually associated with operating in a foreign country and, any of these could result in a material adverse effect on any or all of cash flows, earnings, and results of operations with a consequent effect on the share value. Risks include, among others, labour disputes, arbitrary revocation of government orders and permits, corruption, uncertain political and economic environments, sovereign risk, war, civil disturbances and terrorist actions, arbitrary changes to laws and regulations affecting New Dawn, delays in obtaining government permits, opposition by environmental, non-government organizations (NGOs) or local groups to mining activities including civil disobedience, limitations on foreign ownership, limitations on the repatriation of earnings, more onerous foreign exchange controls, currency devaluations, import and export regulations, inadequate, damaged or poorly maintained infrastructure, and endemic illnesses such as malaria and HIV/AIDS. There can be no guarantee that governments in this region will not unilaterally nationalise companies that are involved in strategic minerals, have a majority foreign ownership or for any other reason.

Operating in a volatile area of the world, the Company recognizes that there is the possibility of sabotage or even an armed insurrection. The consequences of such an event cannot be predicted but a potential outcome is a material adverse affect on the viability of the Company and therefore on its share price.

In relation to southern Africa, a number of economic and social issues exist which may increase certain risks. The governments in this region are facing economic and political issues, such as employment creation, black economic empowerment and land redistribution, and social issues, including crime, corruption, poverty and HIV/AIDS, any

of which may impact New Dawn's operations. While the regions' governments are either currently or may in the future adopt measures to address these matters, there is no assurance that they will not implement changes in laws, regulations and policies on these and other matters such as foreign investment, industrial relations and land tenure which could have a material and adverse effect on cash flow, results of operations and financial condition.

In particular, HIV/AIDS is a major health care issue in southern Africa. A portion of New Dawn's workforce is believed to be infected by HIV/AIDS, but it is not possible to determine with certainty the future costs that may be incurred in dealing with this disease. If, however, the infection rate continues to rise, costs associated with treatment and employee retraining may also increase, affecting the Company's cash flow, results of operations and financial condition.

Infrastructure and Related Risks

New Dawn operates in Zimbabwe and may, in the future operate in other southern African countries and beyond. These are considered third world locations and, as such, infrastructure that may be considered normal in the western world may not be accessible in this region. Further infrastructure that may be currently available and used by New Dawn may, as result of natural disaster, incorrect or inadequate maintenance, sabotage or for other reasons, be destroyed or made unavailable or available in a reduced capacity. Were this to occur, operations at the Company's properties may become more costly or have to be curtailed or even terminated, potentially having serious adverse consequences to the Company's financial condition and viability that could, in turn, have a material adverse effect on the share price of the Company's stock.

Electrical power supplies are the responsibility of national power authority, the Zimbabwe Electrical Supply Authority ("ZESA"), that is controlled by the national government. New Dawn must rely on the power authority to provide the requisite amount of power to maintain operations. With insufficient power, New Dawn may be forced, temporarily or for an extended period, to reduce or suspend operations until supply is restored. The Company has or is in the process of having all of its operations supplied by the continuous power option offered by ZESA. To date, the continuous supply arrangements have been successfully maintained by ZESA. However, should there be a failure of supply, only Turk Mine has adequate on-site electrical generating capacity to maintain operations at the current level of output for that location. A power failure extending more than a few days could have a significant effect on production and therefore on revenue and profitability. These circumstances could have a material adverse effect on the share price of the Company's stock.

Labour market

Wages and related labour costs account for a large portion of New Dawn's operating costs in Zimbabwe. Accordingly, its costs may be materially affected by increases in wages and related costs.

Most of New Dawn's employees in Zimbabwe are members of the Associated Mine Workers Union of Zimbabwe ("Union"), which negotiates the wage rates on a national basis with the Chamber of Mines of Zimbabwe, the employers' representative. Any industrial action called by the Union may affect the Company's operations even though the Company's operations may not be at the root cause of the action.

Continued Availability of Personnel

With the current economic conditions, the Company is not experiencing any significant difficulty attracting and retaining experienced staff at all levels. If economic conditions or political stability deteriorates to a degree where there is significant emigration, the ability to staff the mine operations appropriately may be affected. If the investment climate improves markedly such that mining operations throughout the country expand and new properties are developed and begin producing, there could be significant competition for the available talent again potentially resulting in difficulties in maintaining an adequate workforce at the Company's operations.

Foreign Operations Risk

The operations of New Dawn are currently conducted in Zimbabwe and, as such, these operations are exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties include, but are not limited to, terrorism; hostage taking; military repression; high rates of inflation; labour unrest; the risks of war or civil unrest; expropriation and nationalization; renegotiation or nullification of existing concessions, licences, permits and contracts; illegal mining; changes in taxation policies; restrictions on foreign exchange and repatriation; and changing political conditions, currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Changes, if any, in mining or investment policies or shifts in political attitude in Zimbabwe or other countries in the region may adversely affect the operations or profitability of the Company. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income and other taxes and levies, expropriation of property, foreign investment controls, maintenance of claims, environmental legislation, land use, land claims of local people, water use, mine safety and other factors.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights applications and tenure, could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the operations, profitability or viability of the Company.

Risk of Expropriation and Enforceability of Contracts with Government and Government Agencies

In each of the countries in which New Dawn holds mineral properties, or may hold in the future, it is possible that the current system of exploration and mine permitting may change resulting in expropriation of New Dawn's properties without adequate compensation. In addition, there is a possibility that New Dawn's agreements with governments and government agencies may be unenforceable against these parties.

Health Issues

HIV/AIDS, malaria and other diseases represent a serious threat to maintaining a skilled workforce in the mining industry of southern Africa. The per capita incidence of the HIV/AIDS virus in Zimbabwe and South Africa has been estimated as being one of the highest in the world. As such, HIV/AIDS remains a major healthcare challenge faced by New Dawn's operations. There can be no assurance that New Dawn will not experience the loss of members of its workforce or workforce hours or incur increased medical costs, which may have a material adverse effect on New Dawn's operations.

Effecting Service of Process

Some of the Company's directors and officers reside outside of Canada and substantially all of the assets of these persons are located outside of Canada. It may not be possible for investors to effect service of process within Canada upon the directors, officers and experts named in this document.

Control by Principal Shareholder

Reflection Partners, L.P. at September 30, 2011 and currently holds 12,949,191 Common Shares, representing 30.1% of the Common Shares currently outstanding. As such, Reflection Partners is capable of materially influencing the approval or rejection of any matter submitted to the approval of the shareholders of the Company.

Acquisition of Additional Mineral Properties

If the Company loses or abandons its interest in the Material Mineral Properties, there is no assurance that it will be able to acquire other mineral properties of merit.

Commercial Mineral Deposits

The Company's exploration properties are in the exploration stage only and without a known body of commercial ore. Development of those properties would follow only if favourable exploration results are obtained. If results are unfavourable, then the Company will attempt to dispose of the property but the proceeds could be substantially less than the costs previously incurred for its exploration. The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Unfavourable exploration or development results could have a negative effect on the Company's share price.

Uninsurable Risks

In the course of exploration, development and production of mineral properties, events, including but not limited to, unexpected or unusual geological operating conditions such as rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to fully insure or even obtain any insurance coverage against such risks. Further, New Dawn may decide not to take out insurance, or only partly insure, against such risks because of high premiums or for other reasons. Should such events occur, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

Foreign Exchange and Inflation Risks

In 2009, the government of Zimbabwe successfully arrested hyperinflation by making foreign currencies legal tender and demonetizing the Zimbabwe dollar. However, there is no guarantee that the Government will not reintroduce the local currency a possible step towards providing the conditions that previously caused and exacerbated the hyperinflationary environment.

Foreign exchange controls exist in many jurisdictions in southern Africa, including Zimbabwe. These controls, although not currently impeding the Company's operations, are subject to change in response to the local government's policies and reactions to both internal and international events. Future changes in the imposition or application of these controls are beyond the control of the Company and its management. Such changes may have a negative effect on the Company's operations.

All of the countries in the southern Africa region are third world and are having varying degrees of success dealing with their various economic and financial issues. Changes in government or in government policies may negatively influence the economy and these effects could be reflected in the foreign exchange rate particularly with respect to the United States dollar. The Company has no control over these matters but their effects may adversely affect the Company, its operations and financial position potentially leading to a negative effect on the Company's share price.

Credit Risk Exposure

Credit risk is the risk that a party with a contractual obligation to New Dawn will default causing a loss to New Dawn. Currently, a loss could occur where the purchaser of the gold bullion refuses or is unable to pay for shipments received. The only purchaser of gold bullion with whom New Dawn is dealing at this time is RRL, a company with a solid financial reputation.

Cash balances are held in bank accounts with cash in excess of current operating requirements held in short term deposits. With an unstable global economy, there is a risk of bank default and the loss of cash resources for cash balances held in that financial institution. To offset this risk, New Dawn has the policy of using banks that are well financed and are part of an international banking organization where feasible. In addition, institutions with which the short term deposits are placed are selected for their financial stability and interest rates offered as well as meeting a goal of diversifying the potential risk of default. These steps do not guarantee that there will be no loss as a result of a bank failure or default.

In many cases, the Zimbabwe operations are unable to acquire supplies from some foreign entities, generally based in South Africa, without prepaying in US$, Rand or occasionally Euros and Yen. There is a risk that the supplier

receiving the prepayment will not honour the purchase agreement because of financial difficulties encountered by it or for other reasons with the result that the deposit is lost. The Company seeks to minimize this risk by dealing with reputable and well financed suppliers.

If New Dawn suffered a loss as a result of default described above, the consequences could have a significant negative effect on cash flow possibly causing New Dawn to defer exploration projects, close some or all operations, or force the Company or its subsidiaries into a financial restructuring that might include bankruptcy proceedings. Any one of these events would likely have a negative effect on the share value.

Permits and Government Regulations

The future operations of the Company may require permits from any of various federal, provincial, state and local governmental authorities and will be governed by laws and regulations governing prospecting, development, mining, production, export, taxes, labour standards, occupational health, waste disposal, land use, environmental protections, mine safety and other matters. There can be no guarantee that the Company will be able to obtain all necessary permits and approvals that may be required to undertake exploration activity, commence or continue construction or operation of mine facilities on the Company's mineral properties.

Zimbabwe is proposing to introduce changes to the Mines and Minerals Act. Without any detailed proposals currently available, it is not possible to determine the extent to which these changes will affect the Company. Accordingly, it is possible that the changes, when implemented, will negatively affect the Company's operations.

Environmental and Safety Regulations Risk

Environmental laws and regulations may affect the operations of New Dawn. These laws and regulations set various standards regulating certain aspects of health and environmental quality. They normally provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted. The permission to operate can be withdrawn temporarily where there is evidence of breaches of health and safety standards, or even permanently in the case of extreme breaches. Significant liabilities could be imposed on New Dawn for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of acquired properties or non-compliance with environmental laws or regulations. In all major developments, New Dawn generally relies on recognised designers and development contractors from which New Dawn will, in the first instance, seek indemnities. Although the Company works to minimise risks by ensuring compliance with environmental, health and safety laws and regulations and operating to applicable environmental standards such steps may not avoid these risks. There is a risk that environmental laws and regulations may become more onerous, making New Dawn's operations more expensive or uneconomic, potentially resulting in closure or abandonment of particular properties.

Mineral Titles

New Dawn has conducted industry standard due diligence respecting title to its mineral claims. The Company is not aware of any significant competing ownership claims or encumbrances respecting title to the Material Mineral Properties. There can be no guarantee, however, that there are no competing ownership claims or encumbrances respecting such mineral properties or that challenges to title will not be made in the future. New Dawn's ability to maintain its interest in its mineral properties will also be dependent on its ability to generate sufficient cash either from operations or from additional debt or equity financings. Failure to pay government fees or levies or complete work programs may result in the forfeiture of rights to a property.

Repatriation of Earnings

There is no assurance that any countries in which New Dawn operates or may operate in the future will not impose restrictions on the repatriation of earnings to foreign entities or jurisdictions.

Competition

The Company produces gold and the world market for gold is large and very liquid with the result the Company is not in competition with other gold producers for market share. Although most unlikely, there is a risk that this market could contract to such a degree that gold producers would be competing for sales with a potential negative impact on the Company's sales volume that could, in turn, cause financial difficulties for the Company.

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The mining industry is intensely competitive in all its phases. New Dawn competes for the acquisition of mineral properties, claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees with many companies possessing greater financial resources and technical facilities than New Dawn. The competition in the mineral exploration, development and extraction business could have an adverse effect on the Company's ability to acquire or retain suitable properties or prospects for mineral exploration, development or operation in the future.

Management

The success of the Company is currently largely dependent on the performance of its directors and officers. The loss of the services of any of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its directors, officers or other qualified personnel required to operate its business. The senior officers of the Company are not currently party to any written employment agreements, and are not subject to any non-competition agreements with the Company.

Financing Risks

The Company has no extended history of significant earnings and, due to the nature of its business, there can be no assurance that the Company will continue to be profitable. The Company has paid no dividends on its shares since incorporation and does not anticipate so doing in the foreseeable future. The present source of funds available to the Company is through profitable operation of its producing mines, through the sale of equity shares, from a debt financing program, from the sale of full or partial interests of its mineral property rights or other assets or from a combination of these sources. While the Company may generate additional working capital from these sources, there is no assurance that such funds will be available. Future equity financing, if available, may result in substantial dilution to existing shareholders of the Company. Although the Company does not require additional financing to continue its operations at the current production levels, its proposed growth and further expansion will require additional funding..

Price Volatility of Publicly Traded Securities

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that fluctuations in price will not continue. It is likely that the quoted market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings. The value of the Company's Common Shares will be affected by such volatility. An active public market for the Common Shares might not be sustained in the coming period. If an active public market for the Common Shares does not continue, the liquidity of a shareholder's investment may be limited and the share price may decline.

Conflicts of Interest

Some of the directors and officers are engaged and will continue to be engaged in the search for additional business opportunities on behalf of other corporations, and situations may arise where these directors and officers will be in direct competition with the Company. Conflicts, if any, will be dealt with in accordance with the relevant provisions of the *Canada Business Company's Act*. Some of the directors and officers of the Company are or may become directors or officers of other companies engaged in other business ventures.

Tax Issues

New Dawn is subject to the tax laws in each of the jurisdictions in which it operates. It is subject to income or profits tax, and in addition is required to deduct income tax and other amounts from the gross pay of employees, deduct and remit withholding tax on certain payments to non-residents, and pay sales, value added or consumption taxes. In respect of all these taxes, New Dawn, after taking into account advice from its professional tax advisors, may have taken certain positions with respect to its filings that are in its view legitimate under the relevant taxation legislation. Nevertheless, the taxation authorities may disagree with some or all of those positions and, if their arguments were sustained, there could be an assessment for additional tax with interest and other penalties assessed. Such assessments could be material and have adverse consequences for the Company.

U.S. Tax Issues Relating to Corporate Inversions

U.S. federal income tax legislation enacted in 2004 dealing with corporate "inversions" (*e.g.*, certain transactions in which a non-U.S. Company acquires substantially all of the assets held directly or indirectly by a U.S. Company or partnership, if, after the transaction, former equity owners of the U.S. Company or partnership own a specified level of stock in the non-U.S. Company and provided that the affiliated group which includes the U.S. Company does not have substantial business activities in the foreign country in which the foreign Company is created or organized) provides in certain cases that a non-U.S. Company may be treated as a U.S. Company for U.S. federal income tax purposes or limits the use of certain tax attributes against taxable income. The legislation grants authority to the U.S. Internal Revenue Service to write implementing regulations, which might, if exercised broadly and retroactively, cause the new provisions to apply to the Company and result in U.S. withholding taxes being imposed on dividends paid on the Common Shares to non-U.S. shareholders and require the Company to file U.S. tax returns and subject the Company to U.S. federal income taxes . The Company intends to take the position that the inversion rules do not apply to the Company as a result of its redomiciling to Canada. However, there can be no assurance that the U.S. Internal Revenue Service will not assert that the redomiciling was an inversion transaction thereby triggering adverse tax consequences.

3.3 Mineral Properties

The mineral properties which are currently considered material to the Company (the "Material Mineral Properties") are those which are wholly owned, being the Turk and Angelus Mine, Old Nic Mine and Camperdown Mine, and those in which the Company has an 85% interest, namely Dalny Mine, Venice Mine and Golden Quarry Mine. The Material Mineral Properties are described in detail below, in Items 4 through 10 inclusive.

FALGOLD AND OLYMPUS - PROPERTY LOCATIONS

The Company also has interests in other mineral properties, as described above under "ITEM 2 - General Development of the Business". These other mineral properties are not currently considered material to the Company, but may become material in the future, based upon the results of future exploration activities which may be carried out by the Company, third parties or jointly with third parties.

3.4 Indigenisation

The Government of Zimbabwe is in the process of implementing an indigenisation policy wherein all domestic businesses are to be 51% owned by indigenous Zimbabweans. The Company's Zimbabwe operating subsidiaries are all non-indigenous businesses for purposes of the indigenisation legislation. On March 25, 2011, the Government of Zimbabwe gazetted the Minimum Requirements for Indigenisation of the mining industry (the "Announcement"), which stipulated that each non-indigenous mining company was required to submit an indigenisation plan by May 9, 2011 that would envisage disposition of 51% of its shares, less any percentage previously indigenized, to a designated entity as defined by the Announcement.

The Company timely filed its Indigenisation Plan with the Government of Zimbabwe in April 2011, and subsequently amended its Indigenisation Plan in May 2011, after discussions with Government officials. In August 2011, the Company signed a confidential Memorandum of Understanding ("MOU") with the Ministry of Youth Development, Indigenisation and Economic Empowerment (the "Ministry") through the National Indigenisation and Economic Empowerment Board ("NIEEB"), which established a broad-based framework for engagement with

the Government of Zimbabwe with respect to the structuring and implementation of the Company's proposed Indigenisation Plan.

The Company's proposed Indigenisation Plan includes engaging directly with indigenous sources of capital in Zimbabwe and, potentially, arranging a secondary listing of its common shares on the Zimbabwe Stock Exchange (in addition to the Company maintaining its existing listing on the Toronto Stock Exchange). The Company is also considering establishing employee share ownership schemes and community trusts that would result in broad-based participation by indigenous Zimbabweans.

The Company believes that the signing of the MOU was a significant step forward in the process of deriving an Indigenisation Plan that is acceptable to both the Zimbabwe Government and to the Company's key stakeholder groups. The Company is continuing to engage in confidential discussions with the Government of Zimbabwe, through the Ministry and NIEEB, with respect to the structure and implementation of the Company's Indigenisation Plan.

As there is currently substantial uncertainty surrounding the implementation of the Indigenisation laws and regulations, there can be no assurances that the Company will be successful in its efforts to comply with the Indigenisation laws and regulations under commercially viable terms and conditions.

A more detailed discussion of Indigenisation is included in the Company's Management's Discussion and Analysis for the 2011 fiscal year. This document is filed on the Company's website and on SEDAR at www.SEDAR.com.

ITEM 4 - THE ANGELUS MINE

Unless otherwise stated, the following description of the Angelus Mine is derived from the Angelus-Turk Technical Report. The author of the Angelus-Turk Technical Report is a "qualified person" and is "independent" of the Company within the meaning of NI 43-101.

4.1 Property Description and Location

The Angelus Mine is located in the Matabeland province in the southern part of Zimbabwe, and is approximately 55 kilometres north of Bulawayo, the second largest city in Zimbabwe. The mine is contained within the Bubi greenstone belt, which is geologically similar to other Archean greenstone belts in Zimbabwe. These greenstone belts typically comprise volcanic and sedimentary successions, similar to the gold-bearing greenstone belts in Canada, Australia, and elsewhere. These economic deposits are hydrothermal in origin and occupy structural breaks, usually along secondary splays of first order structures. The belts in Zimbabwe have been consistently mined for gold, precious metals and base metals over many years.

Mining Concessions

Casmyn Zim owns a contiguous block of claims which they have called the "Consolidated Bembezi Gold Fields", which consists of 213 blocks of gold, base metal, and site claims with a total area of 2,171 ha plus a number of smaller properties (357 ha) within a 10 km radius of the mine. The majority of these have been pegged for gold and the base metal claims can be converted to gold claims if there is to be any significant production to be realized from them. Also included in the claims are seven "site" blocks for housing and water and five for dump claims.

The Angelus Mine is contained within the contiguous claim block that contains the Turk Mine and a number of other small past producing mines.

During 2011, subsequent to the preparation of the CAG Properties Technical Report, the number of contiguous claims was reduced from 213 claims to 147 claims with a corresponding reduction in area to 1,629 ha.

Royalties and Encumbrances

The Angelus Mine is currently not producing gold and is thus not currently paying any royalties. Legislation in Zimbabwe sets a royalty rate on precious metals at 3% of gross revenues. However due to the current economic difficulties facing gold producers the legislation was temporarily suspended until operating conditions normalize. There is currently no stated time frame for the reinstatement of royalties. If the Angelus Mine starts to produce gold and the royalty payments are reinstated Casmyn Zim will be obligated to pay royalties on its production. The Angelus Mine does not currently have any liens or encumbrances and does not pay fees to any third party.

Subsequent to the preparation of the CAG Properties Technical Report, royalty rates were reinstituted and have been increased. For 2011 the rate was 4.5% with a proposed increase to 7% effective January 1, 2012

Environmental Considerations

The environmental issues facing Angelus Mine are the same for Turk Mine. See "The Turk Mine – Environmental Considerations".

Permitting

Casmyn Zim has all of the necessary permits to undertake the planned exploration program.

4.2 Accessibility, Climate, Local Resources, Infrastructure and Physiography

The topography at Angelus Mine is generally flat and lies at an elevation of 1,200 m with topographic variation becoming more evident towards the north-northeast, and towards the Lonely Mine. The area has an average rainfall of 400 to 500 mm per year, which normally falls between November and March and is subject to periodic droughts. Temperatures are fairly moderate with seasonal midday averages of 24° C in winter and 30° C in summer.

Sparse scrubby vegetation, mainly of Acacia and Mopane trees, and some grassland cover the surrounding area. Cattle and game ranching were the main agricultural activities with irrigated crops grown on a small scale, but there is little commercial farming activity in the area today. Most of the year, exploration is relatively easy with short stoppages during heavy rainfall. An asphalt road is being constructed to replace a stretch of the dirt road that connects the mine to the city of Bulawayo.

Subsequent to the preparation of the Angelus-Turk Technical Report , Casmyn Zim negotiated an agreement with the electrical supply utility in Zimbabwe for a continuous power supply arrangement. This arrangement was effective mid November 2010, thus eliminating the power interruptions previously experienced.

Water is drawn from the lower levels of the current workings and supplemented by nearby boreholes. However, abundant supplies are not available and the Mine has to be careful with water usage, although, to date, this has not disrupted production. The Angelus and Turk Mines are connected to the national power grid with two 2 MVA transformers and one of similar capacity that is used as a standby for future load increases. There has been intermittent load shedding over the past year, particularly in winter, due to a countrywide shortage of electricity, but this has not materially affected operations over the past year. This situation is likely to continue for the near future. The Angelus Mine is situated in the town of Turk Mine and is 10 km from the district administration town of Inyathi. The single lane paved highway links the Angelus Mine to the two nearby population centres and public transport serves both centres.

The Angelus Mine, previously considered an operating section of the Turk Mine, was served by a vertical shaft to 6 Level and sub-incline shaft to 12 Level. The shafts, however, are currently not equipped for transportation or hoisting and their condition and usefulness will be reviewed if the results of the exploration drilling and reef

assessments prove positive. Presently, access to the Angelus Mine is from Turk Mine's Main Vertical Shaft ("MVS"), which has two compartments and two hoists of 275 hp and 200 hp capacity. The 200 hp hoist is connected to a 1.7 t skip with ore and waste passes on the main tramming levels down to 13 Level; the second compartment is used for transporting men and equipment.

4.3 History of the Angelus Mine

The Turk and Angelus claims were pegged in 1921 by G. P. Hickey and S. Findlay. Some time before this, the Turk ore body had been pegged under the name of The York and subsequently abandoned. In 1918, a small output was made from what is now the eastern end of the Turk shear zone known at that time as the Angel. In early 1924, the African and European Investment Company Limited secured working options over the Turk and Angelus Mines, in which the Gold Fields Rhodesian Development Company Limited also participated. At that time, work on the Angelus was to 56 m in depth and confined to one shaft, but was subsequently continued to 91 m. The results obtained were not thought to be sufficiently encouraging and work was stopped in 1925. Production continued intermittently with different owners until 1996 when Casmyn Zim acquired the property.

4.4 Geological Setting

Regional Geology

The Angelus Mine is situated within the Bulawayo-Bubi Greenstone belt in the southwestern portion of the Zimbabwe Craton. This particular greenstone belt is one of the largest late Archean greenstone belts in Zimbabwe. Essentially, the Bulawayo-Bubi Greenstone belt comprises metamorphosed ultramafic, mafic, intermediate and felsic volcanic rocks and intrusive rocks with associated volcanoclastic and other sediments including banded iron formations (BIF).

Local Geology

The mineral assemblage of the basaltic country rocks adjacent to the Angelus Mine is indicative of greenschist facies metamorphism. Extensive hydrothermal alteration, within and adjacent to, shear zones has produced the mineral assemblage; carbonate, chlorite, plagioclase and quartz, with or without actinolite, ziosite and epidote. A number of different styles of alteration occur, including carbonatization, chloritization, sericitization, and silicification.

The Angelus Mine is located within a traditional and well established gold bearing section of the Bulawayo-Bubi Greenstone belt referred to as the Bembezi gold belt. A number of large (Turk Mine) and medium sized mining operations (past and present) occur within the general area of the mining locality. Essentially, the geology comprises mostly mafic volcanics assigned to the Riversbank Group (Riversbank greenstones). Differing degrees of deformation, metamorphism and alteration (including carbonatization, chloritization, sericitization, and silicification) has occurred both locally and on a regional scale. Gold mineralization at both the Angelus and neighbouring Turk Mine is thought to have occurred in a brittle – ductile regime under greenschist facies conditions.

The gold lodes within the Angelus Mine have yet to be fully explored or developed. However, the ongoing exploration and development at the Angelus Mine continues to indicate lateral and depth continuity, and attempts are being made to correlate the auriferous lodes intersected by diamond drilling to the Reidel shear model recognised at the nearby Turk Mine.

Six main reef orientations have been recognised and reported at the Turk Mine that are associated with a Reidel shear model. The principle R and R' shears (lodes A to D including the secondary splay lodes) have provided the bulk of the ore mined and current ore resources. The tertiary lodes (connecting structures – C shear) and "Bastard" structures (T shear) have contributed to mined ore and ore resources to a lesser extent, however, these secondary lodes have similar gold grades and widths to those of the principal (R and R') lodes. Porphyrytic felsic intrusions in the form of large lenticular bodies are also present, but these tend to be poorly mineralized.

4.5 Exploration

Geological plans and sections of 4 to 12 Level have been examined and potential areas along strike and at depth have been identified. Subsequently, a drilling program that required lateral development to establish drilling cubbies has been done on 4 and 7 Level. This drilling program, is currently being duplicated on 10 and 12 Level, and is specifically aimed at examining and correlating the loads between levels and establishing inferred resources. The multiplicity of mineralized horizons within the Angelus Mine that has been intersected by previous and recent drilling indicates complex structural trends that make correlation of the mineralization between levels difficult. It is speculated that trends of the Angelus lodes might be related to a Reidel shear model that was identified on the Turk section and displaced by the "Cross Dyke". The completion of the drilling program on Angelus 4 and 7 Level has shed more light on correlation of the lodes between the two mines. Further down dip drilling, on 10 and 12 Level will be necessary to fully outline the potential of the Angelus mine.

4.6 Mineralization

The mineralization is similar to that of Turk Mine. See "The Turk Mine – Mineralization".

4.7 Drilling

The underground core drilling program design and layout, the drilling equipment, and the handling of drill core is identical to that at the Turk Mine. See "The Turk Mine – Drilling".

Exploration at the Angelus Mine has been undertaken on 4 and 7 Level, 105 to 210 m below surface. Up to September 30, 2009, 49 horizontal and incline holes totaling 3,405m were drilled from a haulage excavated in the hanging wall on 4 and 7 Levels. Drilling has been planned for 10 and 12 Levels, and the 12 Level drilling program has now commenced.

Subsequent to the preparation of the Angelus-Turk Technical Report , further drilling has been undertaken to provide additional information on the nature and size of the mineralised material. As at September 30, 2011, the drilling on 12 Level, , comprises some 17 horizontal and incline holes totaling 1,469m (average 86m per hole) that were drilled from haulage excavations.

4.8 Sampling, Analysis and Data Verification

Angelus Mine is presently the subject of an exploration program for all commercially viable lodes. All exploration is in the form of exploration drive (haulage) tunnelling and diamond drilling. Sampling, therefore, is currently restricted to the drill core samples and cross sampling of exploration drives and cross cuts. The geology department supervises all underground exploration at Angelus, with drilling plans and layouts approved in advance by management. Presently, all development at Angelus is for exploration and to accommodate the drilling. Drilling has been undertaken from hanging wall haulage on 4 and 7 Level. The plans to drill from 10 and 12 Level have been presented to and approved by management and the 12 Level work has commenced. Once this drilling work is completed done, and then the results will be used in an attempt to correlate the multiple lodes, over the multiple levels drilled, to determine the viability of another mining unit.

Horizontal holes are drilled to intersect the entire width of known or projected lodes. Drill holes are also fanned up and down between levels. The drill cores are logged by the geologist and generated as graphic computer logs. All drilling results are plotted on 1:100 and 1:500 scale plans and sections that are used for lode modelling and ore reserve compilations. Between 4 m and 8 m of core is drilled during a shift. None of the underground holes are surveyed, and although this may from time to time cause some minor interpretation problems, most holes are relatively short (less than 150 m) and major deviations are not expected.

All core samples are split in half with a core splitter, and one half is sent to the mine assay laboratory and one half is kept as a reference. Assay check samples are completed at an independent laboratory in Bulawayo. If there are significant discrepancies between the two results, further check assays are completed by an independent laboratory.

Measures are taken by the geologist to ensure the validity and integrity of core assays by including high and low grade standards in random submissions. All samples are recorded when reaching the assay laboratory including time, date, and the condition of the samples received.

The fire assayer determines metal content by fire assay lead collection techniques. The mining and geology departments use the grade of metal for mine grade control, the interpretation of exploration results, and for monitoring the plant ore grades.

On receipt of the core sample assays from the laboratory, the results are plotted on the log sheets against their corresponding ticket numbers and then plotted on the geology plans that highlight each drill hole.

The author of the Angelus-Turk Technical Report has verified certain of the sampling and analytical data used to compile the Angelus-Turk Technical Report, compiled by the author Dr. A. Martin. The verification of data was limited to a visual inspection of the core storage yard, core samples, assay laboratory, geological plans and sections, field trips, and discussions with key employees at Casmyn Zim. No quality control measures were applied to the verification process.

4.9 Mineral Resources and Mineral Reserve Estimates

The extracted results for the Angelus Mine property are as follows:

Mineral Reserves

The Angelus Mine currently has no mineral reserves.

Mineral Resources

The author of the Angelus-Turk Technical Report estimated the mineral resources at the Angelus Mine as at June 30, 2008 to be as follows:

	Mass (tonnes)	Grade (g/t)	Gold (ounces)
Measured	0	0	0
Indicated	220,000	6.10	43,200
Inferred	84,000	5.91	15,900

4.10 Mining Operations

Test-work has not been conducted on ore from the Angelus Mine but it is considered likely that the metallurgical behaviour will be similar to Turk Mine. See "The Turk Mine – Processing".

4.11 Exploration and Development

Casmyn Zim has developed a three phase program to evaluate the Angelus Mine property. The program has been reviewed by the author of the Angelus-Turk Technical Report and he has recommended that the proposed phased exploration program be undertaken on the Angelus Mine property.

Phase 1

This program is now complete and entailed both a surface and underground exploration program that had been funded from internally generated cash flows. The surface program included surface trenching and drilling that was completed in 2006. The results obtained from this exercise revealed several mineralized horizons and justified further exploration from underground to examine these intersections in greater detail.

The underground program involved the assessment of mineral reserves and resources through a detailed and systematic drilling program on 4 and 7 Levels. The drilling was done in conjunction with the development of two exploration drives from the old workings between the 3 East and 6 East section lines on these levels. The section lines are spaced 60 m apart and each exploration drive will be approximately 200 m long, with drilling cubbies established at 30 m intervals in both the footwall and hanging wall. From each cubby three holes were drilled (1 horizontal, 1 up & 1 down) to define the full width of the shear zone (approximately 150 m wide) and the gold lodes between 2 and 9 Levels.

Phase 2

The first part of this phase will be undertaken on 10 and 12 Level and will involve a similar exploration program as Phase 1. However, the exploration drives will be developed as far as the 7 East block, allowing for the ground loss due to the "Cross Dyke".

On 10 Level the exploration drive will be developed from its current position, located on the Turk side of the "Cross Dyke", towards the projected position of the D Lode. The distance of this drive will be approximately 270 m with both footwall and hanging wall cubbies established every 30 m. Three holes will be drilled from each cubby (1 horizontal, 1 up & 1 down).

On the 12 Level an exploration drive will be developed, as needs be, and together with drill cubby cross cuts a similar drilling pattern will be used. In the coming year, it has been planned that 70 m of underground haulage

development and 2,100 m of drilling will be undertaken. The cost of the drilling is estimated at US$60 per metre and the development drives (equipped) about US$1,000 per meter. The total cost of the first part of Phase 2 (2A) is estimated at US$848,000 (US$378,000 + US$470,000). This program will employ two development and two drilling machines. The rating for the underground machines is 30 m per month and 200 m per month for the drill machines. This part of Phase 2 is estimated to be completed in 12 to 18 months from its inception with the analysis and evaluations of the gold lodes to follow this.

The second part of Phase 2 (2B) is focused on exploring and evaluating the northern strike extensions of the Angelus lodes based on historic mining on 18 Level that indicates potential does exist further north. The program will involve drilling holes from the surface at 30 m intervals over a 210 m strike using a combination of short and long staggered holes. Each section line will amount to some 500 m of drilling. It is estimated that this surface drilling will require 1,500 m of drilling at cost of US$100 per metre, totalling US$150,000 over a 6 month period. The total cost of all parts of Phase 2 is thus estimated at US$998,000.

It was recommended by the author of the Angelus-Turk Technical Report that, upon completion of Phase 1, Casmyn Zim proceed with the immediate implementation of Phases 2A and 2B of the program. Implementation of Phase 2 was not dependent upon the results of the balance of Phase 1. The rationale for this is that Phase 2A entails the down dip extension of the 4 and 7 Level (Phase 1) program and that the geological model and the initial results of the 4 and 7 Level drilling indicate that the ore bodies must be tested below the 7 Level horizons. Notwithstanding this recommendation, the start of Phase 2 was deferred until more normal operating conditions returned to Zimbabwe.

Should the Phase 1 program produce sufficiently encouraging results, the following mining evaluation program had been recommended by the author of the Angelus-Turk Technical Report.

- Establish indicated Reserves from the drilling program.
- Establish the infrastructure required for limited development on the 4 and 7 Level.
- Limited development on 4 Level and 7 Level to expose and validate the most favourable intersections located by diamond drilling.
- Sludge drilling and/or short diamond drill holes from the reef drives to delineate and sample the full width of the lode pursued.
- Raise on payable sections with sub-drives to establish ore reserve blocks above 4 Level and between 4 and 7 Level.
- Limited mining and metallurgical testing of payable ore to determine the compatibility with Turk ore.
- Review the possibility of re-equipping and deepening the current Angelus vertical shaft if the exploration and mining evaluation results prove positive.

Although the results from Phase 1 were sufficiently encouraging on two of the six lodes to initiate the recommended mining evaluation program, it has been decided to complete the Phase 2A program on 10 and 12 Level before this work is contemplated. At that time the sequencing and time frame to bring these areas into production will be decided.

Phase 3

Phase 3 of the program, which consists of an underground exploration drive and drilling program to assess the down dip continuity of the northern extension on 4, 7, 10 and 12 Level, will depend on a positive outcome of the surface drilling of Phase 2B. If justified, the program will involve the mining of additional exploration drives and drill cubbies on 4, 7, 10 and 12 Levels and a further 180 m of development to the 9 East and 10 East blocks on each level. The standard 30 m drill cubbies with three drill holes covering the entire width of the shear zone will be applied. The program will result in 180 m of development on each level (720 m total) and 1,050 m of drilling on each level (4,200 m total). The total cost of Phase 3 is estimated at US$972,000 (US$720,000 for the development and US$252,000 for the drilling) and is scheduled for completion between 12 and 18 months after the work commences but the actual period for completion will be determined by the availability of operating cash flows.

Subsequent to the preparation of the Angelus-Turk Technical Report , Phase 1 drilling is essentially complete and the exploration drive was developed on 12 Level. Some parts of Phase 3 have been initiated. The costs of Phase 3 noted by the competent person will have increased by a significant factor because of increased sosts.

ITEM 5 - THE TURK MINE

Unless otherwise stated, the following description of the Turk Mine is derived from the Angelus-Turk Technical Report. The author of the Angelus-Turk Technical Report is a "qualified person" within the meaning of NI 43-101 and is "independent" of the Company within the meaning of NI 43-101.

5.1 Property Description and Location

The Turk Mine, like the Angelus Mine, is located in the contiguous block of claims collectively known as the "Consolidated Bembezi Gold Fields". As such, the property description and location are the same for the Turk Mine property as for the Angelus Mine property. See "The Angelus Mine – Property Description and Location".

Mining Concessions

The Turk Mine is contained within the same contiguous claim block that contains the Angelus Mine and a number of other small past producing mines. See "The Angelus Mine – Mining Concessions".

Royalties and Encumbrances

Legislation in Zimbabwe sets a royalty rate on precious metals at 3% of gross revenues. However due to the current economic difficulties facing gold producers the royalty was temporarily suspended until operating conditions normalize. Thus Turk Mine currently pays no royalties on its production but will be expected to once conditions in Zimbabwe normalize.

Subsequent to the preparation of the Angelus-Turk Technical Report, royalty rates were reinstituted and have been increased. For 2011 the rate was 4.5% with a proposed increase to 7% effective January 1, 2012

Environmental Considerations

There is no approved Environmental Impact Assessment ("EIA") for the Turk Mine however an approval has been received, from the Department of Natural Resources, for the Turk Mine Environmental Management Plan ("EMP"), that complies with Section 96 of the Environmental Management Act ("EMA") (Chapter 20:27) of 2003 which would be based on the EIA. An EIA will be required for all new projects.

The Turk Mine has a Waste and Effluent Disposal Permit issued in respect of slimes pumped onto the slimes dam. The necessary permits are in place for the abstraction of water from boreholes on the mine and water abstracted from underground is used in the process water circuit, for which a permit is not required.

Permitting

Casmyn Zim has all the required permits to allow it to mine and explore its properties, and under present legislation the author of the Angelus-Turk Technical Report does not perceive any reason for them not being allowed to do so in future.

5.2 Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Turk Mine, like the Angelus Mine, is located in the contiguous block of claims collectively known as the "Consolidated Bembezi Gold Fields". As such, accessibility, climate, local resources, infrastructure and

physiography, are the same for the Turk Mine property as for the Angelus Mine property. See "The Angelus Mine – Accessibility, Climate, Local Resources, Infrastructure and Physiography".

5.3 History

Casmyn Zim acquired the Turk Mine and various nearby properties in 1996 after conducting a year long investigation, under an option agreement signed in 1995. Prior to that, two family-owned concerns operated the Turk Mine from the early 1920s to 1963 and from 1964 to 1995. At its zenith, from the 1940s to 1963, the mine operated without a resident geologist and relied on periodic visits from the Government Geological Survey. There was little geological mapping, and exploration relied largely on development along mineralized fissures supplemented with limited core drilling. As a result, during the period 1964 to 1995 there was no geological control and much of the production came from pillar extraction. There were no mineral resources inherited by Casmyn Zim from these periods of operation.

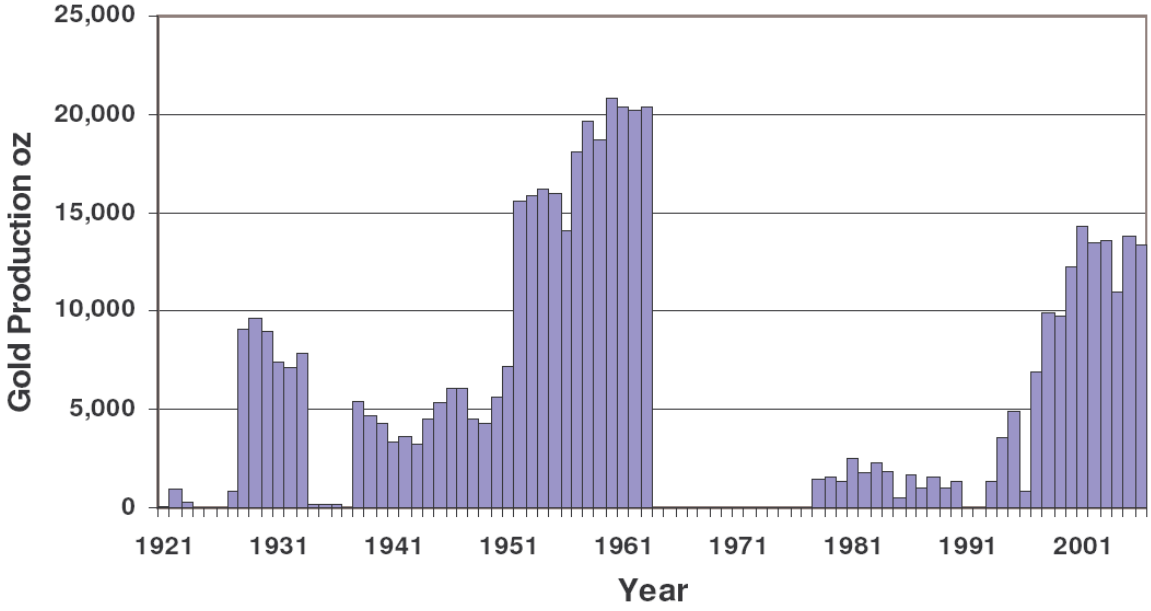
Cluff Minerals, a Zimbabwe domiciled exploration and mining company, explored the mine in the late 1980s but they were only interested in significant oxide resources and did not do any work underground. Casmyn Zim drilled a large number of core holes from the surface after 1996 and developed off-reef haulage on 4 Level, initially with the view to providing a drilling platform for underground exploration. They also geologically mapped four of the upper levels in some detail, which provided a geological framework of the complex reef system based on the Reidel Shear model.

Casmyn Zim has been producing gold at Turk since 1996, initially from dump re-treatment, and since 1998 has milled ore from both underground and opencast operations. Currently, there is no opencast production. For the three calendar years starting 2005, production from the underground operations was approximately 1,100 ounces of gold per month. Due to rolling power cuts, the shortage of available labour, and the non payment by RBZ for gold purchased by it, production levels had fallen to approximately 900 ounces per month since the beginning of 2008 to October 2008 when all mining operations ceased and were put onto care and maintenance. The operations were restarted in March 2009 and by September 2009 had attained the levels achieved in 2005 to 2007.

The following graph gives a summary of the historic gold production from Turk Mine from 1921 to 2005. Records could not be located for the 1964 to 1977 period. A Geological Survey report states that production from 1977 to 1996 was between 40 and 70 kg (1,200 to 2,200 oz.) per year. The production for 2006, 2007, 2008 and 2009 was 13,341 ounces, 13,784 ounces, 8,651 ounces and 6,967 ounces respectively.

Until mid 2008 exploration had been conducted on some of the external properties near Turk Mine but this has been at a fairly low level and the focus of exploration has been at Turk, where drilling for extensions to the known lodes has continued and underground access has been developed from Turk Mine to the Angelus Mine. All exploration ceased in late 2008 but has now recommenced at Turk Mine and the external properties in Zimbabwe.

Turk Mine Production 1921 to 2006



5.4 Geological Setting

The geological setting, both in terms of regional and property geology, is identical to that of the Angelus Mine. See "The Angelus Mine – Geological Setting".

5.5 Exploration

In the early years Casmyn Zim drilled a number of surface holes along strike of the Turk Mine and established haulage and drilling platforms on 4 Level with drill cubbies at 15 m intervals. The underground program has been extended to other levels between 4 Level and 12 Level and underground drilling remains the primary means of exploration at Turk with lesser crosscut intersections and drifts on reef. However, development and stope preparation is used to calculate measured mineral resources and proven mineral reserves.

In the coming years Casmyn Zim expects to initiate drilling and development below the 12 Level horizon.

Subsequent to the preparation of the Angelus-Turk Technical Report, Casmyn Zim initiated the development drive access on the 14 Level horizon and initiated the basic drilling.

5.6 Mineralization

Gold mineralization at the Turk Mine is a silica-sulphide replacement associated with quartz and carbonate veining with intense sericitic and propylitic alteration of the host greenstone both within and adjacent to the lodes or veins. Pyrite is the dominant sulphide mineral with lesser arsenopyrite and minor pyrrhotite. The amount of sulphide is typically in the 1% to 3% range. Fine sprays of disseminated sulphides indicate higher grades and sulphide mineral aggregates are usually associated with lower grades. Abundant quartz veining also indicates higher grade material. There is minor free gold in the ore and most gold is associated with the pyrite and arsenopyrite. The Turk mineralization is slightly refractory and this problem is overcome by a finer mill grind (90% - 45 microns).

5.7 Drilling

Drilling has been ongoing at Turk Mine since Casmyn Zim took over the property in 1996. In the early years, much of the drilling was from surface but over the past ten years almost all of this work has been from underground platforms. All holes use BQ bits and are drilled from the main levels on a 30 m grid or 15 m grid if required. Usually, horizontal holes are drilled to intersect the entire width of the known reefs and to intersect the lodes on either sides of the main level and some holes are fanned up or down.

All core is taken to surface in closed core boxes, transferred to permanent storage trays, and logged for lithology, mineralization, alteration, and basic geotechnical characteristics. Results are plotted on 1:100 and 1:500 scale plans and sections. The geology is logged on graphic computer logs. Results are used for mineral resource and mineral reserve compilation.

Some 500-600 m of core is drilled per month from four machines. All exploration holes are surveyed to avoid minor interpretation problems, even though most holes are relatively short (less than 150 m) and major deviations are not expected. Over the period October 2009 to September 2010, Casmyn Zim drilled 45 holes and over 3,022 m of core, which is stored under cover in a dedicated shed located at the Turk Mine, along with the drill core from prior period drilling.

At Turk, sludge drilling is also used to identify the pay zone contacts and to guide development and stoping. However, because this drilling does not produce a representative sample, the results are not used in the resource database.

5.8 Sampling, Analysis and Data Verification

The same basic procedures for Sampling, Analysis and Data Verification are undertaken at the Turk Mine as at the Angelus Mine. See "The Angelus Mine – Sampling, Analysis and Data Verification".

In addition to the basic procedures, because Turk Mine is in production, some additional control steps are undertaken. Production ends are blasted on a three-day cycle to allow for sampling and visual geological control and the results from the face sampling are plotted on 1:100 assay plans and in part used in the mineral resource estimation process.

Channel samples underground are taken from all on-reef developments including drifts following reef and crosscuts used to expose the full width of the reef. Although some of the early channel samples were chipped with a chisel, all recent sampling has used a diamond saw to cut the channel. All development ends and stopes are sampled after every blast (on an approximate 1.5 m grid) and these results used to estimate the mined grade and for the calculation of the expected mill-feed grade and the Mine Call Factor.

Most samples have a mass of 1 kg and are assayed at the mine laboratory, which processes over 400 samples a day. Samples are mainly) received from the plant, underground channels and drill core with some from exploration of external properties. The sample type varies from rock, sludge, dump material, carbon, bottle roll, pulp, and solutions.

The geology department's coarse and pulp rejects from the laboratory are stored, and a selection of pulps is resubmitted for check assay. The author of the Angelus-Turk Technical Report has briefly inspected some of the repeat analyses and found these had acceptable precision. Although blanks, repeats and house standards are submitted approximately every tenth sample, the Turk Mine does not maintain a comprehensive quality control database and therefore despite the adequate quality assurance measures, assessment of results by the author of the Angelus-Turk Technical Report, was not possible except for a very few samples. In addition, there is no electronic transfer of data from the laboratory and transcription errors are therefore possible.

The same applies to the channel samples cut underground. These are normally taken after every blast in both development and stopes or at approximate 1.5 m intervals throughout the Turk Mine. In the wider mineralized zones, some of these channels are composited and used in the mineral resource database, although the main purpose of this close-spaced sampling is for grade control. Using these channel assays for mineral resource estimation is not ideal because the channels are often stepped and individual segments may not be exactly normal to strike, particularly where this suddenly changes. There are some discrepancies between channel results and those of nearby boreholes, with significant variations in the reported widths of the mineralized zones. All of these issues require investigation.

While there are some concerns expressed about the assay database, the author of the Angelus-Turk Technical Report does not consider these to have had a material affect on the accuracy of the mineral resource estimates, with the 90% Mine Call Factor (MCF) as evidence of this. Therefore, the author is comfortable with the exploration database. Similarly, issues of sample security are not considered applicable to this operating mine, nor does the author of the Angelus-Turk Technical Report perceive any reason to independently sample any portion of the Turk Mine.

The author of the Angelus-Turk Technical Report has over the past eight years (to 2009) routinely been through the Turk assay database and quality control data. The author has checked random parts of the transcription of assays from the laboratory and found no errors, although it is acknowledged that it is not possible to check all data and with the system of manual transcription some errors may occur. The Turk Mine keeps detailed manual records of each sample tray with the checks duplicates, blanks and in-house standards, and is now keeping computerised records. At this point, however, it is not possible to adequately check the Turk Mine's quality assurance procedures, via a statistical analysis, as the mine has not historically maintained a proper computerized database of such controls that would allow a statistical analysis. Therefore, assay data could not be verified to a standard that would meet international requirements.

The author of the Angelus-Turk Technical Report has however assumed that the assay data is accurate because the 'gold called for' (mined from underground) reconciles with the 'gold accounted for' (recovered plus residue), to an acceptable level, at least on an annual basis. The mine does send monthly composite samples of its metallurgical samples to an external laboratory and uses these to check its own metal accounting data. A review of the comparative data has not indicated any significant or anomalous trends.

In addition to this comparison, some additional comfort is derived from the fact that all ore grade intercepts, underground drill core and other exploration samples, are sent to an external assay laboratory for duplicate checks. Again, in comparing these manual records no significant or anomalous trends have been observed. The author of the Angelus-Turk Technical Report has not undertaken an audit of the external assay laboratories.

5.9 Mineral Resource and Mineral Reserve Estimates

The author of the Angelus-Turk Technical Report estimated the mineral reserves and mineral resources at the Turk Mine as at June 30, 2008 to be as follows:

Mineral Reserves

	Mass (tonnes)	Grade (g/t)	Gold (ounces)
Proven	478,000	4.21	65,500
Probable	774,000	3.80	94,600
Total Proven & Probable	**1,252,000**	**3.96**	**160,100**

Mineral Resources

	Mass (tonnes)	Grade (g/t)	Gold (ounces)
Measured	478,000	4.21	65,500
Indicated	4,217,000	5.39	691,100
Total Measured & Indicated	**4,695,000**	**4.98**	**756,600**
Inferred	1,998,000	5.16	331,700

Note: Mineral reserves are included in the measured and indicated mineral resource figures.

The prior estimates were made in 2004 prior to the identification of reefs close to the Cross Dyke at Turk Mine and before any exploration had started on the Angelus Mine. Over the past four years, there have been a number of significant reef intercepts in these areas and in particular, confirmation of the multiple lode system at Angelus including secondary and tertiary splays, conforming to the Reidel Shear model. The inclusion of these splays, coupled with the current exploration success at Angelus (see "The Angelus Mine – Exploration and Development"), would significantly increase the earlier potential estimates of the gold ounces that might eventually be extracted from Turk and Angelus.

The author of the Turk Angelus Technical Report is of the opinion that it is not unreasonable to expect that between 1.5 and 2 million ounces at a grade of between 4.0 and 4.5 g/t will eventually be mined at Turk excluding the current total Resource and Reserve inventory which currently stands at 1.34 million ounces.

5.10 Mining Operations

Mining Method

The mine has three shafts, two vertical (Main Vertical Shaft and Armenian) and one inclined at the Turk Mine and all 3 are commissioned and in use. In the last few months the Turk Mine had produced approximately 15,000 tonnes of ore per month at a head grade of 3.5-4.0 g/t. The ore is treated on the mine site and the final product recovered at the off site, elution plant, which is situated at Dawn Mine, some 10 kilometres by paved road from Turk Mine. Most of the current production comes from between 9 and 12 Levels with development and stope preparation in progress between 7 and 9 Levels.

Major infrastructure development is currently taking place on 12 and 14 Level. On the top section levels, continued exploration development into footwall and hanging wall is underway for evaluation purposes.

The long term plan for the Turk and Angelus Mines will be to treat the overall mine planning and control as three separate operating mines. This is necessary to ensure Casmyn Zim can utilize a large resource base to realise cost and output benefits, whilst at the same time maintaining the technical and managerial controls necessary to successfully mine these types of mineral deposits. The two operating mines on the south side of the cross dyke will be serviced by the Main Vertical Shaft and the Armenian Shaft, each of which will have an anticipated maximum production rate of 14,000 tonnes per month. The operating mine on the North side of the cross dyke will be the Angelus Mine that, once the shaft arrangement has been upgraded and refurbished, will have a projected capacity of approximately 9,000 tonnes per month.

At an expanded production rate of 20,000 tonnes per month, based on current reserves the Turk Mine has a life of 5.9 years in proven and probable mineral reserves and a further 15.1 years in the indicated mineral resource category, with approximately 9.4 more years in inferred mineral resources. With further successful exploration, the Turk Mine could continue to operate in excess of 30 years.

Metallurgical Process

Ore from underground is transported by trailer to the crusher storage pad and a scraper feeds the rough ore bin ahead of which is a grizzly with a 250 mm aperture. Oversize material is manually broken on the grizzly. The primary 14" x 24" jaw crusher below the grizzly is set at 50 mm and the crusher product passes over the primary vibrating 20 mm screen and the oversize passed through a secondary 36" cone crusher and then fed into a tertiary 36" cone crusher. This recent process flow sheet change has increased the mill throughput capability by approximately 10%.

The milling circuit is comprised of an 8 x 16 foot and two 9 x 12 foot ball mills all running in parallel. The slurry from the thickener flows by gravity into a sump for cyanide addition before pumping to the leach circuit, which comprises two 450 m^3 leach tanks and six 150 m^3 adsorption tanks. The gold is adsorbed onto activated carbon, removed once per day by mechanical pump and then eluted offsite, at Dawn Mine, in a modified Zadra process. Desorbed gold is deposited onto wire wool, acid digested and smelted in dore bars. Since resumption of operations in March 2009, all dore gold is sent to RBZ for value and content verification and export documentation prior to shipment to Rand Refinery Ltd. (RRL) in South Africa.

The plant recovery over the past two mine years to September averaged 87.1% in 2010 and 88.3% in 2009.

Capital and Operating Cost Estimates

The Angelus-Turk Technical Report includes estimates of capital and operating costs for the Turk Mine and the Angelus Mine. However, due to the upward spiralling inflation in Zimbabwe, the artificially low exchange rate and the resultant constrained operational which existed at the time the Angelus-Turk Technical Report was prepared, the formulation and guidance of both capital and operating costs was extremely difficult and so prone to error that such estimates are no longer considered relevant or reliable. Zimbabwe economic and operating conditions have started to normalize and the costs are stabilizing. Once the full growth program is planned and analysed the new operating and capital cost estimates will be estimated.

Marketing

Until February 2009, all gold produced in Zimbabwe had to be sold to Fidelity Printers and Refiners, an arm of the Reserve Bank of Zimbabwe. Included in the monetary policy changes announced at the end of January 2009 was the removal of the requirement to sell gold to Fidelity Printers. Since April 2009, all gold sales have been directly to Rand Refinery Ltd. (RRL) of South Africa, utilizing the Chamber of Mines of Zimbabwe Gold Sales License. Payment is received typically 12 to 14 days after receipt at Fidelity Printer and Refiners, in US$'s, based on the 2pm London spot price on the RRL assay date.

5.11 Exploration and Development

Economic Analysis

Casmyn Zim had planned an expanded development and production program at the Turk Mine to reach a production rate of 20,000 tonnes per month by late 2010. Initially the major modifications were expected to be completed by September 2010 after an expenditure of approximately US$10,000,000. However, due to the cessation of production in October 2008 and resultant reduction of cash flows, the program was halted.

A cash flow model on this expenditure and the increased production and revenue had been previously generated by Casmyn Zim but the analysis became redundant when the operations shut down and the scope of the program in terms of timing and outcome changed. The updated and extended program is still being evaluated and when the economic and operating conditions are stable and set, an accurate and reliable estimate of costs and timing via a new model will be produced.

ITEM 6 - THE OLD NIC MINE

Unless otherwise stated, the following description of the Old Nic Mine is derived from the CAG Properties Technical Report. The author of the CAG Properties Technical Report is a "qualified person" within the meaning of NI 43-101 and is "independent" of the Company within the meaning of NI 43-101.

6.1 Property Description and Location

The Old Nic Mine can be accessed via asphalt roads from the main Bulawayo-Harare road. The mine is contained within the Bulawayo greenstone belt and lies 7.3 km north-east of Bulawayo city centre, the second largest city in Zimbabwe. The mine is contained within the Bulawayan greenstone belt, which is geologically similar to other Archean greenstone belts in Zimbabwe. These economic deposits are hydrothermal in origin and occupy structural breaks, usually along secondary splays of first order structures. The belts in Zimbabwe have been consistently mined for gold, precious metals and base metals over many years.

Mining Concessions

The Company owns a contiguous block of claims comprised of 17 blocks of precious metal claims with a total area of 164 ha.

Royalties and Encumbrances

The Old Nic Mine is currently producing gold and is thus paying royalties from its production to the Government of Zimbabwe at a rate of 4.5% for production before December 31, 2011 with a proposed increase to 7% thereafter. The Mine has a Waste and Effluent Disposal Permit issued in respect of slimes pumped onto the slimes dam.

Environmental Considerations

In May 2010, New Dawn engaged Epoch Resources (Pty) Ltd. ("Epoch") to undertake an Independent Competent Persons Report to identify the major detrimental aspects of the Property and recommend remedial measures. Apart from protecting the tailings storage facilities, waste rock dumps, heap leach pads and open pits ("no-go" areas) from damage, no significant detrimental environmental impacts were identified by the study. Epoch estimated rehabilitation and closure costs at Old Nic to be approximately US$ 800,000.

Permitting

Olympus has all the required permits to allow it to mine and explore its properties, and under present legislation the author of the CAG Properties Technical Report does not perceive any reason for them not being allowed to do so in future.

6.2 Accessibility, Climate, Local Resources, Infrastructure and Physiography

The area has a gentle topography and the terrain lies between 1,050m and 1,450m above mean sea level. Most of the rain falls between the beginning of November to the end of March and reaches a maximum intensity during January. The hottest months occur just before the rains, with the highest average maximum temperature experienced during October and the coldest month in July. The type of vegetation varies considerably, where shrubby flora are restricted to the stretches of sandy country corresponding to the distribution of the Forest Sandstone group in the north. Mopani grows extensively in the granite country to the north-west of Bulawayo.

Apart from the city of Bulawayo providing most of the mine's recreation and shopping requirements, some of the facilities on the mine include a soccer club, beer hall, stores, butchery, bakery, and a supermarket. Major equipment and spares for the mine are procured through the buying department in the Bulawayo office. The mine workshops are well equipped for day to day operations. All senior staff employed at Old Nic commute to work from the city, while junior staff are housed in the high density village near the mine.

Power to the mine is via 2MVA and is fed by the Main Khumalo sub-station. Whilst the reticulation and supply capacity is more than adequate, the mine experiences rotating as well as unscheduled power outages both of which have been increasing in severity. Water is mainly sourced from the local municipal supply.

6.3 History of the Old Nic Mine

Charterland Goldfields Ltd. ("Charterland") acquired the Old Nic Mine in 1895 after it was pegged by WJ Kinnear in 1894. Subsequently, Charterland sunk a shaft to the 2nd level and trail crushing began five years later (1904) when 764 oz of gold was produced from 1,768 tons. In 1909, the mineralized width was 3.65m to 6m wide and averaged 17.14 g/t. Mining continued up to 1917, the year that mining actually ceased and the workings allowed to flood.

Between 1921 and 1923 operations on the property were focused on cyaniding the sands and slimes. Between 1923 and 1927 the property was put on tribute and then sold to JR Stewart & Sons in 1949. The latter started milling mineralized material, mainly from the West Parallel Reef, where the grade was averaging 34.29 g/t. Work on the Main Reef and New Prospect Shaft (32m depth at the time) occurred between 1956 and 1960. In 1962 JR Stewart & Sons sold the property to N. Robas, who then secured an option agreement with Olympus Mines Ltd. in 1964 with the option being exercised in 1968.

The historic gold production from the Old Nic mine up to September 2006 is recorded as 297,458 oz gold obtained from 979,150 tons of mineralized material, a recovery grade of 9.50 g/t. Production from October 2006 to December 2009 is recorded as 9,209 oz gold obtained from 49,275 tons of mineralized material, a recovery grade of 5.81 g/t. Due to the mine being placed on care and maintenance in November-December 2008, no production is recorded thereafter.

6.4 Geological Setting

Regional Geology

The oldest and most economically important rocks in the area are the Basement Schists that have given rise to the main Bulawayo Gold Belt. Gold mineralization is confined within or near the margins of the schist belt. These basement schists are thought to have formed from highly metamorphosed granitic rocks. As with most classification systems, the different rock types in the area are assigned to several systems based on their age and location in the stratigraphic column of Zimbabwe. The Greenstone series occupy the greater part of the schist belt and host the majority of the economic deposits.

Local Geology

The Old Nic Mine mineralized deposits lie in meta-andesites of the Kensington Formation aligned along the axis of a synclinal fold in the Upper Greenstones. Compression of the syncline into a tight fold is considered to have resulted in a line of weakness corresponding to the axial plane of the syncline. Subsequent tectonic movements along this axis provided the channel ways for hydrothermal fluids, alteration, and the deposition of auriferous quartz veins.

The Old Nic Mine consists principally of five parallel mineralized deposits striking north and dipping east at 70 – 77°. The dip is maintained from surface to the third level after which flattening occurs. The Old Nic Main reef is a fairly robust quartz vein with narrow mineralized side-walls that follow the cleavage of the pale meta-andesitic greenstones. Several reefs with short lateral extents, either parallel or cross-cutting the general schistocity, have been worked on surface. In the upper levels of the mine, development has been primarily focused on a hanging-wall and footwall-reef that paralleling the Old Nic Main reef. The reefs mined at Old Nic are composed of fine grained, mineralized cherty quartz that progressively grades into silicified greenstone with sparse sulphides and unaltered country rock. Alteration of the wall rock is very subtle, such that defining the payable widths of the mineralization requires either a skilled eye or mining limits based on assay values.

6.5 Exploration

A high priority surface and underground drilling exercise has been considered for delineating mineral resources at Old Nic Mine. Initial drilling is proposed on 7 level between the S13 and S23 blocks to examine the pay-shoots on 6½, 7 and 7½ levels. A geological exercise will also be required to confirm the structural model responsible for the cross-reefs between some underground levels. In particular, these cross-reefs are confined between two major sub-parallel fractures and appear to flatten and pinch out when intersecting a major fracture.

Not all reefs are fully closed off in strike or depth extent, and these provide ample exploration opportunities to increase the current mineral reserves and mineral resources. Examples include exploration of the Western Parallel Reef system between 8 and 12 levels, where there is a potential 120m of unexplored strike, requiring an underground drilling program of some 1,500m to test for reef extensions.

The original Old Nic Reef indicates that the mineralized deposit was not mined along its full strike extent, and at its southern end, significant gold grades and widths are shown on the plans that presents an attractive exploration opportunity that needs further investigation. Projecting this known mineralization down dip correlates with current mining activities on 9-level, suggesting that the reef being mined is the original Old Nic Reef. If this should be the case, a potential significant resource may exist between surface and 9 level that could be explored by a combination of surface and underground diamond drilling.

The majority of mining has also focused on the typical quartz-reef systems, but it is known that gold mineralization is present in a completely different mineral and lithological assemblage – as sulphides-rich disseminations within greenstone units adjacent to the main quartz reef systems. The exact geological nature of these sulphide-rich zones is as yet unclear, but one such area was discovered and provided mineralized material for a number of months. As such, these sulphide-rich zones warrant further investigation that could, potentially provide a significant resource at Old Nic Mine. An exploration program is currently being put into place to investigate this.

6.6 Mineralization

The reefs at Old Nic are composed of fine-grained cherty white and grey quartz with slivers of country rock. Boudinaging or "sausage link shapes" are characteristic feature of these reefs that are also similar in appearance. Visible gold is common in the higher grade areas and sulphide mineralization is patchy, tending to be concentrated in the wall rocks adjacent to the quartz veining. Pyrite and minor pyrrhotite are the principal sulphides, while galena, scheelite, sphalerite and pyrrhotite are accessory minerals.

6.7 Drilling

During the last few years the mine has suffered a set back in exploration with virtually no exploration drilling, albeit for one small Kempe machine that was occasionally used for short holes to assist with mining problems.

Horizontal, up and down holes will be drilled to intersect the entire width of the known reefs on either sides of the main level. Some 200-250 m of core will be drilled per month from two planned machines, one using BQ and the other AXT bits. All exploration holes will be surveyed to avoid minor interpretation problems, even though most holes are relatively short (less than 150 m) and major deviations are not expected. The BQ machine will drill the longer exploration holes while the AXT machine will generally be used for delineation or "in-fill" drilling.

Core will then be taken to surface in closed core boxes, transferred to permanent storage trays, and logged for lithology, mineralization, alteration, and basic geotechnical characteristics. Results are plotted on 1:500 scale plans and sections. Results will then be included into mineral resource and mineral reserve compilation estimations.

6.8 Sampling, Analysis and Data Verification

Prior to obtaining samples from underground the cross-cuts, drives and stopes to be sampled are cleaned with water to eliminate any existing dust or loose material from previous blasts. A channel would be cut with a diamond saw cutter with grooves set 5-7cm apart normal to the strike direction. Samples are then obtained by chipping between the grooves with a chisel and hammer to an even depth of approximately 3cm. Sample chipping would be initiated from the footwall towards the hanging-wall of the lode to avoid contamination. The sample chips would then be collected in a panning dish that was thoroughly cleaned after each sample had been bagged. Each sample would be clearly numbered and recorded on a sketch and placed into dirt free plastic bags that are tied immediately to avoid contamination. All plastic bags were used once only and discarded.

The geologists would supervise all channel sampling and assurances made to obtain samples from distinct lithological and/or mineralogical boundaries. Where the rock type was homogeneous, no sample lengths would exceed 100cms and most samples would have a mass of 1 kg. All samples are assayed at the mine laboratory which processes 50-100 assay samples per day. The sample type varies from rock, sludge, dump material, carbon, bottle roll, pulp, and solutions.

Measures are taken to ensure the validity and integrity of the samples by frequent visits to sampling sites by the geologist or surveyor on the property. All samples were recorded for time, day, and condition on arrival at the assay laboratory. On receipt of sample assays from the laboratory, the results are plotted onto the assay plans against their corresponding ticket numbers.

6.9 Mineral Resource and Mineral Reserve Estimates

The mineral reserves and mineral resources are reported valid as at June 30, 2010 in accordance with CIM Guidelines and NI 43-101, based on attributable ounces for New Dawn's proportionate holdings, and subsequently adjusted to reflect New Dawn's increased proportionate ownership of the Old Nic Mine. The Author of the CAG Properties Technical Report has validated the classification system used for this report and found it an acceptable method for reporting to NI 43-101 standards. The extracted results for the Old Nic Mine property are as follows:

Underground Mineral Reserves

	Mass (tonnes)	Grade (g/t)	Gold (ounces)
Proven	47,100	5.6	8,500
Probable	33,900	4.3	4,700
Total Proven & Probable	**81,000**	**5.1**	**13,200**

Mineral Resources

	Mass (tonnes)	Grade (g/t)	Gold (ounces)
Measured	59,500	5.8	11,000
Indicated	42,800	4.1	5,700
Total Measured & Indicated	**102,300**	**5.1**	**16,700**
	57,700	5.0	9,200
Inferred			

Note: The Mineral Reserves and Mineral Resources are stated on 100% attributable ounces, whereas the previous year was based on an attributable percentage of 88.7%. Mineral reserves are included in the measured and indicated mineral resource figures

Old Nic's mineral reserves and mineral resources are based on the implementation of the following new criteria. Indicated Mineral Resources that are situated within 10m of current development were converted to Probable Ore Reserves after applying modifying factors and providing economic viability was maintained and if there was a proposed stoping plan showing the required development.

Due to limited underground drilling, Mineral Resources were estimated from development ends, crosscuts, and channel sampling. This data from development type work is generally more accurate than diamond drilling and thus the method would not reduce the confidence in the mineral inventory, rather increase it. Additionally, the pay limit grade estimate for Old Nic was assessed using current cost data as 4.37g/t, this cut-off grade is also considered to be fair and reasonable.

6.10 Mining Operations

Mining Method

Mining at Old Nic Mine is conducted on a narrow high grade gold seam utilizing jackhammers and conventional underhand benching. Drilling is done with jack hammers using 1.2m drill steels, leaving 5m sill pillars and cousin jack boxes spaced every 10m along the drive. All broken rock is loaded onto 1 ton coco-pans and trammed using 2.5 ton locomotives. Primary development drives are of 2mx2m dimensions and ventilated with conventional force exhaust systems. Development ends are lashed with Eimco12B air-loaders into 1 ton coco-pans and the general supporting method was by the use of grouted shepherd crooks.

Metallurgical Process

The processing plant is set up to recover approximately 70% of the gold as "free gold" in gravity concentrators. The remaining gold is recovered in a conventional Carbon in Pulp plant. The overall recovery is set at 90%.

Material from the stockpile is fed to a bin above a 10"x 21" jaw crusher that discharges onto an 8mm screen. The oversized material is fed to a secondary crusher in closed circuit with the screen. The undersized material is fed to a 5'dia x 6' ball mill. The under-sized mill discharge from a trammel goes to a Knelson concentrator to recover free gold (60-70% of Old Nic gold is free). The over-sized fraction from the 3mm screen feeds the second ball mill. The addition of a second crusher and running the mills in parallel, instead of series, allows the plant to handle 3,750 tons per month. Concentrate from the Knelson passes over a James Table, which concentrate goes to the amalgam room. Tailings from both join the regrind circuit. Tonnage handled is 2,500 tons per month on a two-shift basis.

Mill grind is controlled by a 12" and a 10" cyclone in series. The primary cyclone receives all -3mm feed from the primary mill. Overflow from the cyclone feeds goes to thickening and CIP/CIL feed. The primary cyclone underflow feeds the No. 2 mill, also a 5'dia x 6' unit and the No. 2 mill discharge joins the primary cyclone overflow. The secondary cyclone underflow is returned to the primary mill. The CIP plant is conventional with 4 leach agitation tanks followed by 4 absorption tanks, backed with a carbon trap. Tailings are pumped to the slimes dam and elution is performed by an external contractor.

Capital and Operating Costs Estimates

The Company is currently undertaking a full and detailed review of the assets and operations of Old Nic Mine as well as its other mining properties and, until its completion, will not have estimates of the anticipated future capital and operating costs. However the cut-off grades have been determined from historical cost and technical information that has been tested for applicability. The cut off grades are deemed to be reasonable.

Marketing

All gold sales have been to Rand Refinery Ltd. ("RRL") of South Africa, utilizing the Chamber of Mines of Zimbabwe Gold Sales License. Export to RRL requires documentation by Fidelity Printer and Refiners ("Fidelity"), an arm of the Reserve Bank of Zimbabwe. The gold sale price is based on the 2pm London spot price on the RRL assay date and payment is received in US$'s typically 12 to 14 days after delivery to Fidelity.

6.11 Exploration and Development

A surface exploration program for the northern half of the claims has commenced and comprises trenching at a maximum of 100m line spacing as well as conducting a magnetic and IP ground geophysical survey at a 25x25m spacing for magnetics and 50m x 25m spacing for IP. This was prompted by the existence of known reefs to the northern end of the property. Whilst some exploration in this area had been conducted in the past, the programs were not comprehensive and the potential for strike continuations along the 1.5km of strike being explored remains prospective. The IP survey is designed to test for the presence of sulphide-rich zones that may be present, whilst the magnetics will assist in lithologic and structural determination in conjunction with the surface mapping program. Any anomalous areas will be followed up via a drilling program. Underground exploration plans are currently being investigated.

Economic Analysis

An updated and extended program is still being evaluated and when the economic and operating conditions are set, an accurate and reliable estimate of costs and timing via a new model will be produced.

ITEM 7 - THE CAMPERDOWN MINE

Unless otherwise stated, the following description of the Camperdown Mine is derived from the CAG Properties Technical Report. The author of the CAG Properties Technical Report is a "qualified person" within the meaning of NI 43-101 and is "independent" of the Company within the meaning of NI 43-101.

Property Description and Location

Prior to the mine being placed on care and maintenance, mineralization was sourced from a dual open pit (low grade to heap leach) and underground (milling to carbon in leach) operation. The mine is contained within the Gweru greenstone belt, which is geologically similar to other Archean greenstone belts in Zimbabwe. The belts in Zimbabwe have been consistently mined for gold, precious metals and base metals over many years.

Mining Concessions

The property is secured by 8 blocks of precious metal claims and 1 base metal claim. The total area covered by the Camperdown claims is 222 hectares.

Royalties and Encumbrances

Olympus and a local miner had entered into a arrangement, a tribute agreement, whereby the local miner was allowed access to the claims for a specified period for a monthly fee and with Olympus holding termination rights subject to an agreed notice period. Despite having been given notice in accordance with the agreement, the local miner has challenged the legality of the process. However, the matter has been resolved and Olympus is now in a position to mine and explore on the property without hindrance. There are no other known encumbrances on this property.

Limited mining at Camperdown has now commenced and there is an obligation to pay royalties to the Government of Zimbabwe on its production at a rate of 4.5% for production before December 31, 2011 with a proposed increase to 7% thereafter. No other fees are payable other than the fees to renew the claim certificates.

Environmental Considerations

In May 2010, New Dawn engaged Epoch Resources (Pty) Ltd. ("Epoch") to undertake an Independent Competent Persons Report to identify the major detrimental aspects of the Property and recommend remedial measures. Other

than protecting the tailings storage facilities, waste rock dumps, heap leach pads and open pits ("no-go" areas) from damage, no significant detrimental environmental impacts were identified by the study.

The independent review of by Epoch estimated the rehabilitation and closure costs at Camperdown to be approximately US$ 2,400,000.

Permitting

Olympus has all the required permits to allow it to mine and explore its properties, and under present legislation the author of the CAG Properties Technical Report does not perceive any reason for them not being allowed to do so in future.

7.1 Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Camperdown Mine can be accessed via a network of dirt roads from Golden Quarry Mine, a distance of 8km, and from the town of Shurugwi, a distance of 4.5km. Transportation to the mine is administered via Golden Quarry Mine. The topography covered by the claims varies between gently sloping ground and rugged terrain. The area is vegetated by Masasa and Mafuti trees. There is a rail link to Gweru from Shurugwi. The area experiences warm to hot summers with temperatures reaching as high as 40ºC in extreme conditions. Winters are mild to cold with temperatures reaching as low as 0ºC. Frost is also common during winter in the valleys and lower elevations.

7.2 History of the Camperdown Mine

The property produced intermittently from 1902 to 1917 under the name of Camperdown and under various ownerships. From 1931 onwards, outputs are recorded under the name South Wanderer and the mine had been a steady producer since that year. The total recorded output under different ownerships to the end of 1947 is reported as 160,091 oz gold extracted from 2,836,468 tons of mineralized material. To explore the sulphide zone at depth and below the summit of Camperdown Hill, an internal vertical shaft was sunk to 125ft from the 3rd to the 4th level and development was carried out towards the south on this level. In 1931 the plant was designed to treat only oxidized material. A flotation plant was installed in subsequent years to treat the sulphides. On a daily basis, approximately 300 and 200 tons of mineralized material would be processed through the oxide mill and flotation plant respectively. Although most of the mineralization was obtained from the open pit, the original workings were sited on a quartz vein known as the Collingwood Leader. After the quarrying stage the mine was opened up by adits driven into the hillside and were referred to as the intermediate levels.

Total production up to 1992, exclusive of the gold output up to 1947, is recorded as 220,000 oz gold from 3,300,000 tons of mineralized material, a recovery grade of 2.0 g/t. This output however, does not include gold recovered from the open-cast as this information is not available. The combined production from Golden Quarry Mine and Camperdown from March 1995 to September 2006 under Falgold's operations is recorded as 103,225 oz gold from 1,750,278 tons of mineralized material, a recovery grade of 1.836g/t. The first gold produced from Camperdown under the Falgold-Olympus tribute was in 1996, where mineralized material obtained from the dual pit was heap-leached on site and that from underground was transported to Golden Quarry Mine for gold recovery.

7.3 Geological Setting

Regional Geology

The Camperdown Mine lies in the Bulawayan Wanderer Series that is part of the Shurugwi Schist Belt. This is a sedimentary succession of conglomerates, grits, phyllites, sandstones, and BIF that gives rise to a small range of hills north of Shurugwi. This sequence is overlain by a thick series of metabasalt flows akin to the Upper Greenstone Series. Post–Bulawayan tectonism inverted this stratigraphic sequence in a north-west striking nappe or over-fold. Later cross folding on a north-east axis modified the lithology.

Local Geology

The gold mineralization at Camperdown is dominantly within BIF although there is significant free gold within the quartz veins cross-cutting through the BIF lithologies. Examination of previous data suggests that there is more than one economic mineralized zone within the BIF. A recent desktop structural study by Dr Robin Harris (currently on contract to NDM to perform remote sensing and structural studies) comprising the manual capture of structural data from published geological maps, existing borehole grade information, and various remote sensed data, was interpreted to show that the deposit takes the form of a dome with relatively shallow dips (<30º) in all principal directions and extending well beyond the currently known mined area.

The open pit exposes a mineralized BIF with gentle dips to the north-west and east forming a flat arch that is folded towards the south-east portion of the pit. The lateral extent of the mineralization has not been determined. The BIF contains numerous narrow quartz veins similar to the Collingwood Leader, with steep 75º - 80º northerly dips that carry significant amounts of free gold. These quartz veins are often associated with the higher values encountered in the mine. Pyrite, pyrrhotite and siderite are the main sulphides identified in the mineralized material.

he BIF's at Camperdown have been subjected to drag folding and faulting such that the mineralized zones are traversed by several white quartz veins trending east-west and dipping steeply northwards. Coarse gold is often found in these quartz veins. A dominating feature at Camperdown is a "Brown Dyke" which is a chloritic layer some 6m wide intercalated with narrow bands of BIF that are concordant to the bedding. It is thought that this "Brown Dyke" could in fact be a meta-siltstone and thought to have had a major effect on gold deposition, acting as an impermeable layer to the gold–bearing solutions that filtered through underlying BIF.

Another control on gold deposition is a felsite dyke that trends north-south through the mine and dips eastwards between 45º and 50º. In certain instances the dyke dips very steeply and is thought to have had a damming effect on the gold bearing solutions. A structure that is also viewed as important in controlling the mineralization is a monocline that in some places develops into a fault followed by quartz veins trending north to north-east. The mineralization at Camperdown is open on all sides and the down-dip extension of the hanging-wall and foot-wall BIF has been outlined to the 2nd level at Collingwood.

7.4 Exploration

As noted above, a study conducted by Dr Rob Harris, has suggested the presence of a significant open pit deposit, determined on a simplistic model using one mineralized zone. Dr Harris's structural models suggest that;

- Grades may be highest at the crest of the dome that forms the deposit and may drop off down the limbs (maximum cleavage development and extension over the crests of antiforms).
- Gold grades are expected to be higher on the SW and NW limbs of the dome and to drop-off as one moves down the NE and SE limbs of the dome.

This model needs further testing via an exploration diamond drilling program which will commence shortly. Additional work will entail detailed mapping of the exposed lithologies in the pit with channel sampling. A detailed structural study will be completed using a laser-borne survey of the area that has been recently completed by a consulting and software company.

7.5 Mineralization

Gold occurs at Camperdown in three ways:

- The original workings were in a series of parallel quartz veins up to 0.5m wide with free gold. These veins strike west and dip 80º north and are discordant to the ironstone host.
- Approximately 30m of soft oxidized ironstone forms the upper portion of the Camperdown Hill and has been mined as a low grade deposit.
- Brittle un-oxidized ironstone with sulphides occurs below the overlying oxides.

The relationship of the quartz veins with the ironstone and their mineralogy suggests that they are hydrothermal and probably post tectonic. It is also suggested that these veins are derived from a mineralization period later than the main sulphide mineralising event that permeated the BIF units. Pyrite is the dominant sulphide present and is disseminated irregularly throughout the mineralization. On a smaller scale, pyrite occurs in coarse aggregates and well formed crystals are noted.

7.6 Drilling

Previous surface drilling has been done on this property to delineate the down dip extension of the mineralization in the immediate vicinity of the pit. The drilling and interpretation indicates a number of sub-parallel mineralised zones within the ironstones and dipping concordantly within the banded ironstone units.

7.7 Sampling, Analysis and Data Verification

See section 8.8 "Dalny Mine – Sampling, Analysis and Data Verification".

7.8 Mineral Resource and Mineral Reserve Estimates

The mineral reserves and mineral resources are reported valid as at June 30, 2010 in accordance with CIM Guidelines and NI 43-101, based on attributable ounces for New Dawn's proportionate holdings, and subsequently adjusted to reflect New Dawn's increased proportionate ownership of the Camperdown Mine. The Author of the CAG Properties Technical Report has validated the classification system used for the CAG Properties Technical Report and found it an acceptable method for reporting to NI 43-101 standards. The extracted results for the Camperdown Mine property are as follows:

Mineral Reserves

The Camperdown Mine currently has no mineral reserves.

Underground Mineral Resources

	Mass (tonnes)	Grade (g/t)	Gold (ounces)
Measured	141,800	3.2	14,722
Indicated	859,200	2.6	72,238
Total Measured & Indicated	**1,001,000**	**2.70**	**86,960**
Inferred	**78,200**	**2.8**	**7,030**

Surface Mineral Resources

	Mass (tonnes)	Grade (g/t)	Gold (ounces)
Measured	1,195,600	1.7	65,763
Indicated	638,600	2.1	42,799
Total Measured & Indicated	**1,834,200**	**1.8**	**108,562**
Inferred	507,000	2.3	38,000

Slimes Dump Mineral Resources

	Mass (tonnes)	Grade (g/t)	Gold (ounces)
Measured	3,600,000	.60	74,070
Indicated	-	-	-
Total Measured & Indicated	**3,600,000**	**.60**	**74,070**

Notes: Mineral reserves are included in the measured and indicated mineral resource figures. The Mineral Reserves and Resources above are stated on an attributable basis
The Slimes Dump Resource shown above is for the Wanderer Mine Dump, which is included in the Golden Quarry mineral reserves and mineral resources.

Open Pit

Although the geological software package used to generate resources was not accessible, hardcopies of past reports, mine plans and additional spreadsheets of the open-pit outline including assay values, generated a reasonable understanding and comprehension of the mineralization, economics, geology, diamond drilling and mining constraints to re-classify and report current mineral reserves and mineral resources.

Since there was no pit design or plan for future mining, all previous open pit Reserves were kept but re-classified and reported as Resources. Pending an open pit design, the Resources will be reversed back to Reserves when mining continues provided they meet the economic and technical criteria.

The cut-off grade estimate for Camperdown was assessed using historical cost data that were suitably adjusted for use as a base for current costs. These cut-off grades are also considered to be fair and reasonable. A 3% waste dilution and 5% mining loss was factored into both the open pit and underground surface mining respectively. With a relative density of 2.80, the rock dumps and slimes were quoted as in situ estimates without dilution and mining losses taken into account.

Underground Workings

Due to the termination of underground operations all Mineral Reserves assigned in the past were transferred to a Mineral Resource data base. From the plans, sections and other information available on-site, the level of confidence that the Mineral Resource estimates for Camperdown are reasonable and justified by the Author's previous knowledge of the geology and an analysis of the structural interpretation of Dr Harris.

Dumps

The Wanderer Dump located 4km NNW of the Camperdown open pit consists of 3.6m tonnes at an average grade of 0.64g/t. A report "*Wanderer Tailings Re-Treatment Project"* written in 2007 by the preceding owner's management team indicates that the Wanderer Dump has been augured on several occasions and the tonnage has been surveyed and confirmed. Until a milling plan has been devised to re-treat the slimes this will remain a Resource but a provisional cut-off grade could be as low as 0.32g/t.

7.9 Mining Operations

Mining Method

The Camperdown mine started out as an open-pit-heap-leach operation. The crushing infra-structure installed for the heap leach operation has a capacity of some 20,000 tons per month. Two heap-leach sites were in operation, and that were fed 10,000 tons per month with low grade "waste" grading 0.6 g/t to 1.2 g/t. The break-even grade on the heap leach is reported to be 0.08 g/t recovered. The heap leach pads were of simple construction with only a single plastic liner in place. Run off control from the pads was problematical. Monitoring boreholes for seepage detection were in place, and on certain occasions, low cyanide levels had been detected in water samples from these boreholes. The degraded state of this heap leach operation is such that it is currently unusable. Blasting of ore from the open

pit and subsequent crushing on-site produced approximately 10,000 tons of ore per month that was then trucked to the Golden Quarry Mine plant for processing using conventional CIL processes.

Metallurgical Process

The Camperdown mineral deposit was mined as a combination of an open cast surface operation and a higher grade underground operation. The lower grade mineralized material from the surface mining was processed on a heap leach facility at Camperdown, while the higher grade mineralized material from both the open cast and the underground was transported to the Golden Quarry Mine processing plant.

Historically about 10,000 tons of mineralized material was treated on a monthly basis at both the heap leach facility on site and at the Golden Quarry processing plant. The operation involved the typical heap leach techniques of passing a dilute cyanide solution sprayed onto a heap-leach pad with the pregnant solution passing through carbon columns (carbon loaded twice per month). The loaded carbon was eluted and gold was smelted off site. Elution of the loaded carbon was performed in 4 one ton tanks on a 3-day cycle followed by digestion of the electro-won gold cathode three times per month. The heap leach recovery was approximately 0.3g/t.

Capital and Operating Costs Estimates

New Dawn is currently undertaking a full and detailed review of the assets and operations of the Camperdown Mine as well as its other mining properties and, until its completion, will not have estimates of the anticipated future capital and operating costs. However, the cut-off grades have been determined from historical cost and technical information that has been tested for applicability. The cut off grades are considered by the author of the CAG Properties Technical Report to be reasonable.

Marketing

Since resumption of production in August 2011, all gold sales are to Rand Refinery Ltd. (RRL) of South Africa, utilizing the Chamber of Mines of Zimbabwe Gold Sales License. Export to RRL requires documentation by Fidelity Printer and Refiners ("Fidelity"), an arm of the Reserve Bank of Zimbabwe. The gold sale price is based on the 2pm London spot price on the RRL assay date and payment is received in US$'s typically 12 to 14 days after delivery to Fidelity.

7.10 Exploration and Development

An exploration program comprising a diamond drilling program (of some 8-10,000m) as well as a structural study, mapping and sampling program is planned. The aim will be to test the lateral extent of the mineralised BIF units as well as to test areas that were previously blocked out as resources in order to establish a potential short-term mining plan that could be implemented to provide ore to Golden Quarry. 700m to the south-west of the open pit is another small open pit operation, also hosted within BIF's known as the Redhill deposit. This is of much lower grade than Camperdown, probably reflecting a more distal position to the source of the mineralisation. However, previous work has not established any connection between the two deposits, but this will be investigated during the exploration phase. Once the results of this exploration program are complete, and assuming a successful outcome, a suitable mine design can be constructed.

Economic Analysis

An updated and extended program is still being evaluated and when the economic and operating conditions are set, an accurate and reliable estimate of costs and timing via a new model will be produced.

ITEM 8 - THE DALNY MINE

Unless otherwise stated, the following description of the Dalny Mine is derived from the CAG Properties Technical Report. The author of the CAG Properties Technical Report is a "qualified person" within the meaning of NI 43-101 and is "independent" of the Company within the meaning of NI 43-101.

8.1 Property Description and Location

The Dalny Mine is situated 36 km north of Kadoma in the Chakari district, approximately 175 km southwest of the capital, Harare. Historical production (to 2006) was 2.44 million oz of gold from 10.2 million tons of mineralized material treated at a grade of 7.42 g/t. The mine complex consists of an underground operation with an associated treatment plant and the potential for gold recovery from the tailings.

Mining Concessions

The Dalny Mine Complex consists of greater than 2,800 claims covering a strike length of some 15 kilometres. Although several claims are held in the Chakari area by other parties, Falgold claim holdings constitute the majority in the Chakari Gold Belt. These claims are held as 220 precious metal blocks, with 30 base minerals blocks and 11 sites. The area covered by the claims blocks represents 2,881 hectares.

Royalties and Encumbrances

A royalty of 4.5% of the value of gross output is currently being paid to the Government of Zimbabwe with a proposed increase to 7% from 1st January 2012. No other fees are payable other than the fees to renew the claim certificates.

At the present time a large portion of these claims are on a standard tribute to a group of former employees. The tribute agreement allows another party ("the tributor") to work the claims for his own account subject to the payment of a monthly fee. This tribute agreement however, allows the company to explore the properties during the tenure of this agreement. The tribute agreement is valid until December 2011 whereby it can be renewed for a further three years.

Environmental Considerations

In May 2010, New Dawn engaged Epoch Resources (Pty) Ltd. ("Epoch") to undertake an Independent Competent Persons Report to identify the major detrimental aspects of the Property and recommend remedial measures. Other than protecting the tailings storage facilities, waste rock dumps, heap leach pads and open pits ("no-go" areas) from damage, no significant detrimental environmental impacts were identified by the study.

The independent review by Epoch estimated the estimated rehabilitation and closure costs at Dalny to be approximately US$ 5,600,000.

Permitting

Falgold has all the required permits to allow it to mine and explore its properties, and under present legislation the author of the CAG Properties Technical Report does not perceive any reason for them not being allowed to do so in future

8.2 Accessibility, Climate, Local Resources, Infrastructure and Physiography

A narrow, albeit degraded asphalt strip road links the village of Chakari to the two nearby towns of Kadoma and Chegutu. The terrain covered by the claims is generally flat with higher topography confined to banded ironstone formations that form isolated hills and ridges. Several linear ridges denote the underlying dolerite intrusions that are often made conspicuous by boulder scree along the ridge flanks. Deep red soils are characteristically the weathering product over the ubiquitous greenstone terrain (basaltic to andesitic lavas), while shallower pale soils are characteristic of felsic lithologies. The depth of the soil cover often poses a problem for exploration activities and rock outcrops are sparse.

The area experiences summer rains that fall mainly between the months of November and March, during which temperatures can range from 30ºC to 40ºC. The mild winter season is mainly between June and July and best suited to exploration activities.

Water is provided from surface wells, underground workings, Dalny Mine Dam, Suri Suri Dam and Claw Dam. The most important sources of potable water are the Claw Dam and Suri Suri Dams. Claw Dam is the major water supply for the city of Kadoma and arrangements were made through Golden Valley Mine and Dalny management to have water piped to Chakari. Power is supplied from the national supply (ZESA). There are two incoming lines to the Complex, one being a 33 kV supply from Chegutu and the other being a 33 kV supply from Kadoma. Numerous transformers are used to tap the power supply.

The labour force employed on the Dalny complex is housed in a number of residential areas and is based on employment grade status. Many of the people employed in the lower categories represent successive generations of employees. A number of small shops supply the immediate needs of the people living at the Complex. In addition, supplies are obtainable from Kadoma. Schools at the Complex and in Kadoma meet educational needs. The schools are not the company's responsibility, but some assistance is given as part of its internally conceived social obligations.

8.3 History of the Dalny Mine Complex

The mining history of the Chakari Gold Belt can be traced back to an ancient civilization through evidence of ancient workings with shafts and open pits along the strike of several reefs in the area. It is believed that the Portuguese were mining in the area during the 15th and 16th centuries. Dalny mine featured as one of the larger gold mines in Zimbabwe in Geological Survey Bulletin 26 (1934), ranking second in terms of tonnage to the Turkois mine (south–east of Dalny) and third in terms of gold production to the Brilliant (north-east of Dalny), both of these mines being within the Dalny Claims Complex. In 1941, development was taking place on 5 level in payable mineralization and it was calculated that the mine would support 13,600 tons per month with an 85% recovery to yield 3,098 oz gold.

Falcon Mines S.A., a company registered in Luxembourg, took an interest in the Chakari Gold Belt in 1945 followed by agreements with the claim holders to purchase the Turkois and Dalny mines that were then operating. In time, the interests in the mines were transferred to Falgold which was, in 1991,listed on the Zimbabwe Stock Exchange.

The Dalny Complex has produced approximately 75 tons of gold from approximately 10 million tons of mineralized material, a yield of 7.50 g/t. The most extensive mine workings are on the Dalny, Arlandzer, and Turkois Mines, the largest being the Dalny that achieved a depth of 1,600 metres below surface. Most of the production has come from the Dalny, Turkois, Double H and Brilliant Mines in that order. Dalny Mine was first pegged by The Rhodesian Exploration and Development Company in 1905 and gold production was recorded in 1908. Significant production was also recorded from the Arlandzer, Chadshunt, Dawn, Pixie and Pomposa mines.

Mining on the Dalny has been done on steeply dipping mineralized deposits to considerable depths below surface. With a high geothermal gradient at depth, a refrigeration plant was installed to ensure a consistent and adequate flow of cool air to the lower levels of the mine.

Rock mechanics problems including rock-bursts have been experienced in the past below 28 level. To ameliorate these problems, a cut-and-fill mining method was adopted. Cut and fill involved a 5-day cycle where waste rock was used as the fill and timber packs used for support. In order to prevent closure of the reef drives on the lower levels, footwall haulages were excavated and kept at a distance of approximately 40m from the mineralized horizon and crosscuts excavated to locate reef in the hanging-wall. Diamond drilling was done from these haulages ahead of the reef drives to direct mining and to ensure that a 40m pillar was maintained. Subsequently, a systematic pattern of reef drive development and stope preparation was adhered to.

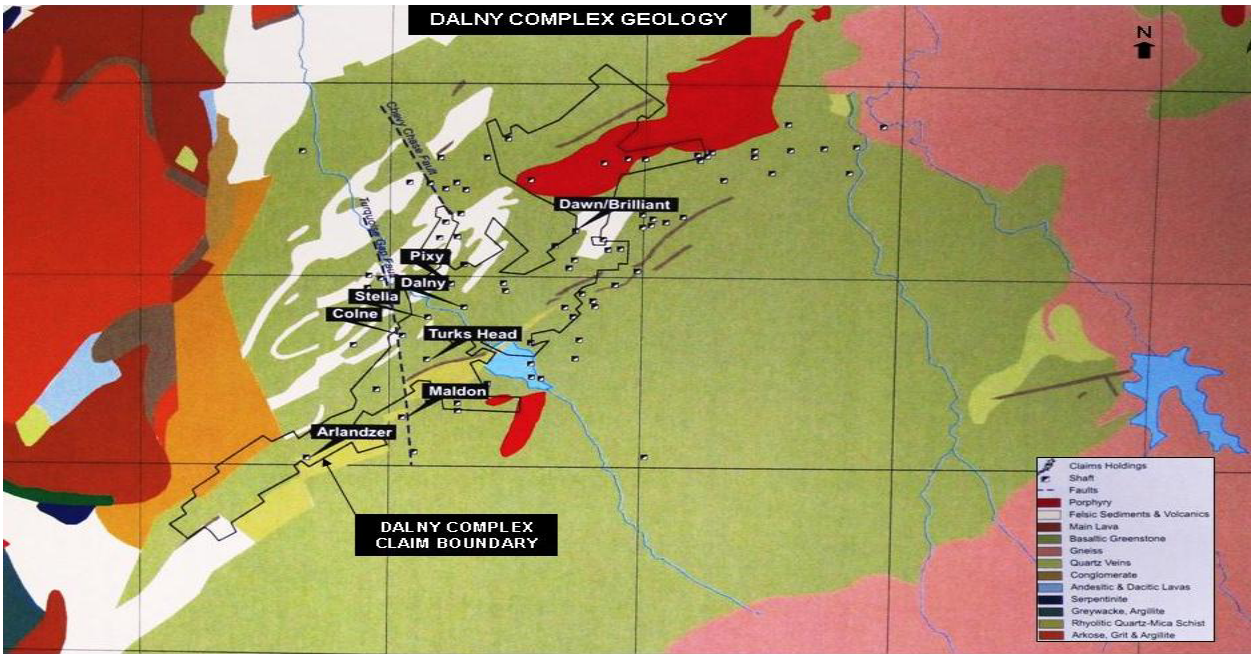
8.4 Geological Setting

Regional Geology

The Dalny Complex is located on the north-western limb of the plunging Kadoma anticline and is hosted by andesitic to basaltic lavas of the Upper Bulawayan System that is Archaean in age. Several intrusive quartz porphyries and dolerite dykes of different ages crop out in the area and have been observed as concordant and discordant features underground. Structurally, the Chakari Gold Belt is believed to be a secondary structural splay off the Lily Fault Zone. The latter is a regional lineament that trends north-east, south-west, and is in places several miles wide.

Dolerite dykes of different ages transect the lithologies and have been designated as being pre-and post-mineralization in age. Pre-mineralization intrusions include the "Brown" and "Black" dykes, while "Blue" and "Red" dykes are post-mineralization meters wide with wide alteration halos gradually decreasing into the country rock. Several north-west trending faults displace the lithological units of which the Turkois Gap fault and Chevy Chase Fault are located within the Dalny Complex.

DALNY COMPLEX LOCAL GEOLOGY



Local Geology

A strong structural control has given rise to mineralized zones oriented along a north-east to south-west strike with steep dips towards the west. Tension gash veins within the shear zone, particularly on the Dalny, indicate a net sinistral strike-slip movement. As a rule of thumb, most of the mineralized deposits situated west of the Chevy Chase Fault are predominately of the replacement type: Arlandzer, Turkois, Dalny, whilst those to the east tend to be narrow quartz veins with erratic gold distributions: Chadshunt, Double H, Cheshire Cat, Dawn-Brilliant.

8.5 Exploration

Over the last 15 years, insufficient exploration has been done towards establishing the true potential of the Dalny Complex, an area that is considered as one of the most important gold producers in Zimbabwe. Prior to CAG acquiring its interest in Falgold in 2007, limited underground drilling and development had taken place. During 2000 and

2007 Falgold's gold production from the Dalny Complex was derived from dump re-treatment and mining from the Dalny upper levels. Since this time, no surface or underground exploration programs have taken place.

Due to the lack of exploration and development, depleted mineral reserves and mineral resources were not replenished. It is expected, however, that rejuvenation and expansion of selected properties can be achieved provided that the necessary capital is made available and strategic development and explorations programs are strictly enforced and adhered to. In particular, and due to flooding on most of the satellite properties, shallower levels on the Dalny, Stella, and Pixie need to be re-examined systematically.

8.6 Mineralization

Propylitic alteration of the country rock is evident and silicification, carbonation and sulphide mineralization are common, particularly near the gold-enriched part of the shear. Subsidiary sulphides include stibnite, pyrrhotite, chalcopyrite and sphalerite. Quartz and carbonate are common gangue minerals. The most common sulphides are pyrite and arsenopyrite that extend into the schistose country rock which surrounds the gold-rich part. Scheelite and galena are often associated with remobilized quartz-carbonate veins and are often indicative of higher gold assays. The gold-bearing parts of the reef channel are usually narrow, with widths of less than 2m being most common. Although most of the gold is very fine grained and associated with the sulphides, coarse gold has been observed. On the B-Reef at Dalny for example, coarse gold has been observed particularly where fuchsitic alteration and galena are present. Coarse gold has frequently been encountered on the Pixie reef, where the reef is in contact with a quartz-porphyry and where graphitic shale has been intensely silicified to resemble "black quartz" slivers.

8.7 Drilling

During the last few years the mine has suffered a set back in exploration with virtually no exploration drilling, albeit for one Kempe machine that was occasionally used for short holes to assist with mining problems.

Future drilling has been planned to evaluate the ground below the small surface open pit (bottom of pit 8m) (exploiting the Colne reef) and 3 level (90m) by drilling horizontal, up and down holes to establish the tonnage and grade so that an open pit down to 3 level can, perhaps, be designed.

Subsequent to the date of the CAG Properties Technical Report, the Company has commenced drilling work described above.

8.8 Sampling, Analysis and Data Verification

Channel samples are taken from various vicinities i.e. development faces, sidewalls, cross-cuts, raises and stopes. For evaluation purposes, where the mineralized lode widths are fairly wide, cross-cuts are excavated to expose and sample the full extent of the mineralization. Diamond drill data was not used previously for estimating mineral reserves and mineral resources. This was done from channel, raise and stope sampling assays. In order to conform to NI–43-101 standards of reporting, diamond drilling will be incorporated into future mineral reserves and mineral resources classification system. Two diamond drilling categories that will be used for estimating mineral reserves and mineral resources will relate to exploration and delineation drilling. Exploration diamond drilling cross-cuts will be mined into the hanging-wall of the mineralized deposit to probe the down-dip extensions of the known pay-shoots and the short delineation holes will assess the boundaries of the lodes.

The geologists would supervise all channel sampling and assurances made to obtain samples from distinct lithological and/or mineralogical boundaries. Where the rock type was homogeneous, no sample lengths would exceed 100cms.

Prior to the sampling, a channel is cut with a diamond saw cutter with grooves set 5-7cm apart and at right angles to the strike direction. Samples are then obtained by chipping between the grooves with a chisel and hammer to an even depth of approximately 3cm. Sample chipping is initiated from the footwall towards the hanging-wall of the lode to avoid contamination. The sample chips are then be collected in a panning dish that was thoroughly cleaned after each sample had been bagged. Each sample is clearly numbered and recorded on a sketch and placed into dirt free plastic bags, tied immediately to avoid contamination. All plastic bags are used once only and discarded.

Measures are taken to ensure the validity and integrity of the samples by means of frequent visits to sampling sites by the geologist. All samples are recorded for time, day, and condition on arrival at the assay laboratory. On receipt of sample assays from the laboratory, the results are plotted onto the assay plans against their corresponding ticket numbers.

The Author of the CAG Properties Technical Report has verified the sampling, analytical procedures and security from on site visits and has no reason to question the integrity of these procedures.

8.9 Mineral Resource and Mineral Reserve Estimates

The mineral reserves and mineral resources are reported valid as at June 30, 2010 in accordance with CIM Guidelines and NI 43-101, based on attributable ounces for New Dawn's proportionate holdings, and subsequently adjusted to reflect New Dawn's increased proportionate ownership of the Dalny Mine. The Author of the CAG Properties Technical Report has validated the classification system used for the report and found it an acceptable method for reporting to NI 43-101 standards. The extracted results for the Dalny Mine property are as follows:

Underground Mineral Reserves

	Mass (tonnes)	Grade (g/t)	Gold (ounces)
Proven	229,200	3.77	27,800
Probable	116,000	4.11	15,300
Total Proven & Probable	**345,100**	**3.90**	**43,100**

Underground Mineral Resources

	Mass (tonnes)	Grade (g/t)	Gold (ounces)
Measured	581,000	6.26	116,900
Indicated	387,200	5.25	65,400
Total Measured & Indicated	**968,200**	**5.90**	**182,400**
Inferred	195,100	6.81	42,700

Slimes Dump Mineral Reserves

	Mass (tonnes)	Grade (g/t)	Gold (ounces)
Proven	115,300	1.44	5,400
Probable	-	-	-
Total Proven & Probable	**115,300**	**1.44**	**5,400**

Slimes Dump Mineral Resources

	Mass (tonnes)	Grade (g/t)	Gold (ounces)
Measured	6,696,800	0.69	141,900
Indicated	-	-	-
Total Measured & Indicated	**6,696,800**	**0.69**	**141,900**
Inferred	15,500	1.33	700

Note: Mineral reserves are included in the measured and indicated mineral resource figures. The Mineral Reserves and Resources above are stated on an attributable basis

All the satellite mines except Dalny (above 15 level) and Stella are flooded. Subsequently, the Dalny Complex (Arlandzer, Turkois, Maldon, Turk's Head, Dalny, Stella, Pixie and Dawn Brilliant) mineral reserves and mineral resources were assessed by the Author of the CAG Properties Technical Report based on the following criteria:

Mineral reserves previously categorized by Falgold that are now inaccessible, with no plans to re-gain access, were converted to mineral resources. Diamond drilling was not previously used in the past for evaluation purposes, mineral resources were therefore estimated from development and assay plans according to NI 43-101 accepted definitions. Due to flooding below 19 level, probable and proved mineral reserves were converted to indicated and measured mineral resources respectively. Although the mine was flooded to 14 level at the time of the Author's site visit, proved and probable mineral reserves above 19 level were not converted to mineral resources as plans to de-water to 19 level are being implemented. All top and bottom pillars with waste filled stopes above and below were designated a 50% and 75% recovery respectively.

The cut-off grade estimates for Dalny was assessed using historical cost data suitably adjusted for use as a base for current costs. The cut-off grade is considered by the Author of the CAG Properties Technical Report to be fair and reasonable.

Dumps

There are a number of large dumps on the complex, including the Rix 4 dumps (~4mT) and the Calcine dump (~70kT) that were previously included in the resource statement. A physical check on the dumps to verify their existence and to assess the stated tonnages was carried out. Grades were confirmed from documented reports on auguring and other metallurgical requirements for re-treatment done by outside consultants.

8.10 Mining Operations

Mining Method

Dalny is the deepest and largest mine in the Chakari Gold Belt and achieved a depth of approximately 1.6km. The bottom of the mine was accessed by two vertical shafts, the Rix, W14, Stella, and a series of sub-vertical shafts. The sub-vertical shafts from the east to west are: the Main Sub Vertical shaft, also known locally as the Marianne (12 to 29 levels), 28W 9 Shaft (28 to 38 levels), 19W 11 Shaft (19 to 35 levels), 12W 29 Shaft (12 to 28 levels) and 34W 30 Shaft (34 to 36 levels). The Dalny workings are connected to the Stella workings on 5, 7 and 12 levels. The Pixie workings can be accessed from the Dalny workings on 7, 13 and 19 levels.

The Dalny Complex, Dalny mine is flooded to the 15th level. Although extensive stoping has taken place on most levels, several blocks are still available for mining. Some of these blocks can be accessed and mined with minimal equipping and development, while the majority of the blocks, particularly between the middle and lower levels, would require extensive development and re-equipping to regain access.

All reef levels below the 28th level were mined via footwall haulages spaced approximately 45m from the main reef channel. The 35th level was developed a lateral distance of approximately 1km and accessed via the W11 and W30 shafts.

Rock mechanics problems including rock-bursts have been experienced in the past at depth. To ameliorate these problems, a cut-and-fill mining method was adopted. Cut and fill involved a 5-day cycle where waste rock was used as the fill and timber packs used for support.

Metallurgical Process

The mineralized material from underground was fed to a nearby processing plant. The Dalny Mine, at its peak, mined and milled approximately 12,000 to 15,000 tons of mineralized material per month. The current installed crushing and milling capacity sustains approximately 7,500 to 10,000 tonnes per month. However, with the planned crusher upgrades that are expected to be implemented in 2012, capacity will be increased to approximately 20,000 tonnes per month The overall recovery of Dalny mineralized material is approximately 80 to 85%.

Material obtained from the residue dumps was processed at a separate dump re-treatment plant located on site. The Dalny operation is surrounded by sizeable dumps all in various stages of re-treatment. As the higher grade dumps have been treated, gold recovery has dropped as lower grade dumps are leached.

Capital and Operating Costs Estimates

The Company is currently undertaking a full and detailed review of the assets and operations of the Dalny Mine as well as its other mining properties and, until its completion, will not have estimates of the anticipated future capital and operating costs. However the cut-off grades have been determined from historical cost and technical information that has been tested for applicability. The cut off grades are considered by the Author of the CAG Properties Technical Report to be reasonable.

Marketing

All gold sales have been to Rand Refinery Ltd. (RRL) of South Africa, utilizing the Chamber of Mines of Zimbabwe Gold Sales License. Export to RRL requires documentation by Fidelity Printer and Refiners ("Fidelity"), an arm of the Reserve Bank of Zimbabwe. The gold sale price is based on the 2pm London spot price on the RRL assay date and payment is received in US$'s typically 12 to 14 days after delivery to Fidelity..

8.11 Exploration and Development

Exploration programs for the Dalny Claims complex are currently being constructed. There are a number of prospective areas to evaluate, but the focus needs to be on a) assisting the current mining operational needs in the areas where mining will commence shortly, and b) additional areas that have serviceable shaft infrastructure and potential resources that could be exploited. Areas such as Turkoise, Pixy and Arlandzer fulfil these criteria and the Company is planning to implement exploration programs for these properties.

Economic Analysis

The updated and extended program is still being evaluated and when the economic and operating conditions are set, an accurate and reliable estimate of costs and timing via a new model will be produced.

ITEM 9 - THE VENICE MINE

Unless otherwise stated, the following description of the Venice Mine is derived from the CAG Properties Technical Report. The author of the CAG Properties Technical Report is a "qualified person" within the meaning of NI 43-101 and is "independent" of the Company within the meaning of NI 43-101.

9.1 Property Description and Location

The Venice Complex is located approximately 28km south of the city of Kadoma. The mine is contained within the Midlands greenstone belt, which is geologically similar to other Archean greenstone belts in Zimbabwe. These economic deposits are hydrothermal in origin and occupy structural breaks, usually along secondary splays of first order structures. The belts in Zimbabwe have been consistently mined for gold, precious metals and base metals over many years.

Mining Concessions
These claims are held as 239 precious metal blocks, with no base minerals blocks and 5 sites for housing and dumps. The claim blocks at the Venice Complex cover an area of approximately 2,150 hectares.

Royalties and Encumbrances
Venice Mine is currently not producing gold and is thus not paying any royalties. If gold production is commenced, royalties will be payable at a rate of 4.5% for production before December 31, 2011 with a proposed increase to 7% thereafter. No other fees are payable other than the fees to renew the claim certificates.

At the present time and on certain claims on this property, there are a small number of tribute agreements with small local miners allowing them to work the claims for a specified period for their own account subject to the payment of a monthly fee. The tribute agreement, however, allows the Company to explore the claims during the tenure of this agreement. There are no other known encumbrances on this property.

Environmental Considerations
In May 2010, New Dawn engaged Epoch Resources (Pty) Ltd. ("Epoch") to undertake an Independent Competent Persons Report (No. 143-003-02) to identify the major detrimental aspects of the Property and recommend remedial measures. Other than protecting the tailings storage facilities, waste rock dumps, heap leach pads and open pits ("no-go" areas) from damage, no significant detrimental environmental impacts were identified by the study.

The independent review of the estimated rehabilitation and closure costs by Epoch, estimated the costs at Venice Mine to be approximately US$ 2,800,000.

Permitting
Falgold has all the required permits to allow it to mine and explore its properties, and under present legislation the author of the CAG Properties Technical Report does not perceive any reason for them not being allowed to do so in future.

9.2 Accessibility, Climate, Local Resources, Infrastructure and Physiography

The roads that serve the area are still in reasonable condition. Water is supplied by pipeline from Claw Dam (the major source of municipal water for Kadoma) for use by the small labour force and their families who are presently engaged in the care and maintenance of the mine. During mining operations water was also obtained from smaller dams (the What Cheer Dam, and Venice Dam) on the complex and a small dam near Grandeur Mine, situated 5 km west of Venice. A limited amount of water was drawn from the underground resource by boreholes.

Power to the mine is drawn from the national grid, owned and operated by ZESA and delivered via 33 kilovolt (kV) and 11 kV lines. Prior to the mine closing down the majority of the labour force were accommodated on the Venice property, while some senior and service staff resided in Kadoma. Housing, services, and some recreational facilities were provided by Falgold at a nominal cost. Small trading shops on the Complex supplied employees with basic commodities and other personal needs could be obtained in Kadoma. Schooling was provided on site and in Kadoma where the schools are mainly government owned and only one private school is available.

9.3 History of the Venice Mine Complex

Recorded production from the area began in 1906. It is reported that ancient workings exist in the area, especially at the Esperanza mine. Approximately 40 individuals, syndicates and companies have been involved in gold production from the area since the turn of the 20th century. All properties worked at the Complex, apart from the Bongola, were under Falgold's claim portfolio. Most operations have progressed from surface exploration to

underground operations. The major exception was the Nando Mine, from which a significant percentage of the mineralization was mined as an open pit operation.

It is reported that from 1906 to 1963, the Venice Complex and Grandeur Mine produced over a million tons of mineralized material at an average recovery grade of 4.7 g/t. The major producers in the period mentioned are Nando (44% tonnage, 16% gold), What Cheer (18% tonnage, 35% gold), Venice (16% tonnage, 19% gold) and Moliere (7% tonnage, 10% gold). Production statistics from 1983 to 2002 indicate that Venice Mine produced 306,537 oz gold from approximately 2.5 million tons of mineralized material, a recovery grade of 3.77 g/t. Data compiled by Falgold management up to the closure of Venice Mine, indicates a total of 4.1 million tons of mineralized material treated for a recovery of 18.7 tons of gold from the Venice Complex under Falgold's control and up to the closure of operations in 2002. Venice Mine has been the single largest producer in the Venice Complex, with the adjacent What Cheer Mine being a notable producer.

9.4 Geological Settings

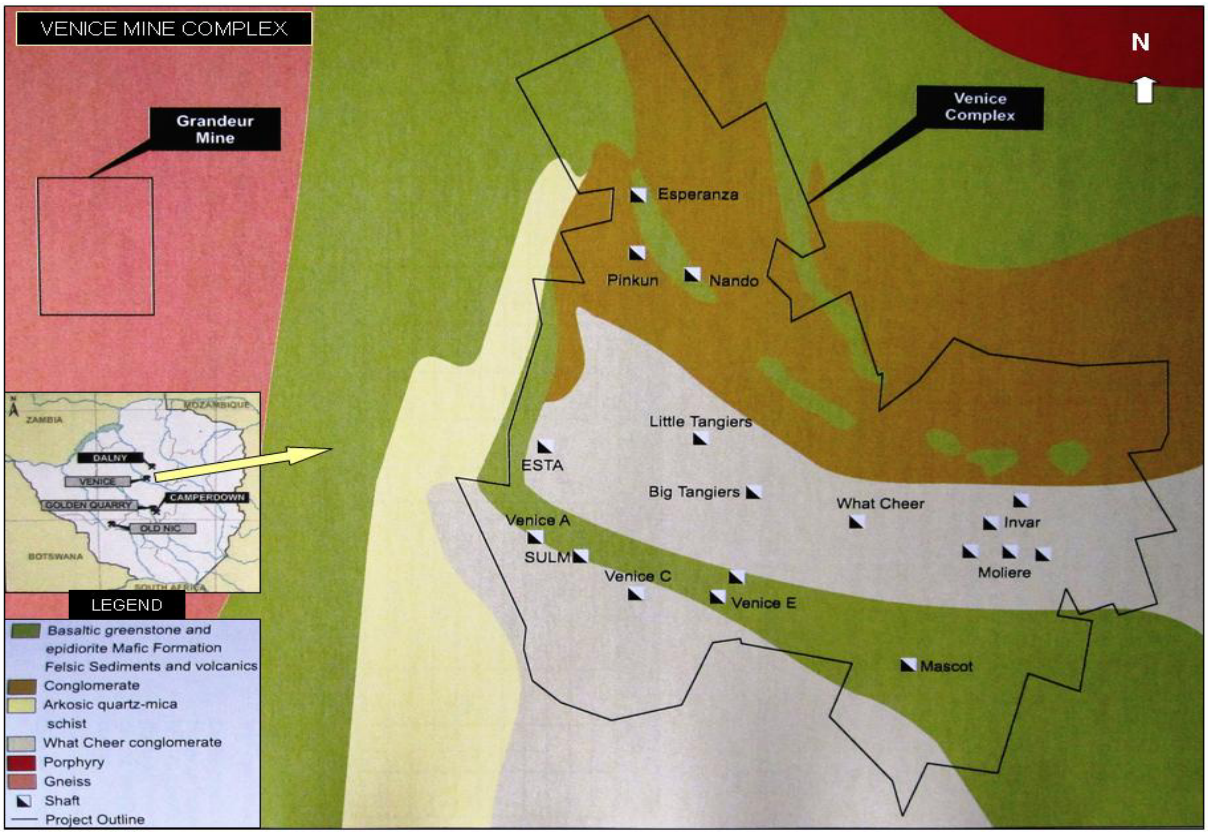
Regional Geology

The Venice Complex lies within rocks of the Upper Bulawayan Group of late Archean age. The Bulawayan Group is unconformably overlain by the Shamvaian Group. The latter is a deformed sequence of greywackes, argillites and intercalated oxide facies iron-formations. Intrusive activity is extensive and occurs as sub-volcanic mafic intrusions or granitoid plutons. Intrusions oversaturated with respect to silica (acidic) are the Sesombi tonalities that include the Grandeur granodiorite, Whitewaters pluton and smaller quartz-feldspar porphyries. The various types of porphyry intrusion occur as small stocks or porphyritic dykes.

Several phases of regional deformation and metamorphism to greenschist facies has occurred in geological time, one of which produced the south-west plunging Kadoma anticline with a mafic formation forming the anticline core. It is postulated that the regional folding probably extends into the Venice Complex. There is considerable shearing in the area, with major crustal shears lying west of the Venice Complex and orientated north-south. Several of these major shears are mineralized and have been worked for gold, including the East and West Parallel reefs adjacent and connected to the Venice Mine. Structurally, there is evidence of reverse sinistral movements that may have produced secondary shears that are frequently mineralized.

Local Geology

VENICE COMPLEX LOCAL GEOLOGY



Venice Mine is located on a brecciated and mineralized shear which strikes roughly east west and dips at 35° south. The mineralized shear reaches a maximum width of 8m and consists of sheared quartz, propylitic greenstone and sulphide impregnations.

The Eastern Parallels are located east of Venice Mine and represent a set of shears spaced approximately 100m apart that trend north south and dipping steeply (>80º) towards the west. Soil geochemistry had confirmed the positions of these major shears, extending northwards beyond the underground workings and toward the What Cheer Mine. It is reported that there are 15 documented mineralized shears that form the Eastern Parallel array of reefs.

The Western Parallels are located west of Venice Mine and represent a set of shears spaced approximately 100m apart, trending north-south and dipping steeply (>80º) east or west. Gold mineralization is confined to propylitized shears with disseminated sulphides, including pyrite and arsenopyrite. Quartz-carbonate alteration is common within the shear envelopes, while the main payable zones are more siliceous and occupy the central portions of the shears. Pay-shoots within the shear zones are fairly consistent in extent and visible gold is common. Compared to the Eastern Parallels, reef widths and gold assays are more consistent along strike and at depth. The main shears that have been mined as the Western Parallels are the Stayles Reef (W13), W10 and the Sulm.

The mineralization throughout the What Cheer workings is characterised by arsenical replacement deposits. The country rocks are felsic agglomerates with tuffs and massive rocks of volcanic breccia and greenstones. Propylitic alteration with intense carbonation and chloritization forms a halo adjacent to the main mineralized channel. There are two distinct styles of mineralization, one represented as quartz veining with a north-south strike and a dip of 80º E, and the second and more dominant style of mineralization showing considerable arsenic replacement. Pyrite and

quartz stringers are common, while galena and scheelite have been noted in small amounts. The dominant mineralized deposits strike over 400m in an east-west direction and dip 43º south-south-east, with a change in strike centrally (37º) and almost north-south at the northern end.

The Pinkun ore-body is a shallow dipping and sinuous breccia zone impregnated with gold bearing sulphides. It lies in mafic greenstones and has an overall north-west to south-east trend. The main mineralized zone transgresses mafic greenstones and on the lowest level, intersects felsic rocks overlying the greenstones. Mineralization is greatly reduced within the felsic host rocks.

The Nando ore-body was initiated on the oxidized portion of disseminated mineralization in a felsic agglomerate horizon with mafic lavas forming the hanging-wall. The footwall of the deposit is composed of oxidized agglomerate, quartz-dolerite and cherty banded ironstone with no apparent strike direction. There are two sets of gold-bearing structures, an earlier northeast-southwest trending set of steeply dipping, silicified and carbonated shears, and a later northwest-southeast set with quartz-breccia and stringers splaying into the footwall. Early workers considered the latter to be more important, with values up to 15 g/t. The former were believed to carry erratic gold from TR to 6 g/t. More recent work has shown that better gold grades and reef widths are oriented northeast-southwest. The agglomerate country rock has been well sheared and carries pervasive low gold values.

The Grandeur mineralized deposits strike 350° and straddle the contact between the Grandeur granodiorite and the Whitewaters tonalite. The granodiorite is a porphyritic rock with coarse pink microcline phenocrysts up to 3 cms across. The main deposit occurs as altered (sericitic) country rock up to 40m wide and extending over several hundred metres. There are four main zones: the Main, Central, JB and King zones. A fifth (Haycock's) may lie buried beneath the main residue dump. In total, mineralization lies within an envelope trending 800m north-south and 200m east-west, straddling the tonalite-granodiorite contact. The mineralization is associated with zones of intense fracturing and alteration within the overall envelope. Sericitic alteration is common, with chlorite-biotite ± carbonate zones and subordinate epidote and fluorite. Fracture patterns and vein orientation show the major importance of an east-west orientation, with subsiduary directions aligned southeast-northwest and north-south. Noted features are fracture/joint directions at 75° and 135° in the granodiorite and 100° and 145° in the tonalite. The orientation of the fracturing is interpreted as a Reidel shear pattern with regional sinistral displacement and the two sub-parallel sets of east-west orientations represent reverse faults. The south-east orientation represents normal extensional faulting while the north-south fracturing represents movement sympathetic to the major Whitewaters shear.

9.5 Exploration

There are numerous footwall splits and spurs towards the western end of the Venice workings that have been mined for gold. These include There's Luck, Hazer, Phoenix, and Sweet Sorrow. On the eastern end of Venice these splits diverge northwards away from the main shear and then trend eastwards. Development and stoping along the footwall splits have generally shown patchy values. Diamond drilling underground has shown a narrow uneconomic hanging wall parallel that has not been explored in great detail. Parallel reefs to the Venice are known to exist and are represented by the North Reef, Beroche and old What Cheer workings.

Surface exploration has consisted of soil sampling, diamond drilling and limited trenching. Drilling has confirmed the footwall spurs mentioned earlier and the main Venice mineralization. Almost all holes that intersected mineralization have been exposed by development and mined. Geochemical soil sampling exercised in the late 1980's that delineated the Venice and some footwall mineralization should be considered to locate footwall and hanging-wall parallels and spurs.

The Western Parallels are north-south striking, steeply dipping mineralized shears located west of the Venice Mine. The main features that have been mined are the W13, W10 and Sulm. The W13 represents the most westerly active

workings on the Venice Complex. The underground operations here are also the deepest of the complex, reaching about 370m. The exposed strike amounts to some 600m in all.

There are numerous intersections in close proximity to the W13 in boreholes that have not been investigated. Most intersections are narrow but occasionally with high grade and the viability of mining these will depend on stoping width and the gold price. The W10 is one of the mineralized shears lying to the west of the Venice. The shear is parallel to the W13, lying east of the W13 and west of the Venice. Previously, it was known as the South Hanging Wall Reef. As with the W13, the drilling done indicated numerous intersections that have not been explored. Widths and grades of the intersections imply that although possibly rich, they may be sub-economic because of the widths. Drilling from 13 and 16 levels exposed an intermediate weakly mineralized shear between the W13 and the W10 mineralization (approximately 100m east of the W13). Recorded values are 10.4 g/t over 267 cm, 6.6g/t over 104 cm, 4.6 g/t over 80 cm, 4.3 g/t over 65 cm and 5.1 g/t over 236 cm. A minimum strike of 230m on 13 Level and 130m on 16 level is indicated by the holes mentioned. This projected mineralization however, has not been located on 10 level.

The line of mineralization exploited as the Sulm was a quartz vein with a north-north-east strike and a dip of 45° towards the east-south-east. On average the vein width was less than 1m but the gold grades were reported to be good. At depth, the vein was lost after being cut by a fault with a 75°E dip. Further development underground beyond the fault exposed an intrusive porphyritic diabase. Two lines of mineralization near the Sulm have been identified, the first being a vein 160m east of the main shaft with a strike and dip approximately parallel to the Sulm, and the second being a vein with a north-northwest strike 60m west of the Sulm. Work on these was stopped because of problems with water and the refractory nature of the mineralization. The work carried out on the Sulm indicated a pay-shoot pitching approximately in the direction of dip. The pay-shoot was 120m long at 75m depth on the incline. The augite-porphyrite dyke was exposed in the stopes at 54m incline depth with a variable thickness. A fault that displaced the quartz vein was located slightly below 120m. Drilling has been carried out from underground to the expected position of the Sulm without success. Required exploration is therefore limited to near-surface drilling and trenching to determine what has been mined in the past and the strike extension of the same. In addition, the refractory mineralization on either side of the main shaft should be followed up.

9.6 Mineralization

Numerous discrete mineralized deposits have been mined in the Venice Complex with most having similar mineralogy and structural settings. Several different styles of mineralization have been recognized including mineralization associated with major thrust planes that have given rise to shallow dipping tabular mineralized deposits (Venice Mine); mineralization associated with steeply dipping shears (Mascot Mine); mineralization associated with an anastomosing pattern of shears (What Cheer Mine); mineralization is associated with a complex pattern of shearing (Pinkun Mine).

Several of the mineralized deposits show propylitic alteration and replacement with varying amounts of silicification, carbonation and sulphides. Frequently, the mineralization is associated with narrower parts of the shears and show considerable variation in gold distribution and widths along strike and dip. Gold values decrease away from the main alteration and sulphide zone, and higher grade zones plunge west at approximately 30° from the dip direction. Quartz is a common constituent of the mineralized deposits often forming the core of the auriferous zones. The main sulphides are pyrite and arsenopyrite with minor stibnite.

9.7 Drilling

All geological records, plans and sections had been transferred to the Ministry of Mines in Harare as part of the mine closure procedure. However, with renewed interest in this property, these plans have been returned to assist in further analysis and planning of programs in the future.

9.8 Sampling, Analysis and Data Verification

See section 8.8 "Dalny Mine – Sampling, Analysis and Data Verification".

9.9 Mineral Resource and Mineral Reserve Estimates

Due to the closure of the mine in 2002, and as stipulated in the Mines and Minerals Act, all mine plans were submitted to the Zimbabwe Government Mining Engineer for archiving, but these plans have subsequently been returned to the mine to aid in future planning activities for the area

A report of the Mineral Resources and Reserves statement up to 2006 including some plans, sections and past reports were all available on-site. Subsequently, mineral reserves and mineral resources for Venice were re-estimated to the new re-classification system discussed previously. Due to the termination of underground operations, Mineral Reserves assigned in the past were transferred to a Mineral Resource data base.

The mineral resources are reported valid as at June 30, 2010 in accordance with CIM Guidelines and NI 43-101, based on attributable ounces for New Dawn's proportionate holdings, and subsequently adjusted to reflect New Dawn's increased proportionate ownership of the Venice Mine. The Author of the CAG Properties Technical Report has validated the classification system used for the report and found it an acceptable method for reporting to NI 43-101 standards. The extracted results for the Venice Mine property are as follows:

Mineral Reserves

The Venice Mine currently has no mineral reserves.

Underground Mineral Resources

	Mass (tonnes)	Grade (g/t)	Gold (ounces)
Measured	249,500	5.19	40,300
Indicated	466,600	4.68	68,000
Total Measured & Indicated	**716,100**	**4.71**	**108,200**
Inferred	662,300	6.15	126,800

Slimes Dump Mineral Resources

	Mass (tonnes)	Grade (g/t)	Gold (ounces)
Measured	1,521,400	1.21	57,600
Indicated	-	-	-
Total Measured & Indicated	**1,521,400**	**1.21**	**57,600**

Note: Mineral reserves are included in the measured and indicated mineral resource figures. The Mineral Reserves and Resources above are stated on an attributable basis

9.10 Mining Operations

Mining Method

The Venice Complex mineralized deposits generally have a steep dip with occasional flat features. Prior to terminating production in 2002 and moving to care and maintenance, level development was traditionally carried out on reef and channel sampled. Payable areas blocked out by development were generally breast-stoped. Underhand stoping was done with jackhammer machines and where the reef flattened, breast stoping without back fill took place. The Venice mine, being a shallow mine, was generally not affected by ground control problems and it was possible to drill and blast conventional underhand benches with rock bolt support with occasional timber props.

On the flatter dipping reefs normal breast stoping was employed, with timber prop support used occasionally. Matt packs were installed in areas where faulting and bad ground was encountered. The level of mechanization was not high and operations were labour intensive. All mining at Venice was done with jack hammers using 1.5m drill steels and each operator given a target of 35 holes per shift. Under-hand stopes did not have a need for air legs and Seco 25 rock drills, which are heavy machines originally designed for shaft sinking operations, were used.

Metallurgical Process

Subsequent to the closure of Venice mine, the bulk of the processing plant was stripped down and either transferred to Falgold's other operations or resold. Any future development on the Venice Complex will require a fit for purpose plant reconstruction.

Capital and Operating Costs Estimates

The Company is currently undertaking a full and detailed review of the assets and potential for operations of Venice Mine together with its review of its other properties and, until its completion, will not have estimates of the anticipated future capital and operating costs. However the cut-off grades have been determined from historical cost and technical information that has been tested for applicability. The cut off grades are deemed to be reasonable. Until this review is complete it cannot be determined if the Properties are development or production properties.

Marketing

When production resumes, the Company anticipates following the same procedures for selling the gold that would be used by its other producing mines at that time. Currently, all sales are to Rand Refinery Ltd. of South Africa, utilizing the Chamber of Mines of Zimbabwe Gold Sales License.

9.11 Exploration and Development

Economic Analysis

The updated and extended program is still being evaluated and when the economic and operating conditions are set, an accurate and reliable estimate of costs and timing via a new model will be produced.

ITEM 10 - THE GOLDEN QUARRY MINE

Unless otherwise stated, the following description of the Golden Quarry Mine is derived from the CAG Properties Technical Report. The author of the CAG Properties Technical Report is a "qualified person" within the meaning of NI 43-101 and is "independent" of the Company within the meaning of NI 43-101.

10.1 Property Description and Location

The Golden Quarry Mine is situated 5km to the north of Shurugwi and at an elevation of 1,450m above mean sea-level. The property is approximately 25km south-east of the city of Gweru and lies within Magakooskla Estate. The mine is contained within the Gweru greenstone belt, which is geologically similar to other Archean greenstone belts in Zimbabwe. These economic deposits are hydrothermal in origin and occupy structural breaks, usually along secondary splays of first order structures. The belts in Zimbabwe have been consistently mined for gold, precious metals and base metals over many years.

Mining Concessions

The property is secured by three blocks of claims namely, Lulu (Reg. No 18906), Lulu 2 (Reg. No 18907) and Lulu 3 (Reg. No 18908). The northern extension of the property is secured by claims blocks Lulu 38 to Lulu 43. The area covered by the claims is approximately 530 hectares.

Royalties and Encumbrances

A royalty of 4.5% of the value of gross output is payable to the Government of Zimbabwe, with a proposed increase to 7% effective January 1, 2012. No other fees are payable other than the fees to renew the claim certificates.

At the present time there are a small number of tribute agreements on certain claims in the area. The tribute agreement allows the other party ("the tributor") to work the claims for his own account subject to the payment of a monthly fee. The tribute however, allows the company to explore the properties during the tenure of this agreement. There are no other known encumbrances on this property.

Environmental Considerations

In May 2010, New Dawn engaged Epoch Resources (Pty) Ltd. ("Epoch") to undertake an Independent Competent Persons Report (No. 143-003-02) to identify the major detrimental aspects of the Property and recommend remedial measures. Other than protecting the tailings storage facilities, waste rock dumps, heap leach pads and open pits ("no-go" areas) from damage, no significant detrimental environmental impacts were identified by the study.

The independent review of the estimated rehabilitation and closure costs by Epoch, estimated the costs at Golden Quarry Mine to be approximately US$ 1,900,000.

Permitting

Falgold has all the required permits to allow it to mine and explore its properties, and under present legislation the author of the CAG Properties Technical Report does not perceive any reason for them not being allowed to do so in future.

10.2 Accessibility, Climate, Local Resources, Infrastructure and Physiography

Golden Quarry Mine can be accessed via a degraded strip road that is connected to the main Gweru-Shurugwi asphalt road at the Surprise Siding turn off. The mine is approximately 4.8 km NNW from the town of Shurugwi, the closest high density population center. Most of the mine's labour are housed on Magakooshla Farm, while some of the senior staff are housed in the town of Shurugwi and the city of Gweru. Housing and services are provided at a nominal cost and senior employees who are allocated company vehicles take part in a lift sharing system to provide transportation for other employees.

The topography covered by the claims is variable, with portions lying on gently sloping ground, and others on more rugged terrain. The area is vegetated by Masasa and Miombo woodlands. The summer months are from September to January with temperatures reaching as much as 36º to 38º in the month of October. Winter falls between June and August with temperatures reaching sub-zero in July. The main rains fall between November and March, averaging between 850mm and 1000mm per annum. A full width tar road links Gweru and Shurugwi and the mine is accessed from this main road via an old and degraded strip road. A rail link from Surprise Siding situated 3km from Golden Quarry Mine connects with the city of Gweru.

10.3 History of the Golden Quarry Mine

It is reported in Bulletin 39 "The Geology of the Country around Gwelo" that gold was produced at the Lulu Mine (later named Golden Quarry Mine) at various times between 1915 and 1945. The total output is recorded as 3,353

oz gold obtained from 22,566 tons of mineralized material at an average recovery of 5.13 g/t. Most of this production came from a large quartz vein striking parallel to a banded ironstone formation dipping south-east at 50º. It was reported that there were several fissures in this area with erratic gold distributions and trending in different orientations. In 1988 a Mr. A. Hewitt sold the property to Falgold including claims covering the Wanderer tailings dump. Subsequently, Falgold sunk a shaft to establish 2 and 3 level and the first gold bullion was produced in 1994. The combined production of the Golden Quarry and Camperdown mines between March 1995 and September 2006 amounted to 103,225 oz gold obtained from 1,750,278 tons, a recovery grade of 1.83g/t.

10.4 Geological Setting

Regional Geology

The Golden Quarry mineralized deposit is located within a large shear interpreted as a secondary splay off the regional Surprise Fault. The deposit lies in a structurally complex area with considerable alteration of the host lithologies. The original rock types are derived from a greenstone assemblage, with evidence of ultramafic and mafic rocks, some intercalated sediments and local occurrences of BIF and chert. These rocks equate broadly to the Bulawayan Group of Archaean age. Golden Quarry Mine is located within the Gweru-Shurugwi Greenstone Belt and lies on the western limb of the north-south trending Magakooshla syncline.

Local Geology

The Golden Quarry mineralized deposit has been interpreted as a stock-work of ultramafic origin that has undergone extensive fuchsitic, ankerite, and silicic alteration. Due to the apparent structural complexity the Golden Quarry mineralization is not well understood. Historically, the mine was explored on the 70 ft level (21m) and a large mass of quartz was exposed, but not its contacts. Only two structural planes could be seen, one a younger flat quartz vein dipping at 30º slightly north of west, and the second a prominent fault trending north-east and dipping south-east at 70º. Subsequent to Falgold acquiring the property, the open pit was mapped in detail to assist with the positioning of a new vertical shaft. This shaft was excavated to the 3rd level and drives and crosscuts were developed to define the extent and morphology of the deposit. Subsequent mapping of the 2nd and 3rd level by Falgold geologists was undertaken and systematic cross-cuts were excavated to ascertain the extent and structure of the deposit. This exploration attempt confirmed the deposit as a stockwork with erratic mineralization and no particular pay-shoot orientations. As development of the 4th to 6th levels progressed, geological mapping and diamond drilling became virtually non existent. Further development and stoping between these levels was based on sludge drilling assays, stoping patterns from the upper levels and diamond drilling from surface.

10.5 Exploration

Very little exploration at the Golden Quarry Mine Complex has taken place prior to the acquisition of control by New Dawn in June 2010. Albeit for limited underground diamond drilling for mineral reserves and mineral resources purposes, underground development and sampling was the standard exploration method used to expand the mine workings. The last significant exploration done on the property and claims in general was in the mid to late 1980's under Exclusive Prospecting Order 168. During this time several surface holes were drilled around the Golden Quarry Mine pit to assist with the planning of a new shaft.

Since June 2010, an exploration program around Golden Quarry has commenced. This comprises trenching, both north and south of the open pit along the general structural trend observed in the area, field mapping and a structural analysis of geological data collected from these programs. The Gemcom 3D geological models have been reconstructed in Maptek's Vulcan geological modeling suite and continue to be refined with additional data collected from underground mapping of all accessible drives. A re-sampling program of these drives as well as underground exploration drilling activities are planned to be started shortly. Structural data has been collected from the surface and underground exposures and analysis of these data will provide a new structural model for the orebody. All of these additional data will provide the necessary information to understand the geological and structural framework for this deposit and will aid in both development and future exploration plans.

10.6 Mineralization

The host rocks at Golden Quarry Mine have undergone greenschist metamorphism with a sericitic/propylitic alteration product. A fuchsite-ankerite-quartz alteration zone which carries the gold-bearing mineralization lies at the core of the mineralization. The alteration zone is surrounded by talc-chlorite schist. The mineralization occurs in a brecciated stockwork of quartz and quartz-carbonate veins and veinlets within the alteration zone with varying sulphide content (mainly pyrite, chalcopyrite, galena, and tetrahedrite). The sulphides are not evenly dispersed in the alteration zone and large concentrations occur in places. Although gold has been seen as discrete particles in the quartz carbonate veining it is also closely associated with some of the sulphides.

The gold mineralization is very finely disseminated with particle sizes varying between 5 and 15 microns. Visible gold has been cored in several drill holes from several prominent zones of quartz and carbonate mineralization striking north to north-east. The major mineralized zone that was followed by early underground development has an east-north-east strike and dips steeply west. The mineralization has been separated on economic grounds into northern, central and southern zones. The northern and southern zones appear to diverge from one another with depth, with the central zone maintains its relationship to the southern zone. These mineralized zones have a fairly steep pitch to the south-west. The relationship of both the north and south zone to the main zone in the quarry area has not yet been explained. Aerial photographs indicate a possible fault between the north and main zone. The southern zone appears to be associated with a BIF.

10.7 Drilling

The bulk of the drilling underground was done by sludge drilling from angled crosscuts on each level. Short diamond drill holes were also drilled with a Kempe U39 B from each level to delineate the boundaries of the mineralization. In the late 1980's Falgold purchased a Longyear 38 surface rig to cater for the surface drilling needs on their properties. In order to assist with the long term development of Golden Quarry Mine and the need to excavate a larger shaft, a surface drilling program was initiated starting from the south-east and directed at steep angles towards the open pit. Subsequent holes were sited in a counter-clockwise direction to intersect the mineralization on the anticipated 6th level elevation. At least 60 (LF1 to LF 60) holes were drilled and the core logs and assays were used for interpretation and planning purposes.

10.8 Sampling, Analysis and Data Verification

See section 8.8 – "Dalny Mine – Sampling, Analysis and Data Verification".

10.9 Mineral Resource and Mineral Reserve Estimates

Previous underground mineral reserves and mineral resources were estimated using Gemcom software in conjunction with geo-statistics, variography and kriging. All previous estimates were calculated by the Competent Persons at Falgold's Head Office in Bulawayo. During the site visit, the Author of the CAG Properties Technical Report was informed that the Gemcom software and hence, the mineral reserves and mineral resources database, were inaccessible. Hard-copies of the Mineral Resources and Reserves up to 30 June 2011 including plans and past reports were all available on-site for the Author to review. Due to the termination of all underground operations, all Mineral Reserves assigned in the past were transferred to a Mineral Resource data base. From the plans and sections available on-site a large proportion of the Mineral Resources were found to be confined to pillars that are still intact. The level of confidence that the Mineral Resource estimates are reasonably justified, are based on the Author's prior knowledge of the mine and the historical mining grades. Additionally, the cut-off grade estimate for the Golden Quarry was assessed using historical cost data that were suitably adjusted for use as a base for current costs. This cut-off grade is considered to be fair and reasonable.

The mineral resources are reported valid as at June 30, 2010 in accordance with CIM Guidelines and NI 43-101, based on attributable ounces for New Dawn's proportionate holdings, and subsequently adjusted to reflect New Dawn's increased proportionate ownership of the Golden Quarry Mine. The author of the CAG Properties Technical Report has validated the classification system used for the CAG Properties Technical Report and found it an acceptable method for reporting to NI 43-101 standards. The extracted results for the Golden Quarry Mine property are as follows:

Mineral Reserves

The Golden Quarry Mine currently has no mineral reserves.

Underground Mineral Resources

	Mass (tonnes)	Grade (g/t)	Gold (ounces)
Measured	686,335	2.4	52,072
Indicated	63,010	2.4	4,943
Total Measured & Indicated	**749,345**	**2.40**	**57,015**
Inferred	11,793	2.3	866

Note: Mineral reserves are included in the measured and indicated mineral resource figures. The Mineral Reserves and Resources above are stated on an attributable basis

10.10 Mining Operations

Mining Method

Prior to Falgold's acquisition of the mine in 1987, mining was done as an open pit. During Falgold's operations, mineralized material was obtained by sub-level open stoping, retreating from the west. Slot cross-cuts 2m x 2m were developed between adjacent drives and the slot positions. Where necessary, slot raises measuring 1.5m x1.5m connected the levels. Gardner Denver CH123 drifters were used to drill 51mm blast holes. A vertical downward-drilled pattern was employed wherever possible and the holes were charged with emulite and ANFO. Secondary blasting was done using emulite. A support layout consisting of 10m thick crown pillars and 17m wide rib pillars were utilized at the Golden Quarry Mine. The rib pillars were spaced 25m apart and the crown pillars left on every second level, with the intension of recovering gold from the pillars at a later stage.

Development was accomplished using handheld jackhammers with air-leg support (Seco S21 and S23 machines), drilling 1.5m rounds. Access into the mineralization was accomplished using lateral development in the centre of each mineral block on 25m centers, with pillar recovery drives in the middle of the rib pillars. Sub-levels were mined between the main levels and the coning level. Development was initiated from a main crosscut (2.2mx2.2m) mined from the shaft on the eastern side of the economic zone. Main drives were mined to 2.2m x 2.2m at 25m intervals. Draw-point drives were mined on every alternate level, at an angle of 45° to the main development on a10m spacing. Due to the rock competency, no additional rock support was needed. All broken material would gravitate to a draw point arrangement on the level below and lashed with a small Eimco 12B air loader. Conventional jack hammer benching was also practiced at Golden Quarry Mine. Material lashed by Eimco12B pneumatic loaders from the draw-points would feed 0.75t coco-pans that were hand trammed to the main ore-pass. A lashing crew consisting of a loader driver and two trammers handled 45 tons of material in an 8 hour shift. Lashing was done on two shifts a day, with 6 production loaders in operation per shift. Recent changes to the lashing and tramming that accommodated 2 ton coco-pans and Eimco 21B loaders, amounted to forty 2-ton loads per tramming crew, increasing tonnages from 45t to 60t per crew per shift.

Metallurgical Process

The Golden Quarry Mine was designed to treat approximately 18,000 tons of ore per month. Prior to CAG acquiring Falgold in 2007, approximately 6,000 and 9,000 tons of mineralized material from Golden Quarry Mine

and Camperdown was processed through the plant. The plant consists of a crushing plant, mills, leach tanks, and absorption columns. Initially the mineralized material was crushed by a 12"x 24" jaw crusher followed by a secondary crush in a cone crusher. The screened material was conveyed to a bin and then fed into a rod mill and 2 ball mills. Grinding was performed with the addition of cyanide and lime to dissolve approximately 25% of the gold. The remainder of the gold was recovered in leach tanks and carbon absorption columns. Due to the virtual absence of free gold direct cyanidation was practiced with satisfactory results. Due to the absence of mill feed weightometers and automatic samplers; the mine has experienced inconsistent metallurgical accounting to the extent that the feed tonnage and head grade are back-calculated from metal production to derive an accuracy of approximately 80%. There are no weightometers on the feed and no automatic samplers, such that all solution and tailing samples are totally dependent on the skill and diligence of the operators.

Subsequent to the date of the CAG Properties Technical Report, the plant at Golden Quarry Mine, augmented by an additional mill, became fully operational during the year ended September 30, 2011 In addition, sampling processes are currently under review.

Capital and Operating Costs Estimates

The Company is currently undertaking a full and detailed review of the assets and operations of the CAG Properties and, until its completion, will not have estimates of the anticipated future capital and operating costs. However the cut-off grades have been determined from historical cost and technical information that has been tested for applicability. The cut off grades are deemed by the author of the CAG Properties Technical Report to be reasonable.

Marketing

Since resumption of production in May 2011, all gold sales have been to Rand Refinery Ltd. (RRL) of South Africa, utilizing the Chamber of Mines of Zimbabwe Gold Sales License. Export to RRL requires documentation by Fidelity Printer and Refiners ("Fidelity"), an arm of the Reserve Bank of Zimbabwe. The gold sale price is based on the 2pm London spot price on the RRL assay date and payment is received in US$'s typically 12 to 14 days after delivery to Fidelity.

10.11 Exploration and Development

An exploration program around Golden Quarry Mine has commenced both at surface and underground to probe for extensions to the existing orebody. At surface, a program of mapping, trenching and re-evaluation of previous exploration data is in progress. If successful, drilling targets will be proposed for follow-up. Underground, a diamond drilling program in being put into place to assist in both development and exploration of the known ore body.

Economic Analysis

The updated and extended program is still being evaluated and when the economic and operating conditions are set, an accurate and reliable estimate of costs and timing via a new model will be produced.

ITEM 11 - DIVIDENDS OR DISTRIBUTIONS

There are no restrictions in the Company's articles or notice of articles that limit its ability to pay dividends on its common shares. However, the Company has not in the past and does not, in the near future, anticipate declaring and paying dividends to shareholders.

ITEM 12 - DESCRIPTION OF CAPITAL

12.1 General description of Capital Structure

The Company is authorized to issue a maximum of 200,000,000 Common Shares, which are without nominal or par value. Shares, warrants and options issued and exercised during the fiscal year ended September 30, 2011 and subsequently were as follows:

	Proceeds (1) US$	Number of shares	Number of warrants (2)	Number of options (2)
Opening balance at October 1, 2010	-	38,026,593	2,961,865	3,053,459
Share options granted December 30, 2010	-	-	-	540,000
Share warrants exercised on August 3, 2011	437,252	744,893	(744,893)	-
Issued on November 2, 2010 by way of private placement at C$1.80 per share (US$1.78 at an exchange rate of 1.0136)	7,436,372	4,178,250	-	-
Closing balance at September 30, 2011 and December 16, 2011	**7,873,624**	**42,949,736**	**2,216,972**	**3,593,459**

(1) Proceeds are net proceeds after deducting costs of issue.
(2) Neither the warrants nor the options are listed for trading on a public stock exchange

12.2 Common Shares

Each Common Share ranks equally with all other Common Shares with respect to dissolution, liquidation or winding-up of the Company and payment of dividends. The holders of Common Shares are entitled to one vote for each share held on all matters to be voted on by such holders and are entitled to receive pro rata such dividends as may be declared by the board of directors out of funds legally available therefor and to receive pro rata the remaining property of the Company on dissolution. The holders of Common Shares have no pre-emptive or conversion rights. All of the Common Shares currently outstanding are issued, fully paid and non-assessable.

12.3 Constraints

The Articles of the Company provide, in effect, that the directors of the Company shall not issue Voting Shares (defined as Common Shares and any other class of shares of the Company eligible to vote at meetings of shareholders), and the Company shall not register a transfer of Voting Shares, if such issue or transfer would result

in any United States person (as defined in the United States Internal Revenue Code) owning (or being considered to own under the rules of the United States Internal Revenue Code) 10% or more of the total combined voting power of all classes of Voting Shares. If, for any reason, a United States person does own 10% or more of the outstanding Voting Shares eligible to vote at a shareholders' meeting, the maximum number of Voting Shares which may be voted by that United States person is limited to the highest whole number of Voting Shares which is less than 10% of the outstanding voting shares eligible to vote at such meeting. The restrictions on share issuances, transfers and voting do not apply to United States persons who owned 10% or more of the outstanding Voting Shares on the date the Articles of Continuance became effective on November 14, 2007.

The purpose of the restrictions on share ownership and voting by U.S. persons is to reduce the risk that the Company may become a "controlled foreign company" for purposes of the United States Internal Revenue Code.

ITEM 13 - MARKET FOR SECURITIES

13.1 Trading Price and Volume

The Common Shares are listed and posted for trading on the TSX under the symbol "ND". The following table sets forth information relating to the monthly trading of the Common Shares on the TSX as reported by the TSX web site for the fiscal year ended September 30, 2011 and the months of October and November 2011.

Month	Year	High (C$)	Low (C$)	Avg (C$)	Volume
October	2010	1.87	1.79	1.81	905,065
November	2010	1.85	1.74	1.80	740,014
December	2010	1.80	1.60	1.70	1,361,589
January	2011	1.77	1.51	1.59	487,465
February	2011	1.60	1.40	1.56	351,327
March	2011	1.65	1.13	1.46	640,420
April	2011	1.24	0.99	1.08	502,938
May	2011	1.63	1.21	1.30	546,264
June	2011	1.64	1.25	1.01	832,534
July	2011	1.49	1.08	1.24	204,341
August	2011	1.40	1.05	1.21	150,308
September	2011	1.40	0.85	1.17	99,015
October	2011	1.14	0.96	1.02	36,434
November	2011	1.39	0.96	1.14	203,671

The price of the Company's common shares on the Toronto Stock Exchange at the close of the business on September 30, 2011 was Cdn$1.03 per share and on December 16, 2011 was Cdn$1.05 per share.

13.2 Prior Sales

During the most recently completed fiscal year and up to the date of this Annual Information Form, the Company has not issued any Common Shares that are not listed or quoted on a marketplace. Stock options issued under the Company's stock option plan and warrants issued as part of the consideration for the acquisition of Central African Gold during the fiscal year ended September 30, 2010 are not listed or quoted on a marketplace.

ITEM 14 - ESCROWED SECURITIES

There were no Common Shares held in escrow during the year ended September 30, 2011 or to the date of this Annual Information Form.

ITEM 15 - DIRECTORS AND OFFICERS

15.1 Name, Occupation and Security Holding

The following table sets forth the name and municipality of residence, the office (if any) held with the Company, the Common Shares of the Company beneficially owned or controlled, directly or indirectly, and the options or warrants granted for each of the officers and directors of the Company:

Name and Municipality of Residence	Office Held	Director Since	Number of Common Shares Beneficially Owned or Over Which Control or Direction is Exercised
Robert N. Weingarten[2] Los Angeles, CA USA	Executive Chairman and Director	August 31, 2005	1,228,284
Ian R. Saunders Bulawayo, Zimbabwe	President, CEO and Director	January 25, 2008	498,177
Divo Milan[1][2] Mexico City, Mexico	Director	July 1, 2000	637,670[3]
Jon W. North[1] Oakville, Ontario	Director	September 10, 2006	Nil
Philip G. MacDonnell[1] Toronto, Ontario	Director	September 15, 2008	Nil
Bryce Fort Washington DC, USA	Director	October 6, 2010	Nil
Graham R. Clow Mono, Ontario	Chief Financial Officer and Corporate Secretary	N/A	Nil

Notes:
(1) Member of the Audit Committee.

(2) Mr Weingarten was, until October 4, 2010, a member of the Audit Committee. In conjunction with his appointment as Executive Chairman, Mr Weingarten resigned from the Audit Committee effective that date and Mr Milan was appointed in his place.
(3) These shares are held by Varrica Investment PTE Ltd. on behalf of an irrevocable trust established by Mr. Milan for the benefit of his minor children.

Each director's term of office will expire at the end of the next annual meeting of shareholders of the Company, unless prior to such time the director resigns or is removed in accordance with the *Canada Business Corporations Act* and the Company's by-laws.

As at December 16, 2011, the directors and senior officers of the Company, as a group, beneficially own, directly or indirectly, or exercise control or direction over an aggregate of 2,364,131 Common Shares, representing 5.5% of the Common Shares outstanding at December 16, 2011.

Robert N. Weingarten, age 59, is an experienced business consultant and advisor with an ongoing consulting practice, and since 1979 has provided financial consulting and advisory services to numerous public companies in various stages of development, operation or reorganization. Mr. Weingarten received a B.A. Degree (Accounting) from the University of Washington in 1974, and an M.B.A. Degree (Finance) from the University of Southern California in 1975. Mr. Weingarten is a Certified Public Accountant (inactive) in the State of California. Mr. Weingarten was the Chief Financial Officer of the Company from July 1, 2000 to August 31, 2005, and the President of the Company from October 1, 2002 to August 31, 2005. Mr. Weingarten was the Non-Executive Chairman of the Company from August 31, 2005 through September 30, 2010, and was named the Executive Chairman of the Company in October 2010. On July 8, 2010, Mr. Weingarten was appointed to the board of directors of Central African Gold Limited (formerly known as Central African Gold Plc) as a non-executive director, as well as to the board of directors of Falcon Mines S.A, a subsidiary of Central African Gold Limited. Mr. Weingarten was also the Chief Financial Officer of Peer Media Technologies, Inc. (formerly ARTISTdirect, Inc.) from January 2004 through August 2007

Ian R. Saunders, age 44, holds a BSc. in Chemical Engineering from University of Cape Town, South Africa, and a Post Graduate Diploma in Business Administration from the University of Natal, South Africa. Mr. Saunders has 19 years of experience in the mining industry. In April 1996, Mr. Saunders joined Casmyn Zim as Chief Metallurgist and assumed the position of General Manager in October 1997. In January 2004 he was appointed Chief Operating Officer of Casmyn Zim and in October 2006 he was also appointed President and Chief Operating Officer of the Company. On January 25, 2008 he was appointed as a director and in February 2008 was appointed as Chief Executive Officer of the Company. Prior to his employment with Casmyn Zim, Mr. Saunders was employed in a variety of technical and managerial roles in South Africa and Zimbabwe. Except for holding a directorship in Falcon Gold Zimbabwe Limited, a subsidiary of the Company listed on the Zimbabwe Stock Exchange, Mr. Saunders is not a director or senior officer of any other public companies.

Divo Milan, age 55, has been the Chief Executive Officer of Investigacion Estrategica, a merchant banking firm located in Mexico City, Mexico, since 1987. He has over twenty years experience in all aspects of corporate finance, investment banking, merchant banking and venture capital in Mexico and South America. Mr. Milan currently serves on the board of directors of Banca Ve por Más and Mexichem, also Chairman of the Board of Círculo de Crédito, and Círculo Laboral, both rating agencies, all of which are publicly-held companies. A graduate of Universidad IberoAmerica Mexico D.F in 1986, Mr. Milan completed his MBA at that university. in 1989 and has received a diploma for International Business Studies from Harvard University.

Jon W. North, age 50, is a professional exploration geologist with over 25 years experience in mineral exploration with major and junior mining companies worldwide, including Western Mining Corp. (WMC) International, and BHP Minerals International. Dr. North received a B.Sc. in geology from the University of Western Ontario in 1984,

an M.Sc. from Memorial University of Newfoundland in 1988, and a Ph.D. from the University of Western Ontario in 1993. From 1997 to September 2007, Dr. North was the President and CEO of North Atlantic Resources Ltd., a mineral exploration company listed on the Toronto Stock Exchange. Dr. North is a director of Bridgeport Ventures Inc. a mineral exploration company listed on the TSX. Dr. North is CEO and a director of Northquest Ltd., a mineral exploration company that is listed on the TSX Venture Exchange since 2009. Dr. North dedicates approximately 10% of his time to New Dawn.

Philip G. MacDonnell, age 70, received a B.A. (Hons) from the University of Western Ontario, and is a Chartered Accountant. Mr. MacDonnell was a founding partner of Loewen Ondaatje McCutcheon & Co. Ltd., an international institutional stock brokerage. In October 2011, Mr Macdonnell was appointed a Director of Estrella International Energy Services Ltd. a mineral exploration company listed on the TSX. He was formerly on the Board of Directors of the Vancouver Stock Exchange. Mr. MacDonnell is currently the Vice President and a Director of Hawk Partners Ltd., which provides financial services to Canadian companies.

Bryce Fort, age 32, is a Managing Director and founding partner of Emerging Capital Partners (ECP). In this capacity, he is responsible for identifying, analyzing, and recommending investments, performing due diligence and leading transaction teams. Headquartered in Washington DC and with seven funds and over $1.8 billion under management, ECP is a leading private equity manager focused exclusively on Africa. Mr. Fort joined the ECP investment team in 2002. Previously, Mr. Fort worked for Deutsche Bank AG's European Healthcare Corporate Finance Group which executed mergers and acquisitions, equity and debt financings for pharmaceutical, biotech and medical device companies.

Graham R. Clow, age 63, is a Chartered Accountant, and a member of the Institute of Chartered Accountants of Ontario and the Institute of Chartered Accountants in England and Wales and received a B.Sc. (Hons.) from University College, University of London, United Kingdom. Mr. Clow was appointed as the Chief Financial Officer of the Company in August 2005. Since 1983, Mr. Clow has been self-employed as a public accountant. Mr. Clow is a director of Bridgeport Ventures Inc, a company listed on the TSX and involved in mining exploration opportunities in the Americas. Mr. Clow provided services to the Company on a consulting basis up to December 31, 2006 and as a part-time employee until April 2010 and as a full time employee subsequent to that date.

15.2 Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as set out below, no director or executive officer of the Company, is, as at the date of this Annual Information Form or has been, within the 10 years before the date of this Annual Information Form, a director, chief executive officer or chief financial officer of any company (including the Company), that:

(a) was subject to a cease trade or order similar to a cease trade order, or an order that denied the relevant company access to any exemptions under Canadian securities legislation, for a period of more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or

(b) was subject to an cease trade or order similar to a cease trade order, or an order that denied the relevant company access to any exemptions under securities legislation, for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Except as set out below, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

(a) is, as at the date of this Annual Information Form or has been, within the 10 years before the date of this Annual Information Form, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within the 10 years before the date of the Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Jon W. North acted as a director for Grange Gold Company ("Grange"), a company listed on the TSX Venture Exchange, during the period December 2000 to November 2003. Grange was ordered to cease trading on June 2, 2003 for the failure to file financial statements. Grange corrected the deficiency and the cease trade order was rescinded on July 22, 2003, forty-nine days after the cease trade order was issued.

Robert N. Weingarten was the Chief Financial Officer and director of Auromar Development Company ("Auromar"), a British Columbia company. Pursuant to a Plan of Arrangement effected in 1996, Auromar became a wholly-owned subsidiary of Casmyn Corp., which subsequently transferred the shares of Auromar to the Company. Upon becoming a subsidiary of Casmyn Corp., Auromar obtained an order deeming it to no longer be a reporting company under the Company Act (B.C.), but through an oversight, it did not obtain an order deeming it to no longer be a reporting issuer under the Securities Act (B.C.). As a consequence, Auromar was subject to a cease trade order issued in British Columbia in 2001. Effective December 4, 2007, the cease trade order was revoked by the B.C. Securities Commission and Auromar was granted non-reporting status. Auromar was dissolved effective May 26, 2008.

Ian Saunders was the director and Chief Executive Officer of Blue Dot Properties 40 (Pty) Ltd., a wholly owned subsidiary of New Dawn Mining Corp. Effective November 3, 2009, the High Court of South Africa issued a provisional liquidation order for Blue Dot Properties 40 (Pty) Ltd, whereby a liquidator was appointed to attempt to maximize the returns to creditors through either a sale of other disposition of the assets of the company. Any sale or disposition requires the approval of the court before it can be finalised. The provisional liquidation process is currently in progress but, based on an offer currently before the courts, sufficient proceeds will not be generated to satisfy all of the liabilities of the company.

15.3 Conflicts of Interest

Dr. Jon North, a director of the Company, is also a director of Bridgeport Ventures Inc., a public company with exploration projects in Canada and Nevada USA, and CEO and director of Northquest Ltd. a company with exploration projects in Canada and west Africa. Mr Bryce Fort is a Managing Director of Emerging Capital Partners ("ECP") that is a shareholder of the Company holding more than 10% of the Company's issued shares. Mr Clow, CFO of the Company, is also a director of Bridgeport Ventures Inc., a public company with exploration projects in Canada and Nevada USA. ECP is a private equity manager and an investor in a number of other companies in Africa and elsewhere. Such associations, and possible future associations by other directors with other mineral exploration companies, may in the future give rise to conflicts of interest from time to time. In the event a conflict of interest arises, the director or officer of the Company who has the conflict is required by the *Canada Business Corporations Act* to disclose such conflict to the Board of Directors and to refrain from participating in the discussion of, or voting on, any matter in which such director or officer has a material interest. See "*Officers and Directors*" and "*Interest of Management and Others in Material Transactions*".

ITEM 16 - AUDIT COMMITTEE

16.1 Audit Committee Charter

A copy of the Company's Audit Committee Charter is annexed to this Annual Information Form as Appendix "A".

16.2 Composition of the Audit Committee

The current members of the Company's Audit Committee are Phillip G. MacDonnell (Chair), Jon W. North and Divo Milan. Each of Messrs. MacDonnell, North and Milan are "independent" and "financially literate" within the meaning of Multilateral Instrument 52-110 – Audit Committees ("MI 52-110").

16.3 Relevant Education and Experience

Philip G. MacDonnell received a B.A. (Hons) from University of Western Ontario, and is a Chartered Accountant. Mr MacDonnell has wide experience not only in the capital markets through his involvement with a brokerage house but also in his role as financial advisor to Canadian companies. He has been chair of audit committees of the following publicly listed companies within the last ten years with an average tenure of three years on each: Sasamat Capital Corp, WWI Inc, Grandfield Pacific Inc, Advantage Inc, Sentex Systems, and Everyware Development. Subsequent to the year end, Mr MacDonnell was appointed to the board of Estrella International Energy Services Ltd as a director and chair of its audit committee.

Jon W. North received a B.Sc. in geology from the University of Western Ontario in 1984, an M.Sc. from Memorial University of Newfoundland in 1988, and a Ph.D. from the University of Western Ontario in 1993. Mr North has had many years of experience as chief executive officer of junior Canadian public companies focussed on mining exploration and development and, as such, is required to be financially literate in order to be able to present information to directors, investors, analysts and brokers.

Divo Milan received his undergraduate degree in 1986, an MBA in Investment Operations in 1989 and, in addition received a diploma from Harvard University in International Business Studies. Mr Milan has many years experience as the Chief Executive Officer of Investigacion Estrategica, a merchant banking firm located in Mexico City, Mexico and sits on the Audit Committee of Mexichem and four other companies. As such, he is required to be financially literate in order to meet the requirements of the positions that he holds.

16.4 External Auditor Service Fees

The aggregate fees billed to the Company by the Company's external auditors in each of the last two fiscal years for (i) audit services (Audit Fees), (ii) assurance and related services by the external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and that are not included in Audit Fees (Audit-Related Fees), (iii) professional services rendered by the Company's external auditor for tax compliance, tax advice, and tax planning (Tax Fees), and (iv) products and services provided by the Company's external auditor, other than Audit Fees, Audit-Related Fees and Tax Fees (All Other Fees), are as follows:

Year ended September 30	Audit Fees (Cdn$)	Audit-Related Fees (Cdn$)	Tax Fees (Cdn$)	All Other Fees (Cdn$)
2011	$180,000	$31,600	Nil	Nil
2010	$125,000	$22,500	Nil	Nil

Since fiscal 2007, the Company has split audit work from other professional services that may be offered by accountants. Audit related fees includes, for 2010 and 2011, review of the unaudited quarterly consolidated financial statements and, in 2010, review of the Business Acquisition Report. To date, other professional services includes

tax advice and assistance, compliance with governance regulations and advice on conversion to International Financial Reporting Standards, all of which have been or will be provided by firms not related to the auditors.

Pursuant to the Audit Committee Charter, the Audit Committee has the responsibility to review and approve the fees charged by the external auditors for audit services, and to review and approve all services other than audit services to be provided by the external auditors and associated fees.

ITEM 17 - LEGAL PROCEEDINGS

There are no material legal proceedings or regulatory actions by or against the Company or affecting any of the Company's properties as of the date of this prospectus.

ITEM 18 - INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed herein, no director or officer or any associate or affiliate has had any interest in a material transaction of the Company.

ITEM 19 - TRANSFER AGENT AND REGISTRAR

The registrar and transfer agent for the Common Shares is Equity Financial Trust Company, 200 University Avenue, Suite 400, Toronto, Ontario M5H 4H1.

ITEM 20 - MATERIAL CONTRACTS

The following contracts which the Company or its predecessors and subsidiaries have entered into which are currently material to Company are:

a. A loan arrangement whereby the Company borrowed $1,000,000 in July 2010 in order to finance the acquisition of the generators now installed at Turk Mine. The loan arrangement, evidenced by a series of debentures, required monthly interest payments and matured and was repaid in July 2011.
b. A loan arrangement whereby the Company borrowed $2,000,000 in May 2011 in order to finance the acquisition and installation of the fine grind mill to be installed at Turk Mine. The loan arrangement, evidenced by a series of debentures, requires monthly interest payments and matures in May 2013 Interest is charged at the annualized rate of 15%. The Company expects to repay the loan from operating cash resources.
c. A contract for the acquisition of a fine grind mill and related consumables in the amount of $1,974,000 to be installed at Turk Mine. Completion of this contract is expected within the next few months.

ITEM 21 - INTERESTS OF EXPERTS

Information of an economic (including economic analysis), scientific or technical nature regarding (i) the Turk Mine and the Angelus Mine is based upon the Angelus-Turk Technical Report dated December 15, 2008, and (ii) the CAG Properties Technical Report dated June 30, 2010. The Technical Reports provide an independent technical review of the mineral resources and mineral reserves, operations, and development of the respective Material Mineral Properties. Michael M. Othitis is the author of each of the Technical Reports, and is a "qualified person" as such term is defined in NI 43-101 and is independent of New Dawn within the meaning of NI 43-101. To the knowledge of the Company, Mr. Othitis did not, as of the date of the Technical Reports, and does as of the date of this Annual Information Form, own any securities of the Company.

ITEM 22 - ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, options to purchase securities and interests of insiders in material transactions, where applicable, is contained in the management information circular of the Company dated January 26, 2010, which was distributed in connection with the annual meeting of shareholders of the Company held on February 27, 2010. Further financial information is provided in the 2011 Consolidated Financial Statements and 2011 Management's Discussion and Analysis.

APPENDIX "A"

AUDIT COMMITTEE CHARTER

A. OVERVIEW AND PURPOSE

The Audit Committee of New Dawn Mining Corp. ("New Dawn") has been formed to enable the Board of Directors of New Dawn to perform its obligations with respect to compliance with applicable securities laws and the rules of the Toronto Stock Exchange ("TSX") where the Corporation's common shares are traded.

The Audit Committee is responsible to the Board of Directors of New Dawn. The primary objective of the Audit Committee is to assist the Board of Directors in fulfilling its responsibilities with respect to:

(a) disclosure of financial and related information;

(b) the relationship with and expectations of the external auditors of New Dawn, including the establishment of the independence of the external auditors;

(c) its relationship with and expectations of the internal auditors function (as applicable);

(d) the oversight of internal control; and

(e) any other matters that the Audit Committee feels are important to its mandate or that the Board of Directors chooses to delegate to it.

The Audit Committee will approve, monitor, evaluate, advise or make recommendations in accordance with this Charter, with respect to the matters set out above.

B. ORGANIZATION

1. Size and Membership Criteria[2]

a. The Audit Committee will consist of not less then three (3) Directors of New Dawn and not more then five (5) Directors of New Dawn.

b. Each member of the Audit Committee must be independent of management and free from any interest, business or other relationship, other than interests and relationships arising from holding shares of New Dawn or other securities which are exchangeable into shares of New Dawn, which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of New Dawn.

c. All members of the Audit Committee should be financially literate and able to read and understand basic financial statements. At least one member of the Audit Committee must have accounting or related financial expertise and should be able to analyze and interpret a full set of financial statements, including notes, in accordance with generally accepted accounting principles.

2. Appointment and Vacancies

a. The members of the Audit Committee are appointed or reappointed by the Board of Directors following each annual meeting of the shareholders of New Dawn. Each member of the Audit Committee will continue to be a member of the Audit Committee until his or her successor is appointed unless he or she resigns or is removed by the Board of Directors of New Dawn or ceases to be a Director of New Dawn. Where a vacancy occurs at any time in the membership of the Audit Committee it may be filled by the Board of Directors and will be filled by the Board of Directors if the membership of the Audit Committee is less than three Directors as a result of any such vacancy.

C. MEETINGS

1. Frequency

The Audit Committee will meet at least four times per year on a quarterly basis, or more frequently as circumstances require. In addition, the Audit Committee will also meet at least quarterly with management, the internal auditors (as applicable) and the external auditors of New Dawn in separate executive sessions to discuss any matters that the Audit Committee or each of these groups believes should be discussed privately.

2. Chair

a. The Board of Directors of New Dawn or, in the event of its failure to do so, the members of the Audit Committee, will appoint a Chairman from amongst their number. If the Chairman of the Audit Committee is not present at any meeting of the Audit Committee, the Chairman of the meeting will be chosen by the Audit Committee from among the members present.

b. The Audit Committee will also appoint a secretary who need not be a Director of New Dawn.

3. Time and Place of Meetings

a. The time and place of meetings of the Audit Committee and the procedure at such meetings will be determined from time to time by the members of the Audit Committee, provided that:

b. a quorum for meetings of the Audit Committee will be two members present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and hear each other,

c. notice of the time and place of every meeting will be given in writing, facsimile or electronic means to each member of the Audit Committee, the internal auditors (as applicable), the external auditors and the corporate secretary of New Dawn at least 24 hours prior to the time fixed for such meeting.

4. Any person entitled to notice of a meeting of the Audit Committee may waive such notice (an attendance at a meeting is a waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called).

5. The external auditors will be entitled to attend each meeting of the Audit Committee at the expense of New Dawn.

6. A meeting of the Audit Committee may be called by the corporate secretary of New Dawn on the direction of the Chairman or Chief Executive Officer of New Dawn, by any member of the Audit Committee, the external auditors or the internal auditors (as applicable). Notwithstanding the foregoing, the Audit Committee will at all times have the right to determine who will and will not be present at any part of any meeting of the Audit Committee.

7. Agenda

The Chairman will ensure that the agenda for each upcoming meeting of the Audit Committee is circulated to each member of the Audit Committee as well as each of the external auditors, internal auditors (as applicable) and corporate secretary of New Dawn in advance of the meeting of the Audit Committee not later than five business days prior to each meeting.

8. Resources

The Audit Committee will have the authority to retain independent legal, accounting and other consultants to advise the Audit Committee. The Audit Committee may request any officer or employee of New Dawn or its subsidiaries or the legal counsel to New Dawn or the external auditors of New Dawn to attend any meeting of the Audit Committee or to meet with any

D. DUTIES AND RESPONSIBILITIES

The Board of Directors of New Dawn has delegated the following duties and responsibilities to the Audit Committee and the Audit Committee will have the sole authority and responsibility to carry out these duties and responsibilities.

1. Financial Statements and Related Information

The Audit Committee will review and discuss with management, the internal auditors (as applicable) and the external auditors of New Dawn the following financial statements and related information:

(a) annual audited financial statements of New Dawn, including notes;

(b) interim financial statements of New Dawn;

(c) management discussion and analysis relating to each of the annual audited financial statements and the interim financial statements of New Dawn;

(d) news releases and material change reports announcing annual or interim financial results or otherwise disclosing the financial performance of New Dawn, including the use of nonGAAP earnings measures;

(e) all financial-related disclosure to be included in or incorporated by reference into any prospectus that may be prepared by New Dawn; and

(f) annual report, annual information form and management information or proxy circular.

As part of this review process, the Audit Committee should meet with the external auditors without management present to receive input from the external auditors with respect to the acceptability and quality of the financial disclosure and related documents.

Following the review by the Audit Committee of the documents set out above, the Audit Committee will recommend to the Board of Directors of New Dawn, if appropriate, that such documents be approved by the Board of Directors and filed with all applicable securities regulatory bodies and/or be sent to shareholders. If New Dawn lists its securities on a stock exchange in a jurisdiction other than Canada, the Audit Committee should review the equivalent applicable documentation and procedures.

2. Appointment of External Auditors

The Audit Committee is directly responsible for the appointment, compensation and oversight of the work of the external auditors of New Dawn (including resolution of disagreements between management and the external auditors regarding financial reporting) for the purpose of preparing its audit report or related work.

The Audit Committee has the sole authority to review in advance and grant any appropriate pprovals of all auditing services to be provided by the external auditors of New Dawn and any non-audit services to be provided by the external auditors of New Dawn as permitted by applicable securities laws and the Toronto Stock Exchange.

The Audit Committee will review on an annual basis the performance of the external auditors of New Dawn. The Audit Committee will discuss with the external auditors any disclosed relationships or services that the external auditors propose to provide to New Dawn or any of its subsidiaries that may impact the objectivity and independence of the external auditors in order to satisfy itself of the independence of the external auditors.

On an annual basis the Audit Committee will obtain and review an annual report from the external auditors describing the external auditors' internal quality control procedures and any material issues raised by the most recent internal quality control review or peer review of the external auditors, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the external auditors and any steps taken to deal with any such issues. In addition, the Audit Committee will review on an annual basis the scope and plan of the work to be done by the external auditors of New Dawn for the coming financial year.

3. Internal Audit Function

The Audit Committee is responsible for reviewing with management of New Dawn the following:

a. plans regarding any changes in accounting practices or policies and the financial impact thereof;

b. areas of management judgment and estimates that have a significant effect on the financial statements of New Dawn and its subsidiaries;

c. any off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of New Dawn and its subsidiaries which would have a material current or future effect on the financial condition of New Dawn;

d. major risk exposures facing New Dawn and the steps that management has taken to monitor, control and manage such exposures, including New Dawn's risk assessment and risk management guidelines and policies;

e. any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of New Dawn and its subsidiaries and the manner in which these matters have been disclosed in the financial statements;

f. Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation;

g. annual sign-off by senior management of compliance certificates with the code of conduct and ethics.

4. Internal Controls

In consultation with the external auditors, the Audit Committee is responsible for reviewing the adequacy of New Dawn's internal control structures and procedures designed to ensure compliance with applicable laws and regulations.

The Audit Committee will review:

(a) the internal control report prepared by management, including management's assessment of the effectiveness of New Dawn's internal control structure and procedures for financial reporting; and

(b) the attestation and report by the external auditors of New Dawn on the assessment made by management.

5. Whistleblower Policy

The Audit Committee has adopted a Whistleblower Policy to facilitate the reporting by New Dawn directors, officers or employees of any Accounting Irregularities.

APPROVED by the Board the 9th day of December, 2008