EXPLAURUM LIMITED

INDEPENDENT EXPERT'S REPORT

4 December 2018

Explaurum Limited (**Explaurum**) advises the Independent Expert, BDO Corporate Finance (QLD) Ltd, has completed its report in relation to the Ramelius Offer and has concluded that the Ramelius Offer is **NOT FAIR AND NOT REASONABLE**.

The Independent Expert values Explaurum Shares – before taking into account potential value enhancements from the Mace Discovery or from operating and capital cost optimisations – at between 10.4 – 14.3 cents[1] and the value of the Ramelius Offer in the range of 9.5 – 12.5 cents. Further information regarding the Mace Discovery is expected to be provided later this week.

The Independent Expert's Report is scheduled for despatch to Shareholders on Thursday 6 December 2018 so Shareholders can consider the Report before deciding whether to approve the Alkane Strategic Investment.

A full copy of the Independent Expert's Report is annexed to this announcement.

The Explaurum Board continues to recommend unanimously that Shareholders **REJECT the Ramelius Offer** by **TAKING NO ACTION** and that Shareholders **APPROVE the Alkane Strategic Investment** at the general meeting on 21 December 2018.

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[1] On a controlling interest basis

EXPLAURUM LIMITED

Independent Expert's Report and Financial Services Guide

4 DECEMBER 2018

BDO

FINANCIAL SERVICES GUIDE

Dated: 4 December 2018

The Financial Services Guide ('FSG') is provided to comply with the legal requirements imposed by the Corporations Act 2001 and includes important information regarding the general financial product advice contained in this report ('this Report'). The FSG also includes general information about BDO Corporate Finance (QLD) Ltd ABN 54 010 185 725, Australian Financial Services Licence No. 245513 ('BDOCF' or 'we', 'us' or 'our'), including the financial services we are authorised to provide, our remuneration and our dispute resolution.

BDOCF holds an Australian Financial Services Licence to provide the following services:

a) Financial product advice in relation to deposit and payment products (limited to basic deposit products and deposit products other than basic deposit products), securities, derivatives, managed investment schemes, superannuation, and government debentures, stocks and bonds; and

b) Arranging to deal in financial products mentioned in a) above, with the exception of derivatives.

General Financial Product Advice

This Report sets out what is described as general financial product advice. This Report does not consider personal objectives, individual financial position or needs and therefore does not represent personal financial product advice. Consequently, any person using this Report must consider their own objectives, financial situation and needs. They may wish to obtain professional advice to assist in this assessment.

The Assignment

BDOCF has been engaged to provide general financial product advice in the form of a report in relation to a financial product. Specifically, BDOCF has been engaged to provide an independent expert's report to the shareholders of Explaurum Limited ('Explaurum' or 'the Company') in relation to the off-market takeover bid made by Ramelius Resources Limited ('Ramelius') for all the ordinary shares in Explaurum ('the Offer').

Further details of the Offer are set out in Section 4.0. The scope of this Report is set out in detail in Section 3.3. This Report provides an opinion on whether or not the Offer is 'fair and reasonable' to the non-associated Explaurum shareholders ('the Shareholders') and has been prepared to provide information to the Shareholders to assist them to make an informed decision on whether to accept or reject the Offer. Other important information relating to this Report is set out in more detail in Section 3.0.

This Report cannot be relied upon for any purpose other than the purpose mentioned above and cannot be relied upon by any person or entity other than those mentioned above, unless we have provided our express consent in writing to do so. A shareholder's decision to accept or reject the Offer is likely to be influenced by their particular circumstances, for example, their taxation considerations and risk profile. Each shareholder should obtain their own professional advice in relation to their own circumstances.

Fees, commissions and other benefits we may receive

We charge a fee for providing reports. The fees are negotiated with the party who engages us to provide a report. We estimate the fee for the preparation of this Report will be approximately $130,000 plus GST. Fees are usually charged as a fixed amount or on an hourly basis depending on the terms of the agreement with the engaging party. Our fees for this Report are not contingent on the outcome of the Offer.

Except for the fees referred to above, neither BDOCF, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of this Report.

Directors of BDOCF may receive a share in the profits of BDO Group Holdings (QLD) Pty Ltd, a parent entity of BDOCF. All directors and employees of BDO Group Holdings (QLD) Pty Ltd and its subsidiaries (including BDOCF) are entitled to receive a salary. Where a director of BDOCF is a shareholder of BDO Group Holdings (QLD) Pty Ltd, the person is entitled to share in the profits of BDO Group Holdings (QLD) Pty Ltd.

Associations and relationships

From time to time BDOCF or its related entities may provide professional services to issuers of financial products in the ordinary course of its business. These services may include audit, tax and business advisory services. BDOCF has not provided any professional services to Explaurum within the last two years. BDO (QLD) Pty Ltd, a related entity of BDOCF, has previously provided professional services to Explaurum in the form of performance right valuation services for accounting purposes.

The signatories to this Report do not hold any shares in Explaurum and no such shares have ever been held by the signatories.

To prepare our reports, including this Report, we may use researched information provided by research facilities to which we subscribe or which are publicly available. Reference has been made to the sources of information in this Report, where applicable. Research fees are not included in the fee details provided in this Report.

Complaints

We are members of the Australian Financial Complaints Authority. Any complaint about our service should be in writing and sent to BDO Corporate Finance (QLD) Ltd, GPO Box 457, Brisbane QLD 4001.

We will endeavour to resolve the complaint quickly and fairly. If the complaint cannot be satisfactorily resolved within 45 days of written notification, there is a right to lodge a complaint with the Financial Ombudsman Service. They can be contacted on 1800 931 678. This service is provided free of charge.

If the complaint involves ethical conduct, a complaint may be lodged in writing with Chartered Accountants Australia and New Zealand, Queensland Branch, GPO Box 2054, Brisbane QLD 4001. The Australian Securities and Investment Commission ('ASIC') also has an Infoline on 1300 300 630 which can be used to make a complaint and obtain information about investor rights.

Compensation Arrangements

BDOCF and its related entities hold Professional Indemnity insurance for the purpose of compensating retail clients for loss or damage suffered because of breaches of relevant obligations by BDOCF or its representatives under Chapter 7 of the Corporations Act 2001. These arrangements and the level of cover held by BDOCF satisfy the requirements of section 912B of the Corporations Act 2001.

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CONTENTS

GLOSSARY

Reference	Definition
A$ or $	Australian dollars
ABV	Asset-based valuation
AISC	All-In-Sustaining-Cost
Alkane	Alkane Resources Limited
Alkane Placement, the	The proposed strategic investment by Alkane Resources Limited
APES 225	Valuation Services issued by the Accounting Professional and Ethical Standards Board Limited
ASIC	Australian Securities and Investment Commission
ASX	Australian Securities Exchange
Auzex	Auzex Exploration Limited
BDO Persons	BDOCF, BDO (QLD) or any of its partners, directors, agents or associates
BDOCF	BDO Corporate Finance (QLD) Ltd
BFS	Bankable feasibility study
Bidder's Statement	The Bidder's Statement, dated 10 September 2018, issued by Ramelius in regards to the takeover offer of Explaurum
Black Oak	Black Oak Mineral Ltd
Board, the	The board of directors of the Company
CAPM	Capital asset pricing model
CIL	Carbon In Leach
CME	Capitalisation of Maintainable Earnings
Company, the	Explaurum Limited
Corporations Act, the	The Corporations Act 2001
CSA	CSA Global Pty Ltd
CSA Report, the	The CSA Independent Technical Specialist Report dated 4 December 2018
DCF	Discounted cash flow
Directors, the	The Directors of the Company
DOCA	Deed of Company Arrangement

Reference	Definition
Eighth Supplementary Target Statement, the	The Eighth Supplementary Target's Statement, dated 4 December 2018, issued by Explaurum in regards to Ramelius' takeover offer, which this Report is attached to
EV	Enterprise value
Explaurum	Explaurum Limited
Explaurum Mineral Assets	The resources and tenements owned by Explaurum Limited
Explaurum Operations	Explaurum Operations Pty Ltd
Financial Model, the	The detailed cash flow model for the Tampia Gold Project prepared by the directors of Explaurum with the assistance of advisors
FSG	Financial Services Guide
FY	The financial year or 12-month period ended on 30 June
Goldoro	Goldoro Pty Ltd
IRR	Internal Rate of Return
Jervois	Jervois Mining Limited
Management, the	The management of Explaurum Limited and its advisers
MBV	Market-based valuation
Mineral Assets, the	Mineral resources outside of the Tampia Gold Project
Ningham	Ningham Exploration Pty Ltd
NPV	Net Present Value
Offer Period, the	The official Offer Period for Shareholders to accept the Offer, including subsequent extensions made by Ramelius on 18 October 2018 and 12 November 2018, extends from 25 September 2018 to 21 December 2018
Offer, the	The off-market takeover bid made by Ramelius Resources Limited for all the ordinary shares in Explaurum
Ramelius	Ramelius Resources Limited
RC	Reverse Circulation drilling
Regulations, the	The Corporation Regulations 2001
Report, this	This Independent Expert's Report prepared by BDOCF and dated 4 December
RG 111	Regulatory Guide 111: Content of Expert Report, issued by ASIC
RGs	Regulatory guides published by ASIC
SAG	Semi Autogenous Grinding

Reference	Definition
Shareholders, the	The holders of fully paid ordinary shares in the Company
Supplementary Bidder's Statements	The Supplementary Bidder's Statements, dated 20 September 2018 and 4 December 2018, issued by Ramelius in regards to the takeover offer of Explaurum
Supplementary Target's Statements	The Supplementary Target's Statements, dated between 24 October 2018 and 30 November 2018, issued by Explaurum in regards to Ramelius' takeover offer
Tampia Gold Project, the	Tampia Gold Project
Tampiagold	Tampiagold Pty Ltd
Target's Statement	The Target's Statement, dated 12 October 2018, issued by Explaurum in regards to Ramelius' takeover offer
VALMIN Code, the	The Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Specialist Reports
VWAP	Volume weighted average price
WACC	Weighted average cost of capital
We, us, our	BDO Corporate Finance (QLD) Ltd

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AUSTRALIA

PART I: ASSESSMENT OF THE OFFER

The Non-Associated Shareholders
C/- The Directors
Explaurum Limited
Level 16, Waterfront Place
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Brisbane, QLD, 4000

4 December 2018

Dear Non-Associated Shareholders,

1.0 Introduction

BDO Corporate Finance (QLD) Ltd ('BDOCF', 'we', 'us' or 'our') has been engaged to provide an independent expert's report ('this Report') to the non-associated shareholders ('the Shareholders') of Explaurum Limited ('Explaurum' or 'the Company') in relation to the off-market takeover bid made by Ramelius Resources Limited ('Ramelius') for all the ordinary shares in Explaurum ('the Offer').

In broad terms, the consideration to be received by the Shareholders under the Offer is one (1) Ramelius share for every four (4) Explaurum shares held. The Offer does not have a minimum acceptance condition and Ramelius may acquire any number of Explaurum shares as a result of the Offer.

A more detailed summary of the Offer is set out in Section 4.0 of this Report.

In this Report, BDOCF has expressed an opinion as to whether or not the Offer is 'fair and reasonable' to the Shareholders. This Report has been prepared solely for use by the Shareholders to provide them with information relating to the Offer. The scope and purpose of this Report are detailed in Sections 3.3 and 3.4 respectively.

This Report, including Part I, Part II and the appendices, should be read in full along with all other documentation provided to the Shareholders including the Bidder's Statement dated 10 September 2018 ('Bidder's Statement'), Supplementary Bidder's Statements dated between 20 September 2018 and 4 December 2018 ('Supplementary Bidder's Statements'), the Target's Statement dated 12 October 2018 ('Target's Statement'), Supplementary Target's Statements dated between 24 October 2018 and 13 November 2018 ('Supplementary Target's Statements'), as well as the Eighth Supplementary Target's Statement dated 4 December 2018 that this Report has been published with ('the Eighth Target's Statement').

2.0 Assessment of the Offer

This section is set out as follows:

- Section 2.1 sets out the methodology for our assessment of the Offer;
- Section 2.2 sets out our assessment of the fairness of the Offer;
- Section 2.3 sets out our assessment of the reasonableness of the Offer; and
- Section 2.4 provides our conclusion on whether the Offer is fair and reasonable to the Shareholders.

2.1 Basis of Evaluation

ASIC have issued Regulatory Guide 111: *Content of Expert Reports* ('RG 111'), which provides guidance in relation to independent expert's reports. RG 111 relates to the provision of independent expert's reports in a range of circumstances, including those where the expert is required to provide an opinion in relation to a takeover transaction. RG 111 states that the independent expert's report should explain the particulars of how the transaction was examined and evaluated as well as the results of the examination and evaluation.

The Offer involves Ramelius potentially acquiring up to 100% of the issued share capital in Explaurum which represents a controlling interest stake. RG 111 specifically differentiates between control and non-control transactions in providing guidance on the type of analysis to complete. RG 111 suggests that where the transaction is a control transaction the expert should focus on the substance of the control transaction rather than the legal mechanism to affect it. In our opinion the Offer is a control transaction as defined by RG 111 and we have assessed the Offer by considering whether, in our opinion, it is fair and reasonable to the Shareholders.

Under RG 111, an offer will be considered 'fair' if the value of the consideration to be received by the shareholders is equal to or greater than the value of the shares that are the subject of the offer. To assess whether an offer is 'reasonable', an expert should examine other significant factors to which shareholders may give consideration prior to accepting or approving the offer. This includes comparing the likely advantages and disadvantages if the offer is accepted with the position of the shareholders if the offer is not accepted.

RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if, despite being 'not fair', the expert believes that there are sufficient reasons for security holders to accept an offer in the absence of a higher bid. Our assessment concludes by providing our opinion as to whether or not the Offer is 'fair and reasonable'. While all relevant issues need to be considered before drawing an overall conclusion, we will assess the fairness and reasonableness issues separately for clarity.

We have assessed the fairness and reasonableness of the Offer in Sections 2.2 and 2.3 below and concluded on whether the Offer is 'fair and reasonable' to the Shareholders in Section 2.4 below.

2.2 Assessment of Fairness

2.2.1 Basis of Assessment

RG 111 states that a transaction is fair if the value of the offer price or consideration is greater than the value of the securities subject to the offer. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length. When considering the value of the securities subject of the offer in a control transaction the expert should consider this value inclusive of a control premium and assume a 100% ownership interest.

Having regard to the above, in our view, to assess whether the Offer is 'fair' it is appropriate to:

a) Determine the value of an Explaurum share on a controlling interest basis;

b) Determine the value of the consideration relevant to our assessment of the Offer which includes adopting an appropriate value for a Ramelius share on a minority interest basis; and

c) Compare the value determined in (a) above with the value of the consideration to be received by the Shareholders for each Explaurum share under the Offer.

In accordance with the requirements of RG 111, the Offer can be considered 'fair' to the Shareholders if the consideration offered per ordinary share is equal to or greater than the value determined in a) above.

2.2.2 Value of an Explaurum Share

In our view, for the purposes of the analysis set out in this Report, it is appropriate to adopt a value in the range of $0.104 to $0.143 per Explaurum share on a controlling interest basis. In forming this view, we adopted a sum-of-parts approach (incorporating a Discounted Cash Flow ('DCF') and Asset-Based Valuation ('ABV') methodology) and a market based valuation ('MBV') methodology.

In relation to our sum-of-parts valuation work, we specifically note the following:

- We have relied on the work of CSA Global Pty Ltd ('CSA') who we engaged to:
  - Assess the inputs into the feasibility study mine plan of the Tampia Gold project ('the Tampia Gold Project'); and
  - Provide a valuation of the mineral resources outside of the Tampia Gold Project ('the Mineral Assets).

  The CSA Independent Technical Assessment and Valuation Report dated 4 December 2018 ('the CSA Report') is attached as Appendix B to this Report. While CSA has provided us with information which indicates they have the requisite experience to assess the inputs into the feasibility study mine plan and complete a valuation of the Other Mineral Assets, we are not responsible for the CSA Report;
- As at the date of this Report, Explaurum is finalising an update of its Mace resource and a bankable feasibility study ('BFS') for the Tampia Gold Project. This information was not available in a complete form that enabled either CSA or ourselves to consider it in full. Our sum-of-parts valuation may change materially on finalisation of this work by Explaurum; and
- We have assumed that the proposed strategic investment by Alkane Resources Limited ('the Alkane Placement') is approved by Shareholders on the basis that Explaurum needs funding in the short term and we are instructed that the Directors have no alternative options available on what they consider to be superior terms. Shareholders should refer to Section 2.3.5 for additional discussion on the position of the Company in circumstances where the Alkane Placement does not proceed).

In completing our MBV methodology, we have reference to:

- Recent trading in Explaurum's shares; and
- The Alkane Placement.

In forming our view on an appropriate valuation range to adopt, we placed more emphasis on our MBV than our sum-of-parts valuation (refer Section 9.7 of this Report for additional discussion).

In accordance with paragraph 111.15 of RG 111, Explaurum Shareholders should note that we have not adjusted our valuation for the financial distress that may be experienced by Explaurum if the Alkane Placement does not proceed (discussed further in Section 2.3.5 below). We have considered the value of Explaurum on the basis of a knowledgeable and willing, but not anxious, seller that is able to consider alternative options.

In circumstances where the Alkane Placement does not proceed, there is a material risk that any value that may be realised in the short to medium term will be below the values adopted per Explaurum share in this Report.

Our valuation of Explaurum is set out in Section 9 of this Report.

2.2.3 Value of the Consideration Under the Offer

Value of a Ramelius Share

In our view, for the purposes of the analysis set out in this Report, it is appropriate to adopt a value in the range of $0.380 to $0.500 per Ramelius share on a minority interest basis. In forming this view, we adopted a MBV methodology that references recent trading in Ramelius shares.

Our valuation of Ramelius is set out in Section 10 of this Report.

Value of the Consideration

As per the terms of the Offer, Explaurum Shareholders who accept the Offer will receive one (1) Ramelius share for every four (4) Explaurum shares. We have calculated the Offer by multiplying our Ramelius valuation range by the scrip ratio of 0.25 (1/4).

Table 2.1 below summarises our calculation of the value of the Offer.

Table 2.1: Value of the Offer

	Low	High
Value per Ramelius share – minority interest basis	$0.380	$0.500
Ramelius share to Explaurum share scrip ratio	0.25	0.25
Value of the Offer	**$0.095**	**$0.125**

Source: BDOCF analysis

With reference to Table 2.1 above, we have calculated the value of the Offer to be in the range of $0.095 to $0.125 per Explaurum share.

We note that it is uncertain when the Offer consideration will be received by an Explaurum Shareholder that accepts the Offer. The value that is ultimately derived by an Explaurum Shareholder in circumstances where they sell the Ramelius shares they obtain under the terms of the Offer is dependent on the market value of the Ramelius shares at the time they are sold. The potential for the Ramelius share price to move materially between the date of this Report and the date the Ramelius shares are received by a Explaurum Shareholder[1] should be considered when forming a view on whether to accept the Offer.

2.2.4 Assessment of the Fairness of the Offer

In order to assess the fairness of the offer we have compared the value per Explaurum share on a controlling interest basis to the value of the Offer. Pursuant to RG 111, the Offer is considered to be fair if the value of the Offer is equal to or greater than the value of the securities subject of the offer (i.e. the value per Explaurum share).

Table 2.2 below summarises our assessment of the fairness of the Offer.

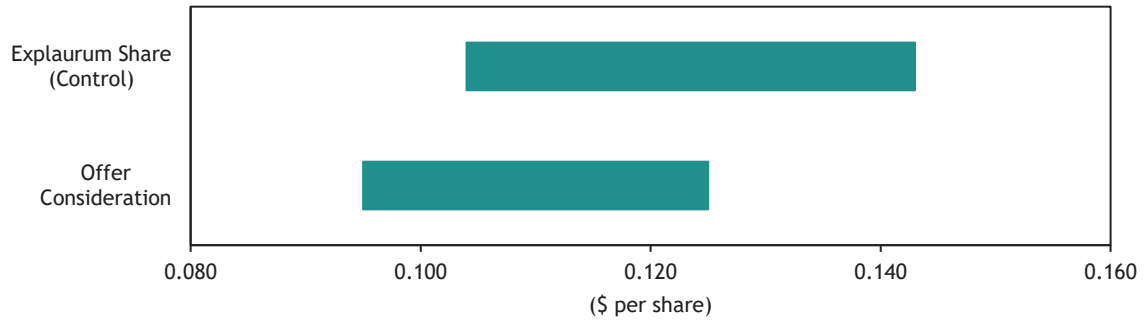
Table 2.2: Assessment of the Fairness of the Offer

	Low	High
Value of an Explaurum share – controlling interest	$0.104	$0.143
Value of the Offer	$0.095	$0.125

Source: *BDOCF analysis*

Figure 2.1 summarises our assessment of the fairness of the Offer, setting out a graphical comparison of our valuation of a Explaurum share on a controlling interest basis and the Offer.

Figure 2.1: Fairness of the Offer



Source: *BDOCF analysis*

With reference to Table 2.2 and Figure 2.1 above, we note that there is a downward shift in the valuation range, the high end of the Offer consideration is midway between the low and high value of an Explaurum share on a control basis, and the low end of the Offer consideration is less than the low end of an Explaurum share on a control basis.

After considering the information summarised above and set out in detail in the balance of this Report, it is our view that the Offer is **Not Fair** to the Shareholders as at the date of this Report.

2.3 Assessment of Reasonableness

2.3.1 Basis of Assessment

Under RG 111, a transaction is considered reasonable if it is fair. It may also be reasonable, despite not being fair, if after considering other significant factors the interests of the shareholders are reasonably balanced.

In addition to our fairness assessment set out in Section 2.2 above, to assess whether the Offer is 'reasonable' we consider it appropriate to examine other significant factors to which the Shareholders may give consideration prior to forming a view on whether to accept or reject the Offer. This includes comparing the likely advantages and disadvantages of approving the Offer with the position of a Shareholder if the Offer is not accepted, as well as a consideration of other significant factors.

Our assessment of the reasonableness of the Offer is set out as follows:

- Section 2.3.2 sets out the advantages of the Offer to the Shareholders;
- Section 2.3.3 sets out the disadvantages of the Offer to the Shareholders;
- Section 2.3.4 sets out discussion of other considerations relevant to the Offer;

[1] As set out in the Bidder's Statement, Explaurum shareholders that accept the Offer will receive the scrip consideration within 1 month after the later of the date the Offer was accepted and the date the Offer becomes unconditional and, in any event, no later than 21 days after the closing date (i.e. 21 December 2018 unless the Offer is further extended).

- Section 2.3.5 sets out the position of the Shareholders if the Offer is not accepted; and
- Section 2.3.6 provides our opinion on the reasonableness of the Offer to the Shareholders.

2.3.2 Advantages of the Offer

Table 2.3 below outlines the potential advantages to the Shareholders of accepting the Offer.

Table 2.3: Potential Advantages of the Offer

Advantage	Explanation
Potential to retain exposure to Explaurum's assets	If the Offer is accepted, the Shareholders will continue to be exposed to the risks and opportunities associated with the ownership of Explaurum's existing asset portfolio (albeit on a diluted basis), as they will hold scrip in Ramelius. The level of acceptance by other Shareholders cannot be known in advance. The lesser the degree of acceptance, the greater the dilution of an accepting shareholders interest in Explaurum.
Potential to gain exposure to a diversified group with a stronger cash position and market capitalisation (subject to level of acceptance)	If the Offer is accepted to a sufficient degree that Ramelius and Explaurum can merge their operations, the combined group will have a stronger balance sheet and cash position relative to Explaurum on a standalone basis. We note for the quarter ending 31 December 2018, Explaurum is estimating cash outflows of $2 million and, with cash and cash equivalents as at 30 September 2018 of approximately $1.3 million and is reliant on shareholders approving the Alkane Placement to be in a position to meet this commitment (discussed further in Table 2.6 below). As at 30 September 2018, Ramelius announced that it has cash on hand of $82.1 million and a further $20.3 million of gold bullion. The level of acceptance by other Shareholders cannot be known in advance and any individual Shareholders acceptance of the Offer does not mean that this potential advantage could be realised.
Potential creation of a combined group with larger and more diversified portfolio of assets (subject to level of acceptance)	If the Offer is accepted to a sufficient degree that Ramelius and Explaurum can merge their operations, the combined group will have ownership of Explaurum's and Ramelius' portfolio of assets. A more diversified portfolio of assets may reduce the overall risk of the combined group. Ramelius generates operating cash flow from its projects which to date, the Company has reinvesting in additional projects. This may lead to further diversification benefits in the future. The level of acceptance by other Shareholders cannot be known in advance and any individual Shareholders acceptance of the Offer does not mean that this potential advantage could be realised.
Potential to gain exposure to value accretion arising from Ramelius' expertise (subject to level of acceptance)	Ramelius has an experienced board and management team which has an established track record of gold production. If the Offer is accepted by a sufficient number of Shareholders to give Ramelius the ability to appoint directors, Shareholders will have exposure (at least in part) to any value accretion arising as a result of Ramelius' expertise which may not be available to Explaurum in the absence of the Offer. The level of acceptance by other Shareholders cannot be known in advance and any individual Shareholders acceptance of the Offer does not mean that this potential advantage could be realised.
Potential to unlock operational synergies and associated cost savings (subject to level of acceptance)	Based on Ramelius and Explaurum both operating within the Australian gold exploration and mining industry, and the proximity of Ramelius' and Explaurum's assets, synergies may be identified that may result in reduced capital and operating costs across the combined asset portfolio. If the Offer is accepted to a sufficient degree that Ramelius and Explaurum can merge their operations, general and administrative cost savings may also arise where there is duplication of overheads between the two companies (e.g. listing costs and cost savings from rationalising management structures). We note that any potential cost savings were not quantified in the Bidder's Statement and Ramelius intends to undertake a strategic review, if the Offer is accepted to a sufficient level. The level of acceptance by other Shareholders cannot be known in advance and any individual Shareholders acceptance of the Offer does not mean that this potential advantage could be realised.
Access to funding (subject to level of acceptance)	If the Offer is accepted by a sufficient number of Shareholders, the Tampia Gold Project may be able to be funded from Ramelius' cash balance and cash generated from Ramelius' existing operations. As a producing gold miner, Ramelius may also have greater access to both debt and equity funding than Explaurum. The level of acceptance by other Shareholders cannot be known in advance and any individual Shareholders acceptance of the Offer does not mean that this potential advantage could be realised.
Access to enhanced liquidity (subject to level of acceptance)	Historically, Ramelius shares have benefited from greater liquidity compared to Explaurum shares. Over the period, 1 December 2017 to 30 November 2018, the volume of Ramelius shares that have been traded is equal to 65.72% of the total number of shares outstanding (refer to Table 6.8). Over the same period, the volume of Explaurum shares that have been traded is equal to 49.84% of the total number of shares outstanding (refer to Table 5.6). Having regard to market capitalisations as at 30 November 2018, the average monthly trading value of Ramelius' shares is approximately five times larger than Explaurum's. If the Offer is accepted to a sufficient degree that Ramelius and Explaurum can merge their operations, improved liquidity may provide Shareholders with an enhanced ability to realise the inherent value in their shareholding. Although the liquidity of Ramelius shares is superior to the liquidity of Explaurum shares, in our opinion Ramelius shares still display a moderate level of liquidity relative to other companies listed on the Australian Securities Exchange ('ASX').

Advantage	Explanation
A superior control proposal has not emerged	The directors of Explaurum ('the Directors') have advised that, as at the date of this Report, a superior control proposal to the Offer has not been received by the Company. For completeness we note that on 12 November 2018, Ramelius announced an indicative, non-binding and incomplete proposal that contemplated an increase in the Offer consideration of $0.05. On 28 November 2018 Ramelius announced that it did not intend to proceed with the improved offer on the basis that a value accretive outcome for Ramelius shareholders would be unlikely to be achieved. We note Explaurum announced a proposed minority placement by Alkane on 29 October 2018.

Source: BDOCF analysis

2.3.3 Disadvantages of the Offer

Table 2.4 below outlines the potential disadvantages to the Shareholders of accepting the Offer.

Table 2.4: Potential Disadvantages of the Offer

Disadvantage	Explanation
The Offer is not fair	As set out in Section 2.2, in our view the Offer is not fair to the Explaurum Shareholders as at the date of this Report.
The Offer is at a price below the Alkane Placement (on control basis)	We have calculated an implied price per share for the Alkane Placement of 11.19 cents on a minority interest basis after allowing a 10% uplift to allow for share placements often occurring at a discount to the prevailing ASX share price (refer Section 9.6.3 for additional discussion). Applying a 30% control premium to the value of the Alkane Placement results in a value that exceeds the high end of our valuation range for the Offer (refer to Appendix A for additional control premium discussion). The high end of the Offer valuation range is also below the $0.13 and $0.14 exercise price of the options proposed to be granted to Alkane as part of the Alkane Placement.
The Offer may not proceed and Alkane Placement may be terminated	The Alkane Placement remains subject to certain termination conditions that, if breached, may result in the Placement not proceeding. One such condition is that if more than 30% of Shareholders in aggregate accept the Ramelius Offer. There is a risk that if more than 30% of Explaurum shareholders accept the Offer, Alkane may terminate the Alkane Placement (refer to Table 2.5 below for additional discussion on the Alkane Placement) while Ramelius may not proceed with completion of the Offer (refer Section 2.3.4 below for additional discussion on why Ramelius may not complete the Offer). The implications for Explaurum of the Alkane Placement are discussed further in Table 2.5 below.
The degree of ownership to be held by Ramelius is uncertain	The degree of ownership which will ultimately be held by Ramelius in Explaurum is uncertain. If an individual Shareholder accepts the Offer, they may not know to what degree Ramelius will own the other shares in Explaurum. The actions and direction of Explaurum may change materially with different levels of Ramelius ownership (see Section 4.4 for details of Ramelius' stated intentions at various levels of shareholding). This creates uncertainty for accepting Shareholders. Many of the potential advantages require Explaurum to be substantially or fully acquired by Ramelius to potentially eventuate.
Any upside potential in Explaurum's assets will be shared with Ramelius	If the Offer is accepted, Shareholders will hold a diluted interest in the combined group's assets and will have to share any development upside in its asset portfolio. In particular, there may be further upside in relation to the Tampia Gold Project, including the Mace and Anomaly 8 deposits, relative to the estimated values as at the date of this Report, based on information currently available.
Dilution of Shareholders	Prior to the Offer, the Shareholders collectively own 100% of Explaurum. If the Offer is accepted, the maximum ownership interest in Ramelius (and indirectly in Explaurum) that the Shareholders can hold is 19.5% (refer to Section 4.1 of this Report), which represents a minority interest. Additionally, Ramelius may issue new securities after implementation of the Offer at the discretion of the Ramelius board of directors, which may further dilute Explaurum Shareholders. Shareholders may prefer to retain a 100% interest in Explaurum rather than a minority interest in Ramelius.
The Offer is subject to conditions	There is a risk of the Offer being accepted but not completing. The Offer is subject to a number of conditions, including movement in the spot gold price, Explaurum's assets being maintained in their current form and there being no prescribed occurrences (as defined in the Bidder's Statement) or material adverse changes. Ramelius announced on 28 November 2018, that the Alkane Placement triggers, or will trigger, a number of defeating conditions of the Offer and if the Alkane Placement completes, Ramelius will seek ASIC approval to withdraw the bid before it lapses on 21 December 2018. Even if the Alkane Placement does not complete, Ramelius has reserved the company's right not to proceed with the Offer, by not waiving any breach of the Offer defeating conditions.
Development of the Tampia Gold Project may be impacted	If the Offer is accepted by a sufficient number of Shareholders, the future development and operation of the Tampia Gold Project and Mace Discovery will be at the discretion of Ramelius' management and may be impacted as a result of factors including, but not limited to: ▸ Ramelius development plans for other assets and potential acquisitions; ▸ Integration of the two companies' operations; ▸ Implications of change of ownership on community relations; and ▸ The results of the strategic review planned by Ramelius. Explaurum management have outlined their current activities and near term objectives in section 5.3 of the Target's Statement. In lieu of the Offer, Explaurum intends to develop the Tampia Gold Project.
Change of risk exposure	If the Offer is accepted, Shareholders will be exposed to a different risk profile relative to their existing investment in Explaurum. We recommend that Shareholders read the risk factors associated with an investment in Ramelius, as set out in section 8.3 of the Target's Statement, in full.

Disadvantage	Explanation
Potential loss of support from community and landowners	Explaurum has invested time and effort building a relationship with the Narembeen community and landowners to gain access agreements to the exploration licences and mining leases. The Directors advise this has been largely achieved based on the community's expectation and reliance on future employment opportunities as part of the development and operations of the Tampia Gold Project. The integration of the Ramelius owned Edna May project and the Tampia Gold Project may reduce employment opportunities afforded to the Narembeen community and their subsequent support of the Tampia Gold Project.
No exposure to any future offers	If the Offer is accepted and proceeds, the Shareholders will no longer be able to benefit from any superior future offers from Ramelius or any other party. Notwithstanding, there is no guarantee that a future offer will be forthcoming. For completeness, we note that as set out in the Bidder's Statement, if Ramelius increases the consideration price under the Offer, Shareholders will receive the higher price irrespective of when they accepted the Offer.

Source: BDOCF analysis

2.3.4 Other Considerations

Uncertainty in Relation to the Timing of Receipt of Scrip Consideration

If a Explaurum shareholder accepts the Offer we note the following:

- As set out in the Bidder's Statement, once the Offer becomes unconditional, Explaurum Shareholders that accept the Offer will receive the scrip consideration within 1 month after the later of the date the Offer was accepted and the date the Offer becomes unconditional and, in any event, no later than 21 days after the closing date (i.e. 21 December 2018 unless the Offer is extended);
- As set out in the Supplementary Bidder's Statements, the Offer is open for acceptance until 21 December 2018 unless extended; and
- There is a risk of the Offer being accepted but not completing (refer to the section below).

Shareholders that accept the Offer should be aware that they will not be able to withdraw their acceptance of the Offer or otherwise dispose of their Explaurum shares unless a withdrawal right arises under the Corporations Act. As set out in the Bidder's Statement, such a right will arise if, after the Offer has been accepted and the Offer remains conditional, Ramelius varies the Offer in a way that postpones for more than one month the time by which Ramelius has to meet its obligations under the Offer. If this occurs, a notice will be sent to Explaurum Shareholders that have accepted the Offer at the relevant time that explains their rights to withdraw acceptance of the Offer.

In practical terms, the above matters mean that in forming a view on whether to accept or reject the Offer, Explaurum Shareholders should also take into account the period of time before they may receive the scrip consideration and the restrictions on transacting in Explaurum shares following acceptance but prior to the scrip consideration being received.

In our view, the uncertainty in the timing of receipt of the scrip consideration increases the risk of the Offer to Shareholders.

Uncertainty in Relation to the Completion of the Ramelius Offer

There is a risk of the Offer being accepted but not completing. Ramelius announced on 28 November 2018, that the Alkane Placement triggers, or will trigger, a number of defeating conditions of the Offer and if the Alkane Placement completes, it will seek ASIC approval to withdraw the bid before it lapses on 21 December 2018. Even if the Alkane Placement does not complete, Ramelius has reserved its rights not to proceed with the Offer, by not waiving any breach of the Offer defeating conditions.

In our view, the uncertainty in relation to completion of the Offer and receipt of the Offer consideration, increases the risk of the Offer to Shareholders.

Alkane Placement Approval

The Alkane Placement is likely to breach one or more conditions of the Offer including that Explaurum is not to agree to issuing shares or granting options over its shares, and that Explaurum is not to enter into any agreement in regard to the financing, engineering, procurement, construction, or development of the Tampia Gold Project. There is a risk of the Offer being accepted but not completing for the reasons stated above.

As part of the Alkane Placement a deposit of $800,000 has been received by Explaurum. If Shareholders do not approve the Alkane Placement, the deposit will have to be repaid within 30 business days. There is no certainty Explaurum will be able to raise the required funds. If Explaurum is unable to raise sufficient funds to repay the deposit, there is a risk the Company may not be able to continue as a going concern. Raising of funds for the repayment of the deposit through issuing of shares or raising debt finance may additionally represent a breach to the Offer.

Tax Considerations

If the Offer is accepted, the Shareholders will be treated as having disposed of their shares for tax purposes. A gain or loss on disposal may arise depending on the cost base of each individual Shareholder's shares, the length of time held, whether the shares are held on capital or revenue account and whether or not the Shareholder is an Australian resident for tax purposes.

We note that the scrip consideration may be eligible for Australian capital gains tax rollover relief, however, we note that this is subject to Subdivision 124-M of the Income Tax Assessment Act 1997. Details of the taxation consequences are set out in section 13 of the Bidder's Statement. Shareholders should consult their own adviser in relation to the taxation consequences of the Offer.

2.3.5 Position of the Shareholders who Reject the Offer

Table 2.5 below outlines the potential position of individual Explaurum Shareholders who reject the Offer.

Table 2.5: Position of Shareholders who Reject the Offer

Position of Shareholders	Explanation
Continued shareholding in Explaurum with Ramelius possibly as a significant shareholder	Explaurum Shareholders that reject the Offer will continue to hold shares in Explaurum with Ramelius possibly as a significant shareholder. Explaurum Shareholders will continue to be exposed to the risks and opportunities associated with Explaurum's assets and the development of the Tampia Gold Project.
Share trading price may be materially different to recent share trading prices and the shares in Explaurum may trade at prices that are lower than the value of the Offer	If Shareholders do not accept the Offer, the price of Explaurum shares may decrease relative to recent trading prices, when the Offer lapses, and the decrease may be material. As outlined in Section 5.5, trading of Explaurum shares on the ASX has been at VWAPs in the range of $0.0757 (1 week VWAP prior to the announcement of the Offer) to $0.1047 (12 month VWAP prior to the announcement of the Offer). As a caveat to the above VWAP ranges however, in the period of time following the initial announcement of the Offer, Explaurum has made a number of price sensitive market announcements relating to development and exploration activities. This potentially reduces the relevance of the VWAP ranges prior to the initial announcement of the Offer. The shares in Explaurum have been valued in this Report on a controlling interest basis to assess the Offer. If the Offer is not accepted, the trading price of shares in Explaurum may reflect the value of Explaurum on a minority interest basis. It is possible that shares in Explaurum will trade at a price that is materially lower than the value of the Offer consideration if the Offer is not accepted.
Change in liquidity	If Ramelius acquires a significant parcel of Explaurum shares, then the 'free float' of shares available to trade on the ASX may be reduced. This may have the effect of reducing the liquidity of Explaurum shares on the ASX and make it more difficult for a Explaurum shareholder to efficiently exit their investment.
Working capital funding through Alkane Placement and possible financial distress if the Alkane Placement does not proceed	On 15 February 2018, Explaurum raised $8.3 million at an issue price of 10.5 cents per share to fund the development of the Tampia Gold Project, it's exploration and resource drilling program and working capital. That program is nearing completion and the Company requires additional funding to support the next phase of its activities. As set out in an ASX announcement dated 29 October 2018, Explaurum has reached an agreement with Alkane in relation to the provision of $8.0 million in additional equity funding (refer Section 5.4.3 of this Report for additional discussion). This agreement is subject to approval by Explaurum Shareholders at the general meeting to be held on 21 December 2018. The Alkane Placement remains subject to certain termination conditions that, if breached, may result in the Placement not proceeding. One such condition is that if more than 30% of Shareholders in aggregate accept the Ramelius Offer. If the Alkane Placement is does not proceed, Explaurum will have access to additional capital to fund its ongoing exploration activities, assist in progressing the Tampia Gold Project BFS and for working capital and general corporate purposes. If the Alkane Placement does not proceed, Explaurum will need to raise funds immediately, including to repay the $800,000 deposit from Alkane which is repayable within 30 business days. If it is unable to raise the necessary operational funding, the directors of Explaurum consider that: ▸ Explaurum will not be able to progress its stated business objectives or work program and will need to suspend operations; and ▸ There is a risk that Explaurum may not be able to continue as a going concern if it unable to raise sufficient funds to repay the Alkane deposit. There is no certainty that Explaurum will be able to raise the required funds either at all or on terms and conditions which are not dilutive to Shareholders or otherwise on reasonable commercial terms.
Ramelius may be able to pass ordinary and special resolutions	If Ramelius obtains a relevant interest in at least 50% of Explaurum shares, then it will be able to control any ordinary resolution at a general meeting of the Company (other than a resolution where they are not independent of the resolution). If Ramelius obtains a relevant interest in at least 75% of Explaurum shares then it will be able to control any special resolution at a general meeting of the Company (other than a resolution where they are not independent of the resolution).
Compulsory acquisition	If Ramelius obtains a relevant interest in at least 90% of Explaurum shares then it will be entitled, in certain circumstances, to acquire the remaining Explaurum shares not already held. For completeness we note that Ramelius have indicated in Section 8.5 of the Bidder's Statement that it intends to proceed with a compulsory acquisition in this circumstance.

Position of Shareholders	Explanation
Prospect of a superior offer or alternative transaction	It is possible that Shareholders who do not accept the Offer may receive a superior offer to the Offer. We note that no superior control offer has been received as at the date of this Report (refer to Table 2.4 above for additional discussion in relation to a superior offer emerging). For completeness we note that in circumstances where Ramelius becomes a significant shareholder in Explaurum, any alternative offer for 100% of Explaurum could not proceed unless Ramelius agrees to sell its shareholding.
No offer for Explaurum equity instruments other than ordinary shares	Ramelius does intend to make an offer in respect to the current Explaurum other equity instruments (i.e. options and performance rights) that are on issue (the Offer is however extended to any existing equity instruments converted into ordinary shares within the bid period). In the instance where the Shareholders who also hold other existing equity instruments do not convert their equity instruments into ordinary shares and Ramelius obtain enough acceptances and proceed to de-list Explaurum from the ASX, there is unlikely to be an active market for any Explaurum shares issued to Explaurum option holders on the exercise of their Explaurum options.
Non-recoverable costs	Explaurum has incurred costs in relation to the Offer. Explaurum will not be able to recover the costs that it has incurred in relation to the Offer irrespective of the number of Shareholders that accept the Offer.

Source: BDOCF analysis

2.3.6 Assessment of the Reasonableness of the Offer

In our opinion, after considering all of the issues set out in this Report, the Offer is **Not Reasonable** to the Shareholders as at the date of this Report.

2.4 Opinion

After considering the above assessments, it is our view that, in the absence of any other information, the Offer is **Not Fair and Not Reasonable** as at the date of this Report.

Before forming a view on whether to accept or reject the Offer, Shareholders must:

- Have regard to the information set out in the balance of this Report, including the Important Information set out in Section 3.0, before deciding whether to accept or reject the Offer;
- Consult their own professional advisers; and
- Consider their specific circumstances.

The decision to accept or reject the Offer is a separate decision to the investment decision to hold or divest shares in either Explaurum or Ramelius. Both Ramelius and Explaurum are companies that are engaged in the exploration, development and production of mineral assets that are at various stages of commercialisation, although we note that Explaurum does not currently operate a producing mine. In our view, the value of such companies may increase or decrease materially over short time periods depending upon the outcome of exploration and development activities and changes in economic circumstances.

In considering whether to accept or reject the Offer, Explaurum Shareholders should also consider that we have not adjusted our valuation for the financial distress that may be experienced by Explaurum if the Alkane Placement does not proceed (discussed further in Section 2.3.5). We have considered the value of Explaurum on the basis of a knowledgeable and willing, but not anxious, seller that is able to consider alternative options. In circumstances where the Alkane Placement does not proceed, there is a material risk that any value that may be realised in the short to medium term will be below the values adopted per Explaurum share in this Report.

3.0 Important Information

3.1 Read this Report, and other documentation, in full

This Report, including Part I, Part II and the appendices, should be read in full to obtain a comprehensive understanding of the purpose, scope, basis of evaluation, limitations, information relied upon, analysis, assumptions underpinning our work and our findings.

Other information provided to the Shareholders in conjunction with this Report should also be read in full, including the Bidder's Statement, the Target's Statement, supplementary statements, and related disclosures.

3.2 Shareholders' individual circumstances

Our analysis has been completed and our conclusions expressed at an aggregate level having regard to the Shareholders as a whole. BDOCF has not considered the impact of the Offer on the particular circumstances of individual Shareholders. Individual Shareholders may place a different emphasis on certain elements of the Offer relative to the emphasis placed in this Report. Accordingly, individual Shareholders may reach different conclusions as to whether or not the Offer is fair and reasonable in their individual circumstances.

The decision of an individual Shareholder to accept or reject the Offer is likely to be influenced by their particular circumstances and accordingly, the Shareholders are advised to consider their own circumstances and seek their own independent advice.

Accepting or rejecting the Offer is a matter for individual Shareholders based on their expectations as to the expected value and future prospects and market conditions together with their particular circumstances, including risk profile, liquidity preference, portfolio strategy and tax position. The Shareholders should carefully consider the Target's Statements issued by Explaurum. Shareholders who are in doubt as to the action they should take in relation to the Offer should consult their professional adviser.

With respect to taxation implications of the Offer, it is strongly recommended that the Shareholders obtain their own taxation advice, tailored to their own particular circumstances.

3.3 Scope

In this Report we provide our opinion on whether the Offer is fair and reasonable to the Shareholders.

This Report has been prepared at the request of the Directors for the sole benefit of the Shareholders to assist them in their decision to accept or reject the Offer. This Report is to be sent to the Shareholders to consider the Offer and was not prepared for any other purpose. Accordingly, this Report and the information contained herein may not be relied upon by anyone other than the Directors and the Shareholders without our written consent. We accept no responsibility to any person other than the Directors and the Shareholders in relation to this Report.

This Report should not be used for any other purpose and we do not accept any responsibility for its use outside this purpose. Except in accordance with the stated purpose, no extract, quote or copy of this Report, in whole or in part, should be reproduced without our written consent, as to the form and context in which it may appear.

We have consented to the inclusion of this Report with the Eighth Supplementary Target's Statement. Apart from this Report, we are not responsible for the contents of the Target's Statement, Supplementary Target's Statements, or any other document associated with the Offer. We acknowledge that this Report may be lodged with regulatory authorities to obtain the relevant approvals prior to it being made available to the Shareholders.

The scope of procedures we have undertaken has been limited to those procedures required in order to form our opinion. Our procedures did not include verification work nor constitute an audit or assurance engagement in accordance with Australian Auditing and Assurance Standards. In preparing this Report we considered the necessary legal requirements and guidance of the Corporations Act 2001 ('the Corporations Act'), the Corporation Regulations 2001 ('the Regulations'), the regulatory guides ('RGs') published by the Australian Securities and Investments Commission ('ASIC'), the listing requirements of the relevant exchanges (where relevant) and commercial practice.

In forming our opinion, we have made certain assumptions and outline these in this Report including:

- We have performed our analysis on the basis that the conditions precedent to the Offer are satisfied;
- That matters such as title to all relevant assets, compliance with laws and regulations and contracts in place are in good standing, and will remain so, and that there are no material legal proceedings, other than as publicly disclosed;
- All information which is material to the Shareholders' decision on the Offer has been provided and is complete, accurate and fairly presented in all material respects;
- ASX announcements and other publicly available information relied on by us are accurate, complete and not misleading;
- If the Offer is accepted, that it will be implemented in accordance with the stated terms;
- The legal mechanism to implement the Offer is correct and effective;
- There are no undue changes to the terms and conditions of the Offer or complex issues unknown to us; and
- Other assumptions, as outlined in this Report.

In this Report we have not provided any taxation, legal or other advice of a similar nature in relation to the Offer. Other advisers have provided advice in relation to those matters to Explaurum in relation to the Offer.

Explaurum has acknowledged that the Company's engagement of BDOCF is as an independent contractor and not in any other capacity including a fiduciary capacity.

The statements and opinions contained in this Report are given in good faith and are based upon our consideration and assessment of information provided by the Board, executives and management of all the entities.

3.4 Purpose of this Report

An independent expert, in certain circumstances, must be appointed to meet the requirements set out in the Corporations Act, the Regulations, RGs and in some cases the listing requirements of the relevant exchanges. These requirements have been set out in Sections 3.1.1 and 3.1.2 below.

3.4.1 Requirements of the Corporations Acts

Ramelius has prepared a Bidder's Statement in accordance with Section 636 of the Corporations Act. Under section 633 item 10 of the Corporations Act, Explaurum is required to prepare a Target's Statement in response to the Bidder's Statement.

Section 640 of the Corporations Act requires the Target's Statement to include an independent expert's report to shareholders if:

- The bidder's voting power in the target is 30% or more; or
- The bidder and the target have a common director or directors.

As Ramelius holds less than 30% of the shares in Explaurum and the companies do not have any common directors there is no requirement under the Corporations Act for Explaurum to engage an independent expert in relation to the Offer.

Notwithstanding the above, Explaurum has engaged BDOCF to prepare this Report for provision to Explaurum Shareholders to assist them in deciding whether to accept or reject the Offer.

3.4.2 Listing Requirements

We have been instructed that Explaurum will not be using this Report or our assessment of the Offer for the purpose of complying with the listing requirements of the ASX or any other stock exchange.

3.5 Current Market Conditions

Our opinion and the analysis set out in this Report is based on economic, commodity, market and other conditions prevailing at the date of this Report. Such conditions can change significantly over relatively short periods of time and may have a material impact on the results presented in this Report and result in any valuation or other opinion becoming quickly outdated and in need of revision.

In circumstances where we become aware of and believe that a change in these conditions, prior to the close of the Offer, results in a material statement in this Report becoming misleading, deceptive or resulting in a material change in valuation, we will provide supplementary disclosure to Explaurum. BDOCF is not responsible for updating this Report following the close of the Offer Period or in the event that a change in prevailing circumstance does not meet the above conditions.

3.6 Reliance on Information

Explaurum recognises and confirms that, in preparing this Report, except to the extent to which it is unreasonable to do so, BDOCF, BDO (QLD) Pty Ltd or any of the partners, directors, agents or associates (together 'BDO Persons'), will be using and relying on publicly available information and on data, material and other information furnished to BDO Persons by Explaurum, its management, and other parties, and may assume and rely upon the accuracy and completeness of, and is not assuming any responsibility for independent verification of, such publicly available information and the other information so furnished.

Unless the information we are provided suggests the contrary, we have assumed that the information provided was reliable, complete and not misleading, and material facts were not withheld. The information provided was evaluated through analysis, inquiry and review for the purpose of forming an opinion as to whether or not the Offer is fair and reasonable.

We do not warrant that our inquiries have identified or verified all of the matters which an audit, extensive examination or due diligence investigation might disclose. In any event, an opinion as to whether a corporate transaction is fair and reasonable is in the nature of an overall opinion rather than an audit or detailed investigation.

It is understood that the accounting information provided to us was prepared in accordance with generally accepted accounting principles.

Where we relied on the views and judgement of management the information was evaluated through analysis and inquiry to the extent practical. Where we have relied on publicly available information, we have considered the source of the information and completed our own analysis to assist us to determine the reliability of the information we have relied on. However, in many cases, the information we have relied on is often not capable of external verification or validation and on that basis we provide no opinion or assurance on the information.

The Directors represent and warrant to us, for the purpose of this Report, that all information and documents furnished by Explaurum (either by management directly or through advisors) in connection or for use in the preparation of this Report do not contain any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements therein. We have received representations from the Directors in relation to the completeness and accuracy of the information provided to us for the purpose of this Report.

Under the terms of our engagement, Explaurum has agreed to indemnify BDO Persons against any claim, liability, loss or expense, costs or damage, arising out of reliance on any information or documentation provided, which is false or misleading or omits any material particulars, or arising from failure to supply relevant documentation or information.

3.7 Glossary

Capitalised terms used in this Report have the meanings set out in the glossary. A glossary of terms used throughout this Report is set out immediately following the Table of Contents at the start of this Report.

All dollar ('$') references in this Report are in Australian dollars unless otherwise stated.

3.8 Sources of Information

This Report has been prepared using information obtained from sources including the following:

- Explaurum annual report for the year ended 30 June 2015;
- Explaurum annual report for the year ended 30 June 2016;
- Explaurum annual report for the year ended 30 June 2017;
- Explaurum annual report for the year ended 30 June 2018;
- Explaurum ASX announcements;
- Ramelius annual report for the year ended 30 June 2015;
- Ramelius annual report for the year ended 30 June 2016;
- Ramelius annual report for the year ended 30 June 2017;
- Ramelius annual report for the year ended 30 June 2018;
- Ramelius ASX announcements;
- The CSA Report;
- The Bidder's Statements;
- Supplementary Bidder's Statements;
- The Target's Statements;
- Supplementary Target's Statements;
- Capital IQ;
- IBISWorld;
- Consensus Economics;
- World Gold Council;
- Various other research publications and publicly available data as sourced throughout this Report; and
- Various discussions and other correspondence with Explaurum, management and their advisers.

3.9 APES 225 *Valuation Services*

This assignment is a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 *Valuation Services* ('APES 225'). A Valuation Engagement is defined by APES 225 as 'an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.'

This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

3.10 Forecast Information

Any forecast financial information referred to in this Report has originated from the Company's management ('Management') and is adopted by the Directors in order to provide us with a guide to the potential financial performance of Explaurum. There is a considerable degree of subjective judgement involved in preparing forecasts since they relate to event(s) and transaction(s) that have not yet occurred and may not occur. Actual results are likely to be different from the forecast financial information since anticipated event(s) or transaction(s) frequently do not occur as expected and the variation between actual results and those forecast may be material.

The Directors' best-estimate assumptions on which the forecast is based relate to future event(s) and/or transaction(s) that Management expect to occur and actions that Management expect to take and are also subject to uncertainties and contingencies, which are often outside the control of Explaurum. Evidence may be available to support the Directors' best-estimate assumptions on which the forecast is based however such evidence is generally future-oriented and therefore speculative in nature. In certain circumstances, we may adjust the forecast assumptions provided by Management to complete our valuation work. In this instance, the forecasts we have adopted for our valuation work will not be the same as the forecasts provided by Management.

BDOCF cannot and does not provide any assurance that any forecast is representative of results or outcomes that will actually be achieved. While we have considered the forecast information to the extent we considered necessary to complete the analysis set out in this Report, we have not been engaged to provide any form of assurance conclusion on any forecast information set out in this Report. We disclaim any assumption of responsibility for any reliance on this Report, or on any forecast to which it relates, for any purpose other than that for which it was prepared. We have assumed, and relied on representations from certain members of Management, that all material information concerning the prospects and proposed operations of Explaurum have been disclosed to use and that the information provided to use for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

3.11 Qualifications

BDOCF has extensive experience in the provision of corporate finance advice, including takeovers, valuations and acquisitions. BDOCF holds an Australian Financial Services Licence issued by ASIC for preparing expert reports pursuant to the Listing Rules of the ASX and the Corporations Act.

BDOCF and its related parties in Australia have a wide range of experience in transactions involving the advising, auditing or expert reporting on companies that have operations domestically and in foreign jurisdictions. BDO in Queensland and in Australia is a national association of separate partnerships and entities and is a member of the international BDO network of individual firms.

Mark Whittaker and Scott Birkett have prepared this Report with the assistance of staff members. Mr Whittaker, BCom (Hons), CA, CFA, and Mr Birkett, BBusMan/BCom, CFA, are directors of BDOCF. Both Mr Whittaker and Mr Birkett have extensive experience in corporate advice and the provision of valuation and professional services to a diverse range of clients, including large private, public and listed companies, financial institutions and professional organisations. Mr Whittaker and Mr Birkett are considered to have the appropriate experience and professional qualifications to provide the advice offered within this Report.

BDO Corporate Finance (QLD) Ltd

Mark Whittaker
Director

Scott Birkett
Director

PART II: INFORMATION SUPPORTING OUR OPINION ON THE OFFER

4.0 Overview of the Offer

This section sets out an overview of the Offer and is structured as follows:

- Section 4.1 provides a summary of the Offer;
- Section 4.2 summarises the conditions precedent which, if not waived, must be satisfied prior to proceeding with the Offer;
- Section 4.3 details Ramelius' strategic rationale for the Offer; and
- Section 4.4 summarises Ramelius' intention should the Offer be accepted.

This section is a summary only and should not be treated as a complete description of the Offer. The Shareholders should refer to Ramelius' Bidder's Statement and subsequent disclosures for detailed and additional information relating to the Offer and the key parties involved.

4.1 Summary of the Offer

On 10 September 2018, Ramelius announced its intention to make an off-market scrip offer for all of the fully paid ordinary shares of Explaurum. The Offer comprises of one (1) Ramelius share for every four (4) ordinary shares of Explaurum.

The official offer period for Shareholders to accept the Offer, including subsequent extensions made by Ramelius on 18 October 2018 and 12 November 2018, extends from 25 September 2018 to 21 December 2018 ('the Offer Period').

Under the Offer, existing Explaurum Shareholders may gain a maximum interest of 18.5%[2] of the merged entity on an ordinary share basis, and 19.5% on a fully diluted basis[3] (assuming all equity instruments in both Explaurum and Ramelius convert into ordinary shares).

Explaurum options and performance rights are excluded from the Offer. Ramelius will accept any Explaurum ordinary shares that are issued during the Offer Period whether issued due to the conversion of exercised Explaurum options, performance rights, or otherwise. We note, as of 30 November 2018, the Explaurum options with a $0.07 exercise price are in-the-money and the remaining Explaurum options and performance rights are out-of-the-money. All Explaurum performance rights are subject to change of control conditions and will automatically vest if the Ramelius Offer becomes unconditional.

Existing Foreign Shareholders of Explaurum are excluded from receiving Ramelius shares as part of the Offer. Ramelius shares issued in regard to the acceptance of the Offer from Explaurum foreign shareholders will instead be issued to a nominee who will sell the shares on the market. The relevant share of proceeds from the sale of Ramelius shares will then be distributed to foreign investors.

On 12 November 2018, Ramelius proposed an indicative, non-binding and incomplete proposal to increase the Offer with an additional cash consideration of 5 cents per Explaurum ordinary share. In response to the increased Offer, Explaurum granted Ramelius a period of due diligence. On 28 November 2018, Ramelius announced the company does not intend to proceed with the improved offer, and confirmed that the company has not waived any of the defeating conditions such as those triggered by the Alkane Placement.

Shareholders should refer to the Bidder's Statement and subsequent disclosures for more detailed information in relation to the Offer.

4.2 Key Conditions of the Offer

This section sets out key conditions relevant to the Offer. We recommend that Shareholders consider all requirements of the Offer set out in the Bidder's Statement.

Key conditions precedent that must be satisfied (or waived) in order for the Offer to be implemented include:

- Explaurum's assets are maintained in their current form;
- No prescribed occurrences, as defined in the Bidder's Statement, occur between the date the Offer was announced and the end of the Offer Period;
- No material adverse changes, as defined in the Bidder's Statement, occur between the date the Offer was announced and end of the Offer Period;

[2] Based on 481,412,320 Explaurum ordinary shares fully converting to Ramelius ordinary shares on a 4:1 basis and 528,594,350 Ramelius ordinary shares prior to conversion of Explaurum ordinary shares.

[3] Based on 522,987,436 Explaurum total securities fully converting to Ramelius ordinary shares on a 4:1 basis and 540,770,559 Ramelius total securities.

- No material acquisitions, disposals, cancellations or new commitments occur between the date the Offer was announced and end of the Offer Period excluding those fully disclosed within the previous six months;
- There is no regulatory action against Explaurum that is announced between the date the Offer was announced and end of the Offer Period;
- The gold spot price as quoted on Bloomberg does not fall below $1350/oz for three consecutive days between the date the Offer was announced and end of the Offer Period; and
- No other persons acquiring a relevant interest in 20% or more of Explaurum shares on issue.

4.3 Ramelius' Strategic Rationale for the Offer

Ramelius' management are of the view that the Offer benefits Explaurum Shareholders in the following ways:

- The Offer reduces funding and operational risk having regard to Ramelius' capacity to self-fund the Tampia Gold Project development costs and ongoing working capital requirements; and
- The Tampia Gold Project has the potential to be a bolt-on acquisition with the option (subject to a strategic review) of ore being mined at the Tampia Gold Project to be hauled and milled at Edna May. This has the potential to reduce initial capital expenditure and development costs at the Tampia Gold Project as well as expedite first cash flows from the Tampia Gold Project.

Should the Offer be accepted, Ramelius intends to undertake a strategic review of the Tampia Gold Project to better determine how to integrate the project into Ramelius existing operations. The strategic review will consider the Tampia Gold Project Feasibility Study and economics of the Tampia Gold Project on a standalone basis as well as with processing at Edna May facilities. The strategic review will also consider the Tampia Gold Project geological database, metallurgical work, financing options, environmental and community implications, as well as further exploration of surrounding deposits.

4.4 Ramelius' Intention should the Offer Be Accepted

The intentions of Ramelius have been disclosed in the Bidder's Statement and have been set out below under three scenarios:

- Intentions upon Ramelius acquiring 75% or more of Explaurum;
- Intentions upon Ramelius acquiring control but less than 90% of Explaurum; and
- Intentions upon Ramelius acquiring less than 50% of Explaurum.

The Offer does not include any minimum acceptance condition, as such Ramelius' management do not know the extent of ownership they may acquire if they Offer is (partially) accepted. The ability of management to pursue the below summarised intent is uncertain and may be dependent on Explaurum board approval.

Ramelius has not been able to conduct the full due diligence with respect to the Offer. For completeness, we note post the announcement of the Offer, Ramelius was provided a limited period to undertake due diligence in relation to a non-binding revised offer that ultimately did not proceed.

Ramelius note their below summarised intent is based on current Explaurum disclosures and other public information that is known by Ramelius at the time of the Bidder's Statement. Statements concerning their current intent may vary as new information becomes available or circumstances change.

4.4.1 Intention upon Ramelius Acquiring a Relevant Interest in 75% or More of Explaurum Shares

If during, or at the end of, the Offer Period:

- Ramelius has acquired at least 75% of Explaurum shares subject to the Offer, Ramelius will undertake a strategic review of Explaurum and investigate whether it is optimal to implement the development of the Tampia Gold Project on a standalone basis or in conjunction with its own Edna May processing facilities. Ramelius intends to replace all Explaurum board members with its own nominees. Nominees are expected to be drawn from current Ramelius management and directors; or
- Ramelius has a relevant interest in at least 90% of all of Explaurum shares by number, Ramelius will be entitled to, and has indicated that it will, undertake a compulsory acquisition of all outstanding Explaurum shares to acquire Explaurum as a wholly-owned subsidiary and will delist Explaurum from the ASX. It will also implement the same initiatives as for the 75% shareholding.

4.4.2 Intention upon Ramelius Acquiring Control but less than 90% of Explaurum Shares

If Ramelius acquires greater than 50% of Explaurum shares but less than 90%, Explaurum will be considered a part-owned controlled entity of Ramelius. Ramelius would have a controlling interest in Explaurum and intends to actively be involved in influencing the strategic direction of Explaurum. Ramelius will not be entitled to undertake a compulsory acquisition of remaining Explaurum shares.

Under this situation, Ramelius states it intends to:

- Undertake the strategic review and ascertain the potential benefits of developing the Tampia Gold Project on a standalone basis or in conjunction with Edna May processing facilities;
- Investigate the removal of Explaurum from the ASX, and;
  - If Ramelius is entitled to remove Explaurum from the ASX, Ramelius intends to make an additional Offer to remaining shareholders to acquire their interest in Explaurum;
  - If Ramelius is not entitled to remove Explaurum from official listings, Ramelius may still request ASX to remove Explaurum from their listings;
- Pursue the appointment of Ramelius nominees to the majority of Explaurum board; and
- Seek the Explaurum board to implement suggestions from the strategic review.

4.4.3 Intention upon Ramelius Acquiring less than 50% of Explaurum Shares

If Ramelius acquires less than 50% of Explaurum shares, Ramelius' interest in Explaurum will not be considered controlling however Ramelius may be in a position to influence board outcomes.

Under this situation, Ramelius states it intends to:

- Promote the consideration to use Edna May processing facilities for ore mined at the Tampia Gold Project;
- Seek representation on the board of Explaurum; and
- Be an active minority shareholder of Explaurum and influence the strategic direction of Explaurum.

Ramelius states that any further acquisition of Explaurum shares will be dependent upon the acceptance level of the Offer and relevant future considerations. Ramelius states it does not make the commitment to acquire additional shares in the future.

5.0 Background of Explaurum

This section is set out as follows:

- Section 5.1 provides an overview and background information on Explaurum;
- Section 5.2 summarises the key projects of Explaurum;
- Section 5.3 summarises the corporate structure of Explaurum;
- Section 5.4 summarises the equity structure of Explaurum;
- Section 5.5 summarises the share market performance of Explaurum; and
- Section 5.6 summarises the historical financial information of Explaurum.

5.1 Overview of Explaurum

Explaurum is an Australian junior gold exploration company headquartered in Brisbane. Explaurum's principal focus is the Tampia Gold Project in Western Australia and surrounding Emu Hill exploration licences.

The Company has been listed on the ASX exchange since July 2005 and currently trades under the code 'EXU'. The Company has previously traded under codes 'ERN' and 'LOU'.

Table 5.1 summarises Explaurum's reserves and resources.

Table 5.1: Summary of Explaurum's Reserves and Resources

	Tonnes (mt)	Au (g/t)	Au (koz)
Resources			
Inferred	2.0	1.6	90
Indicated	9.8	1.83	580
Total Resources	**11.7**	**1.79**	**675**
Reserves			
Probable	7.2	2.09	485
Total Reserves	**7.2**	**2.09**	**485**

Source: Explaurum FY18 Annual Report

For more information and detail about Explaurum's tenements, refer to the CSA Report attached as Appendix B.

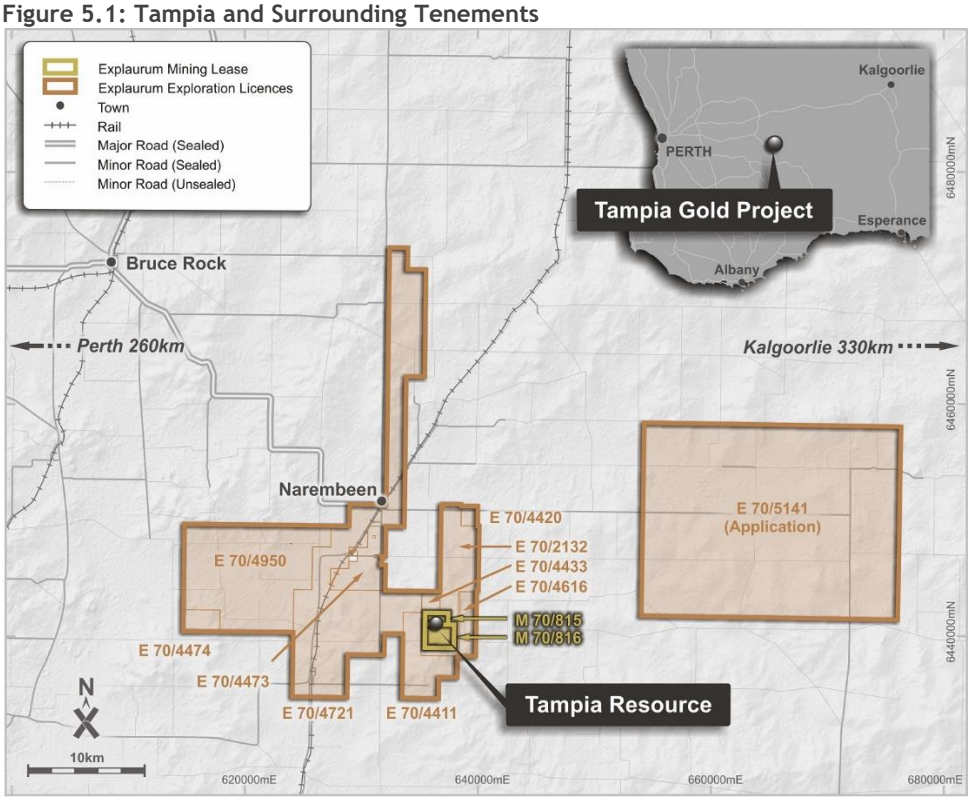
5.2 Tampia

5.2.1 Overview

Tampia is located near Emu Hill and is close to the town of Narembeen in Western Australia. The project is approximately 240km from Perth. The site consists of two mining leases and nine adjacent exploration licences. Explaurum has a 90% interest in both mining leases (M70/815 and M70/816) and a single exploration licence (E70/2132) while all other exploration licences are owned on a 100% basis. The Tampia Gold Project was originally founded in 1987 and Explaurum acquired its ownership interest in 2015.

Figure 5.1 below sets out Explaurum's tenements surrounding Emu Hill.

Figure 5.1: Tampia and Surrounding Tenements



Source: Explaurum Investor Presentation as at 25 September 2018

Since 2015, Explaurum has undertaken various surveying and drilling programs, including soil tests, airborne gravity surveys, Reverse Circulation ('RC') drilling, and diamond drilling.

During FY17, Explaurum carried out an airborne gravity survey and identified three major target locations and 21 additional targets. Explaurum is currently developing Target 1 and the surrounding area as the Tampia Gold Project. Target 8 is additionally under focus and has been labelled Anomaly 8. All other gravity-identified targets are in various stages of early exploration.

5.2.2 Tampia Gold Project

The Tampia Gold Project is Explaurum's most advanced site to date and is currently in pre-development. A feasibly study has been undertaken with results announced on 30 May 2018. The feasibility study reports the Tampia Gold Project as technically sound and a financially robust deposit based on an open-pit mining plan. The initial study concluded that the Tampia Gold Project had a Net Present Value ('NPV') of $125 million (at a pre-tax discount rate of 8%) with a pre-tax Internal Rate of Return ('IRR') of 47%. The study was based on:

- Total resources and reserves of 675koz and 485koz;
- A production target of 535koz;
- Total capital cost of $130.8 million;
- A gold price of $1650/oz
- An exchange rate of 0.75 USD/AUD; and
- An All-In-Sustaining-Cost ('AISC') of $998/oz.

Development of the Tampia Gold Project continues with the expected completion of a BFS in December 2018, mine construction starting in the second quarter of CY19, and first production in the second half of CY20.

5.2.3 Anomaly 8

Anomaly 8 is located approximately 6km north of the Tampia Gold Project, and covers an area approximately five times larger. The site is one of the three key target zones highlighted by the gravity survey during May 2017. The site is in the early scoping stage with initial RC drilling results disclosed in June 2018. Of the 13 RC drill holes undertaken as part of the initial scoping four returned mineralisation of:

- 7m at 1.2g/t from 61m;
- 3m at 3.6g/t from 16m;
- 19m at 0.3g/t from 22m; and
- 2m at 3.1g/t from 92m.

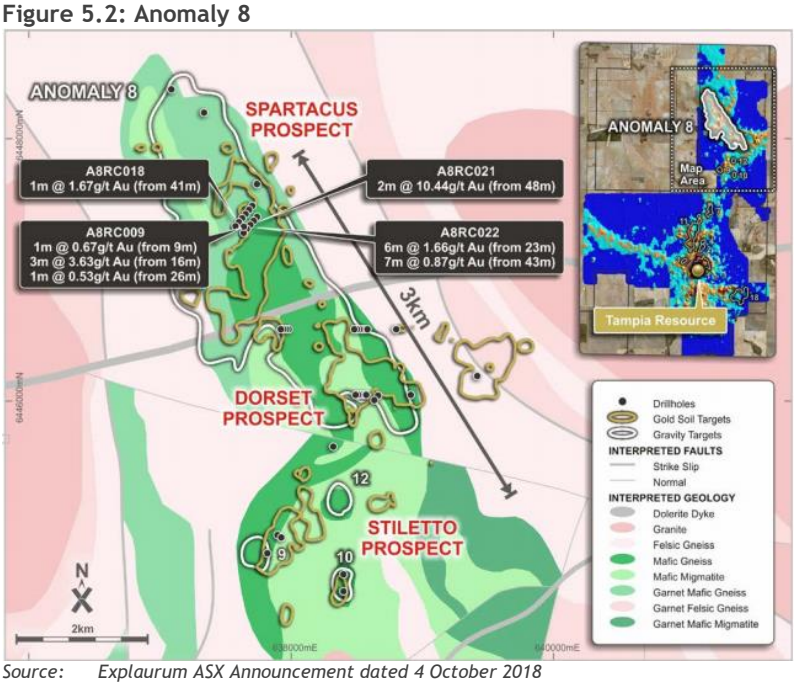
On 4 October 2018, Explaurum announced positive preliminary results from the first program of follow up drilling at Anomaly 8. Explaurum announced that:

- All significant gold intersections in Anomaly 8 are located within similar rock types to those hosting gold mineralisation at the main Tampia Gold Project area; and
- Two creeks that drain the central portion of Anomaly 8 area are both anomalous in gold, similar to the creek that drains the Tampia deposition and hosts the high grade Mace supergene gold zone.

Further exploration is currently underway at the site with 30 additional follow up RC drill holes planned between the Spartacus, Dorset and Stiletto prospects.

Figure 5.2 illustrates Anomaly 8 and summarises the current drilling results at the site.

Figure 5.2: Anomaly 8



Source: Explaurum ASX Announcement dated 4 October 2018

5.2.4 Mace

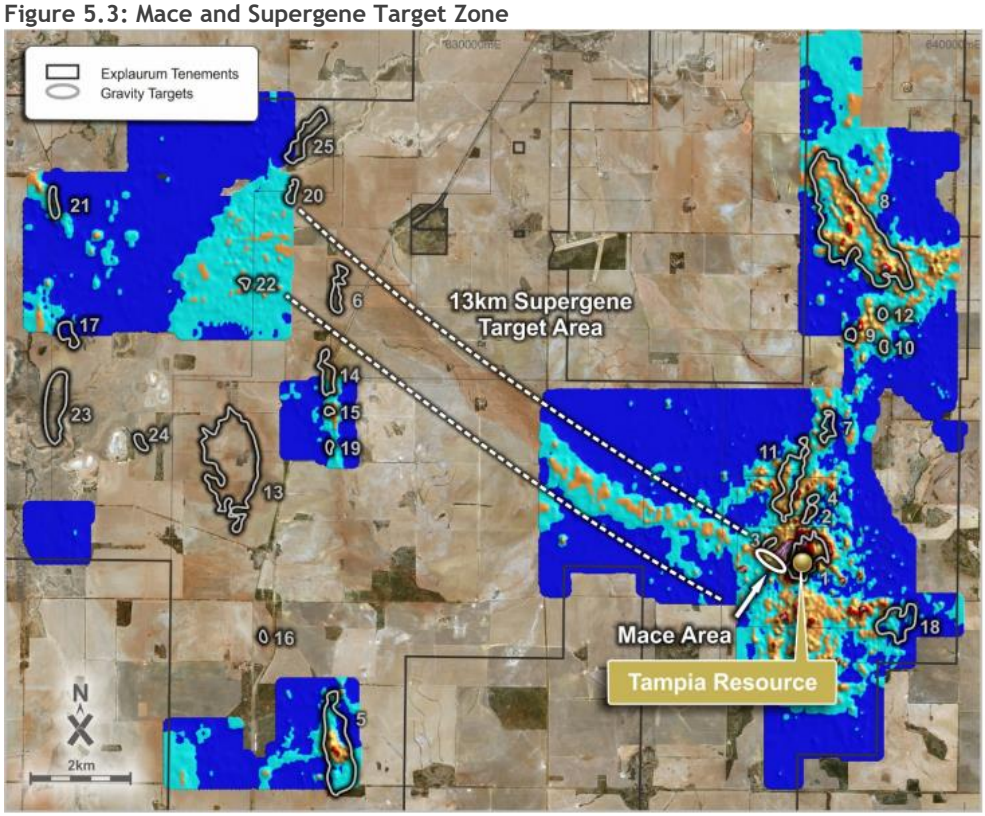
Mace is a targeted area located immediately west of the core Tampia Gold Project. The site is a shallow supergene deposit close to the surface at depths between five to ten metres. Mace follows the start of an old creek bed approximately 1.1km by 40m to 80m wide. The remainder of the creek bed opens to the west for 13km and converges with gravity targets 6, 20 and 22 at its conclusion. The majority of the creek bed remains unexplored with soil sampling during April 2018 confirming the presence of gold in the bed. Mace has been a focus of Explaurum's management since its discovery in FY18.

Due to the shallow nature and high average uncut grade of approximately 5g/t, the Mace deposit is considered highly economical with high metallurgical recoveries and low operating costs.

Further exploration and expansion of the deposit has been prioritised. Further drilling is underway with maiden resource estimates expected in December 2018.

Figure 5.3 illustrates the Mace supergene and future exploration zone.

Figure 5.3: Mace and Supergene Target Zone



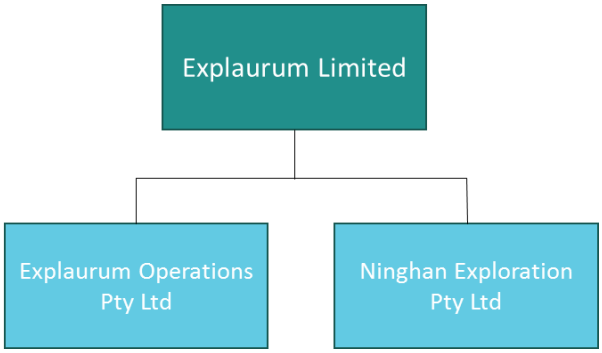
Source: Explaurum Investor Presentation as at 25 September 2018

5.3 Corporate Structure of Explaurum

5.3.1 Corporate Diagram of Explaurum

Figure 5.4 sets out Explaurum's corporate structure.

Figure 5.4: Explaurum Corporate Structure



Source: BDOCF analysis

All subsidiaries in Figure 5.4 are 100% owned by Explaurum, and remain unconsolidated for tax purposes.

Prior to its name change on 10 November 2016, Explaurum Operations Pty Ltd ('Explaurum Operations') was known as Auzex Exploration Limited ('Auzex'). Auzex was acquired through a scheme of arrangement implemented on 21 September 2015 with a consideration of four Explaurum shares per Auzex share. At the time of the arrangement, Auzex held a 90% interest in the Tampia Gold Project with the remainder being held by vendors; Tampiagold Pty Ltd ('Tampiagold') and Goldoro Pty Ltd ('Goldoro'). Auzex also held a 100% interest in three projects within Queensland and New South Wales at the time of the scheme; Kartoum tin-tungsten project, Running Brook copper-gold project, and Kingsgate molybdenum-bismuth-silica project. Two months after the implementation of the scheme on 6 November 2015, Explaurum sold the eastern state projects to Jervois Mining Limited ('Jervois') in exchange for the issue of 11.1 million ordinary shares in Jervois.

Ningham Exploration Pty Ltd ('Ningham') was acquired in June 2013 from the owner, Mr Mark Calderwood. Ninghan was acquired to gain ownership of the Lyons project 230km northwest of Meekatharra in Western Australia. Explaurum relinquished the Lyons Project tenements during November 2015. We understand Ninghan to be a dormant entity as at the date of this Report.

5.3.2 *Tampia Joint Venture Agreement*

The Tampia Gold Project is conducted under a joint venture agreement between Explaurum Operations (90%) and joint venturers, Tampiagold and Goldoro (10%). The principal joint venture assets comprise mining leases M70/815 and M70/816 and the exploration licence E70/2132.

Once a bankable feasibility is completed in relation to the Tampia Gold Project, Explaurum must notify Tampiagold and Goldoro and, provided they have a joint venture interest of at least 10%, they have 60 days from the notice date to convert their 10% joint venture interest into, up to a maximum of 5% of Explaurum's Shares (after issue of the conversion shares) plus a 1% royalty on gross proceeds actually received by Explaurum from the sale of refined gold from Tampia. Refer to Explaurum's clarification of the Tampia Joint Venture Agreement set out in the Eighth Supplementary Target's Statement this Report is attached to.

Based on the information set out in this Report, we have assumed for the purpose of the analysis set out in this Report that 27.5 million shares will be issued when the Joint Venture converts.

5.4 Equity Structure of Explaurum

5.4.1 *Ordinary Shares*

As at 30 November 2018, Explaurum had 481,412,320 ordinary shares on issue. The top 10 Shareholders are set out in Table 5.2.

Table 5.2: Top 10 Shareholders

	Shareholders	Number of Shares	Percentage Holding
1	HSBC Custody Nominees (Australia) Ltd	27,868,820	5.79%
2	West Trade Enterprises Pty Ltd	21,721,329	4.51%
3	Misty Grange Pty Ltd	16,700,000	3.47%
4	Terry Leslie Gallagher	16,490,000	3.43%
5	Keiran James Slee	15,666,670	3.25%
6	Aurora Ventures Pty Limited	10,106,000	2.10%
7	Brian Henry McCubbing & Adriana Maria McCubbing	8,930,000	1.85%
8	Citicorp Nominees Pty Limited	8,745,975	1.82%
9	West Trade Enterprises Pty Ltd (Super Fund)	8,684,247	1.80%
10	Swancave Pty Ltd	8,000,000	1.66%
	Other Shareholders	338,499,279	70.31%
	Total Shares on Issue	**481,412,320**	**100.00%**

Source: Share Register as at 30 November 2018

Ramelius' interest in Explaurum's as at the most recent announcement on 24 October 2018 is 4.96%. Explaurum shares owned by Ramelius are being held in escrow until the implementation of the Offer, and are not reflected in Table 5.2. Prior to the announcement of the Offer, Ramelius did not own any shares in Explaurum.

5.4.2 *Unlisted Securities on Issue*

Explaurum has a total of 41,575,116 unlisted securities on issue as at 3 September 2018. Figure 5.3 summarises Explaurum's unlisted securities.

Table 5.3: Explaurum Unlisted Securities

Unlisted Securities	Expiration Date	Exercise Price	Performance Hurdle (10 Day VWAP)[1]	Number
Options (American)	22-Sep-2019	0.098	-	8,000,000
	10-Nov-20	0.07	-	14,216,421
	17-May-21	0.096	-	358,695
Total Number of Options				**22,575,116**
Performance Rights	10-Nov-20	n/a	0.25	3,800,000
	10-Nov-20	n/a	0.35	3,800,000
	10-Nov-20	n/a	0.45	3,800,000
	16-Mar-21	n/a	0.25	2,533,333
	16-Mar-21	n/a	0.35	2,533,333
	16-Mar-21	n/a	0.45	2,533,334
Total Number of Performance Rights				**19,000,000**
Total Unlisted Securities				**41,575,116**

Source: Appendix 3B dated 3 September 2018

1 All performance rights are based on a 10 day VWAP performance hurdle and are issued to Explaurum Directors and Management in line with the Company's Performance Right Plan.

Performance rights have been issued in regards to Explaurum's Performance Rights Plan, and include change of control vesting conditions. Performance rights will automatically vest in the event that, among other things, Explaurum becomes a subsidiary of another company, or Explaurum sells its main business.

5.4.3 Proposed Alkane Placement

On 29 October 2018, post the announcement of the Offer, Explaurum announced a proposed strategic investment and placement with Alkane Resources Ltd ('Alkane') of $8 million subject to Explaurum shareholder approval ('the Alkane Placement'). A deposit of $800,000 by Alkane has been received by Explaurum.

The Alkane Placement consists of a placement of 66,666,675 ordinary shares and 53,406,594 Explaurum options exercisable on or before 1 November 2019 in two tranches: Tranche 1 options comprise of 18,692,308 Explaurum options exercisable at 13.0 cents per share, with the remaining 34,714,286 Tranche 2 options are exercisable at 14.0 cents per share. Alkane will receive a 12.16%[4] interest in Explaurum's ordinary shares and an 18.67%[5] interest on a fully diluted basis.

Alkane has the right to appoint one Explaurum Director, and the right of first refusal whereby Alkane is to be approached before seeking other parties in relation to any proposed future mezzanine debt capital raises, royalty, or metal streaming over $1 million, provided Alkane's shareholding is not below 12% of Explaurum shares for more than 10 consecutive trading days.

The Alkane Placement shares will be escrowed until the earlier of:

- 30 June 2019;
- a competing takeover bid being made for all or a majority of Explaurum's shares;
- an improved Ramelius takeover offer is announced;
- Ramelius acquires a relevant interest in 50% or more of Explaurum shares; or
- Explaurum reaches an agreement with a third party in relation to the sale of all of its shares or substantially all of its assets.

Funds raised through the placement will be used to fund Explaurum's ongoing exploration, studies and financing arrangements for the Tampia Gold Project as well as general corporate purposes. Exploration efforts will include extensional drilling of Mace, exploration drilling of prospective gravity and gold-in-soil-confirmed targets, and the completion of the Tampia Gold Project BFS.

In addition to funding, Explaurum Directors indicated in the announcement dated 29 October 2018, that they believe the agreement with Alkane will create an important strategic relationship where current Explaurum skills and expertise with be supplemented by the technical, strategic, and financing experience of Alkane.

Explaurum Shareholders will vote on the Alkane Placement at Explaurum's general meeting to be held on 21 December 2018.

For more information and detail about the proposed Alkane Placement, refer to Explaurum's announcement on 29 October 2018, the subsequent Share Subscription Agreement published on ASX, and the Notice of General Meeting dated 31 October 2018.

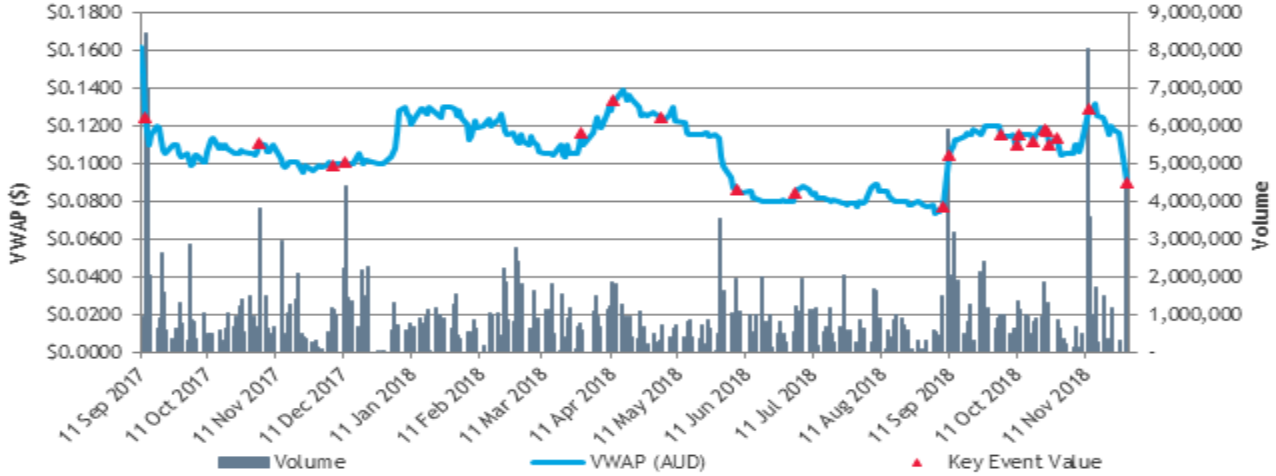
5.5 Share Performance of Explaurum

5.5.1 Share Price Performance

Figure 5.5 displays the daily volume weighted average price ('VWAP') and daily volume of Explaurum shares traded on the ASX over the period 10 September 2017 to 30 November 2018.

4 Based on 66,666,675 ordinary shares issued to Alkane and 481,412,320 Explaurum ordinary shares prior to the placement.
5 Based on 66,666,675 ordinary shares and 53,406,594 options issued to Alkane and 522,987,436 Explaurum total securities prior to the placement.

Figure 5.5: Daily VWAP and Volume of Explaurum Shares Traded from 10 September 2017 to 30 November 2018



Source: Capital IQ as at 30 November 2018

Over the period graphed in Figure 5.6 above, Explaurum's daily VWAP displays a period low of $0.0740 on 4 September 2018 and a period high of $0.1619 on 11 September 2017.

In addition to the share price and volume data of Explaurum shown above, we have also provided additional information in Table 5.4 below to assist readers to understand the possible reasons for the movement in Explaurum's share price over the period analysed. The selected ASX announcement references in Table 5.4 below correspond to those displayed in Figure 5.6.

Table 5.4: Selected Explaurum ASX Announcements from 10 September 2017 to 30 November 2018

Date	Announcement
28 November 2018	Ramelius announces that the company has decided not to proceed with the indicative, non-binding increased take over off for Explaurum of an additional 5 cents per Explaurum ordinary share.
12 November 2018	The Takeovers Panel announces that it declines to conduct proceedings in response to the application received by Ramelius on 25 October 2018. Ramelius announces an indicative, non-binding and incomplete proposal to increase the Offer with an addition 5 cent per Explaurum share, and an extension to the Offer Period to 21 December 2018. Explaurum has granted Ramelius a period of confirmatory due diligence of 10 days. Alkane has confirmed that the company will not trigger the termination of the Subscription Agreement.
29 October 2018	Explaurum announces a proposed strategic investment by Alkane of $8 million for an equity interest of 12.16%, dependent on Shareholders' approval.
25 October 2018	The Take-over Panel announces receipt of an application from Ramelius in regards to Explaurum making misleading statements.
24 October 2018	Explaurum announces Ramelius has increased its shareholding in Explaurum to an interest of 4.96%.
23 October 2018	Explaurum announces strong progress at Tampia.
18 October 2018	Ramelius announces an extension to the Offer Period to 23 November 2018.
12 October 2018	Explaurum releases an initial Target's Statement.
11 October 2018	Explaurum announces Ramelius has become a shareholder in Explaurum with an interest of 3.04%
4 October 2018	Explaurum announces preliminary results of exploration drilling at Anomaly 8 confirming a new mineralised system.
10 September 2018	Ramelius announces an off-market takeover bid to acquire all outstanding ordinary shares of Explaurum. Explaurum announces Take No Action response to Ramelius off-market Offer.
7 September 2018	Explaurum announces recent drilling results at Mace and extension to 1.1km.
3 July 2018	Explaurum announces recent drilling results at Mace and extension to 550m.
7 June 2018	Explaurum announces recent drilling results at Tampia, Mace, and maiden results for Anomaly 8. Explaurum confirms gravity results and presence of mineralisation at Anomaly 8.
3 May 2018	Explaurum releases Tampia Gold Project feasibility study with a pre-tax NPV of $125 million.
12 April 2018	Explaurum announces confirmation of supergene mineralisation and soil sampling west of Tampia.
28 March 2018	Explaurum announces commencement of RC drilling at gravity targets 8 and 18.
12 December 2017	Explaurum announces commencement of a diamond drilling program at Tampia and receipt of a $150,000 payment through a Western Australia Exploration Incentive Scheme.
6 December 2017	Explaurum announces commencement of major drilling campaign of high priority gravity targets around Tampia.
3 November 2017	Explaurum releases positive results from Tampia scoping study. Tampia has been estimated to be a low cost, high margin, and low technical risk project.
13 September 2017	Explaurum announces increase to mineral resource estimates to approximately 700koz.

Source: Explaurum ASX Announcements from 10 September 2017 to 30 November 2018

In Table 5.5 below we have set out Explaurum's VWAP for the 1 week, 1 month, 3 months, 6 months, 9 months and 12 months prior to 10 September 2018, being the date Ramelius publicly announced the Offer.

Table 5.5: Explaurum's VWAP for Specified Periods Prior to 10 September 2018

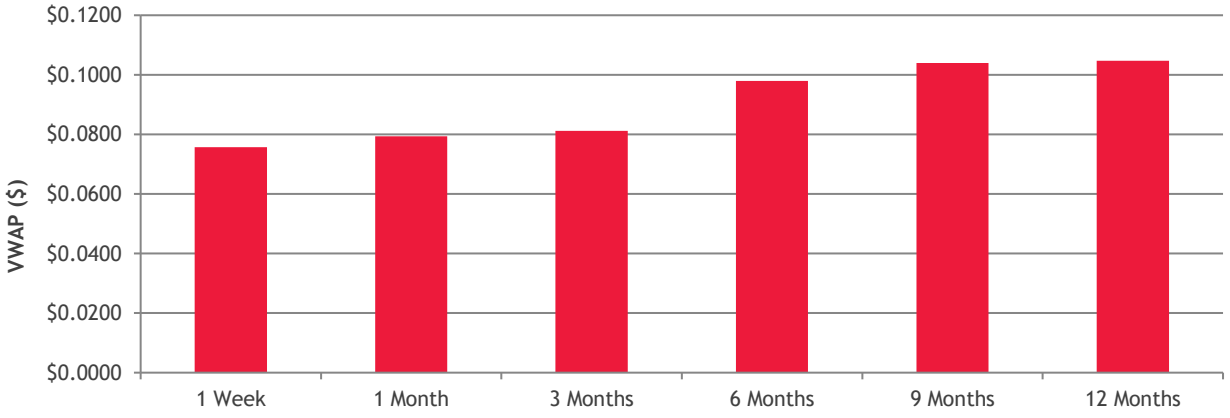
Period before 10 September 2018	VWAP ($)[1]
1 Week	0.0763
1 Month	0.0794
3 Months	0.0821
6 Months	0.0995
9 Months	0.1050
12 Months	0.1064

Source: Capital IQ as at 30 November 2018

1 VWAP data may differ from the data set out in the Bidder's Statement and Target's Statement due to differences in databases used. For the purposes of this Report, the differences are immaterial.

The information presented in Table 5.5 is shown graphically in Figure 5.6 below.

Figure 5.6: Explaurum's VWAP for Specified Periods Prior to 10 September 2018



Source: Capital IQ as 30 November 2018

5.5.2 Share Liquidity

The rate at which equity instruments are traded is generally referred to as the 'liquidity' of the equity instruments. Changes in liquidity may impact the trading price of equity instruments, particularly depending on the number of equity instruments required to be bought and/or sold and the time period over which the equity instrument holder needs to buy and/or sell those equity instruments. Depending on the circumstances, a movement in market price may or may not represent a shift in value of either the equity instruments or a shift in value of the company to which the equity instruments relate as a whole.

Table 5.6 summarises the monthly liquidity of Explaurum shares from 1 September 2017 to 30 November 2018. We have had regard to changes in liquidity due to the announcement of the Offer on 10 September 2018, the announcement of a proposed increase to the Offer by Ramelius on 12 November 2018, and the announcement to not continue with the increased Offer by Ramelius on 28 November 2018. Relevant months have been split in Table 5.6 to capture the effect of these announcements.

Liquidity has been summarised by considering the following:

- Volume of Explaurum share trades per month;
- Value of total trades in Explaurum shares per month;
- Number of Explaurum shares traded per month as a percentage of total Explaurum shares outstanding at the end of the month; and
- Volume weighted average price per month.

Table 5.6: Liquidity of Explaurum shares on the ASX

Month	Volume	Turnover ($)	Shares Outstanding	Volume / Shares Outstanding	VWAP ($)
November 2018 (28th to 30th)	5,349,730	475,260	481,412,320	1.11%	0.0888
November 2018 (12th to 27th)	18,237,430	2,323,000	481,412,320	3.79%	0.1274
November 2018 (to 11th)	1,979,780	214,390	481,412,320	0.41%	0.1083
October 2018	19,192,960	2,181,450	481,412,320	3.99%	0.1137
September 2018 (10th to 30th)	23,891,620	2,674,700	481,412,320	4.96%	0.1120
September 2018 (to 9th)	3,228,090	243,110	481,412,320	0.67%	0.0753
August 2018	13,039,230	1,087,540	473,712,320	2.75%	0.0834
July 2018	17,184,470	1,417,470	473,712,320	3.63%	0.0825
June 2018	17,448,100	1,465,790	473,412,320	3.69%	0.0840
May 2018	13,750,740	1,543,940	472,712,320	2.91%	0.1123
April 2018	18,571,620	2,426,490	472,712,320	3.93%	0.1307
March 2018	17,910,720	1,955,360	472,712,320	3.79%	0.1092
February 2018	18,405,520	2,149,840	415,622,370	4.43%	0.1168
January 2018	16,895,870	2,101,740	393,664,700	4.29%	0.1244
December 2017	21,653,650	2,171,430	393,664,700	5.50%	0.1003
November 2017	20,739,150	2,146,540	393,664,700	5.27%	0.1035
October 2017	17,080,710	1,800,060	393,664,700	4.34%	0.1054
September 2017	40,253,590	5,077,970	392,593,270	10.25%	0.1261
Total	**304,812,980**	**33,456,080**	**444,386,370**	**68.59%**	**0.1098**

Source: Capital IQ as at 30 November 2018

Assuming a weighted average number of 444,386,370 Explaurum shares on issue over the period, approximately 68.59% of the total shares on issue were traded over the period 1 September 2017 to 30 November 2018. On average approximately 4.65% of Explaurum shares were traded each month, for an approximate value of $1.97 million (based on Explaurum's market capitalisation of approximately $42.4 million as at 30 November 2018).In our view, this indicates that Explaurum shares display a relatively moderate level of liquidity.

5.6 Historical Financial Information of Explaurum

This section sets out the historical financial information of Explaurum. As this Report contains only summarised historical financial information, we recommend that any user of this Report read and understand the additional notes and financial information contained in Explaurum's annual reports, including the full statements of profit or loss, statements of financial position and statements of cash flows.

Explaurum's financial statements have been audited by HLB Mann Judd (FY15) and Ernst & Young (FY16, FY17, and FY18). BDOCF has not performed any audit or review of any type on the historical financial information of Explaurum and we make no statement as to the accuracy of the information provided. However, we have no reason to believe that any of the information provided is false or misleading.

5.6.1 Audit Opinion - Uncertainty Related to Going Concern

Ernst & Young state in their audit report in the Company's FY18 annual report that material uncertainty exists in relation to Explaurum's ability to continue as a going concern. Explaurum's ability to continue as a going concern is dependent upon the Company being successful in raising additional capital. Explaurum currently does not generate income to cover the company's ongoing expenses and liabilities. Explaurum's Directors are confident in the ability of the Company to raise additional capital when required.

In relation to Explaurum's ability to continue as a going concern we note, as at 30 June 2018:

- Explaurum generated an operating loss after income tax of $1,931,181;
- Explaurum's cash balance was $3,389,571;
- Explaurum's net outflows from operating and investing activities were $11,064,956 while net inflows from financing activities were $12,099,750; and
- Explaurum expects to complete a BFS by December 2018 for the development of the Tampia Gold Project, which is to be used to source development financing.

Subsequent to 30 June 2018, we note:

- As of 30 September 2018, Explaurum's cash balance is approximately $1,256,000. This represents a cash outlay of approximately $2,133,571 and an approximate 63% reduction in cash reserves since 30 June 2018; and
- As part of the Alkane Placement, Explaurum received a deposit of $800,000 on approximately 29 October 2018 with the balance of approximately $7.2 million to be received two days following successful Shareholder approval, if it is provided. As announced on 31 October 2018, Shareholders are to vote on the Alkane Placement at the general meeting to be held on 21 December 2018.

We recommend that readers of this Report refer to Explaurum's 30 June 2018 annual report for further information on Explaurum' ability to continue operating as a going concern.

5.6.2 Statements of Profit or Loss

Table 5.7 summarises the consolidated statement of profit or loss of Explaurum for the 12 month periods ('FY') ended 30 June 2015, 2016, 2017 and 2018.

Table 5.7: Summarised Explaurum Statements of Profit or Loss

	12 Months Ended 30 Jun 15 Audited ($'000)	12 Months Ended 30 Jun 16 Audited ($'000)	12 Months Ended 30 Jun 17 Audited ($'000)	12 Months Ended 30 Jun 18 Audited ($'000)
Interest Income	5.8	8.3	66.7	58.3
Other Income	13.2	565.8	81.9	-
Total Revenue	**19.0**	**574.1**	**148.5**	**58.3**
Corporate Overheads	(246.2)	(501.1)	(692.0)	(863.8)
Employee Benefits Expense	(92.0)	(342.7)	(365.0)	(420.1)
Exploration Expenditure Written Off	-	(300.7)	-	-
Share Based Payment Expense	-	-	(263.9)	(678.1)
Other Expenses	-	(107.7)	(264.1)	(678.7)
Depreciation and Amortisation	(7.8)	(17.9)	(13.0)	(26.9)
Total Expenses	**(346.0)**	**(1,269.9)**	**(1,334.0)**	**(1,989.5)**
Loss Before Income Tax	**(327.0)**	**(695.8)**	**(1,185.5)**	**(1,931.2)**
Income tax benefit / (expense)	-	-	-	-
Net Loss for the Year	**(327.0)**	**(695.8)**	**(1,185.5)**	**(1,931.2)**

Source: Explaurum FY15, FY16, FY17, FY18 Annual Reports

With reference to Table 5.7 above, we note the following:

- Explaurum to date does not generate revenue from operations;
- Other income refers to gains on disposal of available-for-sale assets, profit on disposal of tenements, and gains on foreign exchange. During FY16 a gain on disposal of tenements of S559,516 was record under other income in relation to the sale of 11.1 million Jervois shares. The sale of the shares resulted in an accounting loss of $51,337 recorded in FY17, and comprised of a $81,863 gain to profit and loss account and a reversal of the available for sale reserves of $133,200;
- Corporate overheads and employee benefit expenses have increased with the increased investment in the Tampia Gold Project as the Company transitions the project into pre-development and prepares for the development in FY19/FY20;
- During FY16, a $295,811 write off of exploration expenditure was incurred as a result of the Company ceasing its interest in the Lyons Project and the relinquishment of the associated tenements;
- Other expenses consist of loss of revaluation of available-for-sale assets, loss on disposal of fixed assets, and loss on foreign exchange. A value of $107,655 was recorded in FY16 in relation to the sale of Jervois shares; and
- For accounting purposes, as of 30 June 2018 Explaurum does not recognise any tax benefits as recoverable (Explaurum does not have a history of taxable profits and does not currently generate revenue from operations).

5.6.3 *Statements of Financial Position*

Table 5.8 summarises Explaurum's statements of financial position as at 30 June 2015, 2016, 2017 and 2018.

Table 5.8: Summarised Explaurum Consolidated Statements of Financial Position

	As at 30 Jun 2015 Audited ($'000)	As at 30 Jun 2016 Audited ($'000)	As at 30 Jun 2017 Audited ($'000)	As at 30 Jun 2018 Audited ($'000)
Current Assets				
Cash and Cash Equivalents	981.1	636.3	2,354.8	3,389.6
Trade and Other Receivables	209.5	103.2	309.6	403.9
Total Current Assets	**1,190.6**	**739.6**	**2,664.4**	**3,793.5**
Non-Current Assets				
Receivables	9.4	-	-	-
Investment in Available-for-Sale Assets	-	599.4	-	-
Plant and Equipment	8.2	7.2	73.3	142.4
Exploration & Evaluation	288.8	4,297.3	10,538.8	20,425.9
Total Non-Current Assets	**306.4**	**4,903.9**	**10,612.1**	**20,568.3**
Total Assets	**1,497.0**	**5,643.5**	**13,276.5**	**24,361.8**
Current Liabilities				
Trade and Other Payables	87.0	297.1	1,307.8	1,508.4
Provision for Employee Benefits	-	29.9	62.6	100.7
Share Applications Received in Advance	886.5	-	-	-
Total Current Liabilities	**973.5**	**326.9**	**1,370.4**	**1,609.1**
Total Liabilities	**973.5**	**326.9**	**1,370.4**	**1,609.1**
Net Assets	**523.5**	**5,316.5**	**11,906.1**	**22,752.7**
Equity				
Issued Capital	15,195.3	20,397.8	28,042.2	40,141.9
Reserves	3,193.8	3,480.1	3,610.9	4,288.9
Accumulated Losses	(17,865.6)	(18,561.5)	(19,747.0)	(21,678.1)
Total Equity	**523.5**	**5,316.5**	**11,906.1**	**22,752.7**

Source: Explaurum FY15, FY16, FY17, FY18 Annual Reports

With reference to Table 5.8 above, we note the following:

- Cash and cash equivalents have steadily increased throughout the period considered due to additional capital raised in preparations for the development of the Tampia Gold Project. As at 30 June 2018, $2 million of cash is recorded as a deposit at call while $1.4 million is on hand;
- Trade and other receivables primarily relate to GST receivables of $250,339, and $304,011 during FY18 and FY17 respectively, with the remainder consisting of accounts receivable;
- Changes in investments in available-for-sale assets relate to the sale of the eastern state projects to Jervois for 11.1 million shares and the subsequent disposal of shares during FY16;
- Exploration and evaluation has increased since FY15 with increased investment and development of the Tampia Gold Project. As of 30 June 2018, all capitalised exploration and evaluation relates to the Tampia Gold Project; and
- Issued capital has increased since FY15 as Explaurum has raised capital to fund to its continued operating losses and ramp up investments in the Tampia Gold Project. Capital of $12,099,750 and $7,644,327 was issued during FY18 and FY17 respectively.

5.6.4 *Statements of Cash Flows*

Table 5.9 summarises Explaurum's statement of cash flows for the 12 month periods ended 30 June 2015, 2016, 2017 and 2018.

Table 5.9: Summarised Explaurum Consolidated Statements of Cash Flows

	12 Months Ended 30 Jun 2015 Audited ($'000)	12 Months Ended 30 Jun 2016 Audited ($'000)	12 Months Ended 30 Jun 2017 Audited ($'000)	12 Months Ended 30 Jun 2018 Audited ($'000)
Cash flows from Operating Activities				
Payments to Suppliers and Employees	(312.4)	(1,084.7)	(1,117.1)	(1,352.0)
Research and Development Refund	-	-	-	101.5
GST Received	-	-	451.2	1,070.8
Interest received	5.8	8.4	63.5	45.5
Net Cash provided by Operating Activities	**(306.6)**	**(1,076.3)**	**(602.4)**	**(134.2)**
Cash Flow from Investing Activities				
Payments for Plant and Equipment	-	-	(79.1)	(96.0)
Payments for Exploration Expenditure	(59.5)	(1,325.8)	(5,792.4)	(10,834.7)
Net Payments for Acquisitions	(200.0)	(576.5)	-	-
Proceeds from Disposal of Available-for-Sale Assets	-	-	548.1	-
Redemption of Short Term Deposits	-	65.0	-	-
Net Cash provided by Investing Activities	**(259.5)**	**(1,837.2)**	**(5,323.5)**	**(10,930.8)**
Cash Flows from Financing Activities				
Proceeds from Issue of Shares and Options	192.0	2,762.0	8,071.7	12,905.0
Issuance Cost	-	(193.3)	(427.3)	(805.3)
Share Applications Received but Not Yet Allotted	886.5	-	-	-
Net Cash provided by Financing Activities	**1,078.5**	**2,568.7**	**7,644.3**	**12,099.8**
Increase/(Decrease) in Cash and Cash Equivalents	**512.5**	**(344.8)**	**1,718.4**	**1,034.8**
Cash at Beginning of Financial Year	455.5	981.1	636.3	2,354.8
Effects of Exchange Rate Fluctuations on Cash Held	13.2	-	-	-
Cash and Cash Equivalents at the End of Financial Year	**981.1**	**636.3**	**2,354.8**	**3,389.6**

Source: Explaurum Annual Report FY15, FY16, FY17, FY18

With reference to Table 5.9 above, we note the following:

- Cash flows from operating activities continue to be negative as Explaurum does not generate revenue. Government rebates and GST refunds help to reduce the deficit;
- Cash outflows from investing activities has increased since FY15 as Explaurum ramps up development of the Tampia Gold Project; and
- Cash outflows from operating and investing activities are offset by increasing inflows from capital raises.

6.0 Background of Ramelius

This section is set out as follows:

- Section 6.1 provides an overview and background information on Ramelius;
- Section 6.2 summarises the key projects of Ramelius;
- Section 6.3 summarises the corporate structure of Ramelius;
- Section 6.4 summarises the equity structure of Ramelius;
- Section 6.5 summarises the share market performance of Ramelius; and
- Section 6.6 summarises the historical financial information of Ramelius.

6.1 Overview of Ramelius

Ramelius is an Australian gold mining company based in Western Australia. Ramelius participates in the exploration, mine development and production of gold mines. The Company was listed on the ASX in March 2003 under the code 'RMS'.

The Company primarily focuses on the production of gold from its three core sites; Mt Magnet, Edna May, and Vivien operations, and expects to produce approximately 200koz of gold during FY19 from these sites[6]. Ramelius holds a number of development projects and exploration sites, located throughout Queensland, New South Wales and South Australia.

Over the last five years, Ramelius has produced over 620koz of gold from a number of different open-pit, and underground operations. During FY18, Ramelius produced 208koz at an AISC of $1,191/oz.

Ramelius is actively pursuing becoming a mid-tier gold producer in the short to medium term.

Table 6.1 summarises Ramelius production between FY15 and FY18.

Table 6.1: Summary of Ramelius Operations

	FY15	FY16	FY17	FY18
Gold Production (koz)	88.0	110.8	125.5	208.1
Average Daily Gold Spot Price (AUD/oz)	1,467	1,602	1,667	1,674
Realised Gold Price (AUD/oz)	1,464	1,596	1,628	1,679
All In Sustaining Cost (AUD/oz)	1,178	1,157	1,169	1,191

Source: Ramelius FY18 Annual Reports

6.2 Key Projects

This section sets out a summary of Ramelius key projects as well as a brief description of Ramelius current development projects and exploration sites.

Figure 6.1 illustrates Ramelius' key projects.

[6] As at 30 October 2018, Ramelius announced a potential revision to FY19 production guidance as a result of Greenfinch approval delays. Prior to this announcement, Ramelius expected FY19 production in excess of 200koz. Ramelius is currently reviewing expected FY19 production, and notes that early indications suggest a decrease of 10koz to the original FY19 production guidance.

Figure 6.1: Ramelius' Key Projects

Source *Ramelius Investor Presentation dated 31 October 2018*

6.2.1 Operations

As of September 2018, Ramelius has three core operating sites; Mt Magnet, Edna May, and Vivien.

Mt Magnet

The Mt Magnet gold project is located adjacent to the town of Mt Magnet and is 500km north-east of Perth, Western Australia. Mt Magnet was acquired under Mt Magnet Gold Pty Ltd by Ramelius in 2010 from Harmony Gold. Operations restarted during late 2011 with a reserve base of 545koz. The Mount Magnet project consists of multiple open pit and underground mines and includes exploration prospects situated on established leases.

Operating sites as part of the Mt Magnet project include:

- Titan (Open Pit);
- Milky Way (Open Pit);
- Water Tank Hill (Underground);
- Stellar and Stellar West (Open Pit); and
- Shannon (Open Pit).

Ramelius is continuing to evaluate resource development and exploration.

The Checkers Gold Mill is a 1.8 Mtpa conventional semi autogenous grinding ('SAG') gold mill. The mill has previously been operated at 2.4 Mtpa and is capable of being reconfigured.

Edna May

The Edna May gold mine, located near Westonia in WA, was acquired on 1 October 2017 from Evolution Mining Ltd. Edna May is an operating single open-pit gold mine and has been in various degrees of production since the early 1900s. Conventional drill and blast, load and haul methods are currently utilised.

The site has documented a production in excess of a million ounces; half of which were produced by Evolution since 2011. Annual production since 2011 has ranged from 66koz to 99koz. Ore production over the last 5 years has ranged between 2 and 3 Mtpa at a head grade of 0.9-1.2 g/t. During FY18, 79.7koz of gold was produced at a grade of 1.19 g/t by Ramelius, while 21.5 koz were mined by Evolution at 0.05g/t, for a total of 90.4koz for the site in FY18.

The Edna May mill is a 2.9 Mtpa conventional Carbon In Leach ('CIL') gold plant consisting of two stage crushing, SAG and Ball mill, gravity circuit and leach. Total recovery is around 93%.

Vivien

Vivien is a high-grade, underground deposit located 15 km west of the town of Leinster in Western Australia. The underground project commenced in May 2015 and reach full production rates during late FY18. Access to current ore deposits have been gained via the historic open Vivien open-pit site. Ore development is still ongoing. Vivien ore is trucked 300km to processing facilities at Mt Magnet where it is blended with ore from both underground and open pit sources. During FY18, Vivien produced 54.7koz of gold at 7.47g/t. FY18 production is in line with Vivien average production of 12.5koz fine gold per quarter with an AISC under AUD $1,100/oz.

Further exploration is ongoing at Vivien with evidence of continued high-grade ore at depth. Ramelius is investigating the potential of an additional underground drill drive to depths of 600m and 100m.

6.2.2 Development Projects

Effort is underway at each core site to extend mine lives. This involves developing tangent deposits and further exploration. The three core current development projects are Milky Way/Stellar/Stellar West, Shannon, and Water Tank Hill/St George, alongside the ongoing acquisition of the Marda Gold Project.

Milky Way/Stellar/Stellar West

The Milky Way-Stellar project area is located at Mt Magnet and combines three sites. The existing 67m deep, Milky Way pit was mined in 1999 to 2000 and produced 33koz at 1.64g/t. Stellar was mined in the early 1990's and produced 20.4koz at 2.98g/t. Stellar West has not been previously mined.

After further exploration, Ramelius announced in September 2016 a new Mineral Resource and Ore Reserve for the project which included 78koz at 1.3 g/t, at a depth of 130m at Milky Way. Initial scoping at Stellar and Stellar West deposits are suggestive of viable open pits. Further resource drilling and modelling, pit optimisation, pit design, and geotechnical investigation are underway. Mining approval was acquired in June 2017. The Cosmos pits are expected to provide the major ore sources over FY19,

Shannon

The Shannon deposit is a potential high grade deposit located at Mt Magnet. Shannon was previously mined as a 60m deep open pit in early 2000s with recorded production of 11.6koz at 2.4g/t.

Since October 2016, Ramelius has completed RC and diamond drilling and have defined a high-grade lode continuing below the existing pit for a further 300m. Drilling returned sample grades in the range of 6.13 g/t and 39.6 g/t. In August 2018, Shannon reserves were announced of 54koz at 5.2g/t and total resources of 115koz between 4.2g/tz and 5.0g/t.

Water Tank Hill/St George

The Water Tank Hill deposit is located at Mt Magnet. The deposit was mined both as an underground shaft and later as an open pit. Water Tank Hill is 300m west of the St George deposit which was mined as an open pit before later underground. Mineralisation remains at the Water Tank Hill deposit with the intent to access it via extensions to St George underground. As at 30 June 2018, total resources of 26koz remain at the deposit.

Marda Gold Project

On 13 September 2018, Ramelius announced the Company's intention to acquire the Marda Gold Project and the signing of a binding Exclusivity and Implementation Deed for the proposed acquisition. The acquisition is ongoing and is to progress through a Deed of Company Arrangement ('DOCA') with current owner, Black Oak Minerals Ltd ('Black Oak') as the company enters voluntary administration. Ramelius is to acquire 100% of Marda through Black Oak for consideration of $13.0 million. A $0.5 million non-refundable deposit has been paid by Ramelius to Black Oak liquidators.

The Marda Gold Project is situated north of Southern Cross in Western Australia, 191km north to northeast of Edna May. Ramelius intends to develop Marda as a strategic satellite ore source for Edna May. Marda has a JORC compliant total resource estimate of 333 koz at 1.96 g/t, and reserves of 151 koz at 2.30 g/t. Black Oak previously completed a feasibility study of the deposit between 2012 and 2013, concluding that on a stand-alone milling basis the oxide deposits were forecast to achieve overall metallurgical recoveries of 95%.

On 1 November 2018, Ramelius announced the company has obtained approval to acquire the Marda Gold Project by Black Oak creditors. Ramelius is currently applying to the Federal Court for the transfer of Black Oak shares.

6.2.3 *Exploration Sites*

Ramelius has a variety of exploration projects in various stages of progress. The company's exploration strategy during FY18 has shifted to focus on brownfield investments around existing processing facilities at Mt Magnet and Edna May. Exploration activities continue in Nevada, USA under Ramelius USA Corporation.

Exploration sites include the:

- Coogee Gold Project;
- Mount Magnet Gold Exploration Project;
- Tanami Joint-Venture Project;
- Kathleen Valley Gold Exploration Project; and
- North and South Yandan Projects.

6.3 Reserves and Resources Statement

Tables 6.2 and 6.3 summarise Ramelius' mineral resource and reserves statement.

Table 6.2: Summary of Ramelius Resource Statement

Project[1]	Measured			Indicated			Inferred			Total Resource		
	Tonnes (kt)	Au (g/t)	Au (koz)	Tonnes (kt)	Au (g/t)	Au (koz)	Tonnes (kt)	Au (g/t)	Au (koz)	Tonnes (kt)	Au (g/t)	Au (koz)
Mt Magnet	1,370	2.4	106	20,264	2.0	1,312	14,032	1.8	832	35,666	2.0	2,250
Vivien	477	6.4	97	80	6.0	16	117	3.7	14	674	5.9	127
Edna May	2,758	0.6	53	23,600	1.0	751	6,800	0.9	196	33,158	0.9	37
Kathleen Valley	-	-	-	222	3.4	24	523	2.5	42	745	2.8	66
Coogee	-	-	-	31	3.6	4	65	3.3	7	96	3.4	11
Western Queen	-	-	-	104	3.6	12	81	3.4	9	185	3.5	21
Total Resources	**4,605**	**1.7**	**256**	**43,944**	**1.5**	**2,119**	**20,949**	**1.6**	**1,100**	**69,498**	**1.5**	**3,476**

Source: Resources and Reserves Statement as at 30 June 2018

1 Excludes increases in resources from Ramelius ongoing acquisition of the Marda Gold Project announced on 13 September 2018 and approved by administrator on 1 November 2018. The Marda Gold Project has JORC compliant total resource estimate of 333 koz.

Table 6.3: Summary of Ramelius Reserve statement

Project[1]	Proven			Probable			Total Reserves		
	Tonnes (kt)	Au (g/t)	Au (koz)	Tonne (kt)	Au (g/t)	Au (koz)	Tonne (kt)	Au (g/t)	Au (koz)
Mt Magnet	383	0.9	11	7,086	1.8	410	7,470	1.8	421
Vivien	331	6.7	71	38	4.8	6	370	6.5	77
Edna May	3,398	0.7	75	2,111	1.8	125	5,509	1.1	200
Total Reserves	**4,112**	**1.2**	**157**	**9,235**	**1.8**	**541**	**13,349**	**1.6**	**698**

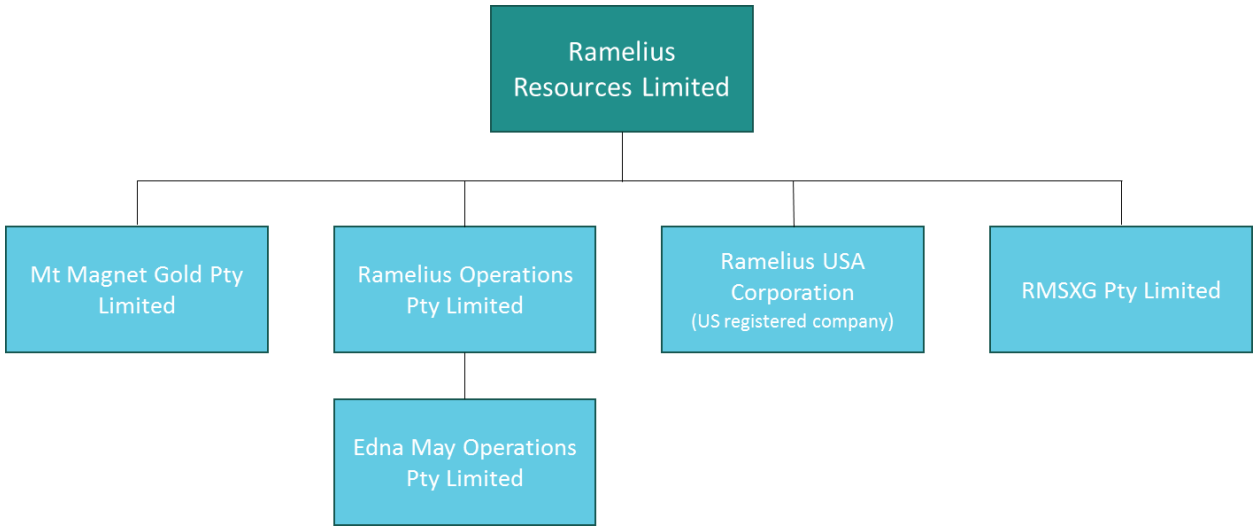
Source: Resources and Reserves Statement as at 30 June 2018

1 Excludes increases in resources from Ramelius ongoing acquisition of the Marda Gold Project announced on 13 September 2018 and approved by administrator on 1 November 2018. The Marda Gold Project has JORC compliant reserves estimate of 151 koz.

6.4 Corporate Structure of Ramelius

Figure 6.2 illustrates Ramelius' corporate structure.

Figure 6.2: Ramelius Corporate Structure



Source: Ramelius Bidder's Statement

All entities in Figure 6.2 are 100% owned by Ramelius. Ramelius Operations Pty Limited and Ramelius USA Corporation were incorporated during FY18.

In addition to the above, Ramelius has two active joint ventures. Ramelius owns 85% in a farm-in joint exploration project, Tanami, in the Northern Territory with Tychean Resources Limited.

As part of Ramelius' exploration efforts in Nevada, USA, Ramelius has two farm-in and joint exploration agreements at South Monitor and Jupiter with Newmont Mining Corp and Renaissance Gold Inc/Kinetic Gold respectively. Ramelius currently owns no interest in the Jupiter project with the right to earn up to 75% by spending USD3 million over 5 years.

During FY18, Ramelius had decided to withdraw from the South Monitor farm-in agreement with Newmont. Prior to this decision, Ramelius had the right to earn up to an 80% interest in South Monitor Gold Project by spending USD8 million over 8 years. As at 30 June 2017, Ramelius recognised a 51% interest in the project prior to the decision to withdraw in FY18.

6.5 Equity Structure of Ramelius

6.5.1 Ordinary Shares

As at 30 November 2018, Ramelius had 528,594,350 ordinary shares on issue. The top 10 Shareholders are set out in Table 6.4. Table 6.4 does not consider the impact of any changes in shareholding as a result of the Offer.

Table 6.4: Top 10 Shareholders

	Shareholders	Number of Shares	Percentage Holding
1	Ruffer LLP	54,131,259	10.24%
2	Van Eck Associates Corporation	36,614,638	6.93%
3	Dimensional Fund Advisors L.P.	13,133,892	2.48%
4	USAA Investment Management Company	12,500,000	2.36%
5	Stramig Holdings Pty Ltd	9,506,076	1.80%
6	Capital Idea GmbH	5,850,000	1.11%
7	Patersons Asset Management Limited	4,250,000	0.80%
8	Samarang Asset Management S.A.	4,000,000	0.76%
9	Zeptner, Mark William	3,012,500	0.57%
10	Matoricz, Gabor	2,393,000	0.45%
	Other Shareholders	383,202,985	72.49%
	Total Shares on Issue	**528,594,350**	**100.00%**

Source: Capital IQ as at 30 November 2018

6.5.2 Unlisted Securities on Issue

Ramelius has a total of 12,261,551 unlisted securities on issue as at 19 October 2018, as illustrated in Table 6.4. Approximately two-thirds of these securities have vested and are to be issued. All options and 500,000 yet to vest performance rights relate to employee performance incentives for Ramelius Managing Director, Mark Zeptner. All performance rights are based on service vesting conditions as well as the achievement of total shareholder returns relative to a benchmark of comparable Australian gold mining companies.

Table 6.5: Ramelius Unlisted Securities

Unlisted Securities	Expiration Date	Service Period	Exercise Price	Number
Options	11 June 19	11 June 2017	0.20	1,500,000
	11 June 20	11 June 2018	0.20	1,500,000
Total Options				**3,000,000**
Performance Rights	1 July 24	-	-	701,688
	1 July 25	-	-	630,090
	11 June 26	11 June 2019	n/a	500,000
	1 July 26	1 July 2019	n/a	858,442
	1 July 27	1 July 2020	n/a	3,982,333
	1 July 28	1 July 2021	n/a	2,503,656
	1 July 2028	1 July 2021	n/a	3,825,125
Total Performance Rights				**13,001,334**
Total Unlisted Securities				**16, 001,334**

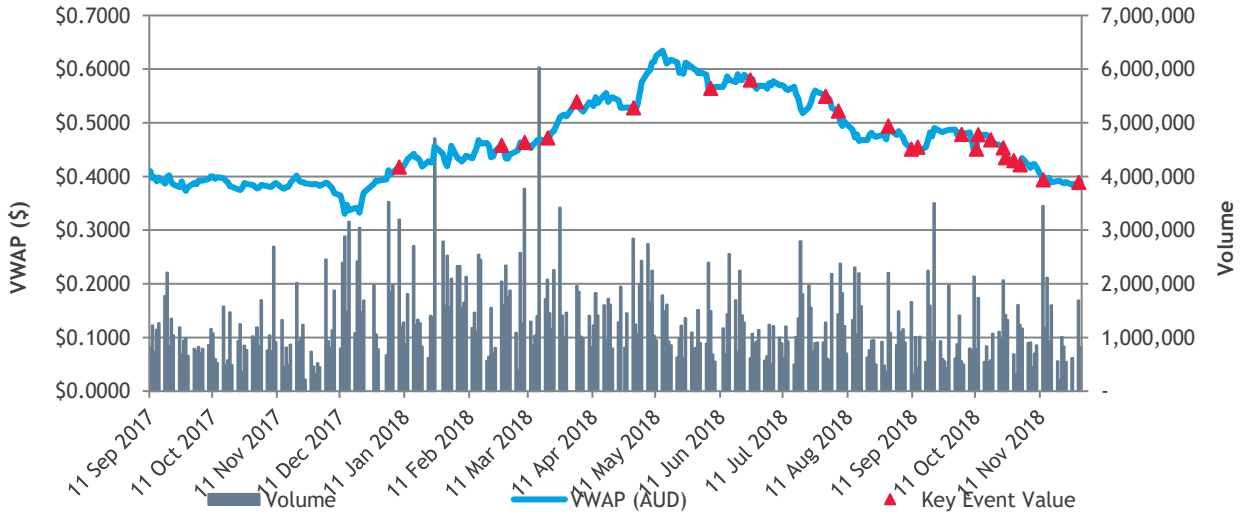
Source: Appendix 3B dated 30 November 2018

6.6 Share Performance of Ramelius

6.6.1 Share Price Performance

Figure 6.4 displays the daily VWAP and daily volume of Ramelius shares traded on the ASX over the period 10 September 2017 to 30 November 2018.

Figure 6.3: Daily VWAP and Volume of Ramelius Shares Traded from 10 September 2017 to 30 November 2018



Source: Capital IQ as at 30 November 2018

Over the period graphed in Figure 6.3 above, Ramelius' daily VWAP displays a period low of $0.3304 on 13 December 2017 and a period high of $0.6345 on 14 May 2018.

In addition to the share price and volume data of Ramelius shown above, we have also provided additional information in Table 6.6 to assist readers to understand the possible reasons for the movement in Ramelius' share price over the period analysed. The selected ASX announcement references in Table 6.6 correspond to the period displayed in Figure 6.3 above.

Table 6.6: Selected Ramelius ASX Announcements from 10 September 2017 to 30 November 2018

Date	Announcement
29 November 2018	Ramelius announces a new dividend policy with a minimum dividend of $0.01 per share per annum.
28 November 2018	Ramelius announces that the company has decided not to proceed with the indicative, non-binding increased take over off for Explaurum of an additional 5 cents per Explaurum ordinary share.
12 November 2018	The Takeovers Panel announces it declines to conduct proceedings in response to the application received by Ramelius on 25 October 2018. Ramelius announces an indicative, non-binding and incomplete proposal to increase the Offer with an addition 5 cent per Explaurum share, and an extension to the Offer Period to 21 December 2018. Explaurum has granted Ramelius a period of confirmatory due diligence of 10 days. Alkane has confirmed that the company will not trigger the termination of the Subscription Agreement.
31 October 2018	Ramelius announces potential revision to FY19 production guidance of 10koz as a result of Greenfinch approval delays.
29 November 2018	Explaurum announces a proposed strategic investment by Alkane of $8 million for an equity interest of 12.16% dependent on Shareholders' approval.
1 November 2018	Ramelius announces the company has obtained approval from Black Oak Minerals' creditors to acquire the Marda Gold Project.
25 October 2018	The Take-over Panel announces receipt of an application from Ramelius in regards to Explaurum making misleading statements.
24 October 2018	Explaurum announces Ramelius has increased shareholdings in Explaurum to an interest of 4.96%.
18 October 2018	Ramelius announces an extension to the Offer Period to 23 November 2018.
12 October 2018	Explaurum releases the Target's Statement.
11 October 2018	Explaurum announces Ramelius has become a shareholder in Explaurum with an interest of 3.04%
4 October 2018	Explaurum announces preliminary results of exploration drilling at Anomaly 8 confirming new mineralised system.
13 September 2018	Ramelius announces the acquisition of Marda Gold Project from the liquidation sale of Black Oak Minerals Ltd for $13 million.
10 September 2018	Ramelius announces an off-market takeover bid to acquire all outstanding ordinary shares of Explaurum. Explaurum announces Take No Action response to Ramelius off-market Offer.
30 August 2018	Ramelius releases 2018 annual report and announces 74% increase in profits from record production of 208koz.
6 August 2018	Ramelius announces increases in Mt Magnet mineral resource estimates from maiden estimates from Eridanus, and increases in reserve and resource estimates of Shannon, and Hill 60.
25 June 2018	Monax Mining Limited announces it has withdrawn from the Western queen earn-in and joint venture agreement with Ramelius due to recent drilling results.
6 June 2018	Ramelius announces increases in Edna May mineral resource estimates by 12% to 794koz.
30 April 2018	Ramelius releases March 2018 Quarterly Report and an increase in FY18 production guidance from between 200koz and 210koz to 205koz to 215koz at an AISC between$1,175/oz to $1,225/oz.
3 April 2018	Ramelius announces appointment of interim non-executive chairman Mr Kevin Lines.
20 March 2018	Ramelius announces the passing of sitting chairman Mr Robert Kennedy.
9 March 2018	Ramelius announces recent results from resource development and exploration at Mt Magnet and Edna May.
26 February 2018	Ramelius announces record production of 91koz in first half of FY18 at an AISC of $1,169/oz.

Source: Ramelius ASX Announcements from 10 September 2017 to 30 November 2018

In Table 6.7 below we have set out Ramelius' VWAP for the 1 week, 1 month, 3 months, 6 months, 9 months and 12 months prior to 10 September 2018, being the date Ramelius publicly announced the Offer, and 30 November 2018.

Table 6.7: Ramelius' VWAP for Specified Periods Prior to 10 September 2018 and 30 November 2018

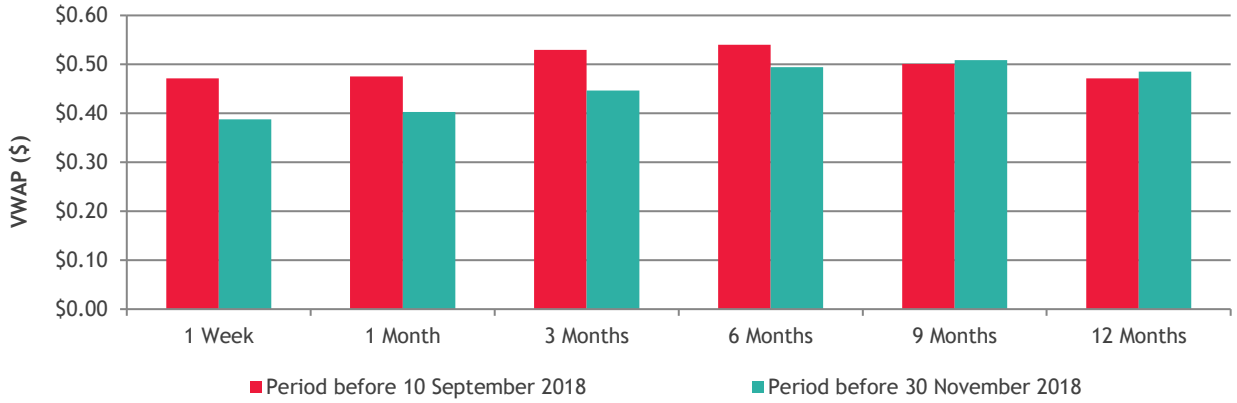
Period before 9 September 2018	VWAP ($)[1]	Period before 30 November 2018	VWAP ($)[1]
1 Week	0.4762	1 Week	0.3877
1 Month	0.4777	1 Month	0.4010
3 Months	0.5295	3 Months	0.4456
6 Months	0.5370	6 Months	0.4949
9 Months	0.4906	9 Months	0.5094
12 Months	0.4711	12 Months	0.4794

Source: Capital IQ as at 30 November 2018

1 VWAP data may differ from the data set out in the Bidder's Statement and Target's Statement due to differences in databases used. For the purposes of this Report, the differences are immaterial

The information presented in Table 6.7 is shown graphically in Figure 6.4 below.

Figure 6.4: Ramelius' VWAP for Specified Periods Prior to 10 September 2018 and 30 November 2018



Source: Capital IQ as at 30 November 2018

6.6.2 *Share Liquidity*

We have provided general commentary on share liquidity in Section 5.5.2.

Table 6.8 summarises the monthly liquidity of Ramelius shares from 1 September 2017 to 21 November 2018. We have had regard to changes in liquidity due to the announcement of the Offer on 10 September 2018, and the announcement of a proposed increase to the Offer by Ramelius on 12 November 2018, and the announcement to not continue with the increased Offer by Ramelius on 28 November 2018. Relevant months have been split in Table 6.8 to capture the effect of these announcements.

Liquidity has been summarised by considering the following:

- Volume of Ramelius share trades per month;
- Value of total trades in Ramelius shares per month;
- Number of Ramelius shares traded per month as a percentage of total Ramelius shares outstanding at the end of the month; and
- Volume weighted average price per month.

Table 6.8: Liquidity of Ramelius shares on the ASX

Month	Volume	Turnover ($)	Shares Outstanding	Volume per Shares Outstanding	VWAP ($)
November 2018 (28th to 30th)	2,505,180	964,490	528,594,350	0.47%	0.3850
November 2018 (12th to 27th)	13,006,460	5,072,970	528,594,350	2.46%	0.3900
November 2018 (to 11th)	4,647,540	1,985,250	528,566,130	0.88%	0.4272
October 2018	23,228,810	10,602,560	528,566,130	4.39%	0.4564
September 2018 (10th to 30th)	17,718,760	8,423,870	528,516,810	3.35%	0.4754
September 2018 (to 9th)	5,504,580	2,628,330	528,509,010	1.04%	0.4775
August 2018	28,218,460	13,841,980	528,509,010	5.34%	0.4905
July 2018	24,528,240	13,542,410	528,509,010	4.64%	0.5521
June 2018	24,732,830	14,260,430	528,059,010	4.68%	0.5766
May 2018	31,022,670	18,560,940	527,009,010	5.89%	0.5983
April 2018	27,494,870	14,721,510	527,009,010	5.22%	0.5354
March 2018	39,283,500	18,574,160	527,009,010	7.45%	0.4728
February 2018	32,659,360	14,607,870	527,009,010	6.20%	0.4473
January 2018	38,743,010	16,603,140	527,006,780	7.35%	0.4285
December 2017	31,877,700	11,401,620	526,962,230	6.05%	0.3577
November 2017	21,223,690	8,183,520	526,939,990	4.03%	0.3856
October 2017	18,841,350	7,308,520	526,962,230	3.58%	0.3879
September 2017	24,392,720	9,702,470	526,939,990	4.63%	0.3978
Total	**409,629,730**	**190,986,040**	**527,566,470**	**77.65%**	**0.4662**

Source: Capital IQ as at 30 November 2018

Assuming a weighted average number of 527,566,470 Ramelius shares on issue over the period, approximately 77.65% of the total shares on issue were traded over the period 1 September 2017 to 30 November 2018. On average approximately 5.20% of Ramelius shares were traded each month, for an approximate value of $10.58 million (based on Ramelius' market capitalisation of approximately $203.51 million as at 30 November 2018). In our view, this indicates that Ramelius shares display a relatively moderate to high level of liquidity.

6.7 Historical Financial Information of Ramelius

This section sets out the historical financial information of Ramelius. As this Report contains only summarised historical financial information, we recommend that any user of this Report read and understand the additional notes and financial information contained in Ramelius' annual reports, including the full statements of profit or loss and other comprehensive income, statements of financial position and statements of cash flows.

Ramelius' financial statements have been audited by Grant Thornton. BDOCF has not performed any audit or review of any type on the historical financial information of Ramelius and we make no statement as to the accuracy of the information provided. However, we have no reason to believe that any of the information provided is false or misleading.

6.7.1 Statements of Profit or Loss

Table 6.9 summarises the consolidated statement of profit or loss of Ramelius for the 12 month periods ended 30 June 2015, 2016, 2017 and 2018.

Table 6.9: Summarised Ramelius Statements of Profit or Loss

	12 Months Ended 30 Jun 2015 Audited ($'000)	12 Months Ended 30 Jun 2016 Audited ($'000)	12 Months Ended 30 Jun 2017 Audited ($'000)	12 Months Ended 30 Jun 2018 Audited ($'000)
Sales Revenue	131,885	173,744	197,358	341,784
Cost of Production	(106,918)	(140,839)	(168,615)	(281,684)
Gross Profit (Loss)	24,967	32,905	28,743	59,920
Other Expenses	(4,920)	(7,303)	(5,946)	(13,712)
Other Income	1,348	7	1,790	40
Operating Profit (Loss) Before Interest Income and Finance Cost	**21,395**	**25,609**	**24,587**	**46,248**
Interest Income	552	568	1,154	1,021
Finance Costs	(1,410)	(864)	(681)	(1,770)
Profit (Loss) Before Income Tax	**20,537**	**25,343**	**25,060**	**45,499**
Income Tax Benefit (Expense)	(4,469)	2,422	(7,418)	(14,739)
Profit for the Year from Continuing Operations	**16,068**	**27,765**	**17,642**	**30,760**
Profit (Loss) for the Year from Discontinued Operations		(225)	33	-
Profit (Loss)	**16,068**	**27,540**	**17,675**	**30,760**

Source: Ramelius FY15, FY16, FY17, FY18 Annual Reports

With reference to Table 6.9 above, we note the following:

- Revenue growth between FY15 and FY18 was primarily driven by a 140% increase in gold production over the four years. Other factors effecting Ramelius' growth in revenue include:
  - During this period, gold prices have been bounded within $1,500/oz to $1,700/oz (refer to Figure 7.1). the USD/AUD exchange rate has ranged between 0.70 USD/AUD and 0.80 USD/AUD post the decline from 0.94 USD/AUD during early FY15;
  - Ramelius has achieved an average gold sale price in line with the average daily spot price for each financial year (refer Table 6.1);
  - Growth in production has been driven through Ramelius' managements active acquisition strategy. During FY15, Ramelius had a single operational mine, Mt Magnet. Mt Magnet remains core to Ramelius operations with a considerable portion of production derived from the site each year. The acquisition of Vivien and Kathleen sites during FY15 and subsequent ramp up in production during FY16 have added to the increase in production;
- Cost of production includes amortisation and depreciation, employee benefits expense, inventory movements, inventory write-downs, royalty costs and mining and milling production costs. AISC have remained between $1,157/oz to $1,191/oz. The cost of production is primarily driven by mining and milling production costs, and depreciation and amortisation;

- Mining and milling production costs have increased from $56.8 million, $83.9 million, $92.8 million, to $160.3 million in FY15, FY16, FY17, and FY18 respectively. Mining and milling production costs have increased with the increase in production and the addition of operating sites;
- Depreciation and amortisation $24.7 million, $49.9 million, $60.0 million, and $80.6 million in FY15, FY16, FY17, and FY18 respectively;

- An income tax benefit has been recorded in FY16 of $2.4 million derived from the recognition of a $10.2 million loss not previously recognised in FY14. During FY14, a profit before tax of negative $102.6 million was recorded including a write down of $12.6 million of inventory and impairment of $59.8 million of capitalised exploration and evaluation assets. FY14 coincided with the decline in the Western Australia mining boom and decline from peak gold prices; and
- Throughout FY15 to FY17 profit before tax has been relatively stable and growing between $20 million to $25 million. FY18 recorded a $20 million increase to profit before tax to $45.5 million which coincided with the Edna May acquisition.

6.7.2 Statements of Financial Position

Table 6.10 summarises Ramelius' statements of financial position as at 30 June 2015, 2016, 2017 and 2018.

Table 6.10: Summarised Ramelius Consolidated Statements of Financial Position

	As at 30 Jun 2015 Audited ($'000)	As at 30 Jun 2016 Audited ($'000)	As at 30 Jun 2017 Audited ($'000)	As at 30 Jun 2018 Audited ($'000)
Current Assets				
Cash and Cash Equivalents	32,425	44,272	78,567	75,028
Trade and Other Receivables	3,893	1,836	1,914	3,358
Inventories	8,403	18,947	29,231	58,086
Derivative Financial Instruments	1,078	-	-	-
Other Current Assets	744	868	891	1,439
Assets and Disposal Group Classified as Held for Sale	-	3,225	-	-
Total Current Assets	**46,543**	**69,148**	**110,603**	**137,911**
Non-Current Assets				
Other Receivables	-	-	1,286	1,371
Other Assets	-	526	412	412
Available-for-Sale Financial Assets	293	132	292	126
Property, Plant and Equipment	25,883	20,539	19,239	51,122
Development Assets	46,607	60,634	53,455	84,728
Intangible Assets	191	73	-	-
Exploration and Evaluation Expenditure	7,734	7,784	19,101	19,317
Derivative Financial Instruments	103	-	-	-
Deferred Tax Assets	29,799	35,410	30,944	26,947
Total Non-Current Assets	**110,610**	**125,098**	**124,729**	**184,023**
Total Assets	**157,153**	**194,246**	**235,332**	**321,934**
Current Liabilities				
Trade and Other Payables	17,515	22,255	22,398	31,796
Borrowings	1,062	-	-	-
Provisions	2,074	3,392	2,714	6,075
Liabilities included in Disposal Group Held for Sale	-	2,070	-	-
Total Current Liabilities	**20,651**	**27,717**	**25,112**	**37,871**
Non-Current Liabilities				
Long-term Provisions	24,552	22,336	21,429	43,169
Deferred Tax Liabilities	12,476	16,605	18,989	26,030

	As at 30 Jun 2015 Audited ($'000)	As at 30 Jun 2016 Audited ($'000)	As at 30 Jun 2017 Audited ($'000)	As at 30 Jun 2018 Audited ($'000)
Contingent Consideration	-	-	-	12,892
Total Non-Current Liabilities	**37,198**	**38,941**	**40,418**	**82,091**
Total Liabilities	**57,849**	**66,658**	**65,530**	**119,962**
Net Assets	**99,304**	**127,588**	**169,802**	**201,972**
Equity				
Common Stock - Par Value	124,251	125,080	149,122	149,568
Reserves	3,086	423	920	1,884
Retained Profit/loss	(28,033)	-	19,760	50,520
Total Stockholder's Equity	**99,304**	**127,588**	**169,802**	**201,972**

Source: Ramelius FY15, FY16, FY17, FY18 Annual Reports

With reference to Table 6.10 above, we note the following:

- Cash and cash equivalents have increased over the period considered. The increases in cash balance has primarily been driven from Ramelius' operations. Cash has been used throughout this period to pay for acquisitions such as the Edna May operating site, various exploration and development projects, and has continued to be invested in exploration and development efforts;
- Inventories have increased significantly over the period considered by approximately 600% while production has increased by approximately a third of the amount. Average inventory days have increased from 42.3 days in FY15 to 56.6 days in FY18. Inventories refer to ore stockpiles, gold in circuit, gold bullion and nuggets, and consumables and supplies. Additional growth in inventories has been primarily driven by the backlog of gold bullion and nuggets during FY17 and FY18. Gold bullion and nuggets as at 30 June 2018 are $17.1 million, compared to negligible reserves in earlier periods. Excluding the backlog, inventories have risen broadly in line with increases in production;
- Non-current other receivables in FY17 and FY18 refer to deferred considerations of the sale of Ramelius Milling Services Pty Limited to Maximus Resources Limited;
- Property, plant and equipment has increased throughout the period considered through ongoing development of sites and acquisitions. During FY18, $35.7 million was added through the acquisition of Edna May;
- Development assets and capitalised exploration and evaluation expenditure has approximately doubled in the periods considered and coincides with ongoing investments and acquisitions;
- A contingent consideration is recorded in FY18 as part of Ramelius acquisition of Edna May;
- Ramelius has no interest-bearing debt following repayments made during FY16; and
- Net assets and shareholders' equity has doubled between FY15 and FY18. A third of this increase is due to additional capital raised while the remaining two-thirds relates to increases in retained profits.

6.7.3 *Statements of Cash Flows*

Table 6.11 summarises Ramelius' statement of cash flows for the 12 month periods ended 30 June 2015, 2016, 2017 and 2018.

Table 6.11: Summarised Ramelius Consolidated Statements of Cash Flows

	12 Months Ended 30 Jun 2015 Audited ($'000)	12 Months Ended 30 Jun 2016 Audited ($'000)	12 Months Ended 30 Jun 2017 Audited ($'000)	12 Months Ended 30 Jun 2018 Audited ($'000)
Cash flow from Operating Activities				
Receipts from Operations	112,602	176,288	197,589	337,160
Payments to Suppliers and Employees	(76,214)	(111,027)	(115,160)	(219,185)
Interest Received	559	531	1,189	946
Finance Costs	(853)	(116)	(280)	(10)
Net Cash Provided (Used in) by Discontinued Operations	(318)	(160)	92	-
Net Cash Provided by Operating Activities	**45,776**	**65,516**	**83,430**	**118,911**
Cash Flow from Investing Activities				
Payments for Derivatives	(141)	(186)	(80)	(30)
Payments for PP&E	(1,581)	(5,152)	(4,850)	(4,757)
Payments for Development	(20,246)	(43,104)	(52,407)	(65,628)
Proceeds from Sale of PP&E	41	1	5	-
Proceeds from Sale of Subsidiary	-	-	527	60
Payments for Acquisition of Subsidiary, Net of Cash Acquired	-	-	-	(38,350)
Payments for Available-for-Sale Financial Assets	(26)	-	(15)	(17)
Proceeds from Sale of Available-for-Sale Financial Assets	-	-	-	200
Payments for Mining Tenements and Exploration	(7,879)	(4,795)	(14,840)	(13,620)
Payments for Site Rehabilitation and Demobilisation	(40)	(203)	(946)	(754)
Net Cash provided by Investing Activities	**(29,872)**	**(53,439)**	**(72,606)**	**(122,896)**
Cash Flow from Financing Activities				
Repayments of Borrowings	(1,275)	(1,062)	-	-
Proceeds from the Issue of Shares	5,700	832	25,373	448
Transaction Costs from Issue of Shares	(343)	(4)	(1,902)	(2)
Net Cash provided by Financing Activities	**4,082**	**(234)**	**23,471**	**446**
Increase/(Decrease) in Cash and Cash Equivalents	**19,986**	**11,843**	**34,295**	**(3,539)**
Cash at Beginning of Financial Year	12,433	32,425	44,272	78,567
Cash and Cash Equivalents at the End of Financial Year	**32,425**	**44,272**	**78,567**	**75,028**

Source: Ramelius Annual Report FY15, FY16, FY17, FY18

With reference to Table 6.11 above, we note the following:

- Receipts from operations and payments to suppliers and employees have increased approximately 300% due to the ramp up of operations, increased number of operating mines, and the more than doubling of production;
- Net cash flows from operations have increased 260% in line with receipts from production growing significantly faster than payments to suppliers and employees;
- Significant investments have been made into the development of assets and exploration. In line with Ramelius' ramp up of operations, investments into development exceed that of exploration by approximately 500% during FY18; and
- Net cash flow from investing activities are matched by net cash flows from operating activities. Minimal financing activities have been required with no debt being issued during the four years and only approximately $30 million in equity.

7.0 Industry Overview

This section sets out a summary of the gold exploration and mining industry. The information presented in this section has been compiled from a range of publicly available sources. This summary is not intended to be a comprehensive analysis of the gold mining industry.

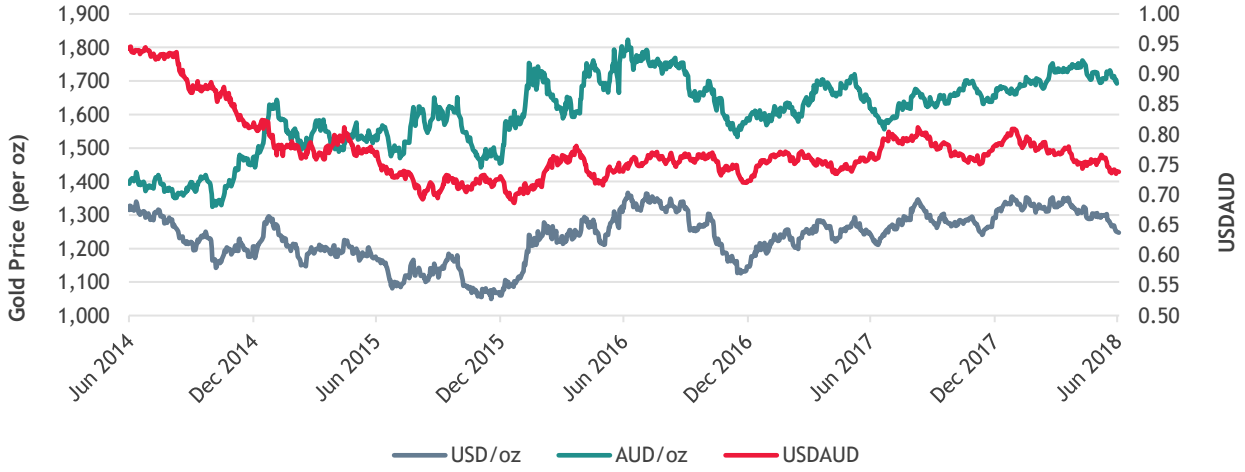
We recommend that Explaurum Shareholders refer to the original source of information referred to in this section, and any other information they believe appropriate, for more comprehensive analysis. This section should be referred to as a broad guide only.

7.1 Historic Gold Spot Price[7]

7.1.1 Recent Trends in Gold Spot Price

Figure 7.1 below sets out the daily spot price of gold in AUD and USD for the period between June 2014 and June 2018. For comparison, Figure 7.1 includes the USD/AUD exchange rate over the period.

Figure 7.1: Daily Gold Spot Price between June 2014 and June 2018



Source: BDOCF analysis, RBA Exchange Rate Data, Spot Prices from World Gold Council

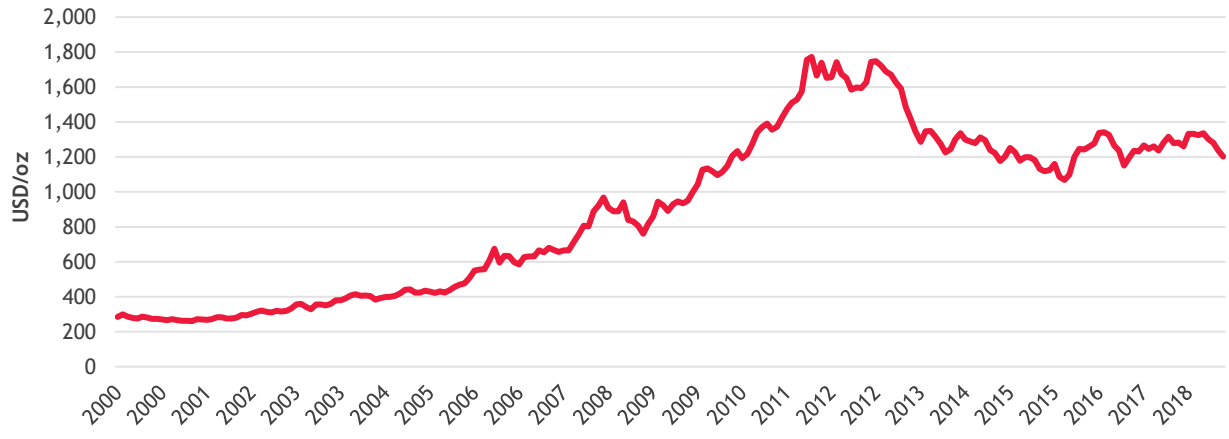
The gold spot price reduced from the recent 10-year peak of USD 1750/oz to USD 1850/oz throughout 2011 and 2012. The gold spot price has since continued to decline to a minimum of USD 1,049/oz on 17 December 2015. Depreciation of the Australian dollar relative to the US dollar has broadly coincided with the same period of decline in the gold spot price. This depreciation has buffered Australian gold miners during the period of price decline, and resulting in a net increase in gold spot prices in Australian dollar terms.

The gold spot price in Australian dollar terms has increased approximately 20% between June 2014 and June 2018.

7.1.2 Long Term Trends in Gold Spot Price

Figure 7.2 sets out the long term trend in monthly gold spot prices since January 2000.

Figure 7.2: Monthly Gold Spot Price between January 2000 and August 2018



Source: Spot Prices from World Gold Council

Figure 7.2 depicts an approximately constant growth trend in the monthly gold spot price between January 2000 and October 2011 of approximately 14.7% p.a. before declining at a rate of 5.8% p.a. from October 2011 to August 2018.

[7] IBIS World, World Gold Council

7.2 Gold Production[8]

7.2.1 Global Gold Production

It is estimated that 190,040 tonnes of gold exist above ground at the end of 2017 with approximately 54,000 tonnes remaining as reserves below ground around the world. Global mining adds approximately 2,000 to 3,000 tonnes to the overall above ground stock each year.

Table 7.1 highlights the top ten gold producing countries in 2017 alongside their estimated reserves.

Table 7.1: Top Ten Largest Gold Producing Countries in 2017

	Production (tonnes)	Reserves (tonnes)
China	440	2,200
Australia	300	9,800
Russia	255	5,500
United states	245	3,000
Canada	180	2,200
Peru	155	2,300
South Africa	145	6,000
Mexico	110	1,400
Uzbekistan	100	1,800
Brazil	85	2,400

Source: U.S. Geological Survey, Mineral Commodity Summaries January, 2018

7.2.2 Gold Mining in Australia

Australia is the second largest producer of gold globally with the largest national in-ground reserves. In 2017, Australia produced 300 tonnes of bullion and has an estimated insitu reserve of 9,800 tonnes. This translate to approximately 9% of global production and 17% of global in-ground reserves.

In FY18, Australian gold mining represented a $16.5 billion industry producing approximately 300 tonnes of gold, and exported approximately 10% or $1.7 billion. Over the next five years, the industry is forecasted to decline by 1.7% p.a. to $15.1 billion by FY23.

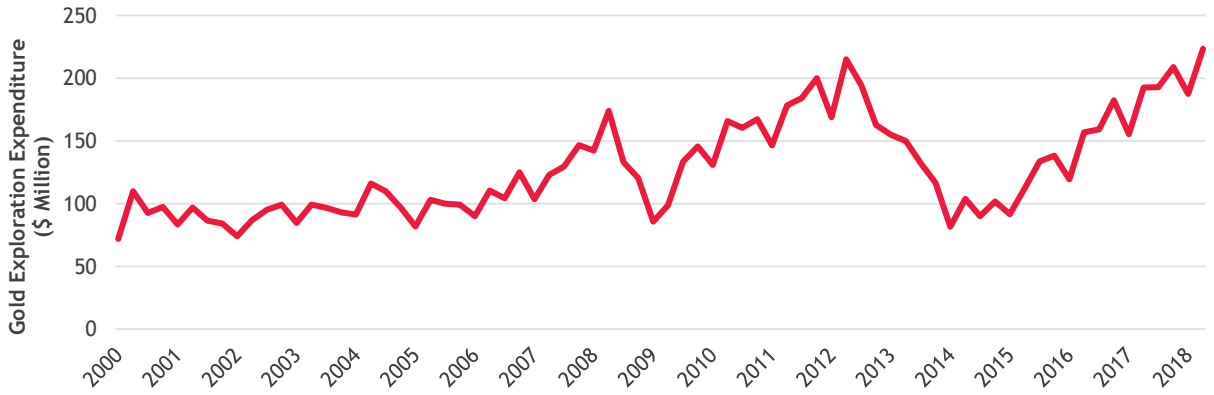
As the Australian mining industry continues to mature, gold ore is becoming increasingly more difficult and expensive to mine as ore qualities diminish. A greater focus on underground mining has been undertaken due to easier, closer to the surface deposits having already been mined. Rising production costs caused by lower ore quality and higher transportation costs are anticipated to further reduce the industry's profitability.

7.2.3 Gold Exploration in Australia

During FY18, a total of $1.97 billion was spent on mineral exploration within Australia, of that 41% ($812 million) was spent on gold exploration. Western Australia represents the greatest investment in gold exploration and consists of 73% of expenditure in FY18.

Figure 7.3 depicts the total quarterly expenditure on gold exploration in Australia from January 2000 to June 2018.

Figure 7.3: Total Quarterly Gold Exploration Expenditure in Australia between January 2000 to June 2018

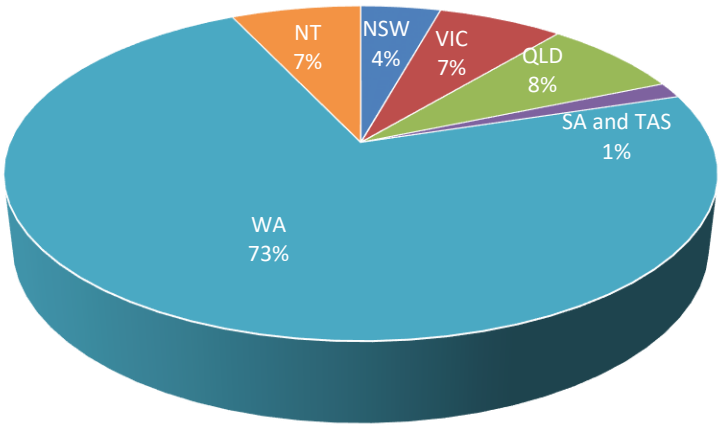


Source: Australian Bureau of Statistics

[8]U.S. Geological Survey, IBIS World, Australian Bureau of Statistics, Government of Western Australia Department of Mines, Industry Regulation and Safety

Gold exploration is typically more expensive than other forms of mineral exploration due to the focus on deeper underground deposits. The recent peaks in gold spot prices during FY12 and FY13 inspired similar peaks in exploration. More recent increases in exploration have been aided by the declining Australian dollar and gold's status as a counter-cyclical commodity. Gold exploration has been aided by declining prices in iron ore and other base metals, supporting gold as an attractive alternative. Increased gold prices have offset the higher cost of developing lower grade ores, encouraging Australian operators to expand production. Figure 7.4 sets out the breakdown of Australian gold exploration expenditure by State in 2018.

Figure 7.4: Breakdown on Gold Exploration Expenditure by State during FY18



Source: Australian Bureau of Statistics

7.3 Global Demand and Supply of Gold[9]

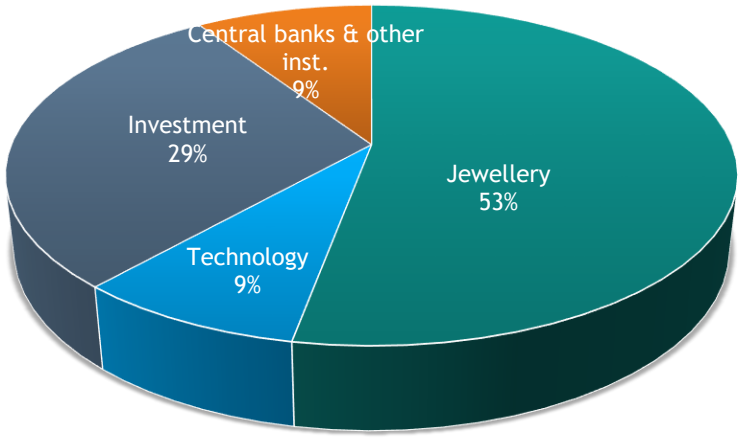
7.3.1 Global Supply

Mine production accounts for approximately 75% of gold supply each year with the remainder being made up from recycling. Due to the size and magnitude of mining operations, producing mines are slow to respond to commodity price changes. On the other hand, recycling is highly responsive to changes in price and economic shocks. Ninety percent of recycled gold is made up from jewellery with the remainder being accounted for from technology.

7.3.2 Global Demand

Ongoing demand for gold ore is derived from four core sectors; jewellery, investment, reserves, and technology. Technology is a growing segment and is closely related to advances in electronics and sensors including smartphones and nanotechnology, as well as drugs. Figure 7.5 sets out the breakdown of the global demand of gold.

Figure 7.5: Breakdown of Demand by Sector

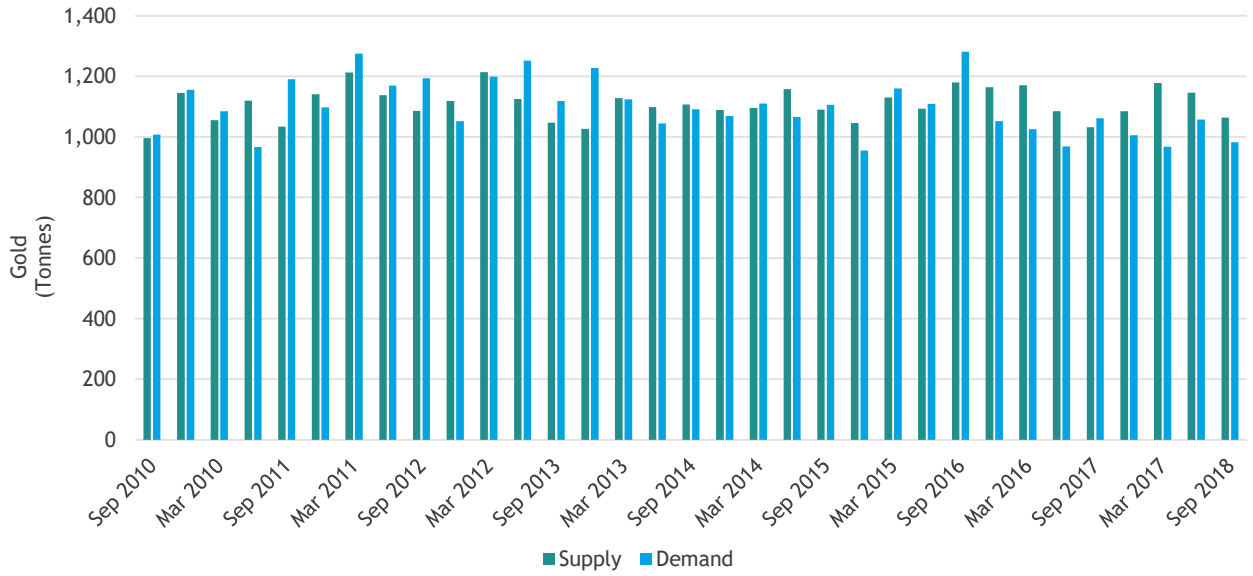


Source: World Gold Council December Quarter 2018

[9] World Gold Council

Figure 7.6 sets out the global demand and supply of gold between September 2010 and September 2018.

Figure 7.6: Global Demand and Supply of Gold Between September 2010 to September 2018



Source: World Gold Council

8.0 Common Valuation Methodologies

A 'fair market value' is often defined as the price that reflects a sales price negotiated in an open and unrestricted market between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller, with both parties at arm's length. The valuation work set out in this Report assumes this relationship.

RG 111 outlines a number of methodologies that a valuer should consider when valuing securities or assets for the purposes of, among other things, share buy-backs, selective capital reductions, schemes of arrangement, takeovers and prospectuses. The valuation methodologies we have considered in this Report include the discounted cash flow ('DCF'), capitalisation of maintainable earnings ('CME'), asset-based valuation ('ABV') and market-based valuation ('MBV') methodologies.

RG 111 does not prescribe which methodology should be used by the expert, but rather notes that the decision lies with the expert based on the expert's skill and judgement and after considering the unique circumstances of the securities or assets being valued.

8.1 Discounted Cash Flows ('DCF')

The DCF approach calculates the value of an entity by adding all of its future net cash flows discounted to their present value at an appropriate discount rate. The discount rate is usually calculated to represent the rate of return that investors might expect from their capital contribution, given the riskiness of the future cash flows and the cost of financing using debt instruments.

In addition to the periodic cash flows, a terminal value is included in the cash flow to represent the value of the entity at the end of the cash flow period. This amount is also discounted to its present value. The DCF approach is usually appropriate when:

- An entity does not have consistent historical earnings but is identified as being of value because of its capacity to generate future earnings; and
- Future cash flow forecasts can be made with a reasonable degree of certainty over a sufficiently long period of time.

Any surplus assets, along with other necessary valuation adjustments, are added to the DCF calculation to calculate the total entity value.

8.2 Capitalisation of Maintainable Earnings ('CME')

The CME approach involves identifying a maintainable earnings stream for an entity and multiplying this earnings stream by an appropriate capitalisation multiple. Any surplus assets, along with other necessary valuation adjustments, are added to the CME calculation to calculate the total entity value.

The maintainable earnings estimate may require normalisation adjustments for non-commercial, abnormal or extraordinary events.

The capitalisation multiple typically reflects issues such as business outlook, investor expectations, prevailing interest rates, quality of management, business risk and any forecast growth not already included in the maintainable earnings calculation. While this approach also relies to some degree on the availability of market data, the multiple is an alternative way of stating the expected return on an asset.

The CME approach is generally most appropriate where an entity has historical earnings and/or a defined forecast or budget. Further, a CME is usually considered appropriate when relevant comparable information is available.

8.3 Asset Based Valuation ('ABV')

An ABV is used to estimate the fair market value of an entity based on the book value of its identifiable net assets. The ABV approach using a statement of financial position alone may ignore the possibility that an entity's value could exceed the book value of its net assets. However, when used in conjunction with other methods which determine the value of an entity to be greater than the book value of its net assets, it is also possible to arrive at a reliable estimate of the value of intangible assets including goodwill.

Alternatively, adjustments can be made to the book value recorded in the statement of financial position in circumstances where a valuation methodology exists to readily value the identifiable net assets separately and book value is not reflective of the true underlying value. Examples of circumstances where this type of adjustment may be appropriate include when valuing certain types of identifiable intangible assets and/or property, plant and equipment.

The ABV approach is most appropriate where the assets of an entity can be identified and it is possible, with a reasonable degree of accuracy, to determine the fair value of those identifiable assets.

8.4 Market Based Valuation ('MBV')

An MBV methodology determines a value for an entity by having regard to the value at which securities in the entity have recently been purchased. This approach is particularly relevant to:

- Entities whose shares are traded on an exchange. The range of share prices observed may constitute the market value of the shares where a sufficient volume of shares is traded and the shares are traded over a sufficiently long period of time; and/or
- Entities for which it is possible to observe recent transactions relating to the transfer of relatively large parcels of shares (e.g. recent capital raisings).

For listed entities, the range of share prices observed may constitute the market value of the shares in circumstances where sufficient volumes of shares are traded and the shares are traded over a sufficiently long period of time. Share market prices usually reflect the prices paid for parcels of shares not offering control to the purchaser.

8.5 Industry Based Metrics (Comparable Analysis)

It is often appropriate to have regard to industry specific valuation metrics in addition to the traditional valuation approaches outlined above. These metrics are particularly relevant in circumstances where it is reasonably common for market participants to have regard to alternative measures of value.

For resource companies, it is common for market analysts to have regard to multiples related to resources and tenement size.

9.0 Valuation of Explaurum

This Section sets out our valuation of the shares in Explaurum as follows:

- Section 9.1 sets out our view of the most appropriate methodology to value Explaurum;
- Section 9.2 sets out information on the CSA Independent Technical Specialist Report;
- Section 9.3 sets out our DCF valuation of the Tampia Gold Project;
- Section 9.4 sets out our valuation of Explaurum's remaining assets and liabilities;
- Section 9.5 sets out our sum-of-parts valuation of Explaurum;
- Section 9.6 sets out our MBV valuation of Explaurum; and
- Section 9.7 sets out the value we have adopted per Explaurum share for the purposes of this Report.

9.1 Our Valuation Approach for Explaurum

In our view it is appropriate to consider a sum-of-parts valuation approach to value Explaurum. Using the sum-of-parts methodology involves separately valuing each asset and liability of the Company. We have considered each of the valuation methodologies outlined in Section 8 above and determined, in our view, the most appropriate methodology for calculating the value of each of Explaurum's parts. Broadly, our sum-of-parts valuation utilises the following valuation methodologies:

- DCF Valuation: We have valued Explaurum's key asset, the Tampia Gold Project, by adopting a discounted cash flow methodology. Explaurum announced on 30 May 2018 the results of the Tampia Gold Project Feasibility Study and is expecting to complete the BFS in December 2018. For assets as progressed as the Tampia Gold Project, it is common for a DCF methodology to be adopted (refer to Section 9.3 for our DCF valuation of the Tampia Gold Project);
- Mineral Asset ABV Valuation: We have adopted the technical valuations for the other resources/tenements held by Explaurum ('Explaurum's Mineral Assets'), as provided by the specialist technical valuer CSA (refer Section 9.4.1 for details of the values of these tenements/resources). In addition to incorporating the value of Explaurum's other tenements, this value also includes the additional resource that CSA have advised should not be included in the Tampia Gold Project discounted cash flow model; and
- Other Asset/Liability ABV Valuation: We have adopted an ABV valuation methodology for the other identifiable assets and liabilities of Explaurum (refer Section 9.4.3).

Our sum-of-parts valuation is set out in Section 9.5 below.

We note our sum-of-parts valuation of Explaurum does not reflect the upside, if any, from potential near-term improvements arising from the release of the BFS and Mace updates expected in December 2018.

We have additionally considered an MBV approach for Explaurum (refer Section 9.6 below). It is generally possible to complete a MBV of a company when there is a readily observable market for the trading of the company's shares. The shares of Explaurum are listed on the ASX and it is possible to observe the market price of trades in Explaurum shares. In completing our MBV, we have also considered the proposed issue of shares in Explaurum (e.g. the Alkane Placement). The MBV provides information relating to a valuation of Explaurum shares on a minority interest basis. Our MBV valuation is likely to include an element of market expectation for Explaurum's potential near term improvements, particularly by considering the Alkane Placement, as Alkane was aware of the potential value enhancements at the time it was negotiating with Explaurum.

Having regard to the sum-of-parts valuation and our MBV, we have formed a view on the most appropriate value to adopt for each Explaurum share, on a controlling interest basis, for the purpose of this Report (refer Section 9.7).

9.2 Overview of CSA's Technical Expert Report

In completing our work we have had regard to the CSA Report dated 4 December 2018 which, broadly, sets out:

- CSA's view on the physical and operational inputs into the Tampia Gold Project Feasibility Study; and
- CSA's view of an appropriate financial valuation for Explaurum's Mineral Assets.

Mr Sam Ulrich of CSA coordinated CSA's valuation of Explaurum's Mineral Assets and evaluation of the operational and physical inputs of the financial model provided by Explaurum ('the Financial Model'). Mr Sam Ulrich was assisted in completing the CSA Report by contributing authors, Mr Serikjan Urbisinov and Mr Daryl Wilkinson, and peer reviewer Mr Graham Jeffress. Based on our enquiries and the information provided to us, we regard CSA and the authors of the Report to be Independent Specialists as referred to in the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Specialist Reports ('the VALMIN Code').

We note, CSA states the following in the CSA Report:

- CSA has prepared the Report in accordance with:
  - The VALMIN Code;
  - The JORC Code; and
  - ASIC RG 111 – Content of Specialist Reports, and ASIC RG 112 – Independence of Specialists;
- CSA is independent with respect to Explaurum and confirms that there is no conflict of interest with any party involved in the Offer and neither CSA nor any of its personnel involved in the preparation of the CSA Report have any material interest in Explaurum;
- Neither CSA nor the authors of the CSA Report have (or have had previously) any material interest in Explaurum or the mineral properties in which Explaurum has an interest. No member or employee of CSA has (or has had) any material shareholding in Explaurum; and
- The statements and opinions contained in the CSA Report are given in good faith and in the belief that they are not false or misleading.

Based on our enquiries and the information provided to us, we regard CSA to be an independent specialist and in our view, it is appropriate for us to consider the work of CSA in completing our valuation work. CSA understand the purpose of the valuation work set out in this Report.

We confirm that we have been provided with express written consent by CSA to refer to and rely on the CSA Report for the purposes of our valuation work in this Report. We have made reasonable enquiries of CSA and are satisfied that the work and valuations in the CSA Report are suitable for use in this Report. Notwithstanding this, we do not take responsibility for the work of CSA.

Any references to CSA's work set out in this Report are in summary form only and do not substitute for a complete reading of the CSA Report. Our summary does not include all of the information that may be of interest to Explaurum Shareholders. The CSA Report is attached to this Report as Appendix B. We recommend that Explaurum Shareholders read the CSA Report in full and in conjunction to this Report and related statements.

9.3 DCF Valuation of the Tampia Gold Project

Our DCF valuation of the Tampia Gold Project is set out as follows:

- Section 9.3.1 sets out the basis of the Financial Model adopted for our DCF valuation of the Tampia Gold Project;
- Section 9.3.2 sets out the key assumptions of our DCF valuation of the Tampia Gold Project;
- Section 9.3.3 sets out our DCF valuation of the Tampia Gold Project; and
- Section 9.3.4 sets out a sensitivity analysis of our DCF valuation of the Tampia Gold Project.

9.3.1 Basis of the Financial Model Adopted for the DCF

A detailed cash flow model for the Tampia Gold Project, the Financial Model, was prepared by the directors of Explaurum with the assistance of advisors. The Financial Model estimates the future cash flows expected from gold production at the Tampia Gold Project over a 5-year mine life, based on estimated JORC compliant reserves. The Financial Model was prepared in real (rather than nominal) terms and includes the Company's corporate costs.

We have assessed the reasonableness of the Financial Model provided to us and the material assumptions that underpin it. We have made certain adjustments to the Financial Model where we considered it appropriate. In particular, we have adjusted the Financial Model to reflect any changes to technical assumptions as a result of CSA's review, in addition to any changes to the economic and other input assumptions that we consider appropriate as a result of our research. We have adjusted the Financial Model to reflect cash flows on a nominal basis. We have also adjusted the Financial Model to remove the corporate overheads incurred and have presented the value of corporate overheads separately in our sum-of-parts valuation.

The Financial Model was prepared based on estimates of production profiles, operating costs and capital expenditure. The main assumptions underlying the Financial Model include:

- mining and production volumes;
- commodity prices;
- foreign exchange rates;
- operating costs;
- project and sustaining capital expenditure;
- royalty payments;
- taxation; and
- the discount rate.

We undertook the following analysis on the Financial Model:

- analysed the Financial Model to confirm its integrity and mathematical accuracy (to a material level);
- appointed CSA as technical expert to review, and where required, provide changes to the technical assumptions underpinning the Financial Model;
- conducted independent research on certain economic and other inputs such as commodity prices, exchange rates and discount rate applicable to the future cash flows of the Tampia Gold Project;
- held discussions with Explaurum's management and advisors regarding the preparation of the forecasts in the Financial Model and its assumptions; and
- performed a sensitivity analysis on the value of the Tampia Gold Project as a result of varying key assumptions and inputs.

We have not undertaken a review of the cash flow forecasts in accordance with the Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information* and do not express an opinion on the achievability of the forecast. However, nothing has come to our attention as a result of our procedures to suggest that the assumptions on which the Financial Model has been based have not been prepared on a reasonable basis.

9.3.2 Key Assumptions of our DCF Valuation of the Tampia Gold Project

Shareholders should note that, as at the date of this Report, Explaurum is finalising an update of its Mace resource and a BFS for the Tampia Gold Project. As the Mace resource update and the BFS for the Tampia Gold Project have not been completed, they were not available for incorporation into our valuation work. Our sum-of-parts valuation may change materially on finalisation of this work by Explaurum.

Physical and Operational Assumptions

The CSA Report sets out CSA's view of the key operational and physical assumptions within the Financial Model. For the purposes of the analysis set out in this Report we have adopted the CSA assumptions as provided in the CSA Report. CSA's assessment of the inputs of the Tampia Gold Project Feasibility Study and Financial Model did not identify any material issues. CSA consider the inputs and costs indicated in the mine plan to be appropriate and reasonable. Users of this Report must read the CSA Report to understand the basis for those assumptions.

Forecasted Exchange Rate

We have adopted forecast USD/AUD exchange rate based on Consensus Economics forecasts as at October 2018 as outlined in Table 9.1 below.

Table 9.1: Exchange Rate Forecasts

	CY18	CY19	CY20	CY21	CY22	CY23	CY24+[1]
USD/AUD	0.750	0.730	0.738	0.747	0.756	0.757	0.769

Source: Consensus Economics as at October 2018

1. We have adopted CY24 USD/AUD forecasts for all periods after CY24.

Forecasted Gold Prices

We have adopted forecast gold spot prices based on Consensus Economics forecasts as at October 2018 outlined in Table 9.2 below.

Table 9.2: Gold Spot Price Forecasts

	CY18	CY19	CY20	CY21	CY22	CY23+[1]
Gold Spot Price (Nominal)	1,231.6	1,265.8	1,306.4	1,300.8	1,304.3	1,356.73

Source: Consensus Economics as at October 2018

1 We have adopted escalated CY23 gold spot price forecasts for all periods after CY23, based on RBA's target inflation rate of 2.5%.

Escalation

We have adjusted all real cash flows to nominal cash flows in the Financial Model based on the RBA's target inflation rate of 2.5%.

Development and Production Commencement Dates

The Directors advise that construction of the Tampia Gold Project is expected to commence in the second quarter of CY19 while production is expected to commence in the second half of CY2020. For the purposes of our valuation, we have adopted May 2019 and September 2020 as the commencement date of the Tampia Gold Project's development and first production respectively.

Royalties

We have adopted a government royalty rate of 2.5% of total revenue based on the Western Australia Department of Mines, Industry Regulation and Safety metal royalty rate.

We note that Tampiagold Pty Ltd and Goldoro Pty Ltd, as part of the Tampia Joint Venture, have the option to convert their 10% participating interest in the Tampia Gold Project, after the completion of the Tampia Gold Project BFS, into a maximum of 5% of Explaurum's Shares (after issue of the conversion shares) plus a 1% royalty on gross proceeds actually received by Explaurum from the sale of refined gold from Tampia (refer to Section 5.3.2 for more information). For the purposes of this Report, we have assumed that (consistent with the Directors expectations) this conversion right will be exercised and that 27.5 million Explaurum shares will be issued on conversion.

Tax Assumptions

The tax rate adopted is consistent with the statutory Australian corporate tax rate of 30%. During initial ramp up of the Tampia Gold Project, where the aggregated turnover is less than $50 million a discounted tax rate between 25% and 27.5% has been adopted. Taxable income is calculated inclusive of tax-deductible depreciation with assets assumed to be depreciated over the life of the mine.

We have assumed Explaurum is able to utilise in full tax losses of $42.47 million from previous periods to offset its tax expense.

Discount Rate

The discount rate represents the rate of return that capital providers expect from their capital contribution and is typically based on the weighted average cost of capital ('WACC') for the asset being valued. In broad terms, the WACC considers the rate of return required by capital providers given the riskiness of the future cash flows and the cost of financing using debt instruments for the relevant asset.

In selecting a discount rate appropriate for the Tampia Gold Project, we have considered the following:

- The required rate of return of comparable companies in the gold exploration and mining sector;
- The capital structure of comparable gold mining companies;
- The cost of equity derived from applying the capital asset pricing model ('CAPM') methodology (a commonly used methodology for deriving the cost of equity). In relation to CAPM, we note the cost of equity capital is determined by multiplying the market risk premium by an appropriate beta and adding the risk-free rate. Our view on the appropriate inputs to the CAPM to apply in the circumstances are as follows:
  - a risk free rate of 2.27% based on the Australian Government 5-year Bond rate as at 30 November 2018;
  - an equity market risk premium of 6.0%;
  - a beta in the range of 1.0 to 1.4;
- The CAPM assumes investors are diversified and not concerned with the specific risk of a particular investment. In our view, investors may apply a company specific risk premium to reflect certain risks that cannot be readily allowed for in the base case cash flows for a project. In the case of the Tampia Gold Project, we note these risks may include the following:
  - The pre-development status of the Tampia Gold Project;
  - The current lack of a BFS for the Tampia Gold Project;
  - The other mine planning matters identified in the CSA Report; and
  - The projected cash flows of the Project, including the sensitivity of the projections to the assumed price and production volumes;
- The statutory Australian corporate tax rate of 30%; and
- A value for imputation credits (γ) of nil. This assumption has been made with reference to the fact that imputation credits for Australian companies are available to domestic investors only and that not all investors in Explaurum are Australian. The marginal investor is likely to be an investor who is not entitled to claim imputation credits.

Taking the above factors into consideration as well as the nature of the Project and its exposure to macroeconomic factors, we believe it is appropriate for the purposes of the analysis set out in this Report to adopt an after-tax nominal discount rate for the Tampia Gold Project in the range of 12.0% to 15.0%. We have set out a sensitivity analysis on the discount rate in Section 9.3.4 to assist users of this Report that may have an alternative view on an appropriate discount rate or who would like to understand the impact of applying an alternative discount rate.

9.3.3 DCF Valuation of the Tampia Gold Project

Table 9.3 sets out our valuation of the Tampia Gold Project using a DCF valuation methodology having regard to the assumptions set out in Section 9.3.2 of this Report. The low value utilises the high end of our discount rate range while the high value utilises the low end of our discount rate range.

Table 9.3: DCF Valuation Results of the Tampia Gold Project

	Low ($ Million)	High ($ Million)
Tampia Gold Project	51.69	67.34

Source: CSA and BDOCF analysis

Table 9.3 shows that our calculated DCF valuation of the Tampia Gold Project is between $51.7 million to $67.3 million.

9.3.4 Sensitivity analysis of the DCF Valuation of the Tampia Gold Project

The DCF valuation of the Tampia Gold Project is based on a number of assumptions which are subject to a significant amount of uncertainty and variance. To provide further information to Shareholders, we have completed a sensitivity analysis on the value of the Tampia Gold Project (assuming a midpoint of $59.5 million calculated using the midpoint of our discount rate range of 13.5%).

The following variables have been adjusted in isolation, all other things held equal:

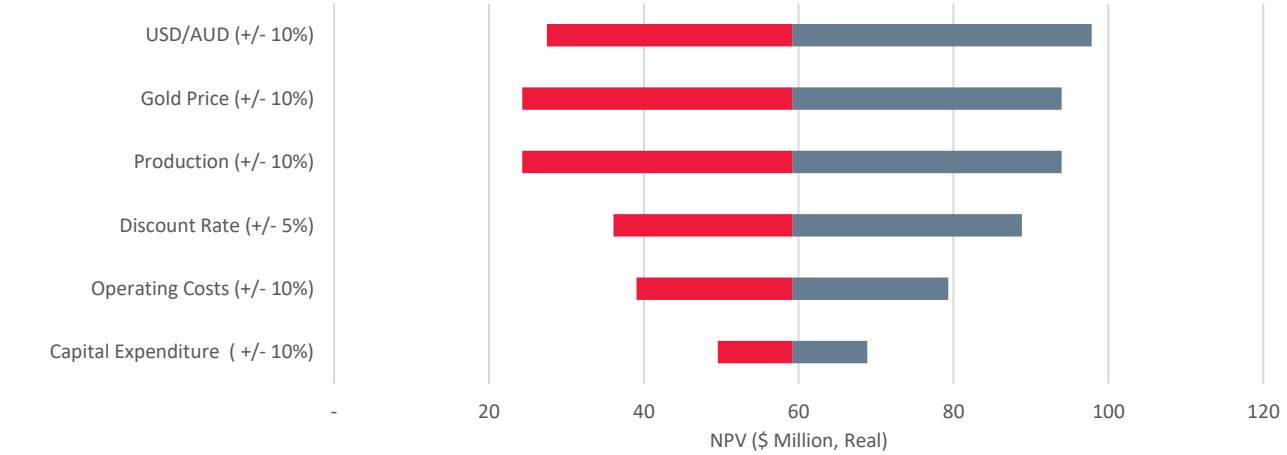
- A +/- 10% change in forecasted USD/AUD exchange rate;
- A +/- 10% change in forecasted gold spot prices;
- A +/- 10% change in gold production;
- A +/-10% change in the operating expenses;
- A +/-10% change in the capital expenditure; and
- An absolute +/- 5% change in discount rate from the midpoint of 13.5%.

Users of this Report should note that:

- In reality, the variables described above would have compounding or offsetting effects and are unlikely to move in isolation;
- The variables for which we have performed sensitivities are not the only variables which are subject to deviation from the forecast assumptions; and
- The sensitivities we have performed do not cover the full range of possible variances from the base case assumptions assumed (i.e. variances could be greater than the percentage increase or decreases set out in this analysis). Variances could result where the value of the Tampia Gold Project becomes nil.

Figure 9.1 summarises the impact of the above mentioned variables on our DCF valuation of the Tampia Gold Project, holding all factors constant, except the relevant sensitivity variable.

Figure 9.1: Sensitivity Analysis of Selected Key Inputs for the DCF Valuation of the Tampia Gold Project



Source: BDOCF analysis

9.4 Valuation of Explaurum's Remaining Assets and Liabilities

Our ABV valuation of Explaurum's remaining assets and liabilities is set out as follows:

- Section 9.4.1 sets out CSA's valuation of Explaurum's Mineral Assets;
- Section 9.4.2 sets out our consideration for Explaurum's Corporate Overheads; and
- Section 9.4.3 sets out our valuation of Explaurum's other assets and liabilities.

9.4.1 Valuation of Explaurum's Mineral Assets

Table 9.4 summarises CSA's valuation of Explaurum's Mineral Assets.

Table 9.4: CSA's Valuation of Explaurum's Mineral Assets

Mineral Assets	Explaurum's Interest	Valuation ($ Million)		Valuation Method
		Low	High	
Mineral Resource[1]	90%	1.7	3.4	▸ Comparable Transaction Resource Multiple ▸ Yardstick
Mining Licences - Mace	90%	0.4	1.8	▸ Comparable Transaction Area Multiple
Exploration Tenure[2]	90% & 100%	1.9	7.2	▸ Comparable Transaction Area Multiple ▸ Geoscientific Factor
Total Mineral Assets	**90% & 100%**	**4.10**	**12.30**	
Total Mineral Assets Adjusted to 100%[3]	**100%**	**4.26**	**12.98**	

Source: The CSA Report

1 CSA has estimated an indicated resource estimate of 95koz and an inferred resource estimate of 42koz outside of the Tampia Gold Project mine plan, based on Explaurum's total reserve and resource statement. These resources are not included in the Financial Model and are therefore additional to any value included in our DCF valuation of the Tampia Gold Project.

2. Explaurum has a 100% interest in all exploration licences except E70/2132, in which Explaurum has a 90% interest.

3. All assets have been grossed up to represent a 100% interest for the purposes of the analysis set out this Report on the basis that we have assumed (consistent with the Directors expectations) that the joint venture participants will convert their interest into Explaurum shares.

CSA's analysis indicates a valuation of Explaurum's Mineral Assets between $4.10 million and $12.30 million which increases to $4.26 million and $12.98 million after increasing Explaurum's interest to 100%.

CSA note that, while there is a significant range in the values derived for Explaurum's Mineral Assets, CSA considers the range as a reasonable representation of possible valuation outcomes for Explaurum's Mineral Assets given the inherent uncertainties in valuing early-stage exploration and pre-development projects. CSA additionally note the valuations are an opinion as to likely values only and can only be tested by going to the market.

Explaurum shareholders should refer to the full CSA Report in Appendix B for further information on the values CSA calculated for Explaurum's Mineral Assets.

9.4.2 Consideration of Explaurum's Corporate Overheads

As detailed in Section 9.3.1, we have assessed the reasonableness of the Financial Model and the material assumptions that underpin it. The Financial Model includes estimates of the corporate overheads to be incurred by Explaurum during the forecast period. These corporate overheads consist of all administration costs that cannot be directly attributable to the operations at the Tampia Gold Project and have been estimated at approximately $1.5 million per annum.

For the purposes of the analysis set out in this Report, we have removed all corporate overheads and have separately assessed their value. We have done this on the basis that the marginal acquirer of Explaurum would be able to save the costs associated with Explaurum being a listed company (e.g. board fees and listing costs) as well as a number of finance, human resources, corporate development, legal and general head office costs.

For the purpose of the analysis set out in this Report, we consider it appropriate to make an adjustment to our valuation range for residual corporate overheads of $4.0 million.

9.4.3 Value of Explaurum's Other Assets and Liabilities

The net value we have adopted for the other assets and liabilities held by Explaurum is summarised in Table 9.5. In order to determine an appropriate value for Explaurum's other assets and liabilities, we have relied upon the values set out in the Company's unaudited management accounts as at 31 October 2018 and have made enquiries of the Directors and management of Explaurum in relation to any material adjustments required to be made to reflect the fair market value of these assets and liabilities for the purposes of this Report.

We have been informed by the directors of Explaurum that there are no other material assets, liabilities, off-balance sheet assets and liabilities or unrecognised liabilities as at the date of this Report that have not been included in Table 9.5.

Table 9.5: Values Adopted for the Other Assets and Liabilities Held by Explaurum

	($'000)
Other Assets	
Cash and Cash Equivalents	7,200[1]
Trade and Other Receivables	86.8
Deposits	5.4
Plant, Property, and Equipment	149.8
Total Other Assets	**7,442.0**
Liabilities	
Accrued Expenses	272.8
Trade and Other Payables	748.2
Provision for Employee Benefits	100.7
Total Other Liabilities	**1,121.7**
Total Other Assets and Liabilities	**6,320.3**

Source: Explaurum 31 October 2018 Management Accounts and BDOCF analysis

1 We have assumed that cash and cash equivalents is equal to the balance of the Alkane Placement of $7.2 million (refer to Section 2.6 for further discussion on the basis for assuming the Alkane Placement proceeds are received) and that existing cash on hand at 30 November 2018 of approximately $294,000 will be offset by transaction costs and short term operating expenses of the Company.

9.5 Sum-of-Parts Valuation of Explaurum

Our sum-of-parts valuation of Explaurum is set out as follows:

- Section 9.5.1 sets out our valuation of Explaurum; and
- Section 9.5.2 sets out our valuation of an ordinary share in Explaurum.

9.5.1 Sum-of-Parts Valuation of Explaurum

Our sum-of-parts valuation of Explaurum is set out in Table 9.6 below.

Table 9.6: Equity Value of Explaurum

	Reference	Low ($ Million)	High ($ Million)
Tampia Gold Project	Section 9.3.3	51.69	67.34
Mineral Assets	Section 9.4.1	4.26	12.98
Corporate Overheads	Section 9.4.2	(4.00)	(4.00)
Other Assets and Liabilities	Section 9.4.3	6.32	6.32
Equity Value of Explaurum		**58.27**	**82.64**

Source: BDOCF analysis

9.5.2 Value of an Explaurum Share Based on Sum-of-Parts Valuation

The values set out in Table 9.6 above incorporate the value of all Explaurum equity instruments on issue, including ordinary shares, options, and performance rights. To calculate the value of an ordinary share in Explaurum, it is necessary to adjust the equity value calculated above for the value of Explaurum's options, and performance rights.

Table 9.7 below summarises our calculation of the value of Explaurum's ordinary shares.

Table 9.7: Value of Explaurum's Ordinary Shares

Reference	Low	High
Sum-of-Parts Value of Explaurum ($ Million) - refer Table 9.6	**58.27**	**82.64**
Value of the Options on Issue[1]	(1.87)	(3.70)
Value of the Performance Rights on Issue[2]	(1.80)	(2.52)
Explaurum Equity Value Attributable to Ordinary Shareholders ($ Million)	**54.60**	**76.42**
Number of Explaurum Ordinary Shares on Issue[3]	575,578,995	575,578,995
Value per Explaurum Ordinary Share ($/share)	**0.0949**	**0.1328**

Source: BDOCF analysis

1 The options were valued using the Black-Scholes formula with the relevant exercise price, time to maturity from 4 December 2018, an assumed interest rate of 2%, volatility of 80% and dividend a yield of nil. The share price adopted was the calculated value per ordinary share which was determined having regard to an iterative process. The number of options valued includes the 22.6 million options currently on issue in addition to the 53.4 options to be issued under the Alkane Placement.

2 In the event of a control interest transaction, all Explaurum performance rights automatically vest. As we are valuing Explaurum on a controlling interest basis, we consider its appropriate to assume 100% of the performance rights will vest.

3 Calculated as the sum of 481,412,320 ordinary shares on issue, 66,666,675 shares to be issued under the Alkane Placement (refer to Section 2.2.2 for further discussion on the basis for assuming the Alkane Placement proceeds) and an assumption that 27.5 million shares are to be issued when the JV interest converts (refer to Section 5.3.2).

Table 9.7 sets out our value of Explaurum's ordinary shares within the range of $0.095 to $0.133 per share. We note that our sum-of-parts valuation of Explaurum provides a value per share for Explaurum on a controlling interest basis.

9.6 Market Based Valuation of Explaurum

Our market based valuation of Explaurum prior to the Offer is set out as follows:

- Section 9.6.1 sets out Explaurum's recent share trading data;
- Section 9.6.2 sets out Explaurum's liquidity of ordinary shares;
- Section 9.6.3 sets out other market considerations we have has regard to; and
- Section 9.6.4 sets out our view as to the MBV of Explaurum prior to the Offer.

9.6.1 Analysis of Explaurum's Share Trading Data

Explaurum's ordinary shares are listed on the ASX and trade under the ticker 'EXU'. Information relating to the recent share trading data of Explaurum's ordinary shares along with an analysis of recent announcements made by Explaurum to the ASX are set out in Section 5.5.1 of this Report.

For the purposes of our MBV, we have assessed the VWAP of Explaurum shares over 1 week, 1 month, 3 months, 6 months, 9 months and 12 months prior to 10 September 2018, being the date the Offer from Ramelius was announced.

Table 9.8: Explaurum's VWAP for Specified Periods Prior to 10 September 2018

Period before 10 September 2018	VWAP ($)[1]
1 Week	0.0763
1 Month	0.0794
3 Months	0.0821
6 Months	0.0995
9 Months	0.1050
12 Months	0.1064

Source: Capital IQ as at 21 November 2018

1 VWAP data may differ from the data set out in the Bidder's Statement and Target's Statement due to differences in databases used. For the purposes of this Report, the differences are immaterial.

We note the following:

- Explaurum's closing share price increased from $0.0740 on 7 September 2018 to $0.1050 on 10 September 2018 following the announcement of the Offer;
- The daily VWAP of Explaurum shares in the 12-month period preceding 10 September 2018 was lowest on 4 September 2018 at $0.0740 and highest on 11 September 2017 at $0.1619; and
- The VWAP of Explaurum shares over the periods specified before 10 September 2018 ranges from $0.0763 to $0.1064.

9.6.2 *Liquidity of Explaurum Shares*

Information on the liquidity of Explaurum shares is set out in Section 5.5.2 of this Report.

Assuming a weighted average number of 444,386,370 Explaurum shares on issue, approximately 49.84% of the total shares on issue were traded over the period from 1 December 2017 to 30 November 2018. In our view, this indicates that Explaurum shares display a moderate level of liquidity.

9.6.3 *Other Market Considerations*

Capital Raise

On 31 July 2017 Explaurum announced a $4.5 million capital raise to fund the Tampia Gold Project Feasibility Study and exploration program. The capital raise consisted of a placement of 42,857,144 shares at 10.5 cent per share. The placement represented approximately 11% of Explaurum shares on issue at the time of issuance.

For more information and detail about the placement, refer to the Explaurum's announcement on 31 July 2017 and the subsequent ASX announcements made.

Alkane Placement

On 29 October 2018, post the announcement of Ramelius' Offer, Explaurum announced a proposed strategic investment and placement with Alkane of $8 million. The Alkane Placement consists of a placement of 66,666,675 ordinary shares and 53,406,594 Explaurum options. Alkane will receive a 12.16%[10] interest in Explaurum's ordinary shares and 18.67%[11] interest on a fully diluted basis if it proceeds.

Table 9.9 sets out the implied values we have calculated for the ordinary shares and two tranches of options under the Alkane Placement.

Table 9.9: Implied Value of Explaurum's Ordinary Shares to be issued as Part of the Alkane Placement

	Number of Instruments	Value Per Instrument	Value
Ordinary shares	66,666,675	0.1017[1]	6,779,763
Tranche 1 Options (13.0 cent exercise price)	18,692,308	0.0242[1]	459,091
Tranche 2 Options (14.0 cent exercise price)	34,714,286	0.0219[1]	761,146
Total			8,000,000

Source: BDOCF analysis

1 The options were valued using the Black-Scholes formula with the relevant exercise price, time to maturity of 1.01 years (both tranches expire on 1 November 2019), an interest rate of 2%, volatility of 80% and an assumed dividend yield of nil. The share price adopted of $0.1017 is the value implied as a result of the placement and was determined having regard to an iterative process that subtracted the value of the options.

Empirical research and our transaction analysis suggests that placements are often completed at a discount to the prevailing ASX trading price. Table 9.10 sets out a summary of our analysis on the premium/discount observed for approximately 100 private placements within the Australian gold exploration and production industry over the last 12 months. We have measured each private placement discount relative to the closing price one-day and one-week prior to the announcement of the placement for the relevant issuing.

Table 9.10: Summary of Private Placement Premium (Discount) Analysis

Private Placements	Number of Observations	Interest Raised (% of total capital on issue)[1]	Premium / (discount)	
			Relative to closing Price 1-Day Prior to Announcement	Relative to closing Price 1-Week Prior to Announcement
Mean	102	12.1%	(4.6)%	(1.3)%
Median	102	9.7%	(9.2)%	(10.3)%
Excluding Outliers				
Mean	100	11.6%	(8.2)%	(7.7)%
Median	100	9.7%	(9.2)%	(10.3)%

Source: BDOCF analysis, Capital IQ

1 Interest raised is based on the percentage of total capital on issue post implementation of the placement.

Having regard to the information set out above, in our view, it is appropriate to apply a 10% premium to the implied ordinary share value set out in Table 9.9 above for the purposes of valuing Explaurum. This increases the implied per share value under the Alkane Placement from $0.1017 to $0.1119.

We note that the implied value of Explaurum ordinary shares as part of the placement provides a value per share for Explaurum on a minority interest basis.

10 Based on 66,666,675 ordinary shares issued to Alkane and 481,412,320 Explaurum ordinary shares prior to the placement.
11 Based on 66,666,675 ordinary shares and 53,406,594 options issued to Alkane and 522,987,436 Explaurum total securities prior to the placement.

For more information and detail about the proposed Alkane Placement, refer to Section 5.4.3 of this Report as well as the Explaurum's announcement on 29 October 2018 and the subsequent Share Subscription Agreement announced to the ASX by Explaurum.

9.6.4 Conclusion on MBV

Having regard to the information set out above, in our view it is appropriate to adopt a value of $0.080 to $0.110 per Explaurum ordinary share on a minority interest basis for our market based valuation. The low end of our range broadly reflects the 1 month and 3 month VWAP prior to the announcement of the Offer while the high end of the range has regard to the higher share prices over the 12-month period prior to the announcement of the Offer and the price implied by the Alkane Placement after adjusting for the placement discount.

To calculate a controlling interest value, we are of the view that it is appropriate to apply a control premium to the value range we have estimated from the prices of minority parcel share interests in Explaurum. A controlling interest in a company is generally regarded as being more valuable than that of a minority interest as it may provide the owner with:

- Control over the operating and financial decisions of the company;
- The right to set the strategic direction of the company;
- Control over the buying, selling and use of the company's assets; and
- Control over the appointment of staff and setting of financial policies.

The increase in value for a controlling interest is often observed where an acquirer launches a takeover bid, or some other mechanism for control, for another company. Empirical research suggests that control premiums are typically within the range of 20% to 40%, which is broadly consistent with our recent transaction analysis. We have provided additional discussion on control premiums in Appendix A.

Having regard to the information available to us, in our view it is appropriate to apply a 30% control premium to our MBV range that was determined having regard to minority interests. Table 9.11 below sets out our calculated controlling interest MBV.

Table 9.11: Market Based Value of Explaurum (Control Interest)

	Low	High
Value of a Share in Explaurum (Minority Interest) ($/share)	0.080	0.110
Control Premium (%)	30%	30%
Value of a Share in Explaurum (Control Interest) ($/share)	**0.104**	**0.143**

Source: BDOCF analysis

9.7 Conclusion on the Value of Explaurum Shares

Having regard to our valuation of Explaurum shares, in our view, for the purpose of our assessment of the Offer it is appropriate to adopt a value as at the date of this Report in the range of $0.104 to $0.143 per Explaurum share on a controlling interest basis. In relation to our valuation range we note:

- It is consistent with the valuation range adopted for the MBV;
- The higher end of the MBV valuation range has regard to the Alkane Placement which was completed at a time when it was known that value enhancements may arise from assessment of the Mace discovery and through optimisations designed to reduce operating and capital costs set out in the Tampia Gold Project feasibility study. The lower end of the MBV range is reflective of trading prices before the initial announcement of the Offer and may not fully reflect the potential value enhancements expected by the Explaurum directors which were set out in the Target's Statement; and
- Our sum-of-parts valuation of Explaurum was in the range of $0.095 to $0.133 on a controlling interest basis. As at the date of this Report, Explaurum is finalising an update of its Mace resource and a bankable feasibility study ('BFS') for the Tampia Gold Project. This information was not available in a complete form that enabled either CSA or ourselves to consider it in full. Our sum-of-parts valuation may change materially on finalisation of this work by Explaurum.

In accordance with paragraph 111.15 of RG 111, Explaurum shareholders should note that we have not adjusted our valuation for the financial distress that may be experienced by Explaurum if the Alkane Placement does not proceed (for reasons which include not being approved by Shareholders). We have considered the value of Explaurum on the basis of a knowledgeable and willing, but not anxious, seller that is able to consider alternative options to the Offer.

In circumstances where the Alkane Placement does not proceed, there is a material risk that any value that may be realised in the short to medium term will be below the values adopted per Explaurum share in this Report.

10.0 Valuation of the Offer

This section sets out our valuation of the Offer by Ramelius as follows:

- Section 10.1 sets out our view of the most appropriate valuation methodologies to adopt for the purpose of valuing Ramelius on a minority interest basis;
- Section 10.2 sets out our MBV of Ramelius on a minority interest basis;
- Section 10.3 sets out our conclusion on the value of the Offer for the purpose of this Report; and
- Section 10.4 sets out our net asset value of a Ramelius Ordinary Share.

10.1 Our Valuation Approach

Shareholders who accept the Offer will receive one (1) Ramelius ordinary share for every four (4) Explaurum ordinary shares held. In order for us to opine on the Offer, it is necessary for us to form a view on the value of the Ramelius shares to be received by Shareholders as consideration under the Offer. As per RG 111, the valuation of the Offer must be performed on a minority interest basis, as Shareholders will hold a minority interest in Ramelius if the Offer is accepted and becomes unconditional.

To determine an appropriate value for the Ramelius shares to be received by Shareholders under the Offer, we have considered the valuation methodologies set out in Section 8 of this Report. Based on our assessment of the available valuation methodologies, it is our view that the MBV methodology is the most appropriate methodology to apply in order to calculate the value of the Ramelius shares to be received by Shareholders under the Offer for reasons which include the following:

- Ramelius' shares are listed on the ASX and it is possible to observe the market price of recent trades in Ramelius shares. We note the market price of a company's shares should generally incorporate the influence of all publicly available information relevant to value, including information relating to the future prospects and risks of the company, takeover offers and capital raisings. Where the market is fully informed and sufficiently liquid, the market price of a company's shares can be expected to provide an objective assessment of the fair value of those shares. In our view, there is no reason to believe that Ramelius shares have been materially mispriced by the market. On this basis, we believe it is reasonable to assume that the market price represents an unbiased estimate of value and is the best guide to valuing Ramelius shares for the purpose of assessing the Offer;
- Ramelius' shares display a moderate to high level of liquidity (refer to Section 6.6.2). We note that in the period from 1 December 2017 to 30 November 2018, approximately 65.72% of the total issued capital in Ramelius was traded. In the period from the date of the announcement of the Offer on 10 September 2018 to 30 November 2018, approximately 11.85% of the total issued capital in Ramelius was traded. In our view, there is a sufficiently liquid and active market for Ramelius shares;
- Ramelius has an obligation under the ASX Listing Rules (subject to certain exemptions) to notify the ASX immediately of any information that it becomes aware of concerning Ramelius that a reasonable person would expect to have a material effect on the price or value of Ramelius shares. In our view, Ramelius appears to be meeting its continuous disclosure obligations in relation to its portfolio of gold exploration, development, and production assets and its liabilities. We note Ramelius discloses a significant amount of information in relation to its operations in its financial Reports and ASX announcements. For example, Ramelius provides quarterly activities Reports which provide the market with up-to-date information relating to the company's performance and the status of its portfolio of gold exploration, development, and production assets. We note the market price of Ramelius shares has fluctuated based on price sensitive information announced by Ramelius;
- We have no additional information to that already available in the market that would enable us to undertake a fundamental analysis of Ramelius and make an assessment of value;
- Share prices from market trading do not generally reflect the market value for control of a company as they are for minority holdings. Accordingly, trading in Ramelius shares is likely to reflect the price of minority interest shareholdings; and
- In our view, the most relevant measure of value for Shareholders who accept the Offer is the price that they may be able to sell their Ramelius shares (received as a result of the Offer) either immediately or in the short-term. We consider that the trading price of Ramelius shares is likely to represent a reasonable proxy for the amount that Shareholders could expect to realise by selling the shares in Ramelius which are received as consideration after accepting the Offer. It is important to note that the decision to hold Ramelius shares for a longer period of time is a separate investment decision to be made having regard to each Shareholders' individual circumstances and view on the long term prospects of Ramelius. It is not possible to accurately predict future share price movements.

For completeness, we have also set out information in relation to an ABV in Section 10.4 below. We however consider this methodology less relevant having regard to the information available on the MBV and noting that we have no additional information available to that already in the market which would allow us to have an independent specialist either provide a valuation or provide us inputs suitable for a DCF valuation.

In our view, it is not generally appropriate to apply a CME valuation methodology to a resource company with a combination of exploration, development, and producing assets, such as Ramelius.

10.2 Market Based Valuation of Ramelius

To complete our MBV of Ramelius shares, we consider it appropriate to have regard to:

- The prices at which Ramelius shares have traded since the announcement of the Offer on 10 September 2018, and subsequent disclosures as related to the Offer. In our view, the prices at which Ramelius shares have traded post the Offer being announced will incorporate the market's view of the prospects of Ramelius, including any interest it is expected to acquire in Explaurum under the Offer. Over the period 10 September 2018 to 30 November 2018, Ramelius shares have traded within the range of $0.3800 to $0.5000 per share, with a VWAP of $0.4426 per share. We note the price of Ramelius share trades post the announcement of the Offer may incorporate some discount due to the risk of the Offer not being accepted by Explaurum Shareholders. It may also incorporate uncertainty related to the extent of ownership which Ramelius will gain in Explaurum, which cannot be known for certain at any point in time. Notwithstanding, it remains our view that the recent trading prices of Ramelius shares provides highly relevant information on the price at which shares in Ramelius may trade following acceptance of the Offer, if implemented; and
- The prices at which Ramelius shares traded over various periods prior to the announcement of the Offer on 10 September 2018, which in our view provides relevant information for Explaurum Shareholders to consider. Table 6.4 in Section 6.6.1 shows that the VWAP of Ramelius shares prior to the announcement of the Offer has been in the range of $0.4711 per share (12-month period prior to the announcement of the Offer) to $0.5370 per share (6-month period prior to the announcement of the Offer).

Having regard to the above, we consider it appropriate to adopt a value of $0.38 to $0.50 per Ramelius share on a minority interest basis using a MBV methodology. The low end of our range reflects the trading price of Ramelius in the week ended 30 November 2018 while the high end of our range reflects the VWAPs for the 6, 9 and 12 month periods prior to 30 November 2018 (refer Table 6.7 for additional discussion).

10.3 Conclusion on the Value of the Offer

As per the terms of the Offer, Explaurum Shareholders who accept the Offer will receive one (1) Ramelius ordinary share for every four (4) Explaurum shares held. We have calculated the Offer consideration by multiplying our Ramelius valuation range by the scrip ratio of 0.25.

Table 10.1 below summarises our calculation of the Offer consideration.

Table 10.1: Calculation of the Value of the Offer Consideration

	Low	High
Value per Ramelius share on a minority interest basis	0.38	0.50
x Scrip ratio	0.25	0.25
Value of the Scrip Consideration	0.095	0.125

Source: BDOCF analysis

With reference to Table 10.1 above, we have calculated the value of the Offer consideration to be in the range of $0.095 to $0.125 per Explaurum share.

We note that there is uncertainty as to whether the Offer consideration will be received by an Explaurum Shareholder that accepts the Offer (refer to Section 2.3.4). The value that is ultimately received by a Shareholder by selling Ramelius shares, if they accept the Offer and decide to sell the Ramelius shares received, is dependent on the market value of the Ramelius ordinary shares at the time they are sold. The potential for the Ramelius ordinary share price to move materially between the date of this Report and the date the Ramelius shares are received by a Shareholder who accepts the Offer should be considered when forming a view on whether to accept the Offer.

10.4 Net Asset Value of a Ramelius Share

The net asset value of Ramelius shares on a going concern basis is reflected in our valuation in Table 10.2 below.

Table 10.2: Net Asset Value of a Ramelius Share

	As at 30 Jun 2018 Pro Forma ($'000)
Current Assets	
Cash and gold on hand	102,400[1]
Trade and Other Receivables	3,358
Inventories	38,000[1]
Derivative Financial Instruments	-
Other Current Assets	1,439
Assets and Disposal Group Classified as Held for Sale	-

	As at 30 Jun 2018 Pro Forma ($'000)
Total Current Assets	**145,197**
Non-Current Assets	
Other Receivables	1,371
Other Assets	412
Available-for-Sale Financial Assets	126
Property, Plant and Equipment	51,122
Development Assets	84,728[2]
Intangible Assets	-
Exploration and Evaluation Expenditure	19,3172[2]
Derivative Financial Instruments	-
Deferred Tax Assets	26,947
Total Non-Current Assets	**184,023**
Total Assets	**329,220**
Current Liabilities	
Trade and Other Payables	31,796
Borrowings	-
Provisions	6,075
Liabilities included in Disposal Group Held for Sale	-
Total Current Liabilities	**37,871**
Non-Current Liabilities	
Long-term Provisions	43,169
Deferred Tax Liabilities	26,030
Contingent Consideration	12,892
Total Non-Current Liabilities	**82,091**
Total Liabilities	**119,962**
Net Assets	**209,258**
Number of Shares on Issue[2] (Number)	528,594,350
NTA Per Share ($/share)	**$0.396**

Source: Ramelius FY18 Annual Reports

1 We have adopted Ramelius' cash and gold on hand balance as at 30 September 2018 as reported in Ramelius' September 2018 Quarterly Activities Report. We have also subtracted gold on hand from the inventory balance as at 30 June 2018 to avoid double counting.

2 We have adopted the book value as a proxy for their value. We have no additional information available to that already in the market which would allow us to have an independent specialist either provide a valuation or provide us inputs suitable for a DCF valuation.

3 In addition to ordinary shares on issue, we note that Ramelius also has 3 million options on issue with an exercise price of 20 cents and approximately 8.5 million performance rights on issue. We have not subtracted any value for these equity instruments from our ABV which are, in our view, immaterial for the purposes of this Report.

Having regard to Table 10.2 above, we have calculated a value per Ramelius share of $0.396 under the ABV methodology. We reiterate that we consider the ABV methodology less relevant for the purpose of assessing the Offer for reasons including:

- We have no additional information available to that already in the market which would allow us to have an independent specialist either provide a valuation or provide us inputs suitable for a DCF valuation. If we had this additional information, the ABV set out in Table 10.2 may have been materially different; and
- In our view, the most relevant measure of value for Shareholders who accept the Offer is the price that they may be able to sell their Ramelius shares (received as a result of the Offer) either immediately or in the short-term. We consider that the MBV is likely to represent a reasonable proxy for the amount that Shareholders could expect to realise by selling the shares in Ramelius received as consideration after accepting the Offer.

Appendix A: Control Premium Analysis

A controlling interest in a company is usually regarded as being more valuable than a minority interest as it provides the owner with control over the operating and financial decisions of the company, the right to set the strategic direction of the company, control over the buying, selling and use of the company's assets, and control over appointment of staff and setting financial policies.

The increase in value for a controlling interest is often observed where an acquirer launches a takeover bid, or some other mechanism for control, for another company. For the purposes of our research on control premiums, we have defined a controlling interest to be an interest where the acquirer has acquired a shareholding of greater than 50% in the target company.

Generally, control premiums may be impacted by a range of factors, including the following:

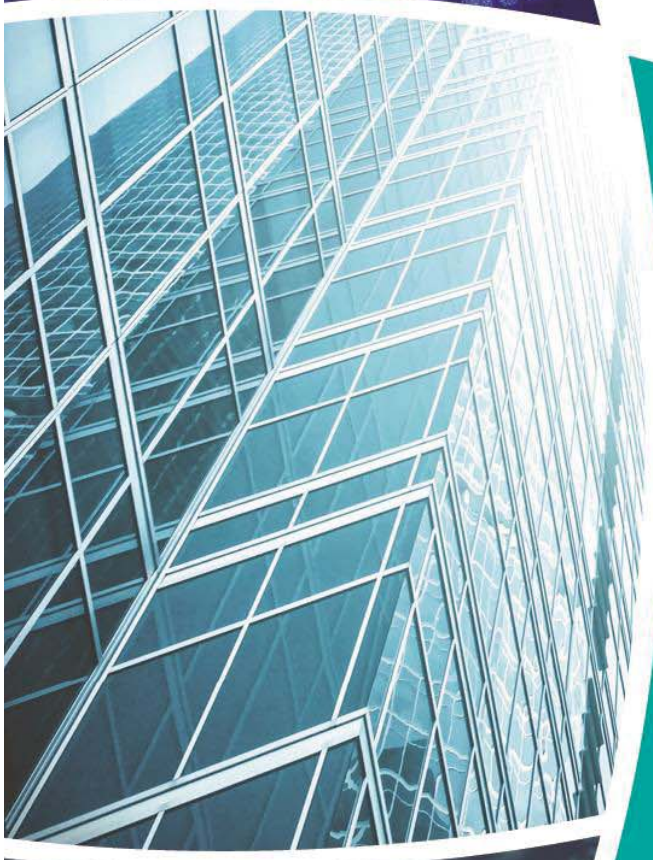
- Specific acquirer premium and/or special value that may be applicable to the acquirer;
- Level of ownership in the target company already held by the acquirer;
- Market speculation about any impending transactions involving the target and/or the sector that the target belongs to;
- The presence of competing bids; and
- General market sentiment and economic factors.

To form our view of an appropriate range of control premium applicable to Explaurum for the purposes of this Report, we have considered information which includes:

- Recent independent expert's reports which apply control premiums in the range of 20% to 40%;
- Various industry and academic research, which suggests that control premiums are typically within the range of 20% to 40%;
- Our own research on control premiums implied by the trading data of ASX listed companies within the gold exploration and mining industry subject to control transactions. The average and median control premium found in our research is approximately 30%, based on one-day, one-week, and one-month prior trading prices;
- Various valuation textbooks; and
- Industry practice.

Having regard to the information set out above, in our view, it is appropriate to consider control premiums within the range of 20% to 40% for the purposes of assessing the Offer within the context of this Report.

Appendix B: Independent Technical Expert's Report – CSA Report



CSA Global
Mining Industry Consultants

Independent Technical Assessment and Valuation Report

Explaurum Limited's Mineral Assets

CSA Global Report № R438.2018
4 December 2018

www.csaglobal.com

Report prepared for

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Report information

File name	R438.2018-EXUITV01-Explaurum Valuation - Final
Last edited	3/12/2018 2:45:00 PM
Report Status	Final

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Peer Reviewer and CSA Global Authorisation	Graham Jeffress BSc(Hons), FAIG, RPGeo, FAusIMM, FSEG	Signature:	Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication.

Executive Summary

CSA Global Pty Ltd (CSA Global) was commissioned by BDO Corporate Finance (QLD) Ltd (BDO) to prepare an independent Technical Assessment Report and Valuation of Explaurum Limited's (Explaurum or the "Company") Mineral assets, primarily the Tampia Gold Project located in southwest Western Australia. BDO is valuing the main Tampia asset using an income approach and CSA Global is valuing the assets not forming part of the Tampia feasibility study (FS) mine plan.

This independent technical assessment and valuation report ("the Report") was prepared for BDO. The Report provides an opinion to support an Independent Expert's Report to be prepared by BDO, and has been prepared as a public document, in the format of an independent technical specialist's report and has been prepared in accordance with the JORC and VALMIN Codes.

The Report provides a review of the Mineral Assets of Explaurum and provides a technical valuation of these Mineral Assets, not including the Tampia feasibility study (FS) mine plan. CSA Global has used a range of valuation methodologies to reach a conclusion on the value of the Mineral Assets. Note that the valuation is of the Company's Mineral Assets and not the value of Explaurum as a company.

The statements and opinions contained in this Report are given in good faith and in the belief that they are not false or misleading. The conclusions are based on the reference date of 10 September 2018 and could alter over time depending on exploration results, mineral prices and other relevant market factors.

CSA Global's valuations are based on information provided by Explaurum and public domain information. CSA Global has endeavoured, by making all reasonable enquiries, to confirm the authenticity and completeness of the technical data upon which this Report is based. No audit of any financial data has been conducted. The valuations discussed in this Report have been prepared at a valuation date of 10 September 2018. It is stressed that the values are opinions as to likely values, not absolute values, which can only be tested by going to the market.

Tampia Gold Project

The Tampia Gold Project is in the wheat belt of Western Australia, approximately 240 km east of Perth. The Tampia Gold Project comprises of two granted mining leases, nine granted exploration licences, and one exploration licence application covering an area of approximately 692 km^2. Explaurum has a 90% beneficial ownership interest in the two mining leases and one exploration licence and a 100% beneficial ownership interest in with the remaining licences.

The project is in the Southern Cross Province on the south eastern part of the Yilgarn Craton. The underlying geology consists of the late Archaean Western Gneiss Terrain, which are highly metamorphosed and deformed greenstone belt sequences intruded by multiple sequences of granites. The Tampia Gold Project area covers a sequence of late Archaean mafic and felsic granulite facies paragneiss and orthogneiss with the gold deposit hosted by an ovoid shaped mafic gneiss sequence that has been mapped in detail by ground gravity and drilling.

The Tampia Gold Project contains a reported Mineral Resource and Ore Reserve. As at 30 May 2018, Explaurum had total Mineral Resources of 11.7 Mt at 1.79 g/t Au for 675,000 oz of contained gold[1]. Included in the Mineral Resource were Ore Reserves totalling 7.23 Mt at 2.09 g/t Au for 485,000 oz of contained gold.

The Mace Deposit is a near surface supergene/alluvial gold deposit immediately adjacent to the Tampia Deposit. It has currently been defined over a strike length of 1.1 km, within a larger target zone 13 km in

[1] Detailed breakdowns on the classification of the resources and reserves are included within the Report

length. It extends from 8 m below surface with mineralisation down to around 16–20 m in depth. The Mace Deposit is currently undergoing mineral resource estimation.

In the tenements surrounding the Tampia deposit, recent exploration by Explaurum has been positive. In the last 18 months Explaurum have developed several targets based on airborne gravity and regional auger soil sampling. At several prospects, such as Anomaly 8, Explaurum have undertaken scout aircore and RC percussion drilling, which has returned gold mineralised intersections. At present, many of the Company's targets remain untested by drilling and there a still number of the gravity anomalies to be followed up with geochemical sampling.

Comments on the inputs to the Tampia FS DCF model

At BDO's request, CSA Global undertook an assessment of the technical inputs into the Tampia Gold Project FS mine plan so that BDO could undertake a Discounted Cash Flow model driven valuation of the Ore Reserves and Mineral Resources included in the mine plan. CSA Global's assessment of the inputs into Tampia Gold Project FS mine plan did not identify any material issues, and that the inputs and costs indicated in the mine plan are considered appropriate and reasonable.

CSA Global considers the Opex, Capex, General and Administration, the closure and rehabilitation costs to be reasonable and that the planned mining methodology does not represent a material risk to development, mining and value of the project. The gold recovery inputs to the DCF model are considered reasonable given the test work completed to date.

Valuation

CSA Global was requested by BDO to provide a valuation of the Mineral Resources outside of the Tampia Gold project FS mine plan and the exploration potential of the surrounding exploration and mining licences.

CSA Global's opinion on the Market Value of Explaurum's Mineral Assets as at 10 September 2018 is summarised in Table 1.

Table 1: Tampia Gold Project valuation as at 10 September 2018

Mineral Asset	Explaurum's interest	Valuation (A$M)		
		Low	Preferred	High
Mineral Resources (not included in FS study mine plan)	90%	1.7	2.5	3.4
Mining Licences - Mace	90%	0.4	1.1	1.8
Exploration Tenure	100%	1.9	4.5	7.2
Total	90% & 100%	4.1	8.2	12.3

Note: The valuations have been compiled to an appropriate level of precision and minor discrepancies related to rounding may occur.

There is significant range in the values derived for the Company's project. CSA Global has considered this range and concludes that it provides a reasonable representation of possible valuation outcomes for the project, given the uncertainties inherent in valuing early-stage exploration and pre-development projects.

It is stressed that the valuation is an opinion as to likely values, not absolute values, which can only be tested by going to the market.

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1 Introduction

1.1 Context, Scope and Terms of Reference

Explaurum Limited (Explaurum, or "the Company") is a Queensland-based exploration and mining company that is listed on the Australian Securities Exchange (ASX). Explaurum's key asset is the Tampia Gold Project in Western Australia.

On 10 September 2018, Ramelius Resources Limited (Ramelius) announced an off-market takeover offer for all the ordinary shares of Explaurum. The offer is one Ramelius share for every four Explaurum shares.

Explaurum engaged BDO Corporate Finance (QLD) Ltd (BDO) to prepare an Independent Expert's Report (BDO Report) for inclusion within a Target Statement to non-associated shareholders to assist in their decision of whether to accept the takeover offer for Explaurum by Ramelius.

CSA Global Pty Ltd (CSA Global) was in turn commissioned by BDO to prepare an independent opinion on the Market Valuation of Explaurum's Tampia Gold Project in Western Australia (CSA Global Report or "the Report"). BDO will rely on, and the BDO Report will refer to, the CSA Global valuation opinion, and a copy of the CSA Global Report will be appended to the BDO Report.

The BDO Report will provide an opinion to Explaurum's shareholders, and as such it will be a public document. CSA Global will provide its consent to the use of the Report in the form and context in which it will be published.

CSA Global's brief was to prepare the following for the use of BDO:

- **Independent Technical Assessment Report** – review the technical project assumptions and provide an assessment on the reasonableness of the assumptions used in the cash flow model, broadly being:
  - resources and reserves incorporated in the cash flow model
  - mining physicals (including tonnes of ore mined, ore processed, recovery and grade)
  - processing assumptions (including ore and grade processed, products and recovery)
  - operating costs (including but not limited to mining, processing, haulage, general site costs/administration, penalties, transport, contingencies and royalties)
  - capital expenditure (including but not limited to project capital costs, sustaining capital expenditure, salvage value, rehabilitation and contingency)
  - any other relevant technical assumptions not specified above.
- **Valuation report** – an independent market valuation of:
  - the resources not already included in the cash flow model
  - other exploration assets of the Company, if considered material.

The Report will be a Technical Assessment and Valuation subject to the VALMIN Code. The Report will contain a high-level technical appraisal of the Tampia Gold Project in Western Australia, including geological and mining aspects. A valuation of the assets will also be completed. CSA Global will use a range of valuation methodologies to reach a conclusion on the value of the assets.

1.2 Compliance with the VALMIN and JORC Codes

The Report has been prepared in accordance with the VALMIN Code[2], which is binding upon Members of the Australian Institute of Geoscientists (AIG) and the Australasian Institute of Mining and Metallurgy (AusIMM), the JORC Code[3] and the rules and guidelines issued by such bodies as the Australian Securities and Investments Commission (ASIC) and ASX that pertain to Independent Experts' Reports.

The authors have taken due note of the rules and guidelines issued by such bodies as ASIC and ASX, including ASIC Regulatory Guide 111 – Content of Expert Reports, and ASIC Regulatory Guide 112 – Independence of Experts.

1.3 Principal Sources of Information

The Report has been based on information available up to and including 30 November 2018. The information was provided to CSA Global by Explaurum, or has been sourced from the public domain, and includes both published and unpublished technical reports prepared by consultants, and other data relevant to Explaurum's projects.

The authors have endeavoured, by making all reasonable enquiries within the timeframe available, to confirm the authenticity and completeness of the technical data upon which the Report is based.

Mr Daryl Wilkinson and Mr Ralph Porter of CSA Global undertook a site visit to the Tampia Gold Project on the 12th October 2018, in preparation of this Report.

Tenement information on the Tampia Gold Project was provided by independent tenement specialists Hetherington Exploration & Mining Title Services (WA) Pty Ltd (Hetherington), details are provided in Section 2.2. CSA Global relies on the independent opinion of Hetherington's dated 25 September 2018, with regards to the validity, ownership and good standing of Explaurum's Tampia Gold Project tenements. CSA Global makes no other assessment or assertion as to the legal title of the tenements and is not qualified to do so.

1.4 Authors of the Report – Qualifications, Experience and Competence

The Report has been prepared by CSA Global, a privately-owned consulting company that has been operating for over 30 years; with its headquarters in Perth, Western Australia.

CSA Global provides multidisciplinary services to a broad spectrum of clients across the global mining industry. Services are provided across all stages of the mining cycle from project generation, to exploration, resource estimation, project evaluation, development studies, operations assistance, and corporate advice, such as valuations and independent technical documentation.

The information in this Report that relates to the Technical Assessment and Valuation of Mineral Assets reflects information compiled and conclusions derived by Mr Sam Ulrich who is a Member of the Australasian Institute of Mining and Metallurgy and Australian Institute of Geoscientists. He is not a related party or employee of Explaurum. Mr Ulrich has sufficient experience relevant to the Technical Assessment and Valuation of the Mineral Assets under consideration and to the activity which he is undertaking to qualify as a Practitioner as defined in the 2015 edition of the "Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets". Mr Ulrich consents to the inclusion in the Report of the matters based on his information in the form and context in which it appears.

The information in this Report that relates to the Technical Assessment of Mineral Resources was completed by CSA Global Principal Resource Geologist, Serikjan Urbisinov, BSc (Geology), BSc (Computer Science), MAIG.

[2] *Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (The VALMIN Code) 2015 Edition*. Prepared by the VALMIN Committee, a joint committee of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists.

[3] *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code) 2012 Edition*. Prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC).

He has over 20 years' experience as a geologist, comprising over 10 years' experience in exploration, field operations and resource estimation, and 10 years' experience as a geological consultant. Mr Urbisinov has a strong background in both geology and computer technologies that has allowed him to master geological and mining software to an expert level. Mr Urbisinov's experience with various mining operations gives him an excellent practical and theoretical basis for resource estimation.

The Mining Assessment of the Tampia Feasibility Study in this report was completed by CSA Global Principal Associate Mining Engineer, Daryl Wilkinson (BEng (Hons) MAusIMM CP (Min)). He is a mining engineer with over 35 years of experience in operations, engineering, management, and consulting. Mr Wilkinson has extensive experience in due diligence reviews, technical reports, preliminary economic assessments, feasibility studies, valuations, and operations reviews.

The valuation of Mineral Resources and Exploration Tenure was completed by CSA Global Principal Consultant, Mr Sam Ulrich, BSc (Hons), GDipAppFin, MAusIMM, MAIG, and FFin. He is a consulting geologist with over 20 years' experience in the minerals industry, including six years as a consultant. Mr Ulrich has an extensive background in mineral exploration, and specialises in due diligence reviews, project evaluations and valuations, as well as code-compliant reporting. His knowledge is broad based, and he has wide-ranging experience in the field of mineral exploration and resource development, having managed or consulted on various projects ranging from first-pass grassroots exploration to brownfields exploration and evaluation. Mr Ulrich has the relevant qualifications, experience, competence and independence to be considered a "Specialist" under the definitions provided in the VALMIN Code and a "Competent Person" as defined in the JORC Code.

Peer review was completed by Graham Jeffress, a geologist with over 28 years' experience in exploration geology and management in Australia, Papua New Guinea and Indonesia. He has worked in exploration (ranging from grassroots reconnaissance through to brownfields, near-mine, and resource definition), project evaluation and mining in a variety of geological terrains, commodities, and mineralisation styles within Australia and internationally, including gold exploration in the Murchison, Eastern Goldfields and in the Lake Grace region. Graham has completed numerous independent technical reports (IGR, CPR, QPR) and valuations of mineral assets.

1.5 Prior Association and Independence

The authors of this Report have no prior association with Explaurum in regard to the Mineral Assets. Neither CSA Global, nor the authors of this Report, have or have had previously, any material interest in Explaurum or the mineral properties in which Explaurum has an interest. CSA Global's relationship with Explaurum is solely one of professional association between client and independent consultant.

CSA Global is an independent geological consultancy. This Report is prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this Report. The fee for the preparation of this Report is approximately A$69,000.

No member or employee of CSA Global is, or is intended to be, a director, officer or other direct employee of Explaurum. No member or employee of CSA Global has, or has had, any material shareholding in Explaurum. There is no formal agreement between CSA Global and Explaurum to CSA Global conducting further work for Explaurum.

1.6 Declarations

The statements and opinions contained in this Report are given in good faith and in the belief that they are not false or misleading. The Report has been compiled based on information available up to and including the date of the Report.

The statements and opinions are based on the reference date of 10 September 2018 and could alter over time depending on exploration results, mineral prices and other relevant market factors.

The opinions expressed in the Report have been based on the information supplied to CSA Global by Explaurum. The opinions in the Report are provided in response to a specific request from Explaurum to do so. CSA Global has exercised all due care in reviewing the supplied information. Whilst CSA Global has compared key supplied data with expected values, the accuracy of the results and conclusions from the review are entirely reliant on the accuracy and completeness of the supplied data. CSA Global does not accept responsibility for any errors or omissions in the supplied information and does not accept any consequential liability arising from commercial decisions or actions resulting from them. Opinions presented in the Report apply to the site conditions and features, as they existed at the time of CSA Global's investigations, and those reasonably foreseeable. These opinions do not necessarily apply to conditions and features that may arise after the date of the Report, about which CSA Global had no prior knowledge nor had the opportunity to evaluate.

CSA Global's valuations are based on information provided by Explaurum and public domain information. This information has been supplemented by making all reasonable enquiries within the timeframe available, to confirm the authenticity and completeness of the technical data.

No audit of any financial data has been conducted.

The valuations discussed in the Report have been prepared at a valuation date of 10 September 2018. It is stressed that the values are opinions as to likely values, not absolute values, which can only be tested by going to the market.

1.6.1 Results are Estimates and Subject to Change

The interpretations and conclusions reached in this Report are based on current scientific understanding and the best evidence available to the authors at the time of writing. It is the nature of all scientific conclusions that they are founded on an assessment of probabilities and, however high these probabilities might be, they make no claim for absolute certainty.

The ability of any person to achieve forward-looking production and economic targets is dependent on numerous factors that are beyond CSA Global's control and that CSA Global cannot anticipate. These factors include, but are not limited to, site-specific mining and geological conditions, management and personnel capabilities, availability of funding to properly operate and capitalise the operation, variations in cost elements and market conditions, developing and operating the mine in an efficient manner, unforeseen changes in legislation and new industry developments. Any of these factors may substantially alter the performance of any mining operation.

2 Tampia Gold Project

2.1 Location and Access

The Tampia Gold Project (or "the Project") is located in the wheat belt of Western Australia, approximately 240 km east of Perth and 12 km southeast of the township of Narembeen (Figure 1). Access from Perth through Narembeen is via Bruce Rock-Narembeen Road, Narembeen Road South and Hedges East Road. The Project is located within an area of broad acre cultivation (predominantly cereal cropping and sheep grazing on pasture), where there has been no previous history of mining.

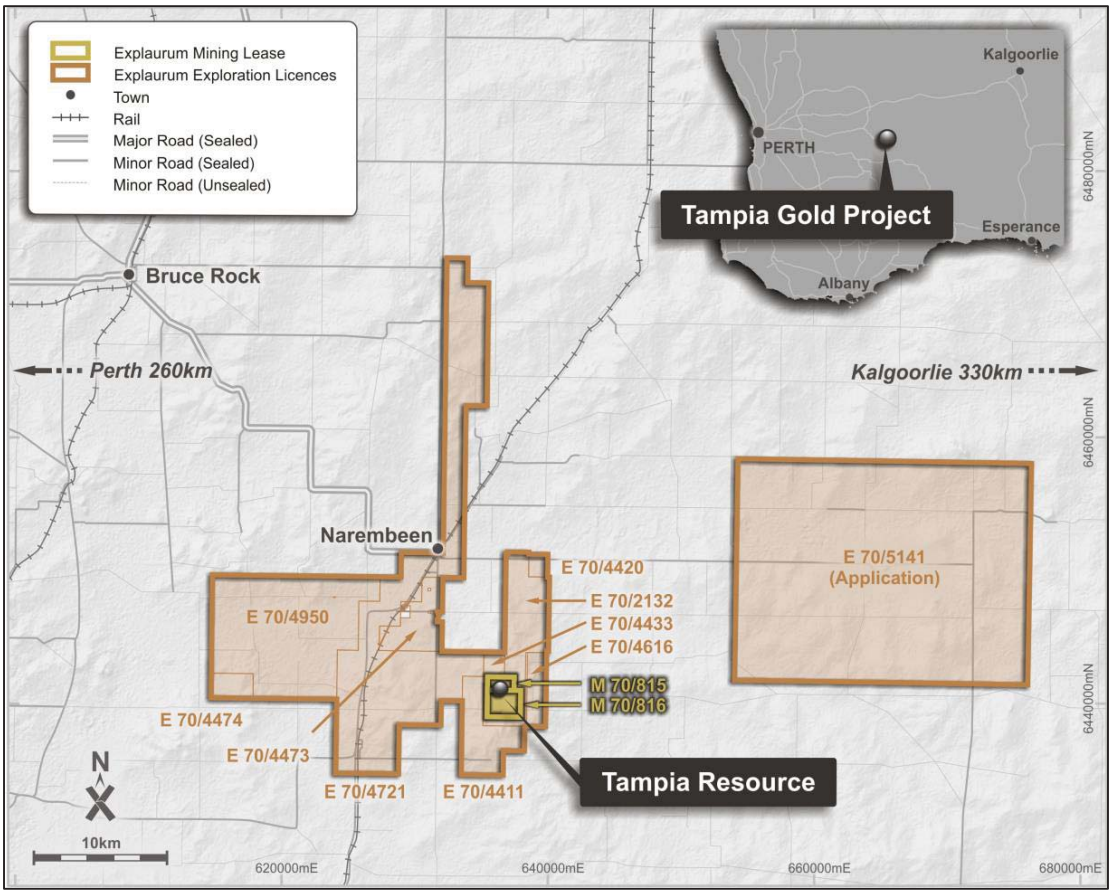

Figure 1: Tampia Gold Project location
Source: Explaurum Limited Website 2018

2.2 Ownership and Tenure

The Project comprises two granted mining leases, nine granted exploration licences and one exploration licence application (Figure 1 and Table 2). Explaurum has a 90% equity interest in the two mining licences (M70/815 and M70/816) and one exploration licence (E70/2132) and a 100% equity interest in the remaining exploration licences and exploration licence application. The area of the granted tenure is approximately 325 km^2 and the area of the exploration licence application is approximately 367 km^2.

The independent tenement report by Hetherington (Section 1.3) confirmed the validity, ownership and good standing of Explaurum's Tampia Gold Project tenements.

All tenements are located on private land, where Native Title has been extinguished. Individually negotiated land access agreements that confer full access rights and all subsurface mineral exploration rights to the Topia tenure have been negotiated. Though access is not available year-round during cropping season.

Table 2: Tampia Gold Project Tenure

Licence	Status	Explaurum Equity	Area km²	Grant Date	Expiry Date	Owners
M70/815	Granted	90%	1.99	08-08-1997	12-08-2039	Explaurum Operations Pty Ltd; Tampiagold Pty Ltd
M70/816	Granted	90%	0.50	08-08-1997	12-08-2039	Explaurum Operations Pty Ltd; Tampiagold Pty Ltd
E70/2132	Granted	90%	30.29	23-08-2005	22-08-2018#	Explaurum Operations Pty Ltd; Goldoro Pty Ltd
E70/4411	Granted	100%	20.35	04-01-2013	03-01-2023	Explaurum Operations Pty Ltd
E70/4420	Granted	100%	2.45	02-11-2012	01-11-2022	Explaurum Operations Pty Ltd
E70/4433	Granted	100%	2.91	05-12-2012	04-12-2022	Explaurum Operations Pty Ltd
E70/4473	Granted	100%	16.38	06-01-2014	05-01-2019	Explaurum Operations Pty Ltd
E70/4474	Granted	100%	5.82	18-12-2013	17-12-2018	Explaurum Operations Pty Ltd
E70/4616	Granted	100%	8.72	11-03-2015	10-03-2020	Explaurum Operations Pty Ltd
E70/4721	Granted	100%	142.60	23-12-2015	22-12-2020	Explaurum Operations Pty Ltd
E70/4950	Granted	100%	93.08	11-05-2017	10-05-2022	Explaurum Operations Pty Ltd
E70/5141	Application	100%	366.70			Explaurum Operations Pty Ltd

 # An application for an extension / renewal of term for one year was lodged on 1 August 2018.

2.2.1 Agreements and Royalties

There is a joint venture agreement between Explaurum and Tampiagold Pty Ltd (Tampiagold) over mining leases (M70/815 and M70/816), and with Goldoro Pty Ltd (Goldoro) for exploration licence E70/2132. Presently Explaurum holds a 90% interest and Tampiagold and Goldoro a 10% interest of their respective tenements. Tampiagold's and Goldoro's 10% interest is free carried up to completion of the Bankable Feasibility Study (BFS), after which time they can elect to either retain a 10% participating interest or convert their interest. If converted, Tampiagold and Goldoro will receive an equivalent interest in Explaurum shares of 5%, and a 1% ongoing royalty.

2.3 Geology

The geology discussion below has been summarised from the Tampia Gold Project Feasibility Study (Explaurum, 2018).

2.3.1 Regional Geology

The project area is located in the Southern Cross Province on the south eastern part of the Yilgarn Craton (Figure 2) where the landscape is undulating, with soils comprising clays and silts underlain by calcrete, exposed granite, sandplains and laterite pavements. The underlying geology consists of the late Archaean Western Gneiss Terrain, which are highly metamorphosed and deformed greenstone belt sequences intruded by multiple sequences of granites.

The Tampia Gold Project is in the Lake Grace Terrane, which is located at the boundary between the Western Gneiss Terrane and the Southern Cross greenstone belt, together constituting part of the larger Yilgarn Craton of Western Australia (Figure 2).

The Lake Grace Terrane contains many greenstone belt remnants that have been metamorphosed to granulite facies and predominantly comprise banded felsic granulite gneiss that has been intruded by granite. Belts of mafic granulite gneiss less commonly occur with the felsic granulite gneiss as well as subordinate granulite facies metamorphosed banded iron formations and paragneiss.

The main gold deposits in the Lake Grace Terrane include the Tampia, Katanning and Griffins Find Deposits. These deposits have characteristics in common with the greenschist and amphibolite facies orogenic gold deposits described in the Eastern Goldfields, Murchison and Southern Cross provinces of the Yilgarn, but are hosted by granulite facies gneiss lithologies.

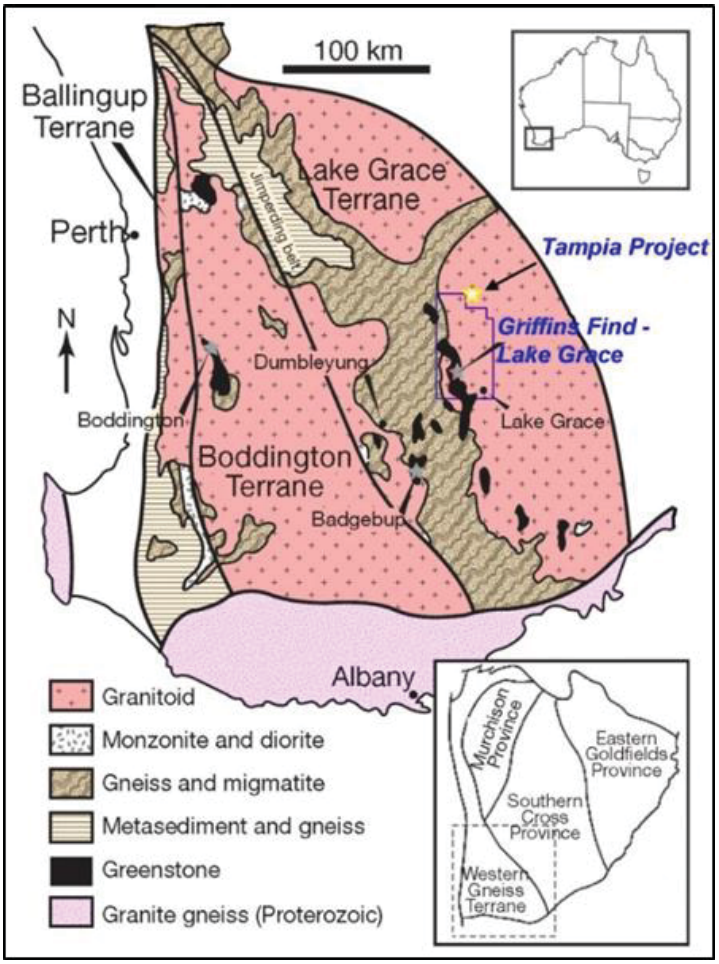

Figure 2: Regional geology of southwest Western Australia
Source: Explaurum, 2018

Previous mapping of the region by GSWA was hampered by extensive recent Quaternary sediments and a complex regolith, which when combined with disruption by farming activities, make accurate geological mapping difficult.

Recent exploration undertaken by the Company using airborne gravity and magnetics has considerably improved the interpreted geology of the region. From this new work, considerably more mafic gneiss, which appears to be the main host to gold mineralisation in the region, has been interpreted than was previously known. There are two mafic sequences within the project area (Figure 3), both of which have similar gravity signatures to that hosting the Tampia Deposit.

2.3.2 Local Geology

The Tampia Gold Project area covers a sequence of late Archaean mafic and felsic granulite facies paragneiss and orthogneiss (Figure 3), with the gold deposit hosted by an ovoid shaped mafic gneiss sequence that has been mapped in detail by ground gravity and drilling. The gneiss sequence dips between 35° to 40° to the south east and strikes 40°. The base of the gneiss sequence that host the Tampia gold deposit, as interpreted from the structural position of the host rocks, is a well banded foliated and banded felsic feldspar-biotite-

quartz augen gneiss, that also can contain graphite and pyrrhotite. This metamorphic unit is interpreted to have been a sedimentary sequence comprising clastics, wacke, arenite and graphitic shale. The next unit is a felsic feldspar-biotite-amphibole-pyroxene gneiss that appears to contain a mixture of sedimentary and mafic precursor lithologies.

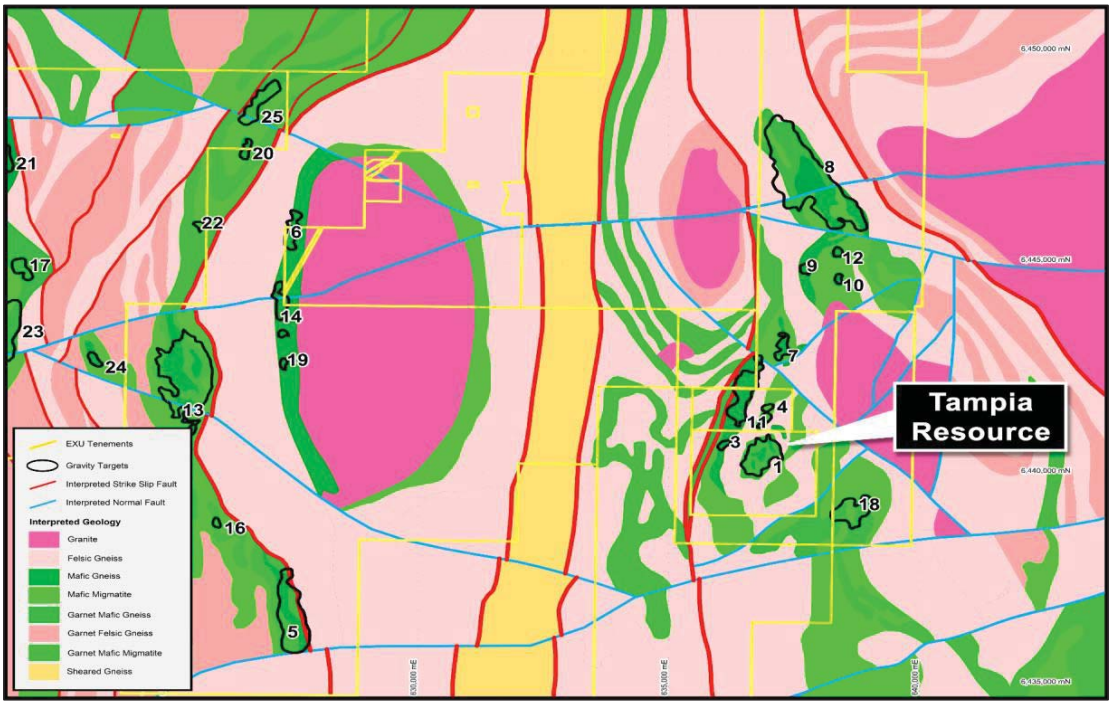

Figure 3: Tampia Gold Project geology
Source: Explaurum, 2018

The uppermost part of the sequence, which is the main host to gold mineralisation at Tampia, consists of mafic gneiss dominated by pyroxene-plagioclase-amphibole. Minor biotite, spinel, enstatite and quartz with up to 2% pyrrhotite also occur. The precursor lithology is inferred to be tholeiitic basalt. Banding in the mafic and felsic gneisses defines zones of migmatite, which in places are intensely ptygmatically folded and crenulated. The leucosomes in the migmatites are composed of plagioclase and some quartz with orthopyroxene inclusions. The gneisses are intruded by quartz-feldspar granite dykes and sills that have complex cross-cutting relationships suggesting multiple phases of emplacement. These granites, particularly where they intrude the mafic gneiss, occur as parallel to sub-parallel sheets that follow the banding in the gneiss and the migmatite zones (Figure 4 and Figure 5). The granites are parallel to, but also cross cut fabrics in the gneiss, have chilled margins, are undeformed and unmetamorphosed indicating emplacement post-granulite facies metamorphism. This entire sequence is intruded by several unmetamorphosed dolerite dykes that are thought to be Proterozoic in age.

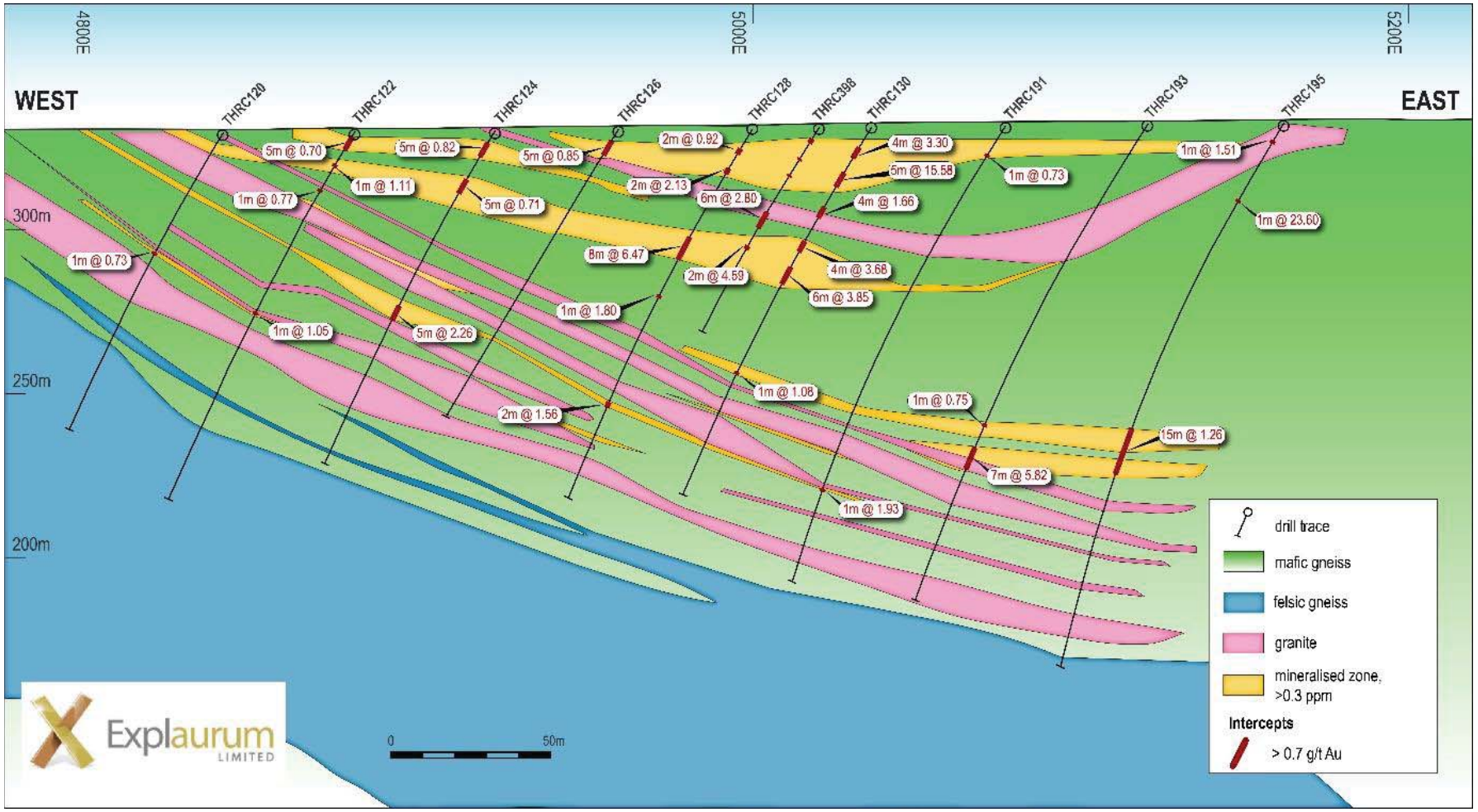

Figure 4: Cross-section 10040 through the Leicester zone (see Figure 5).
Source: Sterk, 2018

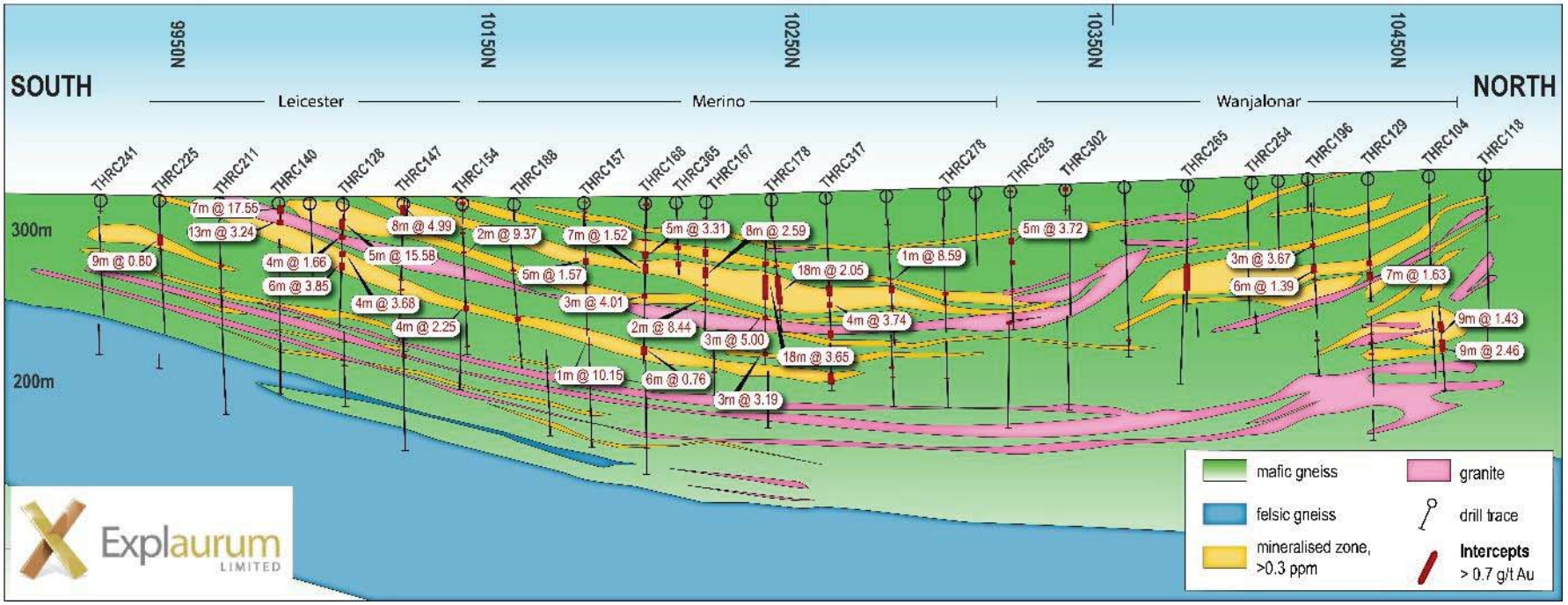

Figure 5: Long-section (local grid) through the Tampia Deposit
Source: Sterk, 2018

2.3.3 *Tampia Deposit Geology and Gold Mineralisation*

The Tampia gold deposit is hosted by as an open synform that plunges 30° toward 120° (Figure 4, Figure 5 and Figure 6). The synform is well defined by banding in the migmatite zones and by the granite sheets that appear to be localised in flat, late ductile, high-strain zones.

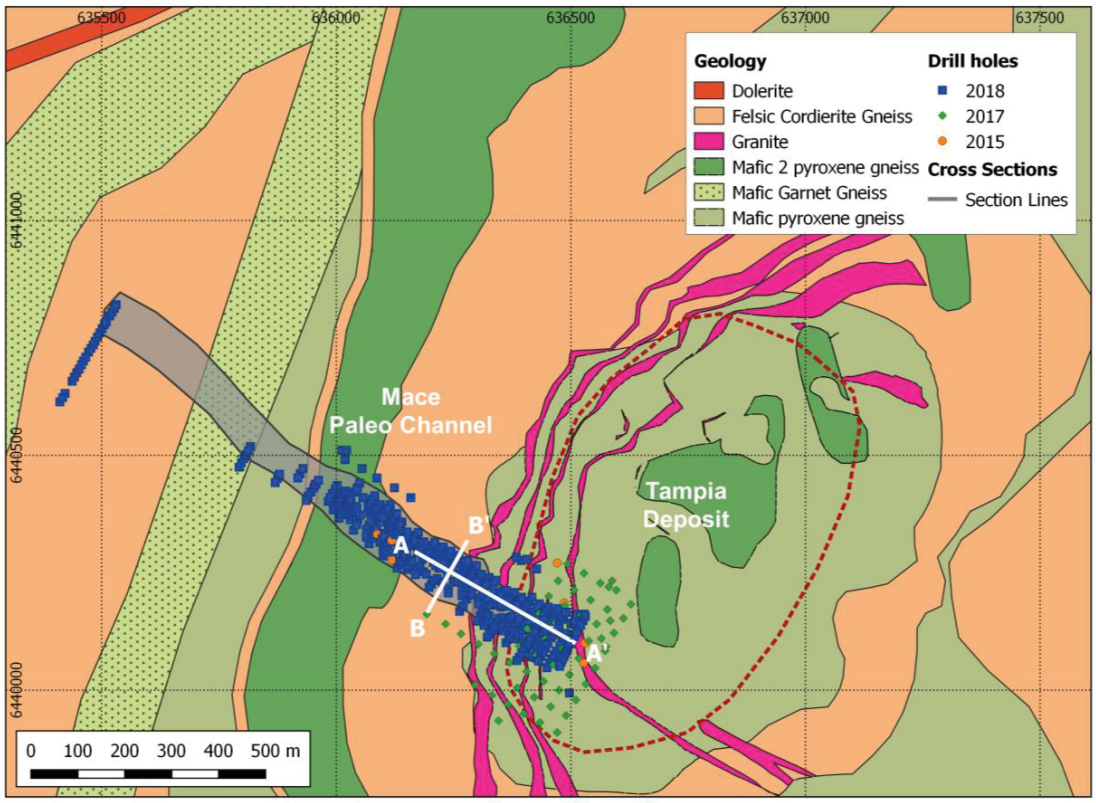

Figure 6: Local geology for the Tampia and Mace deposits
Source: Explaurum 2018.

Gold mineralisation occurs in elongate to ellipsoidal stacked pods that vary in size from 1-10 m thick, 50-150 m wide (east-west) and 50-200 m long (north-south) (Figure 4 and Figure 5). These pods tend to be parallel to the migmatite zones and granite sheet contacts and have a statistically well-defined spatial association with the granites. Gold mineralisation is dominantly disseminated throughout the pods, with higher grade gold zones concentrated within zones of hornblende-biotite-pyroxene and hornblende-biotite-plagioclase within pyroxene and biotite-bearing mafic gneiss that are aligned parallel to the plunge of the fold, forming linear rod-like shoots.

The gold occurs in and with disseminated weakly magnetic pyrrhotite, arsenopyrite, chalcopyrite, löllingite, rare pyrite, and as coarse free gold. Gold nuggets of up to 10 mm have been panned from RC percussion samples and logged in core. Total sulphide contents of mineralised intersections are between 1% and 3%, with a maximum estimated 5% sulphides. Sulphides occur along foliation planes and banding in the gneiss.

Average gold grades within a zone >1 g/t Au vary between 1–25 g/t Au over 5–20 m intervals.

The gold mineralisation drilled to date at Tampia has a 1,040 m by 550 m footprint striking approximately 030°, and gold mineralisation remains open to the southeast and at depth. Two mineralised horizons have been drilled that are continuous along the strike of the deposit, with the upper horizon being the best mineralised.

Additional zones of gold mineralisation have been intersected at depth, but these are less continuous. The gold zones appear to deepen along strike away from the fold hinge.

Gold mineralisation occurs predominantly in the chemically more reactive iron-rich mafic gneiss, but does rarely occur in the late undeformed granites along their contacts and also as narrow lower grade intersections with the undeformed granite.

2.3.4 Mace Deposit Geology and Gold Mineralisation

At Mace, a Tertiary palaeochannel has cut into the late Archaean basement (Figure 6). A regolith profile has developed over the Archaean basement and also affected the Tertiary sediments. The gold mineralisation at Mace is primarily hosted in the regolith, occurring within Tertiary sediments, the Archaean bedrock, and to a lesser extent the Quaternary Alluvium. Mineralisation in the alluvium is patchy. The mineralisation is best developed where the palaeochannel is deepest. Supergene processes are believed to have redistributed alluvial mineralisation in this zone. This supergene redeposition of gold extends laterally along the regolith boundaries, and across the palaeochannel boundaries and into the felsic gneiss regolith.

2.4 Exploration and Mining History

There has been no mining at the Tampia Gold Project.

BHP Gold Mines Ltd (BHP) initiated exploration in the area in 1987 (following the discovery of the Boddington Gold Deposit) and undertook stream sediment sampling, soil sampling (hand and auger), rock sampling, RAB and diamond core drilling, geophysics (magnetics, induced polarisation, electromagnetics), petrology, structural studies and resource estimates.

Dry Creek Mining NL (Dry Creek) purchased the project from BHP in early 1990. They undertook preliminary pit designs and evaluation of Tampia Hill, soil sampling and RAB drilling. Dry Creek were unsuccessful in negotiating access to Tampia Hill from 1990 to 1993.

Exploration was hampered from 1990 to 1997 by the failure to secure surface access rights.

Dry Creek was renamed Nexus Minerals NL (Nexus), and subsequently IPT Systems Ltd, with exploration recommencing in 1997, with Nexus undertaking ground magnetics, geological mapping, rock sampling, soil sampling, RC percussion drilling, and metallurgical test work at Tampia through to 2001.

Between September 2001 and December 2005 all exploration ceased on the project due to plaint actions.

Meridian Mining Limited held the project between 2006 and 2009, completing data reviews, geological studies, and an airborne magnetics survey.

The mining leases M70/816 and M70/816 were transferred to Tampiagold in 2010 and exploration licence E70/2132 transferred to Goldoro in the same year. Both companies experienced further land access issues. They completed high resolution airborne magnetics over the project area in 2010.

Auzex Exploration Limited (Auzex) completed a sale and purchase agreement with Tampiagold and Goldoro in February 2012, forming a joint venture whereby Auzex acquired 80% of the tenements. Auzex mostly undertook consolidation and reinterpretation of existing data and completed four diamond holes at Tampia.

Explaurum acquired Auzex's interest in the Tampia Gold Project in 2015.

Since gaining control of the project Explaurum has completed several exploration campaigns, including geophysical data collection, exploratory drilling, mapping and geochemistry. In 2017, Explaurum completed a major resource definition drilling campaign consisting of a total of 287 RC holes. All holes were spaced on a 40 m × 40 m drilling grid drilling towards 300°northwest (Figure 7). A local grid was created to cover the entire deposit rotated at 30 degrees so that all holes drilled 270 West on local grid (Table 8). Hole depths ranged from 30 m to 228 m.

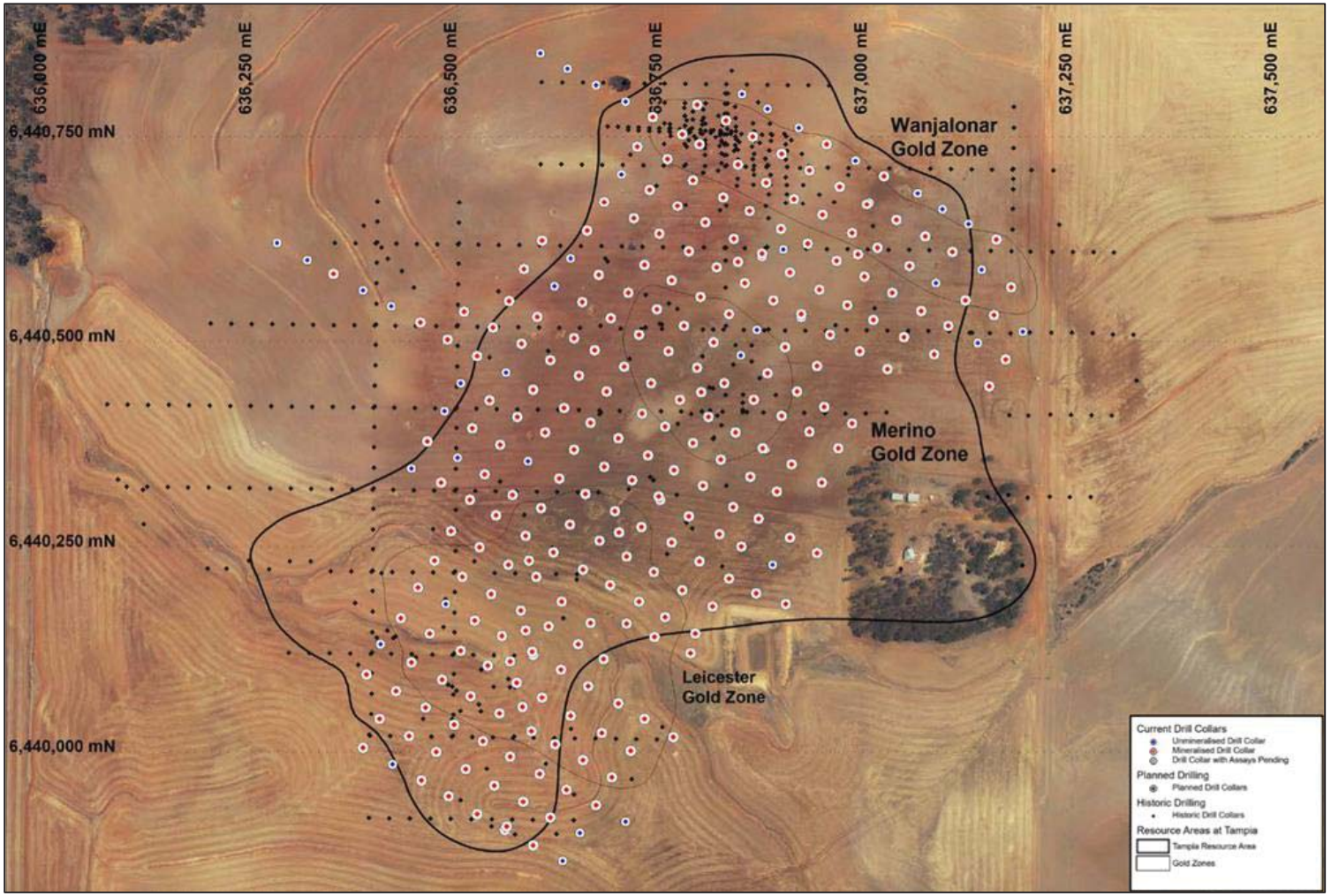

Figure 7: Location of the drill collars for the 2017 drilling campaign
Source: Sterk, 2018

2.5 Exploration Potential

CSA Global considers the Tampia Gold Project area is prospective for orogenic gold mineralisation.

A ground gravity survey undertaken by Explaurum in April 2016 identified a coincident gravity anomaly with the known Tampia deposit, demonstrating the effectiveness of this technique in identifying potential gold mineralisation in this area. In May 2017, Explaurum completed a 400 km^2 airborne gravity survey of the district identifying three major new targets and 21 secondary targets (Figure 8).

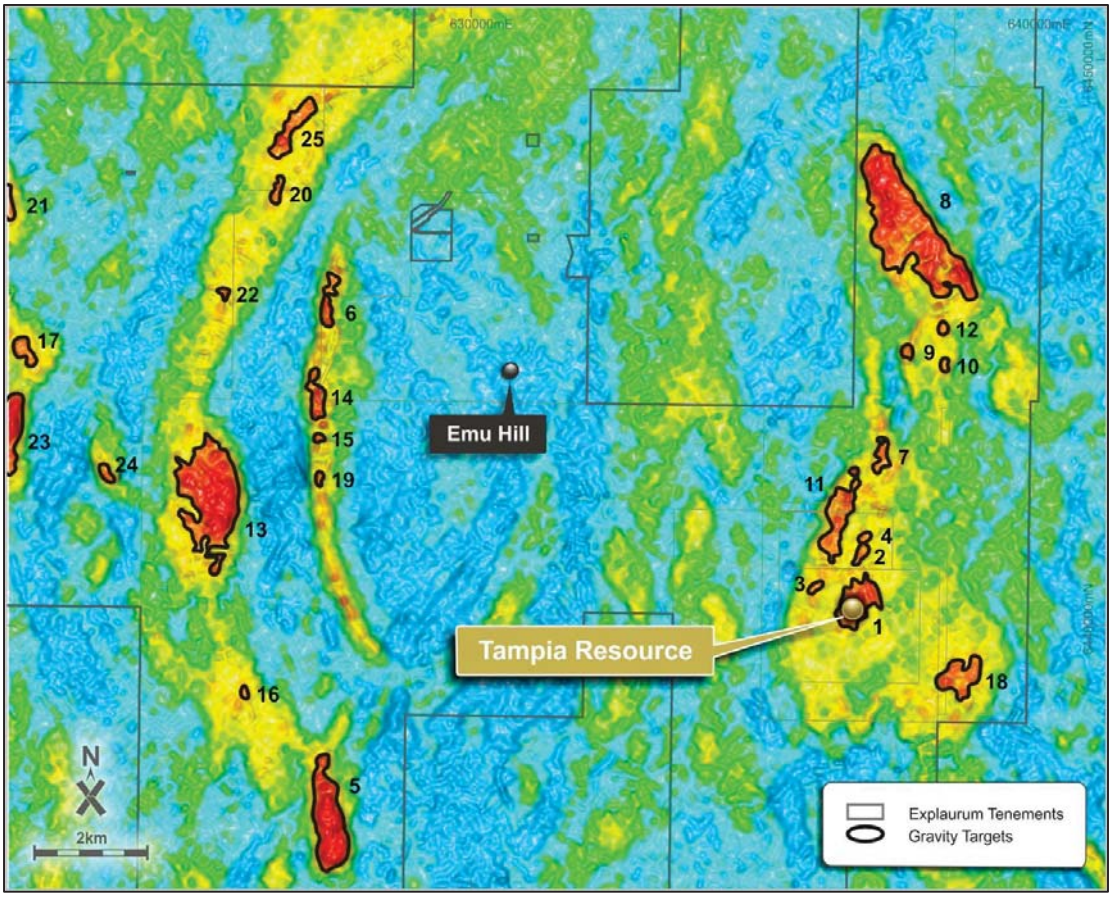

Figure 8: Gravity survey mapping showing Tampia and 24 additional targets
Source: Explaurum Limited 2018, ASX Announcement 8 August 2018.

Explaurum have followed up several of the gravity anomalies with regional auger sampling for gold, with positive results (Figure 9). At present a number of the gravity anomalies remain to be tested with auger soil sampling including major Anomaly 13 (Figure 8 and Figure 9). At more advanced prospects such as Anomaly 8 first pass scout drilling has been undertaken (see Section 2.5.2).

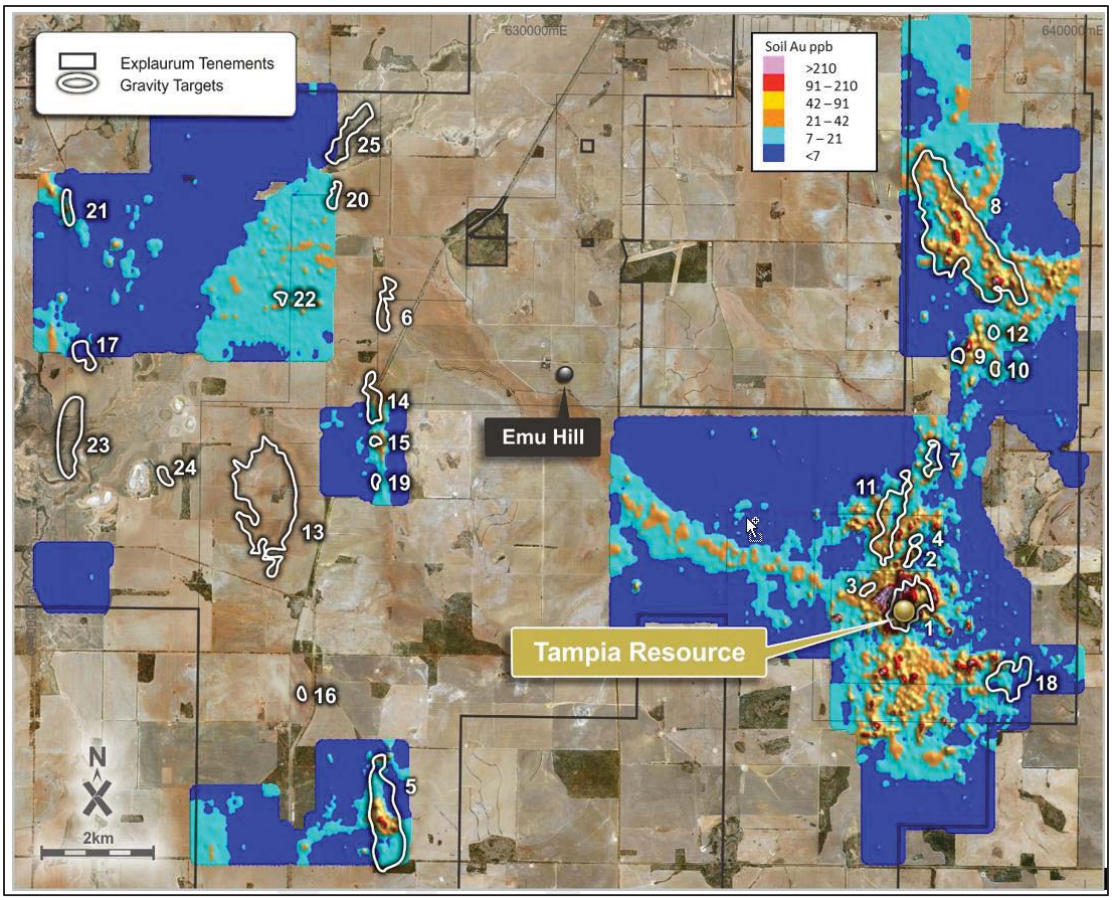

Figure 9: Soil sample results to date with gravity anomalies
Source: Explaurum Limited 2018, ASX Announcement 8 August 2018

2.5.1 Mace Prospect

The Mace Prospect in CSA Global's opinion has significant potential to provide additional Mineral Resources that could be incorporated into an updated mine plan, due to the proximity, grade and shallow nature of the supergene mineralisation in relation to the current pit design (Figure 10 and Figure 11).

Explaurum has undertaken implicit modelling of the supergene mineralisation, with the modelling showing that the gold mineralisation occurs at a consistent depth of 8 m over a 1.1 km strike length. The mineralisation ranges from 40 m to 80 m wide and is between 1 m to 11 m thick (averaging 5 m). Mace contains significant high-grade gold mineralisation up to 144 g/t Au, see Figure 10 and Figure 11 (Explaurum, 2018).

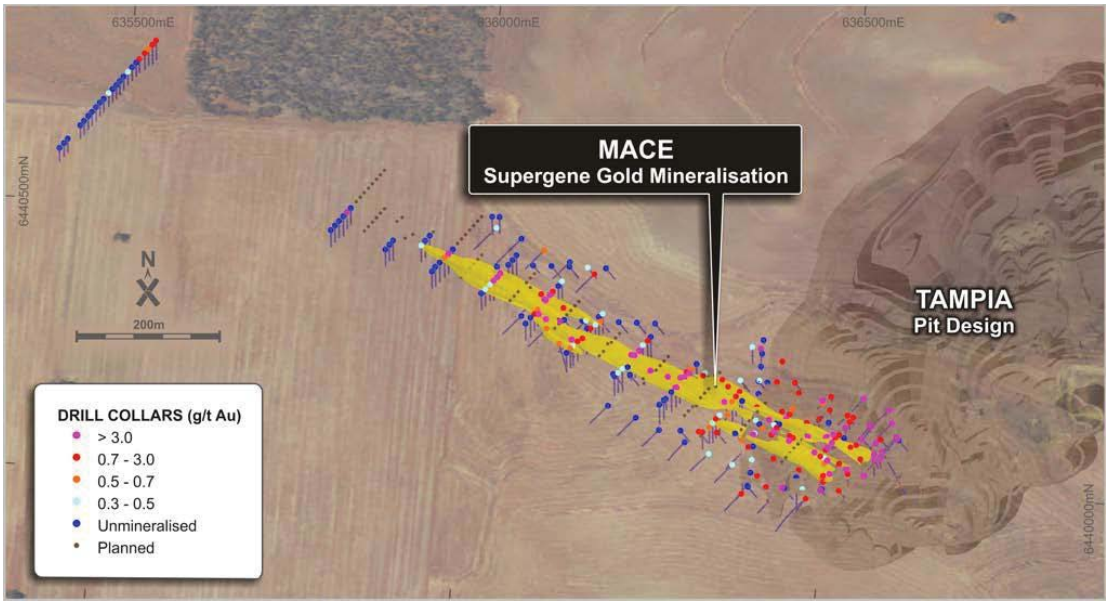

Figure 10: Implicit gold grade model of supergene gold mineralisation in relation to current pit design.
Source: Explaurum Limited ASX Announcement 7 September 2018

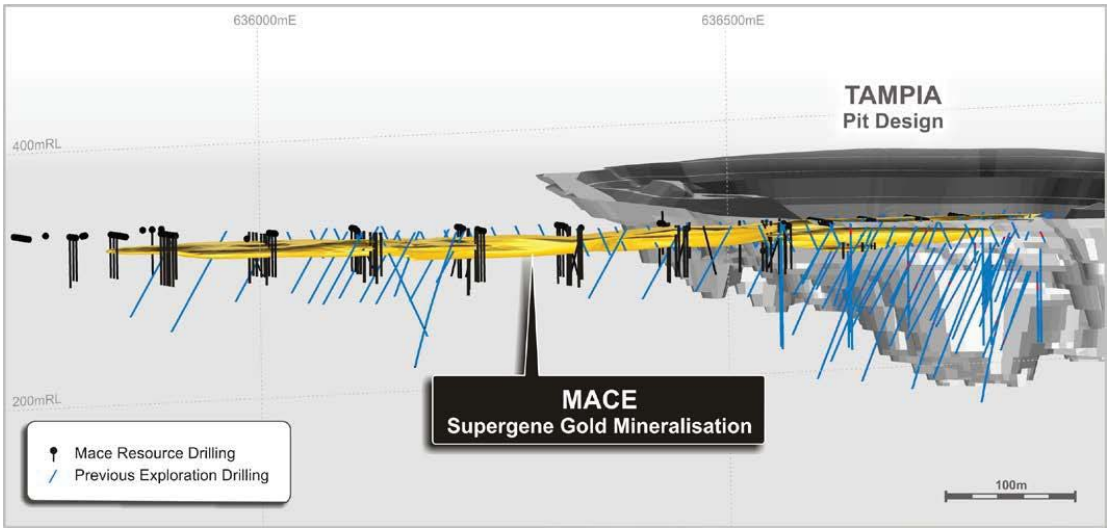

Figure 11: Long Section looking North of implicit Mace gold grade model of the supergene gold mineralisation in relation to the current pit design.
Source: Explaurum Limited ASX Announcement 7 September 2018

The Mace supergene mineralisation presently has a strike length of approximately 1.1 km based on drilling. Explaurum have recently completed detailed drilling over 700 m of the mineralised strike length and is presently undertaking a mineral resource estimation. The mineralisation has not been closed off to the West. A regional soil anomaly and the presence of gold in soil in the creek presents a 13 km supergene target area (Figure 12). Explaurum has been using the current creek system which drains the Tampia deposit to target the supergene gold mineralisation.

CSA Global agree that The Mace supergene mineralisation presents a significant opportunity to provide additional shallow, freely diggable gold ounces that could be incorporated into the front end of the proposed mine plan. This could present significant economic improvements to the FS, in particular the first year's production. Explaurum have indicated that they will undertake a preliminary study of the Mace supergene

mineralisation alongside the maiden resource estimate. Their intention is to incorporate the Mace mineralisation into the BFS and mine plan for the development of the Tampia Gold Project.

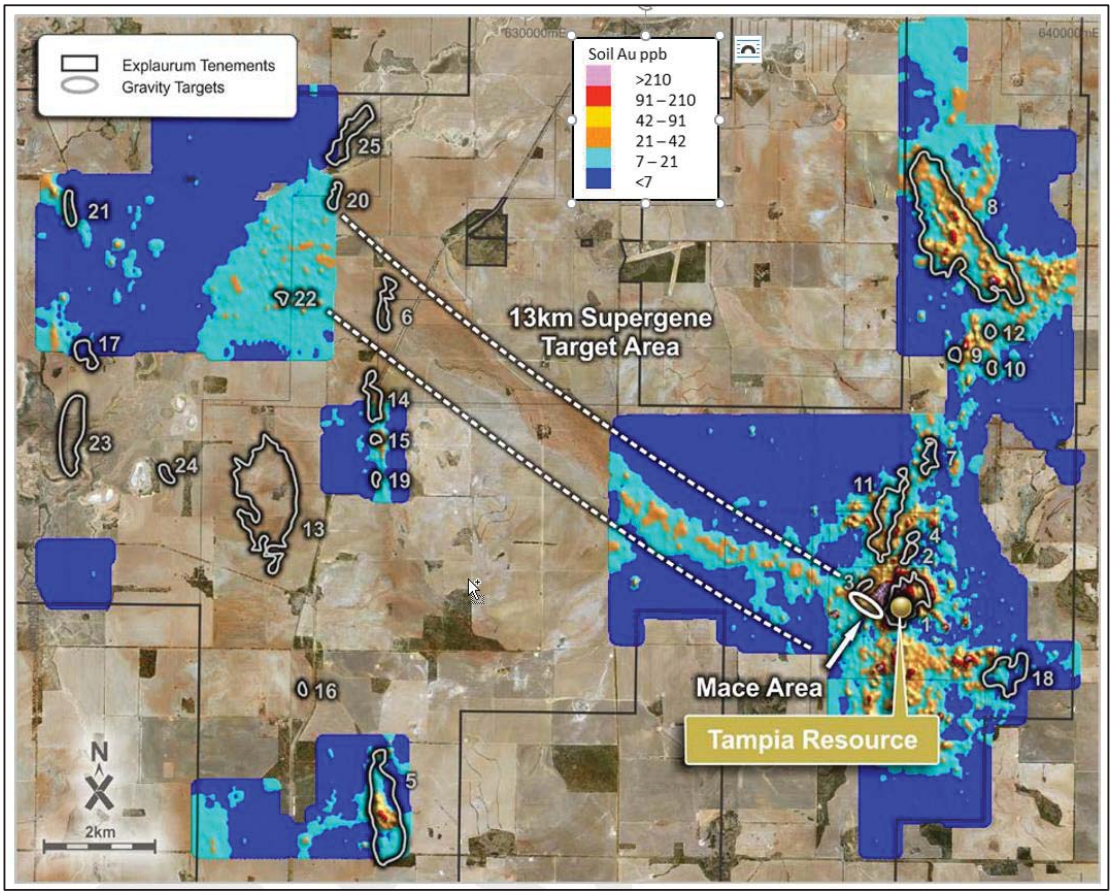

Figure 12: Regional soil Au ppm anomalies map in relation to gravity anomalies
Source: Explaurum Limited ASX Announcement 7 September 2018

2.5.2 Anomaly 8

Anomaly 8 is located 6 km north of the Tampia Deposit (Figure 13), and is a major gravity anomaly.

Explaurum completed auger soil sampling in January 2018 over the gravity anomaly, returning positive results with gold up to 0.81 g/t Au (Explaurum, 2018 ASX Announcement 8 February 2018).

Explaurum followed up the auger soils with scout RC drilling in June (Explaurum Limited, ASX Announcement 7 June 2018) and September 2018 (Explaurum Limited, ASX Announcement 4 October 2018) returning positive results, with several intersections greater than 1 g/t Au (Figure 13).

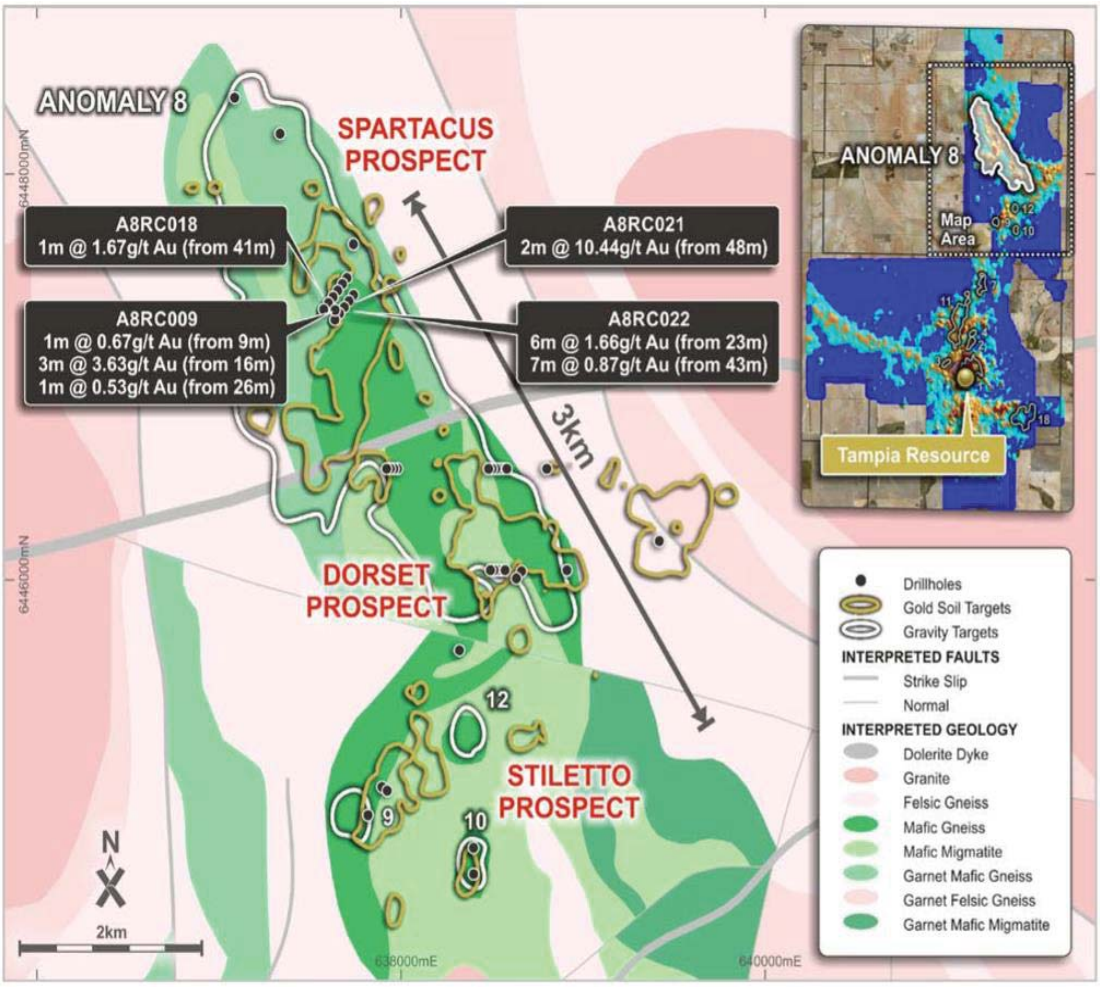

Figure 13: Anomaly 8 RC drilling and soil results
Source: Explaurum Limited, ASX Announcement 4 October 2018

2.5.3 Exploration Potential

In CSA Global's opinion the supergene mineralisation at Mace presents the greatest potential to add additional Mineral Resources in the immediate future, which would have direct benefit to the front end of the BFS presently being undertaken. Additionally, soil sampling results have shown that the trend of the supergene mineralisation continues to the west along a local drainage, presenting Explaurum with a target 13 km in strike length.

Explaurum have identified several gravity anomalies, which have been shown to have anomalous gold from regional auger soil sampling, and at a few prospects such as Anomaly 8, scout drilling has confirmed the presence of gold mineralisation from RC drilling. All of these targets are at a relatively early stage of exploration and present a good opportunity for the discovery of additional gold deposits.

2.6 Mineral Resources

The latest publicly released Mineral Resources for Tampia (Table 3) as at the valuation date were declared on 30 May 2018, (Explaurum, ASX Announcement 30 May 2018). The Mineral Resource estimate for Tampia was completed by Mr R. Sterk of RSC Consulting Ltd (RSC) in May 2018 (RSC, 2018). The Tampia Mineral Resource estimate has been classified and reported in accordance with the JORC Code (2012 Edition).

Table 3: Tampia Mineral Resources as at 10 September 2018

		Tonnes	Grade g/t Au	Ounces (Au)
Inferred	Weathered	500,000	1.4	20,000
	Fresh	1,500,000	1.7	70,000
	Sub-total	2,000,000	1.6	90,000
Indicated	Weathered	400,000	1.38	20,000
	Fresh	9,400,000	1.85	560,000
	Sub-total	9,800,000	1.83	580,000
Total		**11,700,000**	**1.79**	**675,000**

Notes: The Mineral Resource is classified in accordance with JORC, 2012 edition. The effective date of the Mineral Resource is 5 April 2018. The Mineral Resource is contained within M70/816. Estimates are rounded to reflect the level of confidence in these resources at the present time. The Mineral Resource is reported as a recoverable resource at 5 m × 5 m × 2.5 m SMU size, and at 0.45 g/t Au cut-off grade for fresh material and 0.30 g/t Au for weathered material.

CSA Global conducted high-level reviews for the Mineral Resource estimates for the Tampia deposit. The reviews of the deposits included a document review, check reporting of the resources from the block models, visual review of the model by comparing the grade in the blocks with the grades of the neighbouring drill holes, swath plots of drill grades versus model estimates, creating an alternative model to check if the obtained resource numbers would be comparable and holding technical discussions with the Competent Person who developed the estimate.

CSA Global Overall Comment

CSA Global has reviewed the Mineral Resource estimate and it is our opinion that the global estimate (at zero cut-off) is within ±10% of the RSC estimate for the contained ounces. CSA Global notes that the RSC estimate had stated that the MIK process may have overstated or understated the Mineral Resources by as much as 10-20%. CSA Global's check estimate was within RSC's level of accuracy. At this stage, without computing alternative MIK models, local estimation confidence may be/is considered to be lower than global estimation confidence. Closer spaced drilling will provide improved local knowledge.

2.6.1 Deposit Geology

The geology of the Tampia deposit has been briefly described in Sections 2.3.2 and 2.3.3 above. Gold mineralisation occurs in elongate to ellipsoidal, stacked pods (Figure 4 and Figure 5) which vary in size from 1 m to 10 m thick, 50 m to 150 m wide (northwest-southeast) and 50 m to 200 m long (northeast-southwest). Gold is disseminated throughout the pods. Higher-grade gold zones are aligned parallel to the plunge of the fold, forming linear rod-like shoots.

CSA Global Assessment

The geological controls to the mineralisation are reasonably well understood, which has set a solid foundation for the Mineral Resource estimation.

2.6.2 Data Collection Techniques

In 2017 Explaurum undertook a resource definition drilling campaign comprising 287 RC holes spaced on a 40 m × 40 m drilling grid with hole depths ranging from 30 m to 228 m. Independent consultants, RSC, were engaged to design and supervise the drilling, sampling and assaying program. A local grid was created to cover the entire deposit, rotated at 30 degrees so that all holes were drilled 270° local grid. Samples collected by the drill hammer were delivered to a Metzke Splitter for sub-splitting. The performance of splitting was monitored on a per-sample basis by collecting a duplicate split sample for each metre. Samples were split in a Rocklabs Boyd RSD Combo, that allows a percentage linear split to be specified for each sample. The split

weights were optimised for pulverising in Essa LM-2's and their percentage passing size monitored consistently. Samples were then milled in the LM-2's before a manual split of around 200 g was put in brown paper bags. The final 50 g charge weight was weighed from this. All samples that were used in the Mineral Resource estimation were analysed at ALS Laboratories in Perth and were assayed via fire assay with AAS finish. Charge weights of 50 g were used. Standard fluxes were used on normal samples, and the fluxes adjusted before potting based on the oxidation, base metal, and sulphur levels (based on pXRF values). Comprehensive QAQC sampling protocols were undertaken for the full drill program. Detailed analysis of QAQC data by RSC determined that the laboratory results were accurate across the entire campaign. The collars of drill holes were accurately surveyed. The downhole path of drill holes was accurately surveyed by gyroscopic surveys. Most drill holes were probed by optical televiewer, acoustic televiewer and magnetic susceptibility downhole instruments. A density logging instrument was used to acquire downhole bulk density surveys for all 2017 drill holes.

All historical exploration drilling before this campaign were excluded from the resource estimation process, including a significant amount of drilling that was carried out by Explaurum between 2015 and 2016. However, RSC determined that the inclusion of the historic drilling would significantly cluster the data and its quality wasn't as stringently controlled as the 2017 drilling campaign drilling.

CSA Global Assessment

CSA Global considers that data collection techniques, inclusive of drilling methods, data location methods, sampling, analytical methods, QAQC of sampling and analysis, density measurement, downhole probing, downhole survey control and topographic control are industry best practice and a high confidence can therefore be placed in the data.

2.6.3 Geological Interpretation and Modelling

The mineralisation occurs dominantly within mafic gneiss. Three-dimensional (3D) lithological modelling was completed to support the Mineral Resource estimate. A 3D weights-of-evidence modelling technique was used to define the spatial correlation statistics of various data, with gold sample data used as training points to understand potential controls on gold mineralisation. RSC determined that an unconstrained estimation technique would create unrealistic grade-tonnage relationships. To create the domains, both implicit modelling and conventional wireframing techniques were trialled. Domain wireframes were created by manually wireframing in 3D using all available drilling data including the pre-2017. The deposit is mostly closed off, so minimal extrapolation of mineralisation is present in the model.

CSA Global Assessment

Geological data has been collected to industry best practice which has supported the development of a detailed 3D geological model which accurately reflects the gold mineralisation and is appropriate for the Mineral Resource estimation methods employed.

2.6.4 Estimation of Mineral Resources

The Mineral Resource was estimated using multiple indicator kriging (MIK) for gold grades. This method was selected because the distribution of the gold assay data had an excessive positive skew (Coefficient of variation (CV) of 8.7), which could not be reduced by sub-domaining. In a trial the high-grade domains still required too high a grade top cut to yield acceptable CVs for ordinary kriging.

RSC undertook a detailed geostatistical study of the drill data. To check and optimise the variography process, an unfolded version of the data points was created. Data points were rotated and unfolded using a series of trend planes mapped by the structures from the downhole logging data. The sample grade population was mapped by using 12 indicators, covering the deciles, and following standard practice, with additional resolution provided at the upper ranges up to the 99th percentile. Variograms were modelled from the data

in each orientation domain. All exploration data, including those of previous exploration campaigns, were used for variography modelling, which provided data from close-spaced sampling which was critical to obtain confident ranges and nuggets for the higher-grade bins.

Estimation of probabilities was carried out using the GSLIB interface within Surpac. A dynamic anisotropy approach was used to optimise selection of search neighbourhood samples. The MIK estimation was carried out within domains, aiming to constrain the interpolation to only relevant samples that are characterised by the same geological features. Indicators were then estimated using ordinary kriging into panels with 20 m x 20 m x 5.0 m dimensions. Sub-celling was applied at 5 m x 5 m x 2.5 m. Three passes were applied with increasing search ellipses and decreasing minimum amounts of samples, with first-phase search neighbourhood criteria set to 15/45 min/max samples and 60 m/60 m/6 m search windows. After trialling against the localised uniform conditioning method, the localised indicator kriging (LIK) method was chosen for the change of support to achieve the most realistic local grade distributions. The resource report provided detailed technical discussion of the complex geostatistical and mathematical manipulations involved in developing the MIK grade estimates and the results of several alternative geostatistical approaches which were trialled.

Global mean, swath plots, comparison with high-density drilling areas, and single-block, multi-block and complete-model comparisons were carried out by RSC to validate the gold estimates in the model, with none of the validation steps revealing any fatal flaws or significant issues.

The elements sulphur, iron and arsenic were also estimated into the block model blocks, as they have important implications on gold recovery and mineral processing in general.

Density values were estimated from the downhole probe density data into the block model using ordinary kriging. Estimates were run separately for the mafic gneiss and the felsic domains. Data were not further adjusted and didn't require top cutting. A dynamic anisotropic search was used, using the same dip and azimuth coded into the blocks as for the grade estimation. Two passes were used with 8 and 5 data points and 40 and 80 m search radii respectively.

CSA Global Assessment

CSA Global has reviewed the description of the methodology employed by RSC to estimate the mineral resource and is satisfied that the work is appropriate. CSA Global has reviewed the geostatistical plots and data analysis results presented in the resource report and is satisfied with the results. The geostatistical and mathematical aspects were referred to Mr Tony Wesson, CSA Global's geostatistician for review.

To check the Mineral Resource estimate, CSA Global imported the Mineral Resource block model, mineralisation and lithological wireframes and drill hole database files that were provided into Micromine software. Wireframes were assessed for correct interpretation (that they appropriately encapsulate the mineralisation) and the block model was checked to confirm if the block grades correlate well with the composited sample data on a local basis. A poor visual correlation was noted, but this is typical for MIK models.

CSA Global re-reported the Mineral Resource estimate from the block model using an IDW approach but was not able to reproduce the tonnage, grades and metal estimates tabulated in the RSC report with approximately 10% lower contained metal and higher tonnage and 20% lower grade. CSA Global notes that the RSC estimate had stated that the MIK process may have overstated or understated the Mineral Resources by as much as 10-20%. CSA Global's check estimate was within RSC's level of accuracy

Considering the high quality of the input density data and the large amount of readings available for estimation, the density estimate is considered accurate and precise.

CSA Global considers that the manner in which the Mineral Resource model was prepared does not represent a material risk to the development, mining or global value of the project.

2.6.5 Mineral Resource Classification and Statement

Resource classification was carried out in accordance with the JORC Code (2012) by RSC.

Cut-off grades of 0.30 g/t for weathered and 0.45 g/t Au for fresh, were based on a Scoping Study, dated 3 November 2017 with a gold price of A$1,650 used.

Classification as either Indicated or Inferred was based on a combination of informing sample quality, variography and kriging efficiency. No Measured Resource was assigned.

RSC undertook a comparison of the MIK model with a conservatively top-cut OK model within a small area, and confirmed acceptable correlation of results (tonnes and grade) and is a key argument for the support of the MIK settings applied and the general validity of the model. Considering the classification and the generally accepted confidence limits around the various classification categories, RSC considered that such error margins are well within those of the Indicated classification.

CSA Global Assessment

CSA Global considers that industry good practice has been met by RSC when forming a judgement on Mineral Resource confidence. The quality of the input data, confidence in the interpretation, sampling density and geostatistical results have been considered. Appropriate consideration of JORC Code modifying factors have been applied in assigning resource status. The results of a scoping study provided the basis for the cut-off grades applied to the model in determining the resource tonnes and grade.

CSA Global therefore concludes that the manner in which the Mineral Resource classification was completed does not represent a material risk to the development, mining or global value of the project.

2.6.6 Comparison to Previous Resource Estimates

Previous resource estimates are reported by BHP (1988), Widenbar (2000), Stokes (2015), Irvin (2016) and Sterk (2017a). The Sterk model was really just a precursor to the current model using nearly identical inputs and methods. The BHP estimate is not useful for comparative purposes as the full extent of the deposit had not been established at the time. However, the Widenbar, Stokes and Irvin resources form useful comparisons for benchmarking the current resource, particularly as they use a completely unique set of drill holes and analytical data as a basis for the models and estimates. This results from RSC discarding all the pre-2017 data from their grade estimate and utilising only the resource definition RC drilling of 2017. Thus, the older models use completely different drill holes, analytical methods, logging, interpretation, density data, surveying, QAQC, geostatistical studies and grade estimation methodologies, on the same orebody. In CSA Global's view, this is a fairly unusual situation, which provides a significant number of variable factors to cause differences between the estimated resources. Yet the overall contained ounces of gold are reasonably similar. Unfortunately, Widenbar, Stokes and Irvin used different cut-off grades, but did provided resources at a range of variable cut-offs.

Widenbar (2000) used a block size of 5 m × 5 m × 5 m, inverse-distance-cubed grade estimation unconstrained by any modelled geological wireframes, 0.5 g/t Au cut-off, 40 g/t Au top-cut and a density of 2.6 g/cm^3 (Table 4). Data comprised 499 drill holes (18 diamond) for 12,140 assayed samples.

Table 4: Widenbar (2000) Resource Estimate.

Resources	Zone	Tonnes	Au g/t	Contained Au (oz)
Indicated	Other	802,125	0.83	21,327
Inferred	Northern	2,678,156	1.31	112,367
Total		**8,127,656**	**1.30**	**563,921**

Two internal unclassified global gold mineral resource estimates were completed by Stokes (2015) and Irwin (2016), which showed similar results to those of Widenbar (2000) with little new drilling.

CSA Global Assessment

CSA Global considers that the three previous resource estimates provide underlying support for the robustness of the global resource numbers of the current estimate. At similar cut-offs they produced substantially similar contained ounces of gold to the current model, generally at higher tonnages and lower grades.

2.7 Assessment of Metallurgy

A high-level review and assessment of the metallurgy and process flow sheet with respect to the resulting inputs used within the Tampia Project FS financial discounted cash flow model (DCF) was undertaken.

2.7.1 Summary of key Tampia Metallurgical findings

Sample representivity:

- Substantial RC drilling sample set used to determine general metallurgical gold recovery response and develop geometallurgical domaining.
- Diamond core drill holes were utilised for more detailed metallurgical test program, although it covers the length of the anticipated pit design, requires further drilling to investigate the variability of zones.

Test work and Recovery model:

- Studies have been conducted by multiple laboratories which reduces the chances of reporting bias results.
- Basing the gold recovery model on Au:As ratio has been shown to be plausible by the results from the extensive RC drilling leach test work.
- Feasibility stage test work using diamond core sample composites broadly support the Au:As based Gold recovery model.
- It is recommended to conduct additional test work on lower Au:As (<10) ores in order to confirm recovery model. The importance of this would be based on how much of this lower ratio ore is in the orebody and current mine schedule as the recovery significantly drops off at low Au:As ratios. Program to include further optimisation and variability test work
- It has been noted that the recovery can be improved using pressure oxidation (POX) or Albion leach process and represents recovery upside, however the test work was limited, and the proposed flowsheet and capex does not reflect these processes.
- Recovery based on Albion leach process appears to be adopted in the mine optimisation model, albeit based on limited variability testing.
- For the production schedule the recovery based on the Albion process is modified (reduced) to reflect UFG (Ultra fine grind) only circuit and in general is in accord with the results shown from previous Au:As ratio model test work.

gold in the weathered ore zones has shown to be easily leachable and only requires conventional carbon in leach (CIL) processing. The test work indicated recovery to not be grind sensitive, and weathered ore can bypass the flotation circuit.

The proposed process flowsheet in terms of comminution design and recovery, to treat the fresh ore, is considered appropriate based on laboratory studies conducted by ALS Metallurgy as well as Metallurgy Pty Ltd and the comminution assessment by OMC.

2.7.2 Financial Model Input- Metallurgy

A review of the following Excel document 8.1 20180527 Tampia FS Schedule costs .xlsx UFG only (Ultra fine grind) was undertaken

Key observations:

- Recovery assumption based on the established model from the laboratory test work.
- Fixed recovery for the oxide ore and a variable recovery for fresh ore depending on Au:As ratio.
- The recovered gold output in the *Summary UFG only* sheet is consistent with the grades and recoveries shown.
- The recovery in the *Summary UFG only* sheet appears to be consistent with expected recovery from the mine schedule.
- The model includes output data (fixed inputs from another mine schedule- see *Summry. LG defrd Au.As* sheet) of recovered Gold metal units and recovery is back calculated to arrive at the recovery values based on expected Albion recovery. This recovery is then adjusted for UFG only to arrive at a lower recovery which is used to calculate recovered gold

  Overall the gold recovery inputs to the DCF model are considered reasonable given the test work completed to date noting;

  - Additional confirmatory test work is recommended especially with respect to the low Au:As ratio fresh ore
  - The extent of low Au:As ratio fresh ore is not explicit within the mill feed schedule provided.
- Milling rates are reasonable and look to be in line with OMC based on their comminution test work and modelling assessment, including allowances for different ore types (hardness).

2.7.3 Mace Prospect review

Explaurum have reported a new potential deposit - The Mace prospect to the immediate West of the Tampia deposit. Mace is described as a supergene gold zone, which appears to be related to the creek system that drains the Tampia resource area.

The prospect has been drilled with RC and diamond holes.

Explaurum are presently undertaking preliminary metallurgical test work on diamond drilling samples, and at the time of writing they were still evaluating the results.

Metallurgical performance of this type of fully weathered clay ore body is likely to be similar in nature to the highly weathered ore in the Tampia oxide zone, and given the high-grade intervals noted is likely to have a gravity recoverable gold component.

2.8 Feasibility Study Technical Inputs Assessment

At BDO's request, CSA Global undertook an assessment of the technical inputs into the Tampia mine plan so that BDO could undertake a discounted cash flow (DCF) model valuation.

The most recent study work on the project was completed early in 2018, 'The Tampia Gold Project Feasibility Study' (FS). The mining portion of this study incudes detailed assessment of:

- the mining method chosen;
- the pit design created, and Ore Reserve reported;
- the mine production schedule;
- operating and capital costs; and,
- the DCF model for Tampia.

The purpose of this review is to assess the key mining assumptions used in the FS, in terms of:

- the assumption resulting in a material risk to the development, mining and global value of the project;
- the assumption resulting in a perceived fatal flaw to the project;

- checking the mineral reserve estimate; and
- the assumption raising concerns as to the approach taken

The Probable Reserves estimated from the FS process (Table 5), is about 7.2 Mt of ore @ 2.09 g/t Au giving about 485 koz of recovered Au at a cut-off of 0.30 g/t (weathered) and 0.45 g/t (fresh) material.

Table 5: Tampia Ore Reserves

Reserve Category	Tonnes (t)	Au (g/t)	Au Metal (oz)
Probable Reserve	7,230,000	2.09	485,000

Source: Explaurum, 2018

Key project statistics include:

- Life of mine is 5.3 years
- Processing rate 1.5 Mtpa
- Strip Ratio (Waste:Ore) = 7.6:1
- Total material movement (TMM <16 Mtpa)
- Average Met recovery = 92%
- Include Inferred Resources: 0.8 Mt @ 1.89 g/t Au for 48,000 oz
- Total Production Target: 8.0 Mt @ 2.07 g/t Au for 534,000 oz

2.8.1 Documents Reviewed

The main documents reviewed include:

- Discounted Cashflow Model: DCF '8.1 20180527 Tampia FS Schedule Costs';
- Tampia FS Report: '20180720 Tampia Feasibility Study Report';
- Tampia FS Summary '20180527 Tampia FS Schedule & Costs - Summary UFGonly';
- Capex: 'Copy of 20180328 17030-00-DFS-G-001 Capital Cost Estimate_G'; and
- Opex: 'Copy of 20180404PG UFG 1.5 17030-00-DOC-G-002 Operating Cost Estimate_E'

2.8.2 Mine Operations

The recommended mining method proposed is as a standard open pit drill and blast, load, and haul operation. To save capital costs and enhance mine flexibility the drill and blast operations will be undertaken by contractors. Similarly, the main load and haul equipment will also be supplied, maintained and operated by contractors. It is unclear as to which contractors are to be the preferred choice for the operation.

The main loading and hauling fleet to be made up with 100 t (Komatsu PC1250) and 200 t (Komatsu PC1800) excavators loading into 100 t off-highway haul trucks (CAT 777 or equivalent)

CSA Global Assessment

The standard approach to the open cut, reduces the overall risks to the success of the operation.

CSA Global considers the planned mining methodology does not represent a material risk to development, mining and value of the project.

2.8.3 Mine Planning

The mine planning activities include all those assumptions under the pit optimisation and pit design activity umbrella. The assumptions associated with the pit optimisation activities, include:

- mining dilution;

- mining and process recovery;
- production rates;
- mining cost adjustment factors; and,
- cost model assumptions.

The key mining, processing and general and administration (G&A) cost assumptions, including refining costs are as listed in Table 6.

Table 6: Key Pit Optimisation Assumptions

Whittle Optimisation Parameter	Units	Value	Source
Gold price	AUD/oz	1650	EXU
Royalty	%	4.5	EXU
Discount rate	%	8	EXU
Processing Throughput	Mtpa	1.5	EXU
Processing cost – oxide ore (ROM)	$/t ore	13.58	MinEcoTech
Processing cost – oxide ore (low grade)	$/t ore	13.47	MinEcoTech
Processing cost – fresh ore (ROM)	$/t ore	22.36	MinEcoTech
Processing cost – fresh ore (low grade)	$/t ore	20.11	MinEcoTech
Process recovery – oxide/fresh	%	91–96	JT
Grade control	$/t ore	0.88	MinEcoTech
Drill & Blast - oxide	$/BCM ore	1.25	MinEcoTech
Drill & Blast – fresh (waste-ore)	$/BCM ore	3.18–4.88	MinEcoTech
Mining cost – L&H waste	$/BCM	5.04–9.90	MinEcoTech
Mining – L&H ore	$/BCM	5.62–10.07	MinEcoTech
G & A – oxide ore (ROM)	$/t ore	2.41	MinEcoTech
G & A – oxide ore (low grade)	$/t ore	1.63	MinEcoTech
G & A – fresh ore (ROM)	$/t ore	2.57	MinEcoTech
G & A – fresh (low grade)	$/t ore	1.79	MinEcoTech
Dore refining costs	$/oz	3.61	MinEcoTech
Overall slope assumptions	Batter angles		AMC
	oxide 45°– 60°	5 m Berm	
	fresh 75°– 80°	7 m Berm	

Source: Explaurum, 2018

Also listed are the FS financial assumptions, such as: gold price; net present value (NPV) discount rates; and Western Australian Government royalty rate.

CSA Global considers the gold price used and assumed rates given are reasonable.

Based on these assumptions as tabled the total costs in the FS are:

- Mining costs (ore and waste) $3.43/t total
- Processing costs are $21.94/t ore
- General & Administration costs are $2.50/t ore

CSA Global Assessment

CSA Global consider the mining costs are as expected for a similarly sized open pit arrangement. Processing and G&A costs reported are as expected and realistic, as they align favourably against other equivalent project costs.

CSA Global consider the pit optimisation (cost and physical) assumptions are deemed to be a reasonable representation of projected mining conditions.

2.8.4 Refining costs

Assumed Dore refining cost have been supplied by MinEcoTech and set at a rate of $3.61/oz as shown in Table 6.

CSA Global believe this value is higher than we would expect and consider it to be conservative. CSA Global considers a value range from A$0.80/oz to A$2.00/oz to be more appropriate.

2.8.5 Production Schedule

Ore production to feed the plant at a rate of 1.5 Mtpa is equivalent to 0.125 Mt/month. (Refer Figure 14). Note the high level of variability of Au grade over the life of the deposit. Also noted is the overly high plant feed rate in year 6 quarter 1.

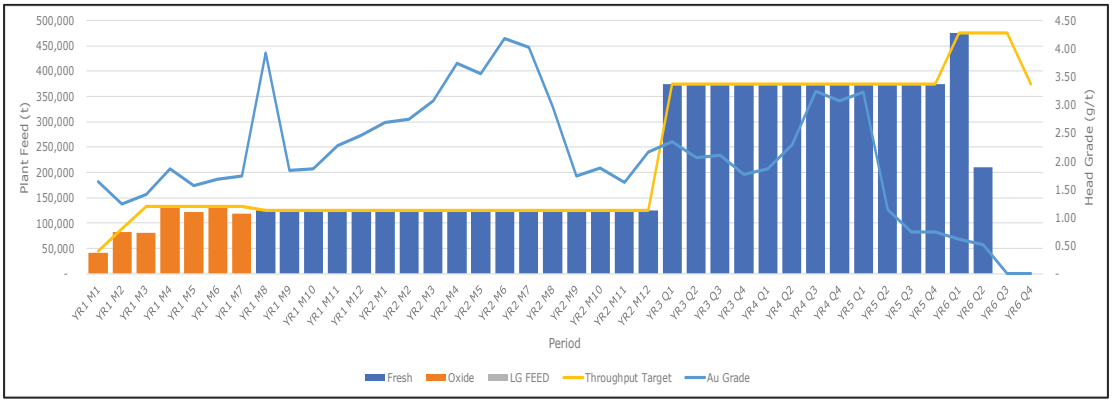

Figure 14: Processing Plant Feed, Oxide/Fresh Tonnes and Grade
Source: Explaurum, 2018

Based on the level of study, CSA Global considers the production schedule appropriate. There are still some issues that need to be addressed such as the mining face positions, grade variability and the percentage of benches being mined, which the upcoming BFS will address.

2.8.6 Dilution and Recovery

A global dilution factor of 2.5% is applied to all resource/reserve FS reports. The factor is applied to allow for internal and edge dilution within the cellular resource model. This assumed dilution appears low and may be attributed to the approach where the mining of ore is only undertaken during day shift. Here waste mining occurs in both day and night shifts.

Similarly, it is understood the mining recovery is assumed to be 100%. This also reflects the SMU size, ore visibility and mining criteria. Although high (>95%) it is considered reasonable for the type of orebody mined, the SMU (20 m x 20 m x 5 m) over a 5 m bench height, processing at a rate of 1.5 Mtpa ore.

CSA Global considers the pit optimisation assumptions and process followed are reasonable.

2.8.7 Geotech Assessment

Results of the Geotech assessment derived the overall in-pit slopes assumed for the pit optimisation and design. A summary of the batter slopes and berm width is shown in Table 6.

CSA Global consider the recommended slopes are realistic and represent the conditions well.

2.8.8 Stockpile Assumptions

It is assumed:

- waste will swell by 25%.
- density of waste is assumed at 3.0 t/m^3

Waste rock stockpiles develop from the pit exit in the following manner;

1. East of pit
2. South and West of pit
3. Backfill in-pit from the south of the pit (stage 5 & 6).

CSA Global consider the stockpile development is realistic and flexible.

2.8.9 Closure and Rehabilitation Costs

The Rehabilitation/Closure cost is incurred each year in the Financial model, and totals A$5.8 M.

CSA Global consider the rehabilitation and closure cost allowance to be reasonable and appropriate.

2.8.10 Operating Expenses

The OPEX estimate for the mining activities is shown in Table 7.

Table 7: Resultant life of mine operating costs

Activity	A$/t material Mined	A$/t ore Mined	A$/oz Au Produced	% of total Mining Cost
Grade Control	0.06	0.5	8	2%
Drill and Blast	1.09	9.39	154	32%
Load and Haul	1.29	11.06	181	38%
Other Mining	0.56	4.83	79	16%
Management and Staffing	0.42	3.64	59	12%
Total	**3.42**	**29.42**	**481**	**100%**

CSA Global consider the planned operating costs for mining activities over the LOM is reasonable.

2.8.11 Capital and development costs

The financial DCF model assumes an initial capital of A$118.5 M. With sustaining capital over 6 years of mining equates to A$130.8 M.

Table 8: Resultant life of mine CAPEX and development costs

Area	Initial Capital	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Total
	A$M	A$M	A$M	A$M	A$M	A$M	A$M	
Process Plant	84.1	1.0	1.0	1.0	1.0	1.0		89.1
Plant Infrastructure	3.6							3.6
Owner Costs	3.6							3.6
Capital Spares	1.6		2.4					4.0
Total Plant	92.9	1.0	3.4	1.0	1.0	1.0		100.3
First Fills	1.4							1.4
TSF	2.3			2.4				4.7
Site Infrastructure	3.5							3.5
Mine Establishment	2.9		0.1		0.4			3.5
General Infrastructure	4.6			1.8				6.4
Contingency	10.8		0.2					11.0
Initial	118.5							118.5
Deferred			2.6	1.8				4.4
Sustaining		1.0	1.1	3.4	1.4	1.0		7.9
Total Capital Costs	**118.5**	**1.0**	**3.7**	**5.2**	**1.4**	**1.0**		**130.8**

CSA Global consider the initial and sustaining capital to be a reasonable estimate.

2.8.12 Other Mine planning issues

CSA Global have found some mine planning issues to clarify in due course. However, these issues are not considered to be of material risk to the development, mining and global value of the project.

In summary these issues are:

- The inclusion of **Inferred** material into the pit optimisation and design process. Some further reasoning to the addition of the Inferred classified material is required. By including Inferred material into the optimisation makes it more of a strategic tool for long term planning. The approach is not likely to be fatal. However, the magnitude of effect may be significant.
- Internal and edge **dilution** is understood to be applied globally at a rate of 2.5%. This appears low and the reasoning behind its choice needs to be further clarified. Assuming the dilution is low may result in more ore tonnes at a lower grade. The magnitude of effect may be significant but non fatal.
- Equipment **availability** and **utilisation** of available time as assumed in the DCF estimate appears high by about 10%. This may affect the load and haul equipment estimation. A reduction in availability and utilisation will increase the contractor truck fleet numbers and capital requirements. This is not considered fatal.
- The DCF base case scenario spreadsheet ('Summary UFGonly' worksheet) has incorrect links to the 'Detail LG UFG+ALB deferred' worksheet. Correcting these links made no change to the resultant NPV.
- More clarity surrounding the selection of the cut-off grades for the low grade/medium grade categories selected within the estimation process. A variation in the cut-off grade may result in mineralised material being mislabelled and disposed of as waste. The magnitude can be significant in the short term, but unlikely to be fatal.
- It would be worthwhile understanding further, how the propriety scheduler optimises.

CSA Global have not discovered any fatal flaws in the mining section of the FS and resultant DCF.

3 Valuation of Mineral Assets Not forming part of DCF modelling

Valuation of Mineral Assets is not an exact science and a number of approaches are possible, each with varying positives and negatives. While valuation is a subjective exercise, there are several generally accepted procedures for establishing the value of Mineral Assets. CSA Global consider that, wherever possible, inputs from a range of methods should be assessed to inform the conclusions about the Market Value of Mineral Assets.

The valuation is always presented as a range, with the preferred value identified. The preferred value need not be the median value and is determined by the Practitioner based on their experience and professional judgement.

Refer to Appendix 1 for a discussion of Valuation Approaches and Valuation Methodologies, including a description of the VALMIN classification of Mineral Assets.

3.1 Commodities Market

The gold price history in US$/oz and A$/oz for the five years prior to 31 August 2018 is illustrated in Figure 19. The variation in the gold price within Figure 19 over time in US$ and A$ terms, highlights the need to normalise transactions to account for variations in commodity prices and foreign exchange rates over time.

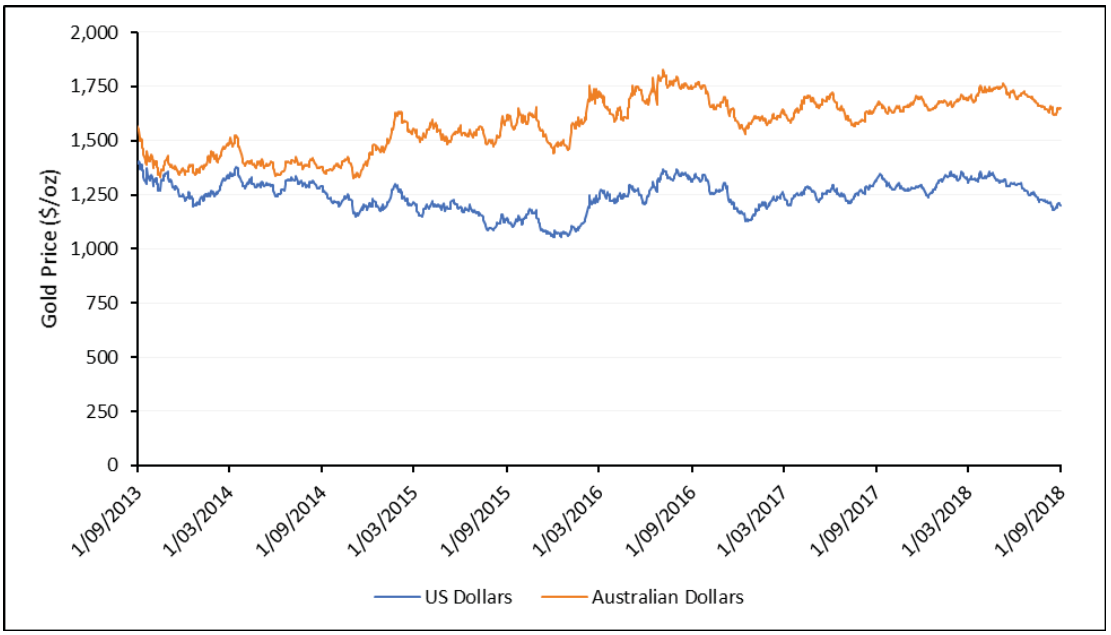

Figure 19: Five-year spot gold price in US$ and A$
Source: Data: SNL.com

3.2 Previous Valuations

CSA Global is aware of one previous valuation over the Tampia Gold Project in June 2015 by Mining Associates Pty Ltd, which valued the Project in the range of A$1.2 million to A$3.8 million with a preferred value of A$1.8 million. CSA Global does not consider this valuation relevant to the current valuation as Explaurum have done considerable work advancing the Project after Mining Associates Pty Ltd's valuation.

3.3 Valuation Scenario

CSA Global was requested by BDO to provide the valuation of the Mineral Resources outside of the FS mine plan.

To estimate the gold ounces not included within mine plan, CSA Global has subtracted the gold ounces within the mine plan (Probable Reserves 485,000 oz and Inferred Resources 48,000 oz) from the Tampia Mineral Resource (Section 2.6), resulting in approximately 3.8 Mt @ 1.13 g/t Au for ~137,000 oz of gold (Table 9).

Table 9: CSA Global's estimate of Mineral Resources outside of the Tampia mine plan

Classification	Tonnes	Grade (g/t Au)	Ounces
Indicated	2,570,000	1.15	95,000
Inferred	1,200,000	1.09	42,000
Total	**3,770,000**	**1.13**	**137,000**

Note: The values have been compiled to an appropriate level of precision, values may not add up due to rounding

3.4 Comparable Transactions Valuation

In analysing the transactions, all amounts were converted to A$ at the relevant exchange rate at the time of the transaction announcement. Joint venture transactions were only valued to the first earn-in milestone and any subsequent earn-in milestones were ignored. Exploration expenditure was discounted at a nominal 10% over the earn-in period, to bring future expenditure back to a present value. Future payments contingent on a future milestone such as declaration of a Mineral Resource or decision to mine were ignored.

3.4.1 Mineral Resources

CSA Global identified 34 transactions from the last four years involving gold Mineral Resources in Australia at a similar developmental stage to Explaurum's deposits, considered to be comparable for valuation purposes. Transactions involving operating mines were excluded. Corporate transactions that involve a control premium have also been excluded. These transactions are summarised and analysed in Table 24 of Appendix 2.

The normalised A$/oz values were calculated using the spot gold price as at 10 September 2018, A$1,680.42/oz (US$1,196.71/oz).

A summary of the Mineral Resource transactions is presented in Table 10 and Figure 15. These transactions encompass a range of grade, metallurgical performance, and mining scenarios. The use of a weighted average limits the influence of transactions involving small Mineral Resources but does increase the influence of transactions involving larger Mineral Resources.

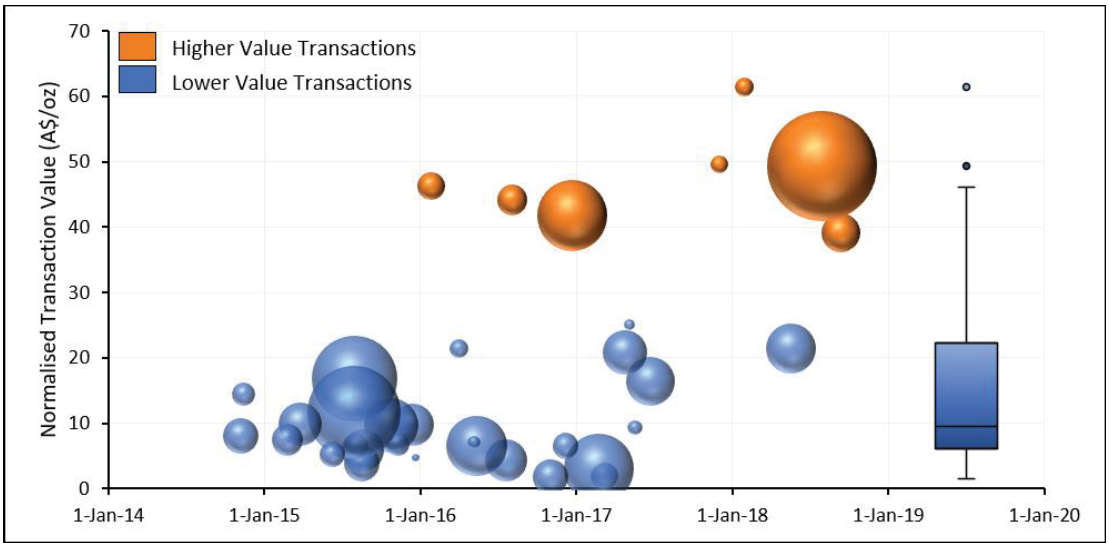

Figure 15: Comparison of Mineral Resource transactions
Note: Bubble size represents the contained gold ounces

Table 10: Summary statistics of selected transactions of gold Mineral Resources in Australia

Statistic	All transactions		All transactions, less high values	
	Implied (A$/oz)	Normalised (A$/oz)	Implied (A$/oz)	Normalised (A$/oz)
Number of transactions	34	34	27	27
Minimum	1.78	1.78	1.78	8
Maximum	60.53	61.40	24.80	25.14
Median	9.12	9.68	6.84	7.50
Mean	17.06	17.61	9.34	9.89
Weighted Average	20.42	21.63	9.94	10.65

CSA Global's analysis of the transactions show a group of higher value transactions, represented in orange in Figure 15, and a larger group of lower value transactions represented in blue, which range from A$1.78/oz to A$25.14/oz on a normalised basis. In CSA Global's professional judgement, the Tampia Mineral Resources not included in the FS mine plan are better reflected by the lower value group of transactions. These Mineral Resources are of a lower average grade estimated to be 1.13 g/t Au than the current Mineral Resources (1.79 g/t Au) or Ore Reserves (2.09 g/t Au) and at present are not economically extractable within Explaurum's FS mine plan.

Based on CSA Global's professional judgement a preferred implied value of A$20.00/oz and A$10.00/oz was selected for the Tampia Indicated and Inferred classified Mineral Resources outside of the mine plan respectively. The preferred factor for the Inferred Mineral Resources was based on the mean and weighted average and the preferred factor for the Indicated Mineral Resources was selected to lie within the upper portion of the range. The value difference between Indicated and Inferred classified Mineral Resources reflects the relative geological understanding and continuity of the gold mineralisation of the different resource classifications. Following common industry practice, we have derived a valuation range by applying a ±20% factor, giving a range of A$16.00/oz to $24.00/oz for Indicated and a range of A$8.00/oz to A$12.00/oz for Inferred. These ranges are supported by the value distribution of the transaction set considered, and in our opinion this provides a reliable value range for the Tampia Mineral Resource not included in the mine plan. A range greater than 20% creates too broad a range in our opinion, and a range less than 20% does not reflect the uncertainty of a pre-development stage project.

Application of these implied values resulted in a valuation range of A$1.7 million to A$2.5 million, with a preferred value of A$2.1 million (Table 11) for Explaurum's 90% interest.

Table 11: Tampia Gold Project Mineral Resource valuation by comparative transactions

Mineral Resource	Classification	Gold (oz)	Explaurum Equity (%)	Valuation Factors (A$/oz)			Valuation (A$M)		
				Low	Preferred	High	Low	Preferred	High
Tampia	Indicated	95,000	90	16	20	24	1.4	1.7	2.1
	Inferred	42,000	90	8	10	12	0.3	0.4	0.5
Total	-	**137,000**	**90**				**1.7**	**2.1**	**2.5**

Note: The valuation has been compiled to an appropriate level of precision, values may not add up due to rounding

3.4.2 Exploration Licences

CSA Global considered the value of the Tampia Gold Project exploration licences in terms of the valuation factors derived from CSA Global's analysis of comparative market transactions of projects with exploration licences prospective for gold in Australia in the four and a half years prior to the valuation date. These transactions are summarised in Table 25 of Appendix 2 and presented in Figure 16. CSA Global identified 52 transactions of projects consisting solely of exploration licences prospective for gold in Australia, two transactions were identified as outliers on the high side. Table 12 presents the summary statistics of all the transactions identified and a subset of 21 transactions of exploration licences with a total area between 200 km^2 and 1,000 km^2, showing the implied price in A$/km^2 at the time of the transaction and the normalised price per km^2 using the 10 September 2018 gold spot price of A$1,680.42/oz (US$1,196.71/oz).

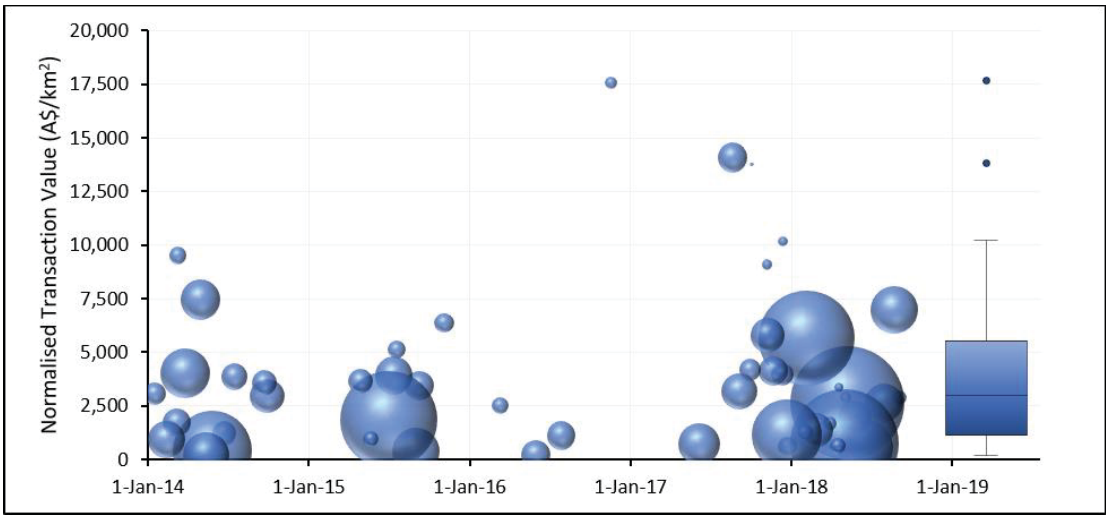

Figure 16: Comparison of exploration licence transactions

Note: Bubble size represents the area of the exploration licences. Graph's Y axis does not extend to include high outlier.

Table 12: Summary statistics of selected exploration licence transactions prospective for gold

Statistic	All transactions; all exploration licences		Transaction areas (200-1,000 km^2) subset (less outlier)	
	Implied (A$/km^2)	Normalised (A$/km^2)	Implied (A$/km^2)	Normalised (A$/km^2)
Number of transactions	52	52	21	21
Minimum	176	213	176	213
Maximum	701,708	714,281	13,633	14,086
Median	2,894	3,027	2,461	2,662
Mean	17,886	18,304	3,047	3,227

Based on CSA Global's valuation experience of gold projects in Australia, generally, early exploration projects were found to range from A$100/km^2 to A$1,000/km^2, average or mature exploration projects ranged from A$1,000/km^2 to A$5,000/km^2, advanced projects with good prospectivity ranged from A$5,000/km^2 to A$10,000/km^2, with projects with excellent prospectivity or having a strategic significance to the buyer

having values >A$10,000/km^2. In general, as the area transacted gets larger, the lower the price paid per square kilometre.

From the above analysis, a summary of the valuation factors suitable for valuing exploration licences within various categories of exploration potential are presented in Table 13.

Table 13: Exploration licence valuation factors

Exploration Potential	Valuation factors (A$/km^2)		
	Low	Preferred	High
Low	100	550	1,000
Average	1,000	3,000	5,000
Good	5,000	7,500	10,000
Excellent/Strategic	10,000	15,000	20,000

CSA Global has undertaken a high-level assessment of the Tampia Gold Project exploration licences (total area of 691.8 km^2 comprising of 325.1 km^2 granted; 366.7 km^2 application) based on publicly available information and data supplied by Explaurum. CSA Global in its professional judgement has selected ranges and preferred values based on the exploration stage and prospectivity of the tenure.

CSA Global has considered the following factors in determining the value ranges and preferred values of the Project exploration tenure:

- E70/2132, E70/4411, E70/4433, E70/4616 and E70/4721 – These tenements are strategic (Table 13) in their location to the Tampia deposit and have excellent exploration potential. They host several coincident gravity and gold in soil anomalies, some initial follow-up scout RC drilling has been undertaken with positive results, for example Anomaly 8 (Figure 13).
- E70/4420, E70/4473 and E70/4950 – These tenements have good exploration potential (Table 13), with E70/4420 located proximal to Anomaly 8 and E70/4473 having the western portion of the supergene target zone (Figure 12). Tenement E70/4950 is only partially covered by the airborne gravity, it contains a few of the secondary gravity targets, which are yet to be followed up by soils.
- E70/4474 - This tenement was not covered by the airborne gravity survey and is at a relatively early stage of exploration with average exploration potential (Table 13).
- E70/5141 – This exploration licence application is considered to be at a very early stage (greenfields) exploration tenement (Table 13). Little is known about its gold prospectivity.

Table 14 presents the valuation factors applied to the Project exploration licences. The value of the exploration licences is considered to be in the range of A$2.6 million to A$5.6 million with a preferred value of A$4.1 million.

Table 14: Tampia Gold Project exploration licences valuation (Equity basis)

Exploration Licences	Area (km^2)	Explaurum equity (%)	Value factors cost per km^2			Valuation (A$M)		
			Low	Preferred	High	Low	Preferred	High
E70/2132	30.3	90	10,000	15,000	20,000	0.27	0.41	0.55
E70/4411	20.4	100	10,000	15,000	20,000	0.20	0.31	0.41
E70/4420	2.5	100	5,000	7,500	10,000	0.01	0.02	0.02
E70/4433	2.9	100	10,000	15,000	20,000	0.03	0.04	0.06
E70/4473	16.4	100	5,000	7,500	10,000	0.08	0.12	0.16
E70/4474	5.8	100	1,000	3,000	5,000	0.01	0.02	0.03
E70/4616	8.7	100	10,000	15,000	20,000	0.09	0.13	0.17
E70/4721	142.6	100	10,000	15,000	20,000	1.43	2.14	2.85
E70/4950	93.1	100	5,000	7,500	10,000	0.47	0.70	0.93
E70/5141	366.7	100	100	550	1,000	0.04	0.20	0.37
Total	**689.3**	**90 & 100**				**2.62**	**4.09**	**5.55**

Note: The valuation has been compiled to an appropriate level of precision, values may not add up due to rounding

3.4.3 Mining Licences

The Mace prospect is located within mining Licence M70/815. In order to assess the potential value of the Mace prospect, which is currently having a mineral resource estimate undertaken, CSA Global have valued the area of the mining licences excluding 0.5 km^2 assigned to the area of the Tampia Mineral Resource, which has been valued separately.

CSA Global have considered the value of the Tampia Project mining licences in terms of the valuation factors derived from CSA Global's analysis of comparative market transactions of projects with mining licences prospective for gold in Western Australia in the two years prior to the valuation date. These transactions are summarised in Table 26 of Appendix 2 and presented in Figure 17. CSA Global identified 11 transactions of projects comprising of mining licences prospective for gold in Western Australia, four of which CSA Global considered to be more comparative on an area basis, coloured green in Figure 17.

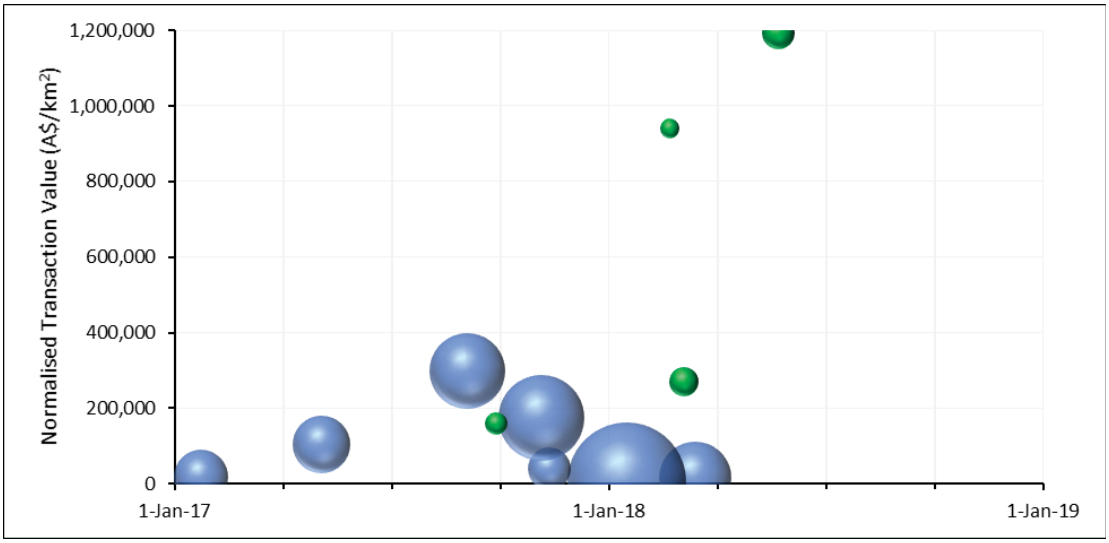

Figure 17: Comparison of mining licence transactions
Note: Bubble size represents the area of the mining licences

Table 15 presents the summary statistics of all the transactions identified and transactions of mining licences less than 2 km^2 in area less the outliers, showing the implied price in A$/km^2 at the time of the transaction and the normalised price per square kilometre using the 10 September 2018 gold spot price of A$1,680.42/oz (US$1,196.71/oz).

Table 15: Summary statistics of selected mining licence transactions prospective for gold

Statistic	All transactions		Mining licences with an area <2 km^2	
	Implied (A$/km^2)	Normalised (A$/km^2)	Implied (A$/km^2)	Normalised (A$/km^2)
Number of transactions	11	11	4	4
Minimum	5,837	5,861	153,186	157,273
Maximum	1,215,380	1,184,411	1,215,380	1,184,411
Median	153,186	157,273	606,493	600,602
Mean	293,349	290,448	645,388	635,722

CSA Global has undertaken an assessment of the Tampia Project mining licences (total granted area of 2.5 km^2) based on publicly available information and data supplied by Explaurum. CSA Global have not valued the area (0.5 km^2) of mining licence M70/815 associated with the Tampia Mineral Resources, which have been valued seperately. CSA Global in its professional judgement has selected ranges and preferred values based on the prospectivity of the tenure. CSA Global considers that the Tampia Project mining licences to be of high prospectivity due to the mineralisation identified at the Mace prospect. CSA Global have selected a range of A$250,000/km^2 to A$1,000,000/km^2 with a preferred value of A$625,500/km^2 to apply to the

remaining area of the mining licences. The preferred value is based on the normalised median and average of the subset of mining licence transactions less than 2 km^2 in area.

Table 16 presents the valuation factors applied to the Tampia Project mining licences excluding the area of the Tampia Mineral Resources (total area 2.0 km^2). The value of the mining licences is considered to be in the range of A$0.4 million to A$1.8 million with a preferred value of A$1.1 million.

Table 16: Tampia Project mining licences valuation

Mining Licences	Area (km^2)	Horizon equity (%)	Value factors cost per km^2			Valuation (A$M)		
			Low	Preferred	High	Low	Preferred	High
M70/815	1.5	90	25,000	62,500	100,000	0.3	0.8	1.3
M70/816	0.5	90	25,000	62,500	100,000	0.1	0.3	0.5
Total	**2.0**	**90**	**25,000**	**62,500**	**100,000**	**0.4**	**1.1**	**1.8**

Note: The valuation has been compiled to an appropriate level of precision, values may not add up due to rounding

3.5 Yardstick Order of Magnitude Check

CSA Global used the Yardstick method as an order of magnitude check on the Tampia Mineral Resources valuation completed using comparable transactions. The Yardstick order of magnitude check is simplistic (e.g. it is very generalised and does not address project specific value drivers but takes an "industry-wide" view). It provides a non-corroborative valuation check on the primary comparative transactions' valuation method, allowing CSA Global to assess the reasonableness of the derived comparative transactions valuation and whether there are any potential issues with the preferred primary valuation method.

For the Yardstick order of magnitude check, CSA Global used the spot price for gold as 10 September 2018 of A$1,680.42/oz (US$1,196.71/oz).

In addition, CSA Global utilised the following commonly used Yardstick factors:

- Inferred Mineral Resources: 0.5% to 1% of spot price
- Indicated Mineral Resources: 1% to 2% of spot price
- Measured Mineral Resources: 2% to 5% of spot price.
- Ore Reserves: 5% to 10% of spot price.

The spot price for gold as at 10 September 2018 used for the Yardstick order of magnitude check was consistent with that used for the evaluation of Comparative Transactions data so that the results could be compared.

3.5.1 Tampia Gold Project – Yardstick

As with the Comparable Transactions valuation of the Mineral Resources in Section 3.4.1, the Yardstick valuation has been done on the Mineral Resources outside of the Tampia FS mine plan as outlined in Section 3.3.

A summary of the Yardstick order of magnitude check for the Tampia Gold Project based on the Yardstick factors above, resulted in the valuation ranges and preferred values for the Mineral Resources outside the mine plan in Table 17. Table 27 in Appendix 3 contains the detailed breakdown for each Mineral Resource category based on Explaurum's attributable equity interest used in deriving Table 17.

Table 17: Summary Yardstick order of magnitude check of the Tampia Gold Project (Equity basis)

Mineral Resource	Gold (oz)	Explaurum equity (%)	Valuation (A$M)		
			Low	Preferred	High
Tampia	137,000	90	1.8	3.0	4.2

Note: The valuation has been compiled to an appropriate level of precision; values may not add up due to rounding.

3.6 Geoscientific Factor Rating

The Geoscientific Factor method of valuation requires the consideration of those aspects of a mineral property, which enhance or downgrade the intrinsic value of the property. The first and key aspect of the Geoscientific Factor method described by Kilburn (1990) is the derivation of the Base Acquisition Cost (BAC) that is the basis for the valuation. Goulevitch and Eupene (1994) discuss the derivation of BAC, which represents the average cost to identify, apply for and retain a base unit of area of tenement.

A BAC for Western Australia mineral exploration licences has been estimated using the following data:

- Based on the Government of Western Australia's Department of Mines, Industry Regulation and Safety tenement database as of 14 September 2018 and the West Australian mining code, it is determined that the average age of exploration licences in West Australia is 4.5 years, and the average size of these licences is approximately 73 km².
- An average cost to identify an area of interest of A$10,000 was chosen, as well as A$20,000 for the cost of landowner notices, negotiations, legal costs and compensation.
- An application fee of A$1,362/licence is payable
- The holding cost includes a rental of A$134/block or ~A$44.7/km² per annum for the initial three years and A$208/block or ~A$69.3/km² for the fourth and fifth years
- Western Australian mining law includes a minimum annual expenditure requirement of A$1,000/block or ~A$333.33/km² for the initial three years and A$1,500/block or ~A$500/km² for the fourth and fifth years.
- Annual shire rates are payable on mineral exploration licences in the Western Australia, estimated at $2,000 per annum.

This suggests a BAC for a Western Australia exploration licence of A$1,686/km², as shown in Table 18.

Table 18: Estimation of the BAC for Western Australia mineral exploration licences

Statistic	Unit	Value
Average licence size	km²	73
Average licence age	years	4.5
Application fee	A$ per licence	1,362
Annual rent year 1-3	A$ per km²	44.7
Annual rent year 4	A$ per km²	69.3
Minimal annual expenditure Year 1-3	A$ per km²	333.33
Minimal annual expenditure Year 4	A$ per km²	500
Deemed cost of identification of a licence	A$ per licence	10,000
Costs of landowner notices, negotiations, legal costs and compensation	A$ per licence	20,000
Annual costs of local govt rates	A$ per licence	2,000
BAC of average licence	A$ per km²	1,686

CSA Global used the Geoscience Factor method as a reasonableness check on the Tampia exploration licences valuation that was completed using Comparable Transactions in Section 3.4.2.

Factors indicated in Table 22 (Appendix 1) were considered in assessing the Technical Value of each of the tenements. The ratings for the Tampia Gold Project exploration licences are indicated in Table 28 (Appendix 4).

A Market Factor of 50% was applied based on CSA Global's professional judgement with reference to the valuation factors identified, (see Table 28 in Appendix 4), to derive a Fair Market Value from the Technical Value. The 0.5 market factor applied to the geoscientific valuation method derived an average value for the tenement package of approximately A$7,262/km^2 for the exploration licences, based on the preferred value (A$5.0 million divided by the area 689.3km^2). The value derived is relatively consistent with those of the Comparative Market Transactions valuation method (see Section 3.4).

A summary of the secondary valuation method, based on Geoscience Factors, is presented in Table 19.

Table 19: Summary of Geoscience Factor valuation of Tampia Gold Project exploration licences (Equity basis)

Tenements	Area (km^2)	Equity interest	Low (A$M)	Preferred (A$M)	High (A$M)
All Exploration Licences	689.3	90 & 100	1.2	5.0	8.8

Note: The valuation has been compiled to an appropriate level of precision; values may not add up due to rounding.

3.7 Valuation Summary

CSA Global has valued the Tampia Gold Project on the Mineral Resources not included in the FS mine plan and the exploration potential of the surrounding exploration licences, which contains targets prospective for gold that warrant further exploration.

3.7.1 Tampia Mineral Resources Not Included in Mine Plan

In forming an opinion on the market value of the Tampia Gold Project Mineral Resources not included in the FS mine plan, CSA Global has considered valuations derived from the Comparable Transactions as a primary method and Yardstick valuation as a secondary method (Figure 18).

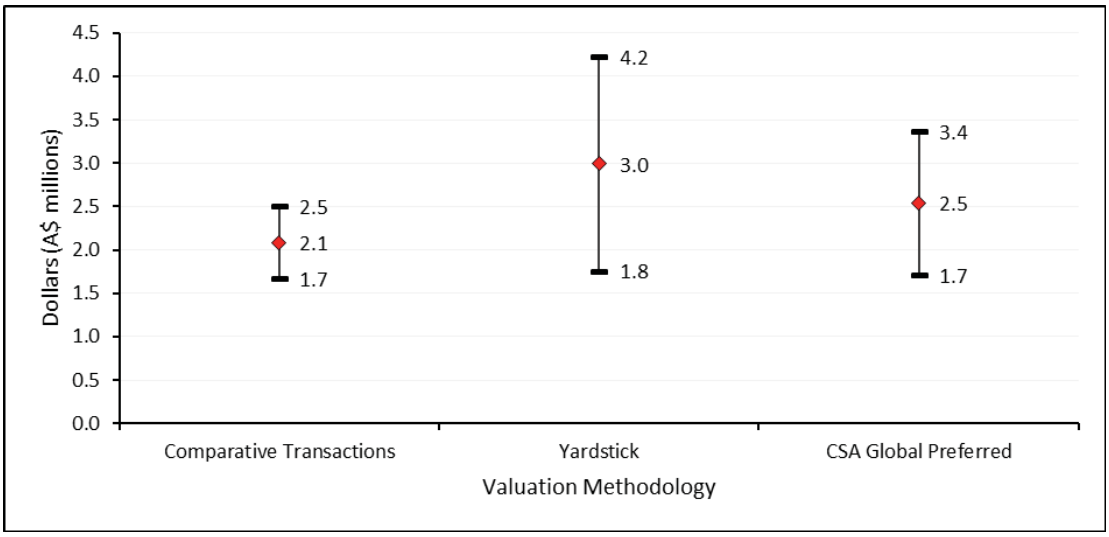

Figure 18: Tampia Mineral Resources – comparison of valuation techniques

CSA Global has elected to average the valuation numbers derived by the Comparative Transaction and Yardstick valuation methods to value Explaurum's Tampia Gold Project Mineral Resources not included in the FS mine plan. The secondary valuation by the Yardstick order of magnitude check determined that the Comparative Transactions valuation was reasonable. The Comparative Transactions valuation method is a primary valuation method and a more robust methodology for providing an indication of market value, compared to the Yardstick order of magnitude check, which is a secondary non-corroborative valuation method. However, CSA Global has used the Yardstick to provide additional guidance on potential value, due to being so similar to the comparative transactions.

3.7.2 Surrounding Exploration Tenure

In forming an opinion on the market value of the Tampia Gold Project exploration licences, CSA Global has considered valuations derived from the Comparable Transactions as a primary method and Geoscience Factor valuation method as a secondary method (Figure 19).

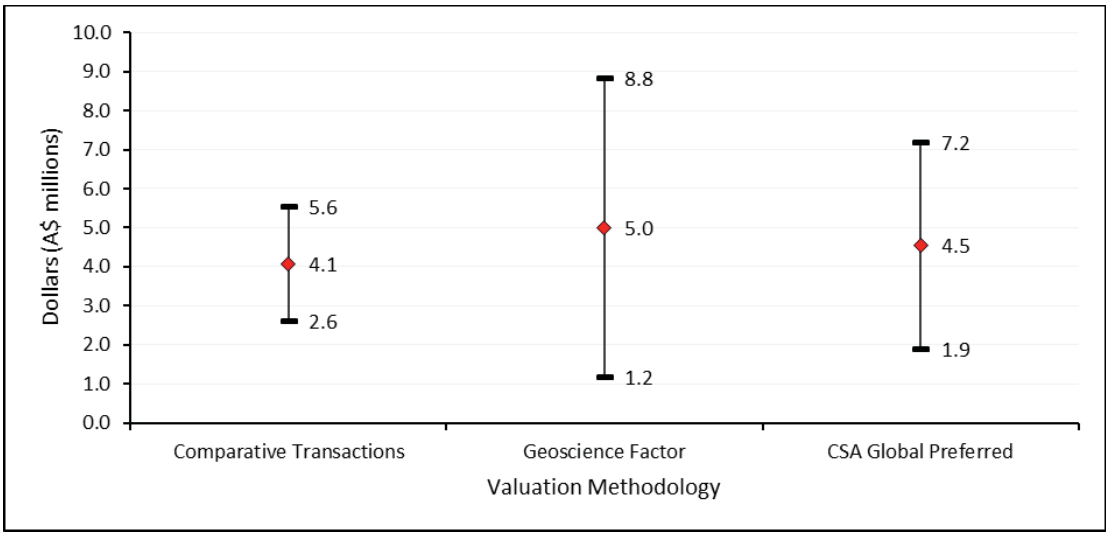

Figure 19: Tampia exploration licences – comparison of valuation techniques

CSA Global has elected to average the valuation numbers derived by the Comparative Transaction and Geoscience Factor valuation methods to value Explaurum's exploration licences. The Comparative Transactions valuation method is a primary valuation method and a more robust methodology for providing an indication of market value, compared to the Geoscience Factor valuation method. In this case, CSA Global believe that the secondary valuation by the Geoscience Factor method provides a greater insight into potential value.

3.7.3 Summary Valuation

CSA Global's opinion on the Market Value of Explaurum's Australian Mineral Assets (Table 20), as at 10 September 2018, is that it lies within a range of A$4.1 million to A$12.3 million, with a preferred value of A$8.2 million.

Table 20: Summary valuation of the Tampia Gold Project (Equity basis)

Mineral Asset	Equity (%)	Valuation (A$M)		
		Low	Preferred	High
Mineral Resources (not included in FS study mine plan)	90	1.7	2.5	3.4
Mining Licences - Mace	90	0.4	1.1	1.8
Exploration Tenure	90 & 100	1.9	4.5	7.2
Total	**90 & 100**	**4.1**	**8.2**	**12.3**

Note: The valuation has been compiled to an appropriate level of precision, values may not add up due to rounding

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5 Glossary

Below are brief descriptions of some terms used in this report. For further information or for terms that are not described here, please refer to internet sources such as Wikipedia www.wikipedia.org

amphibole	An important group of inosilicate minerals, forming prism or needle like crystals, composed of double chain SiO_4 tetrahedra, linked at the vertices and generally containing ions of iron and/or magnesium in their structures.
amphibolite:	A metamorphic crystalline rock consisting mainly of amphiboles and some plagioclase.
amphibolite facies:	The set of metamorphic mineral assemblages (facies) which is typical of regional metamorphism between 450-700°C.
Archaean:	Widely used term for the earliest era of geological time spanning the interval from the formation of Earth to about 2,500 million years ago.
arenite	Arenite is a sedimentary clastic rock with sand grain size between 0.0625 mm and 2 mm and contain less than 15% matrix.
arsenopyrite	Is an iron arsenic sulphide.
augen	Are large, lenticular eye-shaped mineral grains or mineral aggregates visible in some foliated metamorphic rocks. In cross section they have the shape of an eye.
basalt	Is a mafic extrusive igneous rock formed from the rapid cooling of magnesium-rich and iron-rich lava exposed at or very near the surface.
biotite	A common phyllosilicate mineral within the mica group.
chalcopyrite	Is a copper iron sulphide mineral.
charnockite	Is a granofels that contains orthopyroxene, quartz, and feldspar. Charnockite is frequently described as an orthopyroxene granite.
dolerite	Is a mafic, holocrystalline, subvolcanic rock equivalent to volcanic basalt or plutonic gabbro.
dyke	A tabular or sheet like igneous body that is often oriented vertically or steeply inclined to the bedding of pre-existing intruded rocks.
enstatite	A mineral; the magnesium endmember of the pyroxene silicate mineral series enstatite - ferrosilite. The magnesium rich members of the solid solution series are common rock-forming minerals found in igneous and metamorphic rocks.
feldspar	A group of rock-forming tectosilicate minerals that make up about 41% of the Earth's continental crust by weight. Feldspars crystallise from magma as veins in both intrusive and extrusive igneous rocks and are also present in many types of metamorphic rock.
felsic	In geology, felsic refers to igneous rocks that are relatively rich in elements that form feldspar and quartz.
gneiss	A high grade metamorphic rock, meaning that it has been subjected to higher temperatures and pressures than schist.
granite	A common type of felsic intrusive igneous rock that is granular and phaneritic in texture.
granulite	A class of high-grade metamorphic rocks of the granulite facies that have experienced high-temperature and moderate-pressure metamorphism.
graphite	A naturally-occurring form of crystalline carbon. It is a native element mineral found in metamorphic and igneous rocks.
greenstone belt	Are zones of variably metamorphosed mafic to ultramafic volcanic sequences with associated sedimentary rocks that occur within Archaean and Proterozoic cratons between granite and gneiss bodies.

kankar	A crust or layer of hard mineral or subsoil encrusted with calcium-carbonate occurring in arid or semiarid regions.
laterite	Is a soil and rock type rich in iron and aluminium and is commonly considered to have formed in hot and wet tropical areas. Nearly all laterites are of rusty-red coloration, because of high iron oxide content. They develop by intensive and prolonged weathering of the underlying parent rock.
leucosome	A leucosome is the lightest-coloured part of migmatite.
löllingite	Is an iron arsenide mineral. It is often found associated with arsenopyrite.
mafic	Is an adjective describing a silicate mineral or igneous rock that is rich in magnesium and iron.
migmatite	Is a rock that is a mixture of metamorphic rock and igneous rock. It is created when a metamorphic rock such as gneiss partially melts, and then that melt recrystallises into an igneous rock, creating a mixture of the unmelted metamorphic part with the recrystallised igneous part.
plagioclase	Is a series of tectosilicate (framework silicate) minerals within the feldspar group.
Proterozoic	An era of geological time from 2,500 Ma to 544 Ma.
ptygmatically	So as to give ptygmatic folds. Folds are chaotic, random and disconnected.
pyrite	Is an iron sulphide mineral.
pyroxene	An important rock-forming inosilicate mineral found in many igneous and metamorphic rocks.
pyrrhotite	Is an iron sulphide mineral. Pyrrhotite is also called magnetic pyrite, because the colour is similar to pyrite and it is weakly magnetic.
shale	Is a fine-grained, clastic sedimentary rock composed of mud that is a mix of flakes of clay minerals and tiny fragments (silt-sized particles) of other minerals, especially quartz and calcite. Shale is characterized by breaks along thin laminae or parallel layering or bedding less than one centimetre in thickness, called fissility.
sill	Is a tabular sheet intrusion that has intruded between older layers of sedimentary rock, beds of volcanic lava or tuff, or along the direction of foliation in metamorphic rock. A sill is a concordant intrusive sheet, meaning that a sill does not cut across pre-existing rock beds.
spinel	Is the magnesium aluminium member of the larger spinel group of minerals.
synform	A fold in rocks in which the rock layers dip inward from both sides toward a central line.
tholeiitic	Rocks in the tholeiitic magma series are classified as subalkaline (they contain less sodium than some other basalts) and are distinguished from rocks in the calc-alkaline magma series by the redox state of the magma they crystallized from (tholeiitic magmas are reduced; calc-alkaline magmas are oxidised.
wacke	Is a variety of sandstone generally characterized by its hardness, dark colour, and poorly sorted angular grains of quartz, feldspar, and small rock fragments or lithic fragments set in a compact, clay-fine matrix.

6 Abbreviations and Units of Measurement

3D	Three dimensional
A$	Australian dollars
As	Arsenic
ASX	Australian Securities Exchange
Au	Gold
Auzex	Auzex Exploration Limited
BDO	BDO Corporate Finance (QLD) Ltd
BFS	Bankable feasibility study
BHP	BHP Gold Mines Ltd
CSA Global	CSA Global Pty Ltd
CIL	Carbon in leach
CV	Coefficient of variation
DCF	Discounted cash flow
Dry Creek	Dry Creek Mining NL
Explaurum	Explaurum Limited
FS	Feasibility study
g	gram(s)
g/cm^3	grams per cubic centimetre – measurement of bulk density or specific gravity
g/t	grams per tonne equivalent to parts per million (ppm)
Goldoro	Goldoro Pty Ltd
GSWA	Geological Survey of Western Australia
ha	hectare(s)
KE	Kriging efficiency
km	kilometre(s)
km^2	square kilometre(s)
LIK	Localised indicator kriging
m	metre(s)
Ma	Mega annum (1 million years)
MIK	multiple indicator kriging
mm	millimetre(s)
Mt	Million tonne(s)
Mtpa	Million tonnes per annum
Nexus	Nexus Minerals NL
NPV	Net present value
OK	Ordinary kriging

oz	troy ounce (31.1035 grams)
ppb	parts per billion
QAQC	quality assurance and quality control (for sampling and assaying)
RAB	Rotary air blast (drilling technique)
RBA	Reserve Bank of Australia
RC	Reverse circulation (drilling technique)
RSC	RSC Consulting Ltd
SG	specific gravity
SMU	selective mining unit
t	tonnes
t/m^3	tonnes per cubic metre – measurement of bulk density or specific gravity
Tampiagold	Tampiagold Pty Ltd
UFG	ultra fine grind
US$	United States of America dollars

Appendix 1: Valuation Approaches

Background

Mineral Assets are defined in the VALMIN Code as all property including (but not limited to) tangible property, intellectual property, mining and exploration Tenure and other rights held or acquired in connection with the exploration, development of and production from those Tenures. This may include the plant, equipment and infrastructure owned or acquired for the development, extraction and processing of Minerals in connection with that Tenure.

Business valuers typically define market value as "The price that would be negotiated in an open and unrestricted market between a knowledgeable, willing, but not anxious buyer, and a knowledgeable, willing but not anxious seller acting at arm's length." The accounting criterion for a market valuation is that it is an assessment of "fair value", which is defined in the accounting standards as "the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction." The VALMIN Code defines the value of a Mineral Asset as its Market Value, which is "the estimated amount (or the cash equivalent of some other consideration) for which the Mineral Asset should exchange on the date of Valuation between a willing buyer and a willing seller in an arm's length transaction after appropriate marketing where the parties had each acted knowledgeably, prudently and without compulsion".

Market Value usually consists of two components, the underlying or Technical Value, and a premium or discount relating to market, strategic or other considerations. The VALMIN Code recommends that a preferred or most-likely value be selected as the most likely figure within a range after taking into account those factors which might impact on Value.

The concept of Market Value hinges upon the notion of an asset changing hands in an arm's length transaction. Market Value must therefore take into account, inter alia, market considerations, which can only be determined by reference to "comparable transactions". Generally, truly comparable transactions for Mineral Assets are difficult to identify due to the infrequency of transactions involving producing assets and/or Mineral Resources, the great diversity of mineral exploration properties, the stage to which their evaluation has progressed, perceptions of prospectivity, tenement types, the commodity involved and so on.

For exploration tenements, the notion of value is very often based on considerations unrelated to the amount of cash which might change hands in the event of an outright sale, and in fact, for the majority of tenements being valued, there is unlikely to be any "cash equivalent of some other consideration". Whilst acknowledging these limitations, CSA Global has identified what it considers to be comparable transactions that have been used in assessing the values to be attributed to the Mineral Assets.

Valuation Methods for Exploration Projects

The choice of valuation methodology applied to Mineral Assets, including exploration licences, will depend on the amount of data available and the reliability of that data.

The VALMIN Code classifies Mineral Assets into categories that represent a spectrum from areas in which mineralisation may or may not have been found through to Operating Mines which have well-defined Ore Reserves, as listed below:

- **"Early-stage Exploration Projects"** – tenure holdings where mineralisation may or may not have been identified, but where Mineral Resources have not been identified.
- **"Advanced Exploration Projects"** – tenure holdings where considerable exploration has been undertaken and specific targets identified that warrant further detailed evaluation, usually by drill testing, trenching or some other form of detailed geological sampling. A Mineral Resource estimate may

or may not have been made but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more of the prospects to the Mineral Resources category.

- **"Pre-Development Projects"** – tenure holdings where Mineral Resources have been identified and their extent estimated (possibly incompletely) but where a decision to proceed with development has not been made.
- **"Development Projects"** – tenure holdings for which a decision has been made to proceed with construction or production or both, but which are not yet commissioned or operating at design levels. Economic viability of Development Projects will be proven by at least a Prefeasibility Study.
- **"Production Projects"** – tenure holdings – particularly mines, wellfields and processing plants – that have been commissioned and are in production.

Each of these different categories will require different valuation methodologies, but regardless of the technique employed, consideration must be given to the perceived "market valuation".

The Market Value of Exploration Properties and Undeveloped Mineral Resources can be determined by four general approaches: Cost; Market; Geoscience Factor or Income.

Cost

Appraised Value or Exploration Expenditure Method considers the costs and results of historical exploration.

The Appraised Value Method utilises a Multiple of Exploration Expenditure (MEE), which involves the allocation of a premium or discount to past expenditure through the use of the Prospectivity Enhancement Multiplier (PEM). This involves a factor which is directly related to the success (or failure) of the exploration completed to date, during the life of the current tenements.

Guidelines for the selection of a PEM factor have been proposed by several authors in the field of mineral asset valuation (Onley, 1994). Table 21 lists the PEM factors and criteria used in the Report.

Table 21: Prospectivity Enhancement Multiplier (PEM) factors

PEM range	Criteria
0.2–0.5	Exploration (past and present) has downgraded the tenement prospectivity, no mineralisation identified
0.5–1.0	Exploration potential has been maintained (rather than enhanced) by past and present activity from regional mapping
1.0–1.3	Exploration has maintained, or slightly enhanced (but not downgraded) the prospectivity
1.3–1.5	Exploration has considerably increased the prospectivity (geological mapping, geochemical or geophysical activities)
1.5–2.0	Scout drilling (RAB, air-core, reverse circulation percussion) has identified interesting intersections of mineralisation
2.0–2.5	Detailed drilling has defined targets with potential economic interest
2.5–3.0	A Mineral Resource has been estimated at Inferred JORC category, no concept or scoping study has been completed
3.0–4.0	Indicated Mineral Resources have been estimated that are likely to form the basis of a Prefeasibility Study
4.0–5.0	Indicated and Measured Resources have been estimated and economic parameters are available for assessment

Market

Market Approach Method or Comparable Transactions looks at prior transactions for the property and recent arm's length transactions for comparable properties.

The Comparable Transaction method provides a useful guide where a mineral asset that is comparable in location and commodity has in the recent past been the subject of an "arm's length" transaction, for either cash or shares.

In an exploration joint venture or farm-in, an equity interest in a tenement or group of tenements is usually earned in exchange for spending on exploration, rather than a simple cash payment to the tenement holder. The joint venture or farm-in terms, of themselves, do not represent the Value of the tenements concerned. To determine a Value, the expenditure commitments should be discounted for time and the probability that the commitment will be met. Whilst some practitioners invoke complex assessments of the likelihood that commitments will be met, these are difficult to justify at the outset of a joint venture, and it seems more reasonable to assume a 50:50 chance that a joint venture agreement will run its term. Therefore, in analysing joint venture terms, a 50% discount may be applied to future committed exploration, which is then "grossed up" according to the interest to be earned to derive an estimate of the Value of the tenements at the time that the agreement was entered into.

Where a progressively increasing interest is to be earned in stages, it is likely that a commitment to the second or subsequent stages of expenditure will be so heavily contingent upon the results achieved during the earlier phases of exploration that assigning a probability to the subsequent stages proceeding will in most cases be meaningless. A commitment to a minimum level of expenditure before an incoming party can withdraw must reflect that party's perception of minimum value and should not be discounted. Similarly, any up-front cash payments should not be discounted.

The terms of a sale or joint venture agreement should reflect the agreed value of the tenements at the time, irrespective of transactions or historical exploration expenditure prior to that date. Hence the current Value of a tenement or tenements will be the Value implied from the terms of the most recent transaction involving it/them, plus any change in Value as a result of subsequent exploration. Where the tenements comprise applications over previously open ground, little to no exploration work has been completed and they are not subject to any dealings, it is thought reasonable to assume that they have minimal, if any Value, except perhaps, the cost to apply for, and therefore secure a prior right to the ground, unless of course there is competition for the ground and it was keenly sought after. Such tenements are unlikely to have any Value until some exploration has been completed, or a deal has been struck to sell or joint venture them, implying that a market for them exists.

High quality Mineral Assets are likely to trade at a premium over the general market. On the other hand, exploration tenements that have no defined attributes apart from interesting geology or a "good address" may well trade at a discount to the general market. Market Values for exploration tenements may also be impacted by the size of the land holding, with a large, consolidated holding in an area with good exploration potential attracting a premium due to its appeal to large companies.

Geoscience Factor

The Geoscience Factor method seeks to rank and weight geological aspects, including proximity to mines, deposits and the significance of the camp and the commodity sought.

The Geoscience Factor (or Kilburn) method, as described by Kilburn (1990) and expanded on by Goulevitch and Eupene (1994), provides an approach for the technical valuation of the exploration potential of mineral properties, on which there are no defined resources.

Valuation is based upon a calculation in which the geological prospectivity, commodity markets, and mineral property markets are assessed independently. The Geoscientific Factor method is essentially a technique to define a Value based upon geological prospectivity. The method appraises a variety of mineral property characteristics:

- Location with respect to any off-property mineral occurrence of value, or favourable geological, geochemical or geophysical anomalies
- Location and nature of any mineralisation, geochemical, geological or geophysical anomaly within the property and the tenor of any mineralisation known to exist on the property being valued

- Number and relative position of anomalies on the property being valued
- Geological models appropriate to the property being valued.

The Geoscientific Factor method systematically assesses and grades these four key technical attributes of a tenement to arrive at a series of multiplier factors (Table 22).

The Basic Acquisition Cost (BAC) is an important input to the Geoscientific Factor method and it is calculated by summing the application fees, annual rent, work required to facilitate granting (e.g. native title, environmental etc.) and statutory expenditure for a period of 12 months. Each factor is then multiplied serially by the BAC to establish the overall technical value of each mineral property. A fifth factor, the market factor, is then multiplied by the technical value to arrive at the fair market value.

Yardstick

The Rule-of-Thumb (Yardstick) method is relevant to exploration properties where some data on tonnage and grade exist may be valued by methods that employ the concept of an arbitrarily ascribed current in situ net value to any Ore Reserves (or Mineral Resources) outlined within the tenement (Lawrence 2001, 2012).

Rules-of-Thumb (Yardstick) methods are commonly used where a Mineral Resource remains is in the Inferred category and available technical/economic information is limited. This approach ascribes a heavily discounted in-situ value to the Resources, based upon a subjective estimate of the future profit or net value (say per tonne of ore) to derive a rule-of-thumb.

This Yardstick multiplier factor applied to the Resources delineated (depending upon category) varies depending on the commodity. Typically, a range from 0.4% to 3% is used for base metals and PGM, whereas for gold and diamonds a range of 2% to 4.5% is used. The method estimates the in situ gross metal content value of the mineralisation delineated (using the spot metal price and appropriate metal equivalents for polymetallic mineralisation as at the valuation date).

The chosen percentage is based upon the valuer's risk assessment of the assigned JORC Code's Mineral Resource category, the commodity's likely extraction and treatment costs, availability/proximity of transport and other infrastructure (particularly a suitable processing facility), physiography and maturity of the mineral field, as well as the depth of the potential mining operation.

Income

The Income Approach is relevant to exploration properties on which undeveloped Mineral Resources have been identified by drilling. Value can be derived with a reasonable degree of confidence by forecasting the cash flows that would accrue from mining the deposit, discounting to the present day and determining a net present value (NPV).

The Income Approach is not appropriate for properties without Mineral Resources.

Table 22: Geoscience Factor Ranking

Rating	Address/Off-property factor	On-property factor	Anomaly factor	Geological factor
0.5	Very little chance of mineralisation; Concept unsuitable to the environment	Very little chance of mineralisation; Concept unsuitable to the environment	Extensive previous exploration with poor results	Generally unfavourable lithology; No alteration of interest
1	Exploration model support; Indications of prospectivity; Concept validated	Exploration model support; Indications of Prospectivity; Concept validated	Extensive previous exploration with encouraging results; Regional targets	Deep cover; Generally favourable lithology/alteration (70%)
1.5	Reconnaissance (RAB/aircore) drilling with some scattered	Exploratory sampling with encouragement	Several early stage targets outlined from	Shallow cover; Generally favourable

Rating	Address/Off-property factor	On-property factor	Anomaly factor	Geological factor
	favourable results; Minor workings		geochemistry and geophysics	lithology/alteration (50% to 60%)
2	Several old workings; Significant reverse circulation percussion drilling leading to advanced project	Several old workings; reconnaissance drilling or reverse circulation percussion drilling with encouraging intersections	Several well-defined targets supported by recon drilling data	Exposed favourable; Lithology/alteration
2.5	Abundant workings; Grid drilling with encouraging results on adjacent sections	Abundant workings; Core drilling after reverse circulation percussion with encouragement	Several well-defined targets with encouraging drilling results	Strongly favourable lithology, alteration
3	Mineral Resource areas defined	Advanced resource definition drilling (early stages)	Several significant sub-economic targets; No indication of "size"	Generally favourable lithology with structures along strike of a major mine; Very prospective geology
3.5	Abundant Workings/mines with significant historical production; Adjacent to known mineralisation at PFS stage	Abundant workings/mines with significant historical production; Mineral Resource areas defined	Several significant sub-economic targets; Potential for significant "size"; Early stage drilling	
4	Along strike or adjacent to Resources at Definitive Feasibility Study stage	Adjacent to known mineralisation at PFS stage	Marginally economic targets of significant "size" advanced drilling	
4.5	Adjacent to development stage project	Along strike or adjacent to Resources at Definitive Feasibility Study stage	Marginal economic targets of significant "size" with well drilled Inferred Resources	
5	Along strike from operating major mine(s)	Adjacent to development stage project	Several significant ore grade co-relatable intersections	

Valuation Approaches by Asset Stage

Regardless of the technical application of various valuation methods and guidelines, the valuer should strive to adequately reflect the carefully considered risks and potentials of the various projects in the valuation ranges and the preferred values, with the overriding objective of determining the "fair market value".

Table 23 below shows the valuation approaches that are generally considered appropriate to apply to each type of mineral property.

Table 23: Valuation approaches for different types of mineral properties (VALMIN, 2015)

Valuation approach	Exploration properties	Mineral Resource properties	Development properties	Production properties
Income	No	In some cases,	Yes	Yes
Market	Yes	Yes	Yes	Yes
Cost	Yes	In some cases,	No	No

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Appendix 2: Comparable Transactions

Table 24: Selected comparative transactions of gold Mineral Resources in Australia

Date	Project	Buyer	Seller	Mineral Resource grade (g/t)	Mineral Resource contained Au (Moz)	Measured and Indicated Resources (%)	Transaction value (100%) A$M	Implied value A$/oz	Normalised value A$/oz
13-Sep-18	Marda	Ramelius Resources Ltd	Black Oak Minerals Ltd	1.96	0.33	76	13.00	38.98	39.15
30-Jul-18	Central Tanami	Northern Star Resources Ltd	Tanami Gold NL	2.80	2.74	59	133.33	48.59	49.40
17-May-18	Kirkalocka	Adaman Resources Pty Ltd	Shandong Tyan Home Co. Ltd	1.10	0.55	78	12.00	21.90	21.46
29-Jan-18	Horse Well	Alloy Resources Ltd	Doray Minerals Ltd	2.76	0.08	0	4.55	60.53	61.40
1-Dec-17	Eureka	Tyranna Resources Ltd	Central Iron ore Ltd	4.40	0.06	0	3.20	49.84	49.54
23-Jun-17	Tuckabianna	Westgold Resources Ltd	Silver Lake Resources Ltd	2.04	0.52	31	8.50	16.22	16.42
18-May-17	Kat Gap	Classic Minerals Ltd	Sulphide Resources Pty Ltd	2.90	0.04	Unknown	0.40	9.45	9.41
5-May-17	Black Cat	Beacon Minerals Ltd	Flinders Exploration Ltd	2.00	0.02	53	0.59	24.80	25.14
24-Apr-17	Bundarra	Saracen Mineral Holdings Ltd	Bligh Resources Ltd	1.90	0.43	67	9.00	20.88	20.85
8-Mar-17	Ant Hill	Intermin Resources Ltd	Echo Resources Ltd	1.00	0.16	18	0.30	1.88	1.97
23-Feb-17	Blayney	Regis Resources Ltd	Aeris Resources Ltd	0.66	1.10	18	3.25	2.97	3.08
22-Dec-16	Dalgaranga	Gascoyne Resources Ltd	Private Vendor	1.40	1.12	63	43.68	39.00	41.82
6-Dec-16	Trojan	Overland Resources Ltd	Westgold Resources Ltd	1.61	0.14	64	0.88	6.10	6.53
1-Nov-16	Cargo	Agricultural Equity Investments Pty Ltd	Golden Cross Resources Ltd	0.84	0.28	0	0.50	1.78	1.78
3-Aug-16	Coolgardie	Primary Gold Ltd	MacPhersons Resources Ltd	1.63	0.20	62	9.45	47.11	44.19
21-Jul-16	Lake Carey	Matsa Resources Ltd	Fortitude Gold Pty Ltd	1.90	0.39	45	1.75	4.54	4.33
12-May-16	Plutonic Dome	Vango Mining Ltd	Dampier Gold Ltd	3.10	0.82	54	5.50	6.71	6.53
6-May-16	Zeus	Hanking Gold Mining Pty Ltd	Cazaly Resources Ltd	1.97	0.03	0	0.22	7.42	7.11
31-Mar-16	Gunga West	Metals X Ltd	Kidman Resources Ltd	1.70	0.07	82	1.50	20.55	21.52
27-Jan-16	Burbanks & Gunga West	Kidman Resources Ltd	Blue Tiger Mines Pty Ltd	2.85	0.17	30	7.50	43.60	46.25
21-Dec-15	Twin Hills	Melrose Resources Pty Ltd	Golden Deeps Ltd	20.86	0.01	100	0.05	4.25	4.76
16-Dec-15	Spring Hill	PC Gold Pty Ltd	Thor Mining Plc	1.74	0.39	100	3.36	8.65	9.72
10-Nov-15	Cheritons Find	Hanking Gold Mining Pty Ltd	Riedel Resources Ltd	2.46	0.11	0	0.70	6.33	6.85
26-Oct-15	Karlawinda	Malagasy Minerals Ltd	Greenmount Resources Pty Ltd	1.10	0.65	0	6.00	9.22	9.64

Date	Project	Buyer	Seller	Mineral Resource grade (g/t)	Mineral Resource contained Au (Moz)	Measured and Indicated Resources (%)	Transaction value (100%) A$M	Implied value A$/oz	Normalised value A$/oz
20-Aug-15	Kailis & King of the Hills	Saracen Mineral Holdings Ltd	St Barbara Ltd	5.15	0.39	98	2.14	5.46	5.86
18-Aug-15	Redcliffe	Northern Manganese Ltd	Redcliffe Resources Ltd	1.57	0.28	30	0.98	3.53	3.89
5-Aug-15	Spargoville	Maximus Resources Ltd	Tychean Resources Ltd	17.99	0.13	93	0.75	5.73	6.52
31-Jul-15	Mt Henry	Metals X Ltd	Panoramic Resources Ltd & Matsa Resources Ltd	1.19	0.92	76	24.75	26.82	16.85
31-Jul-15	Grosvenor Gold and Peak Hill	Metals X Ltd	Resource & Investment NL	1.79	1.97	66	20.25	10.28	11.60
9-Jun-15	Ulysses	Genesis Minerals Ltd	Private Vendor	2.10	0.14	93	0.66	4.77	5.23
26-Mar-15	Beatons Creek	Novo Resources Corporation	Millennium Minerals Ltd	1.50	0.42	0	3.80	9.03	9.85
24-Feb-15	Hermes	Northern Star Resources Ltd	Alchemy Resources Ltd	2.00	0.21	100	1.45	6.84	7.50
13-Nov-14	White Well	Private purchaser	Mutiny Gold Ltd & Private Individual	0.77	0.11	81	1.30	11.50	14.53
7-Nov-14	Mt Jewell	Norton Gold Fields Ltd	KalNorth Gold Mines Ltd	1.00	0.28	77	1.80	6.53	8.11

Note: The spot price used for normalising the transactions was A$1,680.42/oz

Table 25: Comparative transactions of exploration licences prospective for gold in Australia

Date	Project	Buyer	Seller	Prospective commodities	Transaction type	Transaction value (100%) A$k	Implied value A$/km^2	Normalised value A$/km^2
3-Sep-18	Mon Ami Area	Great Southern Mining Ltd	Strategic Minerals Plc	Au	Acquisition – 100%	145	2,876	2,903
23-Aug-18	Pilbara	Pacton Gold Inc.	Arrow Minerals Ltd	Au	Acquisition – 49%	4,147	6,809	6,993
31-Jul-18	Holleton	Ramelius Resources Ltd	Element 25 Ltd	Au	Acquisition – 100%	1,000	2,604	2,662
18-Jun-18	Ruby Plains	Dampier Gold Ltd	Private Seller	Au	Acquisition – 100%	473	577	563
7-Jun-18	Lefroy	St Ives Gold Mining Company Pty Ltd	Lefroy Exploration Ltd	Au	Joint Venture – 51%	16,996	45,688	45,183
25-May-18	South Darlot	Kingwest Resources Ltd	Central Iron Ore Ltd	Au	Acquisition – 100%	580	2,007	1,954
8-May-18	Euro	Newcrest Mining Ltd	Prodigy Gold NL	Au	Joint Venture – 51%	9,723	2,796	2,674
4-May-18	Kirkalocka	Bar None Exploration Pty Ltd	Blaze International Ltd	Au	Acquisition – 100%	100	3,012	2,904
2-May-18	Connors Arc	Evolution Mining Ltd	Orion Minerals Ltd	Au	Acquisition – 100%	2,500	781	754

Date	Project	Buyer	Seller	Prospective commodities	Transaction type	Transaction value (100%) A$k	Implied value A$/km²	Normalised value A$/km²
18-Apr-18	Slate Dam	Aruma Resources Ltd	Rare Earth Contracting Pty Ltd	Au	Acquisition – 100%	66	3,474	3,363
16-Apr-18	Ockerburry Hill	Red 5 Ltd	AngloGold Ashanti Australia Ltd	Au	Acquisition – 100%	45	664	643
29-Mar-18	Warrawoona	Calidus Resources Ltd	Gardner Mining Pty Ltd	Au	Acquisition – 100%	77	1,714	1,669
26-Feb-18	Queen Lapage	Riversgold Ltd	Alloy Resources Ltd	Au	Joint Venture – 70%	448	1,392	1,377
5-Feb-18	South Yamarna	Gold Road Resources Ltd	Sumitomo Metal Mining Oceania Pty Ltd	Au	Acquisition – 50%	14,000	5,675	5,665
31-Jan-18	Mary River	Pantoro Ltd	Private Seller	Au	Acquisition – 100%	80	1,246	1,260
22-Dec-17	Hacks Well	Matsa Resources Ltd	Australian Potash Ltd	Au	Acquisition – 100%	55	611	622
22-Dec-17	Mt Roe	NXGold Ltd	Roe Gold Ltd	Au	Acquisition – 80%	8,421	701,708	714,281
22-Dec-17	Omni Projects	Gateway Mining Ltd	OMNI GeoX Pty Ltd	Au-BM	Acquisition – 100%	1,500	1,120	1,140
13-Dec-17	Pilbara Region	Tando Resources Ltd	Geko-Co Pty Ltd	Au	Option to Acquire – 100%	223	9,935	10,190
12-Dec-17	Dalgaranga	Gascoyne Resources Ltd	Private Seller	Au	Acquisition – 100%	499	3,868	3,966
22-Nov-17	Eastman	Peako Ltd	Sandrib Pty Ltd	Au-BM	Joint Venture – 60%	920	4,160	4,111
8-Nov-17	Croydon Top Camp	Coziron Resources Ltd	Creasy Group Companies	Au	Joint Venture – 70%	1,829	5,768	5,787
6-Nov-17	Black Hills	Greatland Gold Plc	Private Seller	Au	Acquisition – 100%	225	9,000	9,096
3-Oct-17	Mertondale East	Magnetic Resources NL	Private Seller	Au	Acquisition – 100%	40	13,333	13,764
29-Sep-17	Charteris Creek	LMTD Wits Pty Ltd	Riedel Resources Ltd	Au	Acquisition – 100%	500	4,065	4,173
5-Sep-17	Yandal East	Overland Resources Ltd	Zabina Minerals Pty Ltd	Au	Option to Acquire – 75%	1,030	3,146	3,174
21-Aug-17	Pilbara	De Grey Mining Ltd	Private Seller	Au	Joint Venture – 30%	3,081	13,633	14,086
6-Jun-17	Dumbleyung	Ausgold Ltd	Chalice Gold Mines Ltd	Au	Acquisition – 100%	330	716	698
18-Nov-16	Harris Find	Great Western Exploration Ltd	Diversified Asset Holdings Pty Ltd and Brutus Constructions Pty Ltd	Au	Acquisition – 80%	619	17,203	17,586
27-Jul-16	Monument	Syndicated Metals Ltd	Monument Exploration Pty Ltd	Au	Acquisition – 100%	250	1,190	1,124
31-May-16	Mt Gill & Mt Howe	Gold Road Resources Ltd	Breaker Resources Ltd	Au	Acquisition – 100%	50	226	227
11-Mar-16	Doolgunna	DGO Gold Ltd	Tasex Geological Services Pty Ltd	Au-Cu	Joint Venture – 51%	170	2,499	2,522
4-Nov-15	Duffy Well	Doray Minerals Ltd	Mithril Resources Ltd	Au	Joint Venture – 51%	579	5,910	6,374
8-Sep-15	Jillewarra	Timpetra Resources Ltd	Zebina Minerals Pty Ltd	Au	Joint Venture – 80%	731	3,275	3,433
1-Sep-15	Combaning, Barellan	Faraday Resources Pty Ltd	Carpentaria Exploration Ltd	Au	Joint Venture – 90%	212	366	379
20-Jul-15	Prospect Creek	Cape Clear Minerals Pty Ltd	ActiveEX Ltd	Au	Joint Venture – 50%	372	4,598	5,132
14-Jul-15	Duketon	Regis Resources Ltd	Duketon Mining Ltd	Au	Joint Venture – 75%	1,345	3,607	3,906

Date	Project	Buyer	Seller	Prospective commodities	Transaction type	Transaction value (100%) A$k	Implied value A$/km²	Normalised value A$/km²
2-Jul-15	Fraser Range	Legend Mining Ltd	Creasy Group Companies	Ni-Cu-Au	Acquisition – 70%	4,286	1,694	1,868
22-May-15	Lyndon	Shine Resources Pty Ltd	Latitude Consolidated Ltd	Au-BM	Acquisition – 45%	50	877	956
28-Apr-15	Mt Windsor	Red River Resources Ltd	NRE Exploration Pty Ltd	Au-Cu	Joint Venture – 51%	505	3,278	3,636
29-Sep-14	Supplejack	ABM Resources NL	Ord River Resources	Au	Option to Joint Venture – 70%	747	2,461	2,963
22-Sep-14	Cape Clear	Cape Clear Minerals Pty Ltd	Predictive Discovery Ltd	Au	Joint Venture – 51%	467	2,912	3,577
16-Jul-14	Gnaweeda	Doray Minerals Ltd	Archean Star Resources Australia Pty Ltd	Au	Acquisition – 88%	568	3,190	3,856
23-Jun-14	Fraser Range South	MRG Metals Ltd	Tasex Geological Services Pty Ltd	Ni-Au	Option to Acquire – 100%	153	1,027	1,234
27-May-14	Highland Rocks	Ramelius Resources Ltd	Tychean Resources Ltd	Au	Joint Venture – 85%	569	335	410
14-May-14	(Near Twin Bonanza)	ABM Resources NL	Toro Energy Ltd	Au	Acquisition – 100%	100	176	213
30-Apr-14	Marymia	Riedel Resources Ltd	Australian Mines Ltd	Cu-Au	Joint Venture – 51%	2,628	6,182	7,442
26-Mar-14	Plumridge	Segue Resources Ltd	Fraser Range Metals Group Ltd	Ni-Cu-Au	Joint Venture – 51%	2,176	3,395	4,035
10-Mar-14	Telfer Area	Newcrest Operations Ltd	Ram Resources Ltd	Au-Cu	Acquisition – 100%	646	8,418	9,516
7-Mar-14	Mystique Gold	Parmelia Resources Ltd	Black Fire Minerals Ltd & Entree Gold Inc.	Au	Acquisition – 100%	306	1,494	1,706
13-Feb-14	Zanthus	Rumble Resources Ltd	Blackham Resources Ltd	Ni-Cu-Au	Joint Venture – 20%	300	811	943
16-Jan-14	Charteris Creek	Fortescue Metals Group	Riedel Resources Ltd	Au-BM-Fe	Joint Venture – 51%	340	2,595	3,092

Notes: Prospective commodities; Au – gold, BM – base metals, Cu – copper, Ni - nickel. The Joint Venture transaction earn-in percentage is the first earn-in percentage. The spot price used for normalising the transactions was A$1,680.42/oz

Table 26: Comparative transactions of mining licences prospective for gold in Western Australia

Date	Project	Buyer	Seller	Prospective commodities	Transaction type	Transaction value (100%) A$K	Implied value A$/km^2	Normalised value A$/km^2
24-May-18	Mulwarrie	Spitfire Materials Ltd	Goldfield Argonaut Pty Ltd	Au	Acquisition – 49%	2,184	1,215,380	1,184,411
15-Mar-18	Trojan	Aruma Resources Ltd	Westgold Resources Ltd	Au	Acquisition – 100%	132	15,086	15,042
6-Mar-18	Nemesis	Pantoro Ltd	Private Seller	Au	Acquisition – 80%	385	272,173	267,119
22-Feb-18	Mt Lucky	Forte Consolidated Ltd	Valleybrook Investments Pty Ltd	Au	Acquisition – 100%	550	940,814	934,085
17-Jan-18	Wallbrook	Nexus Minerals Ltd	Saracen Mineral Holdings Ltd	Au	Acquisition – 100%	142	5,837	5,861
13-Nov-17	Birthday Gift	Barra Resources Ltd	Kidman Resources Ltd	Au	Acquisition – 100%	121	39,888	40,016
6-Nov-17	Fieldings Gully	Calidus Resources Ltd	Haoma Mining Ltd	Au	Acquisition – 100%	2,113	171,191	173,010
29-Sep-17	Red Dog	Matsa Resources Ltd	Private Seller	Au	Acquisition – 100%	125	153,186	157,273
5-Sep-17	Western Queen	Monax Mining Ltd	Ramelius Resources Ltd	Au	Joint Venture – 60%	2,889	294,825	297,401
5-May-17	Jaurdi	Beacon Minerals Ltd	Flinders Exploration Ltd and JH Mining Ltd	Au	Acquisition – 100%	580	101,754	103,160
24-Jan-17	Menzies	Intermin Resources Ltd	Private Seller	Au	Acquisition – 30%	83	16,700	17,550

Notes: Prospective commodities; Au – gold. The Joint Venture transaction earn-in percentage is the first earn-in percentage

Appendix 3: Detailed Yardstick Valuation

Table 27: Tampia Gold Project – detailed Yardstick valuation

Mineral Resource	Classification	Ounces	Equity (%)	Yardstick factors			Valuation (A$M)		
				Low	Preferred	High	Low	Preferred	High
Tampia	Indicated	95,000	90	1.0%	1.50%	2.00%	1.4	2.5	3.6
	Inferred	42,000	90	0.5%	0.75%	1.00%	0.3	0.5	0.6
	Total	**137,000**	**90**				**1.8**	**3.0**	**4.2**

Appendix 4: Detailed Geoscientific Factor Rating Valuation

Table 28: Tampia Gold Project exploration licence Geoscientific Factor Rating valuation

Tenement	Equity	Area (km^2)	Off property		On property		Anomaly		Geology		Valuation (A$M)		
			Low	High	Low	High	Low	High	Low	High	Low	Preferred	High
E70/2132	90%	30.3	3.5	4	1	4.5	2	2.5	1	2	0.16	1.11	2.07
E70/4411	100%	20.4	3.5	4	3	4.5	2	2.5	1	1.5	0.36	0.76	1.16
E70/4420	100%	2.5	1	1.5	3	3.5	1	1.5	1	1.5	0.01	0.02	0.02
E70/4433	100%	2.9	3.5	4	3	4.5	2	2.5	1	1.5	0.05	0.11	0.17
E70/4473	100%	16.4	1	4	3	3.5	1.5	2	1	1.5	0.06	0.32	0.58
E70/4474	100%	5.8	0.5	1	1	1.5	1	1.5	1	1.5	0.00	0.01	0.02
E70/4616	100%	8.7	3.5	4	3	4.5	2	2.5	1	1.5	0.15	0.33	0.50
E70/4721	100%	142.6	1.5	3	1.5	3.5	1	2	1	1.5	0.27	2.03	3.79
E70/4950	100%	93.1	1	1.5	1.5	2	1	1.5	1	1.5	0.12	0.32	0.53
E70/5141	100%	366.7	0.5	1	0.5	1	0.5	1	0.5	1	0.02	0.16	0.31
Total		**689.3**	-	-	-	-	-	-	-	-	**1.19**	**5.01**	**8.83**

Notes: The BAC used was A$1,686/$km^2$ and a 0.5 market factor was applied

Australia • Canada • Indonesia • Russia
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