



BECOMING A SIGNIFICANT GOLD PRODUCER IN ZIMBABWE

NEW ZIMBABWE ENCOURAGES GOLD PRODUCTION

IN AN EFFORT TO STIMULATE THE MINING SECTOR, THE GOVERNMENT OF ZIMBABWE HAS LIBERALIZED FISCAL AND MONETARY POLICY PERTAINING TO GOLD PRODUCTION AND SALES AND HAS TAKEN STEPS TO ENSURE REPAYMENT OF DEBT TO PRODUCING COMPANIES. RECENT ANNOUNCEMENTS HIGHLIGHT FIVE GOOD REASONS TO PRODUCE GOLD IN ZIMBABWE.

1. Gold mining has been identified as having a pivotal role in the country's economic recovery.
2. The Government has loosened foreign exchange controls and opened up a free market system.
3. Current gold production rates are not reflective of the country's historical and future potential.
4. The country has a favourable tax regime for the mining sector.
5. Mining and environmental laws conform to international standards.

1 GOLD MINING PIVOTAL FOR ECONOMIC RECOVERY

- Gold is one of Zimbabwe's major foreign currency earners, historically contributing roughly 50% of the country's earnings.
- Previous gold output record of 28.94 tonnes per annum.
- Gold sales plummeted by 50% in 2008; at its peak (1916) Zimbabwe produced 2,400 kg a month. In 2008, production was 3,072 kg for the year.
- With almost no current production, Zimbabwe is losing an estimated \$54 million a month at current gold prices.
- There are 5,000 gold mines in Zimbabwe, making the industry a major source of employment.
- Mining has taken on increasing importance with declines in the output of the agriculture, manufacturing and tourism sectors.

The mining industry had remained resilient in the face of 10 years of adverse economic challenges of Government-controlled foreign exchange and hyperinflation, maintaining production levels until the global credit crisis the unprecedented fall in base metal prices, and coincidental non-payment (from the Government) for gold delivered in 2008. One by one, the major producers in Zimbabwe shut down – New Dawn being one of the last to move to care and maintenance in October 2008 and one of the first to resume production in March 2009 with Q3 2009 output of 2,931 ounces of gold.

2 LOOSENED FISCAL CONTROLS CREATE FAVOURABLE ENVIRONMENT

Zimbabwe companies (and individuals) are subject to Exchange Control regulations which are put in place and monitored by the **RESERVE BANK OF ZIMBABWE (RBZ)**. Until recently, and for the last 10 years, Zimbabwe did not operate a free market economy and had essentially managed its exchange rate. Recently, to curb hyperinflation, the Government of Zimbabwe allowed a multi-currency transaction system that has, removed the Zimbabwe dollar as a medium for exchange. New Dawn's Zimbabwe operations now account for and report their financials in USD. Further liberalization of policy announced in 2009 allows producers to:

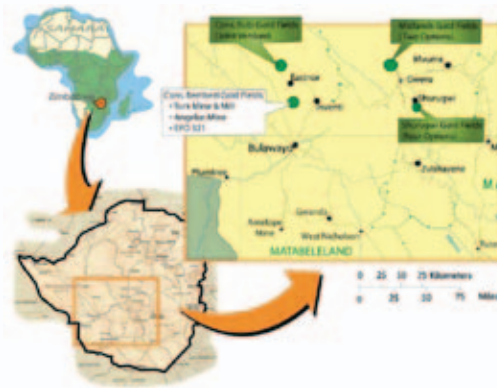
- Sell their gold directly to customers outside the country on the world market, rather than to Zimbabwe's central bank;
- Retain 100 percent of gold sales in foreign currency;
- Retain foreign currency indefinitely rather than converting into local currency within 30 days;
- Proceed with transactions valued at less than US\$5 million without prior approval from the central bank. Inward loans, loan repayments, the payments of dividends to foreign entities, repatriation of operating profits and legitimate fees and contract payments, as well as the payment for raw materials, machinery and spares, fall within this provision.

3 CURRENT GOLD PRODUCTION NOT REFLECTIVE OF POTENTIAL

The industry has fallen behind in Zimbabwe due to chronic under-investment in new technology and geological knowledge. The new, more favourable monetary climate creates the opportunity for the gold mining industry to catch-up on modern exploration and mine development techniques, which are expected to boost production. Historical surveying and gold production records suggest potential for Zimbabwe to reclaim its position as one of Africa's leading producers. [See "ZIMBABWE - A LONG HISTORY OF MINING"]

ZIMBABWE – A LONG HISTORY OF MINING

1880	Geological Survey – 40 known minerals identified, mainly gold, nickel, copper
1890s	Official mineral production records kept since this time
1916	Gold production sets unbroken record of 28.94 tonnes per annum production
1980s to late 1990s	Sustained investment and development make Zimbabwe Africa's 3rd leading gold producer after South Africa and Ghana
2008	Adverse economic conditions and chronic under investment results in decline in gold production – Zimbabwe drops to 8th or 9th position in African gold production
As Zimbabwe falls behind in investment, technology and geological knowledge, gold production declines to less than 3.5 tonnes per annum	
Late 2008	Major gold producers shut-down due to Reserve Bank non-payment of gold deliveries
Early 2009	Zimbabwe Government liberalizes fiscal and monetary policies to encourage gold production



4 TAX REGIME FAVOURS MINING

- 15% income tax on mining companies;
- Exploration costs, pre-production costs and capital costs can either be expensed fully in the year incurred or carried-forward to be expensed fully in the first year of production;
- 10% withholding tax on remitted dividends (5% if on the stock exchange);
- Currently 3% royalty;
- No withholding tax on loan interest paid to non-residents;
- Exemption of customs duty, import tax and surtax on all capital goods during exploration phase of a mining project and for a period of up to five years from date of grant of a mining title, during the development phase of the mining project;
- 0% to 15% import duties on most materials, machinery and spares;
- No export duties for any mineral commodity;
- Losses are carried forward indefinitely; and
- Zero rated VAT.

5 MINING AND ENVIRONMENTAL LAWS COMPLY WITH WORLD STANDARDS

The ZIMBABWE MINES AND MINERALS ACT (“MMA”) conforms to the international norm where resources are held by the state on behalf of the people of the country. The country’s environmental laws have seen recent redesign along international best-practice guidelines and are monitored by multiple agencies.

ADVANTAGES IN NEW ZIMBABWE



- The ability to sell directly to foreign buyers eliminates Government withholding of payment and means the Company can be reasonably assured that it will be paid within normal trade terms.
- The ability to take payment for gold sales in US dollars eliminates currency risk.
- The ability to freely market gold production allows easier access to operating capital and new project financing.
- The de-regulation of Zimbabwe’s exchange control policies allows payment for goods and services, debts and dividends off-shore without prior Exchange Control approval, which is expected to increase access to capital.

NEW DAWN IS POSITIONED TO BENEFIT FROM A NEW ZIMBABWE

- New Dawn has been operating in Zimbabwe for over 13 years.
- Company President and CEO Ian Saunders was born and raised in Zimbabwe and still resides there with his family.
- New Dawn was also one of the first gold producers to go back into production in 2009 – moving quickly after the Government announced its new monetary policy in January 2009, to reopen the Company’s Turk Mine and to sell gold on the world market.
- The Company’s continued sale of gold bars to the Rand Refinery in South Africa occurs 100% in U.S. dollars. New Dawn was one of the first gold producers in Zimbabwe to take advantage of the newly liberalized market environment.
- New Dawn has significant gold assets and production facilities that can ramp up to produce more gold at lower costs with little added capital expenditure.

MANAGING NEW DAWN

PRESIDENT & CEO, BOARD MEMBER – IAN R. SAUNDERS, B.Sc. Chemical Engineering, University of Cape Town, South Africa – 12 years at Turk Mine as Chief Metallurgist, General Manager, Chief Operating Officer and appointed President & CEO in 2008.

CHIEF FINANCIAL OFFICER – GRAHAM R. CLOW, CA, B.Sc., University College, University of London, United Kingdom. Appointed Chief Financial Officer in 2005.

INDEPENDENT DIRECTORS

MR. ROBERT N. WEINGARTEN, BA, MBA

MR. DIVO MILAN, MBA

MR. PHILIP G. MACDONNELL, BA (HONS.)

DR. JON W. NORTH, B.Sc., M.Sc., Ph.D

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HEAD OFFICE

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CORPORATE INFORMATION

Symbol	TSX:ND
Current Share Price	\$.80 per share (September 2009)
Shares Issued	29,014,690
Market Capitalization	\$23 Million
Working Capital	US\$3.67 Million (June 30, 2009)
Options	1,800,380 @ US \$0.59 (expiry September 2011)
	75,000 @ CDN \$1.80 (expiry September 2013)
	240,000 @ CDN \$2.00 (expiry September 2014)
Warrants	744,983 @ US \$0.59 (expiry September 2011)
Fully Diluted	31,875,053
52 week hi/low	\$1.85 - \$0.05
Management & Director Ownership	8% +
Institutional Ownership	62% +

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